

# LIONTRUST INVESTMENT FUNDS I

Annual Report &  
Financial Statements

For the year:  
1 January 2019  
to  
31 December 2019

Managed in accordance with  
The Liontrust Global Equity Process

LIONTRUST INVESTMENT MANAGEMENT LIMITED

 **LIONTRUST**



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# Management and Administration

## Management and Administration

The Authorised Corporate Director ('ACD') of Liontrust Investment Funds I (the 'Company') is:

### Liontrust Investment Management Limited\*

The registered office of the ACD and the Company is 2 Savoy Court, London, WC2R 0EZ.

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

### Investment Adviser

The Investment Adviser is Liontrust Investment Partners LLP (appointed in December 2019)

### Depositary

State Street Trustees Limited  
Quartermile 3, 10 Nightingale Way,  
Edinburgh EH3 9EG

(Authorised and regulated by the FCA)

### Fund Accountant and Valuing Agent

State Street Bank & Trust Company Limited  
20 Churchill Place  
London E14 5HJ

### Auditor

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

### Administrator and Registrar

DST Financial Services International Limited  
PO Box 9004  
Chelmsford CM99 2WR

(Authorised and regulated by the FCA)

\* Please refer to page 9 for changes to the Company.

## Management and Administration (continued)

### Notes

Please read the following important notes and definitions to aid your understanding of the technical terms used in this annual report and financial statements.

### Accumulation shares

Shares that do not pay a dividend but reinvest any income earned from the fund's underlying holdings into the value of the shares.

### Annual management charge

The annual fee charged by the ACD, calculated on a daily basis, for managing the fund.

### Distribution

This is the dividend that is paid to investors, based on the income earned from the fund's underlying holdings. Where applicable, investors in an income share class may receive a distribution, whereas in accumulation shares the distribution is reinvested into the value of the shares.

### Equalisation

Equalisation applies to shares purchased during a distribution period, known as 'Group 2' shares. It is the average amount of income included in the purchase price of all the Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax, but must be deducted from the cost of the shares for capital gains tax purposes. The equalisation amount for each share class and distribution is shown in the distribution table. Group 2 shares revert to being Group 1 shares following the first distribution after their purchase.

### Equities

These are shares in companies. Shareholders are the owners of a company and can vote on important matters such as the appointment of directors. They also participate in the potential increase in value of the company through increases in the value of its shares, if the company is successful for example.

### Fair value hierarchy

The fair value hierarchy gives information on how the fair value of the underlying investments has been measured in arriving at the valuation of the assets in the fund:

Level 1 – the unadjusted quoted price in an active market for identical assets or liabilities that can be accessed at the measurement date (31 December 2019). This will generally include quoted equities, highly liquid bonds and exchange traded derivatives.

Level 2 – uses inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. This means the valuation has been derived using observable market inputs such as quoted prices for similar instruments, interest rates, yield curves and credit spreads.

Level 3 – valuation inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability. Level 3 assets might include unquoted equities.

### Fixed interest investments

These are bond or debt securities issued by governments and companies that carry rights to a fixed rate of interest paid by the issuer to investors. At the end of the payment term, the issuer repays the capital sum.

### Growth fund

A fund seeking capital growth aims to maximise the value of the money invested, rather than specifically aiming to produce income. In contrast, a fund may seek to maximise income over capital growth. Liontrust's fund range includes funds that seek capital growth, funds that seek to generate income and funds that aim to produce income and grow capital.

### Income shares

Income shareholders receive all the income generated by the fund's underlying holdings in the form of a distribution. This is in contrast to accumulation shares. These two choices are important: some investors want income so they opt for income shares. Other investors want growth so they opt for accumulation shares.

### ISA (Individual Savings Account)

An ISA is a tax efficient means of investing. All UK tax payers are eligible to invest within an ISA. Due to their tax advantages, the Government limits how much investors can pay into an ISA in each tax year. The current ISA limit is £20,000 for tax year 2020/21, which can be invested in cash, shares or any combination of the two. All the Company's funds are eligible to be held in an ISA; Liontrust, however, only offers stocks & shares ISAs. Investors can also transfer existing ISAs which are currently held with other fund providers into our funds.

## Management and Administration (continued)

### Notes (continued)

#### Junior ISA (Junior Individual Savings Account)

Junior ISAs were launched by the Government to enable parents/guardians to invest in a tax friendly vehicle for their children.

Once a parent or guardian opens a Junior ISA for their child, anyone is able to make a contribution up to the annual limit. The current Junior ISA limit is £9,000 for the tax year 2020/21, which can be invested in cash, shares or any combination of the two. Liontrust, however, only offers stocks & shares Junior ISAs. From the age of 16 a child can register to be their own contact. When the child reaches 18 their account is automatically converted into an 'adult' ISA and they are entitled to full access to their investments and savings. All the Company's funds are eligible to be held in a Junior ISA.

#### Macroeconomics

Analysis of a country or region's economy as a whole. Alongside global industry sector analysis and rigorous stockpicking, macroeconomics forms an important part of Liontrust's investment process.

#### Negative equalisation

Equalisation that is applied to each share class when in a deficit position, also known as 'negative equalisation', rather than applying a nil rate. Negative equalisation should be applied to avoid any possible distortion of distribution yields when comparing share class performance in a sub-fund.

#### Liontrust Investment Funds

A number of Liontrust funds which have a similar legal structure and investment powers but differing investment objectives. Together, these funds – sometimes referred to as sub-funds – make up the Liontrust Investment Funds I umbrella, which forms a distinct legal entity.

#### OEIC (Open-Ended Investment Company)

A type of fund in the UK that is structured as a company and has the ability to invest in equities and to adjust its investment criteria and fund size. The price of the shares is based on the underlying holdings of the fund. There are no bid and offer prices on Liontrust OEIC shares; buyers and sellers receive the same price but an initial charge may be payable. An OEIC allows investment to be diversified away from holding a single or small number of companies.

OEICs are also referred to as Investment Companies with Variable Capital (ICVC).

#### Operating Charge Figure (OCF)

A measure of the charges associated with managing and operating a fund and therefore reflective of the cost of investing in a particular fund. These costs consist primarily of management fees as well as legal, auditor and operational expenses. The figure excludes transaction costs and is provided for each share class available within a fund.

The OCF shows the annual expenses of the fund expressed as a percentage of the average net asset value, which helps you compare the annual expenses to other classes, funds and different schemes.

The ACD caps the OCF as a percentage of the average net asset value. The OCF percentage cap for each share class is given in the Performance Record for the class. The OCF capping is entirely at the discretion of the ACD and may cease at any time.

#### Research

The research provision is a revenue charge made to each sub-fund for research services provided by third parties who are independent of the fund manager. The fund manager uses the research to inform investment decisions for the sub-fund. The charge was previously included in the transaction charges. The ACD ensures that the research provides analysis and reaches conclusions based on new or existing information that could be used to inform an investment strategy or capable of adding value to the fund managers' decisions on behalf of the sub-fund being charged for that research.

#### Sector

Globally, businesses can be classified into ten different sectors based on the nature of their industry. These are consumer discretionary, consumer staples, energy, financials, healthcare, industrials, information technology, materials, telecommunications and utilities. Liontrust's investment process is based on sector industry analysis, investing our sub-funds based on how we believe each sector will perform.

# Management and Administration (continued)

### Notes (continued)

#### Sub-fund

A sub-fund, such as the Liontrust Global Equity Fund, forms part of a wider group of funds which sit under the same umbrella known as an investment company. Each sub-fund has its own investment objective and is held separately from other sub-funds within the same umbrella.

#### UCITS (Undertakings for Collective Investment in Transferable Securities)

The UCITS legislation governs how a fund can be marketed in the European Union and is designed to allow cross border fund sales to investors of different nationalities.

To obtain UCITS status a fund must invest within defined but wide parameters. The fund may then be sold in any EU country, subject only to the marketing rules of that country and any necessary regulatory approval. All of Liontrust's funds are UCITS compliant.

#### Yield

The amount of income generated by a fund's investments in relation to the price. Funds aiming to generate an income will seek to have a high yield whilst those funds focusing on capital growth typically have a smaller yield.

## Management and Administration (continued)

### Company Information

The Company is an investment company with variable capital under regulation 12 of the Open-Ended Investment Company Regulations 2001, incorporated in England and Wales under registered number IC 114 and authorised by the Financial Conduct Authority on 3 July 2001. At the year end the Company offered fourteen Sub-funds, the Liontrust China Fund, Liontrust European Opportunities Fund, Liontrust Global Alpha Fund, Liontrust Global Equity Fund, Liontrust Global Dividend Fund, Liontrust Income Fund, Liontrust India Fund, Liontrust Japan Opportunities Fund, Liontrust Latin America Fund, Liontrust Russia Fund, Liontrust UK Mid Cap Fund, Liontrust UK Opportunities Fund, Liontrust US Income Fund and Liontrust US Opportunities Fund (the 'Sub-funds').

The Company is a UCITS scheme which complies with the FCA's Collective Investment Schemes Sourcebook ('COLL') and is structured as an umbrella company so that different Sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Each share class has the same rights on a winding up of the Company. Investment of the assets of each of the Sub-funds must comply with the FCA's COLL and the investment objective and policy of the relevant Sub-fund.

### Value Assessment

The regulator – the Financial Conduct Authority (FCA) – has asked every asset manager to assess the value of the funds they run. Assessing value goes beyond performance and costs and encompasses a minimum of seven criteria mandated by the FCA. The assessment of value of the Funds and the other UK-domiciled funds managed by Liontrust will be conducted as at 30 September each year. This assessment will be presented to investors in a composite report for all the Liontrust funds on [www.liontrust.co.uk](http://www.liontrust.co.uk) and the first one will be available no later than 31 January 2021.

### Remuneration Policy

Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UCITS Managers are required to comply with the UCITS V Remuneration Code from the start of their next accounting year. Under the UCITS V Directive (2014/91/EU), the ACD is required to disclose information relating to the remuneration paid to its staff for the financial year.

The table below provides an overview of the following:

- Aggregate total remuneration paid by the ACD to its staff (employees and members)
- Aggregate total remuneration paid to all relevant UCITS code staff

|  | Headcount | Total<br>Remuneration<br>(£'000) |
|--|-----------|----------------------------------|
| ACD UK Staff <sup>1</sup>                              | 53        | 3,483                            |
| of which   |           |                                  |
| Fixed remuneration                                     | 53        | 3,386                            |
| Variable remuneration                                  | 53        | 97                               |
| UCITS Aggregate Remuneration Code Staff <sup>1,2</sup> | 12        | 442                              |
| of which   |           |                                  |
| Senior Management                                      | 7         | 178                              |
| Other control functions:                               |           |                                  |
| Other code staff/risk takers                           | 5         | 264                              |

<sup>1</sup> The ACD's staff costs have been calculated on the basis of the most recently audited information. The information has been disclosed on an annualized basis.

<sup>2</sup> UCITS Aggregate Remuneration Code Staff applies in respect of the provision of services to UCITS funds. For senior management and control function staff, remuneration is apportioned on the basis of assets under management for UCITS funds versus the total assets under management. For portfolio management staff remuneration is apportioned directly to the Sub-funds.

## Management and Administration (continued)

### Remuneration policy (continued)

Remuneration is made up of fixed pay (i.e. salary and benefits such as pension contributions) and variable pay (annual performance based or linked directly to investment management revenues). Annual incentives are designed to reward performance in line with the business strategy, objectives, values and long term interests of the ACD and LAM PLC Group. The annual incentive earned by an individual is dependent on the achievement of financial and non-financial objectives, including adherence to effective risk management practices. The ACD provides long-term incentives which are designed to link reward with long-term success and recognise the responsibility participants have in driving future success and delivering value. Long-term incentive awards are conditional on the satisfaction of corporate performance measures. The structure of remuneration packages is such that the fixed element is sufficiently large to enable a flexible incentive policy to be operated.

Staff are eligible for an annual incentive based on their individual performance, and depending on their role, the performance of their business unit and/or the group. These incentives are managed within a strict risk framework, and the Directors of LAM retain ultimate discretion to reduce annual incentive outcomes where appropriate.

The ACD actively manages risks associated with delivering and measuring performance. All our activities are carefully managed within our risk appetite, and individual incentive outcomes are reviewed and may be reduced in light of any associated risk management issues.

The Liontrust Group operates a Remuneration Committee (the 'Committee'). The Committee reports to the Board. The Committee reviews risk and compliance issues in relation to the vesting of deferred awards for all employees and members. Compliance is monitored throughout the vesting period by the Committee.

These remuneration policies apply also to other entities in the Liontrust group to which investment management of Sub-funds has been delegated, and those delegates are subject to contractual arrangements to ensure that policies which are regarded as equivalent are applied.

The Board adopts, and reviews annually, the general principles of the applicable remuneration policies, and the implementation of the remuneration policies is, at least annually, subject to central and independent internal review by the Committee for compliance with policies and procedures.

### Scope of the policy

#### By entity

The ACD is subject to the requirements of the UCITS Remuneration Code as set out in SYSC 19E of the FCA Handbook (the 'Code').

The Committee has determined that it is appropriate for it to disapply the rules on retention (SYSC 19E.2.18R), deferral (SYSC 19E.2.20R) and performance adjustment (SYSC 19E.2.22R) of the Code, in view of the size, internal organisation and the nature, scope and complexity of activities of the ACD.

However, the ACD chooses to comply with certain of the above 'payout process rules' on a voluntary basis.

#### By individual

The requirements of the Code are applicable to the remuneration arrangements of individuals who fall within the definition of Code Staff under the Code and this policy sets out the basis on which the rules contained within the Code will be applied to Code Staff. The Committee itself sets the remuneration and has oversight of remuneration arrangements for all other Code Staff together with such other senior employees as the Committee may determine from time to time.

The Committee also reviews the remuneration arrangements of other employees and the operation of the incentive plans to ensure that remuneration arrangements have regard to pay and employment conditions. However decisions on individual remuneration arrangements are made by management in the area, with oversight by the Human Resources Director.

No hedging or other mitigation arrangements may be entered into by employees as that would undermine risk alignment effects.



## Management and Administration (continued)

### Approach to the remuneration

The Committee seeks to balance the components of remuneration, namely:

- Base salary,
- Benefits and allowances,
- Annual bonus (both paid immediately in cash and deferrals) and
- Longer-term incentives

In order to ensure proper alignment of the interests with shareholders and investors in the Sub-funds within a framework which discourages excessive risk-taking and ensures that the policy is in line with the business strategy, objectives, values and interests of Liontrust, the Sub-funds and their investors.

The Committee has regard to the LAM Risk Appetite statement and the investment objectives of the Sub-funds (as outlined in the Prospectus) in its determination of the appropriate risk/reward balance.

### 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.

During the year to 31 December 2019 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

### Changes to the Prospectus during the year

During the year to 31 December 2019, changes were made to the Company and therefore the following changes were reflected in the Prospectus and/or Instrument of Incorporation of the Company.

### Changes to the Company

During 2019 the following changes took effect:

- The Quarterly Income Fund was merged with the Income Fund in April 2019.
- On 1 October 2019, Liontrust completed the acquisition of Neptune Investment Management Limited. Following the acquisition, all the Sub-funds were rebranded from Neptune to Liontrust.
- There have been various share class closures and conversions across the fund range.
- Fund objectives and benchmarks were clarified and amended following a review in August 2019.
- The name of the Russia and Greater Russia Fund was changed to the Russia Fund in August 2019 to clarify the investment scope of the Fund.
- The Investment Adviser (Liontrust Investment Partners LLP) was appointed on 9 December 2019.
- The name of the Authorised Corporate Director (ACD) of the Neptune OEIC Sub-funds changed to Liontrust Investment Management Limited on 1 October 2019.
- The Global Income Fund was renamed the Global Dividend Fund.
- The Depositary changed from State Street Trustees Limited to the Bank of New York Mellon (International) Ltd (part of the Bank of New York Mellon Corporation) in January 2020.

### Cross Holdings

As at 31 December 2019, the following Sub-funds held shares in other Sub-funds within other Liontrust Investment Funds I ICVC.

| Sub-fund                | Shares held                        | Holding<br>£ | Value<br>£ |
|-------------------------|------------------------------------|--------------|------------|
| Liontrust Global Alpha  | Liontrust Latin America            | 1,300,000    | 1,423,500  |
| Liontrust Global Alpha  | Liontrust Global Smaller Companies | 625,000      | 929,375    |
| Liontrust Global Alpha  | Liontrust Emerging Markets         | 2,000,000    | 2,976,000  |
| Liontrust Global Equity | Liontrust Global Technology        | 3,959,000    | 7,553,772  |
| Liontrust Global Equity | Liontrust Emerging Markets         | 5,935,000    | 8,831,280  |

There were no other cross holdings within the ICVC.

## Management and Administration (continued)

### Statement of the Authorised Corporate Director's Responsibilities

The Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook (COLL) requires the ACD to prepare annual financial statements which give a true and fair view of the financial position of the Scheme at the end of each accounting period and of its revenue and expenditure and gains and losses for the period.

In preparing these financial statements, the ACD is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements in accordance with generally accepted accounting principles, the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association (IA), the COLL, Financial Reporting Standards (FRS) 102 and the Instrument of Incorporation, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Scheme will continue in operation; and
- take reasonable steps to prevent or detect fraud and other irregularities.

The ACD is responsible for keeping such accounting and other records as are necessary to enable it to comply with the COLL and to demonstrate at any time that such compliance has been achieved.

The ACD is responsible for the management of the Scheme in accordance with its Instrument of Incorporation, Scheme Particulars and the Regulations and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Director's Statement

This report is signed in accordance with the requirements of the FCA COLL.



**Edward Catton**

Director

Signed:



**Martin Kearney**

Director

Liontrust Investment Management Limited  
5 June 2020

# Statement of the Depositary's Responsibilities and Report of the Depositary

## in respect of the Scheme and Report of the Depositary to the Shareholders of Liontrust Investment Funds I ('the Company') for the year ended 31 December 2019.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the ACD') which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited,  
Depositary of Liontrust Investment Funds I  
5 June 2020

# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds I

## Report on the audit of the Financial Statements

### Opinion

We have audited the financial statements of Liontrust Investment Funds I ('the Company') for the year ended 31 December 2019 which comprise the accounting policies of the Company, the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Table(s) for each of the Company's sub-funds, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 December 2019 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

### Emphasis of Matter – Effects of COVID-19

We draw attention to Notes 1(a) and 18 of the financial statements, which describe the economic consequences the Company is facing as a result of COVID-19 which is impacting financial markets. Our opinion is not modified in respect of this matter.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the ACD's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds I (continued)

## Report on the audit of the Financial Statements (continued)

### Opinion on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit

### Responsibilities of the ACD

As explained more fully in the ACD's responsibilities statement set out on page 10, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# Independent Auditor's Report to the Shareholders of Liontrust Investment Funds I (continued)

### Report on the audit of the Financial Statements (continued)

#### Use of our report

This report is made solely to the Company's members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Ernst & Young LLP

Statutory Auditor  
Edinburgh

5 June 2020

#### Notes:

The maintenance and integrity of the Liontrust Investment Managers Limited website is the responsibility of the ACD; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Notes applicable to the Financial Statements of all Sub-funds

for the year ended 31 December 2019

## 1 Accounting policies

### a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014 and as amended in June 2017.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Company's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements and considers liquidity, declines in global capital markets, known redemption levels, expense projections, key service provider's operational resilience, and the impact of COVID-19.

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### b) Recognition of revenue

All dividends on investments marked ex-dividend up to the accounting date are included in revenue, net of attributable tax credits and withholding tax. Bank interest, interest on debt securities and other interest receivable is accrued up to the accounting date.

Revenue on debt securities is recognised on an effective yield basis, which takes account of the amortisation of any discounts or premiums arising on the purchase price, compared to the final maturity value, over the remaining life of the security.

### c) Treatment of stock dividends and special dividends

The ordinary element of stock dividends is treated as revenue and forms part of any distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distribution. The tax accounting treatment follows the treatment of the principal amount.

### d) Treatment of expenses

For all Funds, the ACD's periodic charge and all other expenses are charged against revenue except for costs associated with the purchase and sale of investments, stamp duty reserve tax and set-up costs which are charged against capital. For the purposes of the distribution the ACD's periodic charge and all other expenses are charged against capital for the following Funds: Liontrust Global Dividend Fund, Liontrust Income Fund and Liontrust US Income Fund.

The Funds' expenses are capped at a rate agreed with the ACD. Any expenses, above the Funds' capped rate will be rebated by the ACD and deducted from expenses. Details of the Funds' capped rate can be found in note 4 of the Notes to the Financial Statements of the individual Fund. This capping may cease at any time.

Please see page 5 for treatment of research costs.

# Notes applicable to the Financial Statements of all Sub-funds (continued)

for the year ended 31 December 2019

## 1 Accounting policies (continued)

### e) Allocation of expenses to multiple share classes

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and within the Funds, charges will be allocated between classes in accordance with the terms of issue of shares of those classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which is considered fair to the shareholders generally but they will normally be allocated to all Funds pro-rata to the value of the net assets of the relevant Funds.

### f) Taxation

- i. Corporation tax is provided at 20% on taxable revenue received after deduction of expenses.
- ii. The charge for deferred tax is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

### g) Distribution policy

The net revenue arising from investments accumulates during each accounting period and is available for distribution. Surplus revenue is allocated to shareholders in accordance with COLL 6.8.3R of the FCA Handbook of Rules and Regulations. In order to conduct a controlled dividend flow to shareholders interim distributions may be made at the ACD's discretion, up to a maximum of the distributable revenue available for the period.

Any revenue deficit will be borne by the capital account.

### h) Basis of valuation of investments

All investments have been valued at their fair value at the 12 noon market rates on the last business day of the financial year. The fair value of equity and non-equity shares is the bid price, excluding any accrued interest. The fair value of collective investment schemes managed by the ACD is the quoted price for single priced funds and the bid price for dual priced funds. Where applicable, unquoted and suspended securities have been valued at the ACD's best estimate of their fair value.

Unquoted investments are valued at fair value, which represents the ACD's view of the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. This does not assume that the underlying business is saleable at the reporting date or that its current shareholders have an intention to sell their holding in their near future.

The unquoted investments are valued by the ACD in-line with International and Venture Capital Valuation Guidelines (IPEVCV) for the valuation of unquoted investments, taking into account, where appropriate, latest dealing prices, achievement or not of key milestones, valuations from reliable sources, financial performance, and other relevant factors.

### i) Exchange rates

Transactions in foreign currencies are recorded in sterling at the exchange rates ruling at the date of the transaction. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the 12 noon exchange rates ruling on that date. Distribution rates for Euro and USD share classes are recorded in sterling and translated into Euro and USD respectively at the 12 noon exchange rates at the accounting date.

### j) Functional currency

The functional currency of the Funds is UK Sterling as it is the dominant capital raising currency for the Company and the currency of the location from which the Funds are managed.

**Notes 2 to 9 are reflected in the notes of the individual Sub-funds.**

## 10 Related party transactions

Liontrust is regarded as the controlling party by virtue of having the ability to act in concert in respect of the operations of the Sub-funds.

# Notes applicable to the Financial Statements of all Sub-funds (continued)

for the year ended 31 December 2019

## 10 Related party transactions (continued)

Liontrust Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in the Sub-funds. The aggregate monies received and paid by the ACD through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders for each Fund and amounts outstanding at the year end in notes 7 and 9.

In their capacity as Depositary, State Street Trustees Limited is considered to have an influence over the activities of the Sub-funds. Depositary fees charged to State Street Trustees Limited are shown in note 4 and amounts due at the year end in note 9.

Amounts paid to the ACD in respect of the ACD's periodic charge are disclosed in note 4 and amounts due at the year end in note 9.

Where Sub-funds have investments in other Liontrust products, these are highlighted in the Sub-funds' Portfolio Statements.

## 11 Shareholder funds

The Company has six share classes: A, B, C, D, E and F. The annual management charge on those shares is set out in the below table.

|                                       | A     | B     | C     | D     | E     | F     |
|---------------------------------------|-------|-------|-------|-------|-------|-------|
| Liontrust China Fund                  | 1.75% | 1.25% | 0.75% | —     | —     | —     |
| Liontrust European Opportunities Fund | 1.75% | 1.25% | 0.75% | 0.65% | 0.55% | —     |
| Liontrust Global Alpha Fund           | 2.00% | —     | 0.75% | —     | —     | —     |
| Liontrust Global Dividend Fund        | —     | —     | 0.75% | —     | —     | 0.65% |
| Liontrust Global Equity Fund          | 1.75% | 1.25% | 0.75% | —     | —     | —     |
| Liontrust Income Fund                 | 1.60% | 1.10% | 0.75% | —     | —     | —     |
| Liontrust India Fund                  | 1.75% | 0.75% | 0.75% | —     | —     | —     |
| Liontrust Japan Opportunities Fund    | 1.60% | 1.10% | 0.75% | 0.65% | —     | —     |
| Liontrust Latin America Fund          | —     | —     | 0.75% | —     | —     | —     |
| Liontrust Russia Fund                 | 1.75% | —     | 0.80% | —     | —     | —     |
| Liontrust UK Mid Cap Fund             | 1.60% | —     | 0.75% | 0.65% | —     | —     |
| Liontrust UK Opportunities Fund       | 1.60% | 1.10% | 0.75% | 0.65% | —     | —     |
| Liontrust US Income Fund              | —     | —     | 0.75% | —     | —     | —     |
| Liontrust US Opportunities Fund       | 1.60% | 1.10% | 0.75% | 0.65% | —     | —     |

The ACD is entitled to take an annual fee out of the Funds or classes of shares.

The net asset of each share class, the net asset value per share and the number of shares in issue are given in the Net Asset Value per Share and Comparative Tables of each Sub-fund.

## 12 Contingent liabilities, contingent assets and commitments

Details of contingent liabilities, contingent assets or outstanding commitments are set out in the notes to the financial statements for the relevant Sub-fund.

## 13 Swing Pricing

All client transactions into and out of a Sub-fund may result in the Investment Adviser buying or selling the underlying investments of the Sub-fund, thereby attracting dealing costs which would otherwise be borne by the Sub-fund's current investors.

As a result, long-term investors could be adversely affected by other investors trading in and out of the Sub-fund. This effect is known as dilution.

However, an adjustment to the NAV can be made if the Sub-fund experiences net subscriptions or redemptions on a particular dealing day, to reduce the impact of dilution costs. This adjustment is called swing pricing. This is a technique which reduces the impact of dilution and helps to protect existing investors. It aims to ensure that investors subscribing or redeeming from a Sub-fund bear the trading costs, i.e. the underlying bid/offer spreads and transaction costs.

# Notes applicable to the Financial Statements of all Sub-funds (continued)

for the year ended 31 December 2019

## 13 Swing Pricing (continued)

The extent to which prices are swung is based on an estimated dealing cost made up of a number of elements, including bid-offer spreads, commissions and other transaction costs. Commissions and other costs (e.g. transaction tax) will be based on an historic analysis of actual trades. The estimated rates are reviewed and updated periodically.

## 14 Risk management policies

In accordance with the investment objectives and policies the sub-funds can hold certain financial instruments as detailed in each sub-fund's prospectus. These comprise:

- equity shares;
- cash and short-term debtors and creditors that arise directly from its operations;
- units and shares in collective investment schemes;
- derivatives; and
- shareholders' funds which represent investors' monies which are invested on their behalf from overseas investments held.

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the sub-funds are not permitted to trade in other financial instruments. The sub-fund's use of financial instruments during the year satisfies these regulatory requirements.

The main risks arising from the sub-funds' financial instruments are market price risk, interest rate risk, foreign currency risk, liquidity risk and credit and counterparty risk. The ACD's policies for managing these risks are summarised below. The sub-funds have used a combination of risk measurements and limits to measure and monitor portfolio risk. This is in line with the Liontrust Group's Risk Management Process. These policies changed in October 2019 following the acquisition of the ACD by Liontrust.

### a) Market price risk

Market price risk is the risk that a sub-fund might suffer potential loss through holding market positions in the face of price movements. It arises mainly due to uncertainty about future prices of financial instruments held. The ACD reviews each portfolio in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow each sub-funds' investment objective. An individual fund manager has responsibility for monitoring the existing portfolio, in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk reward profile.

Each Sub-fund's investment portfolio is monitored by the ACD in pursuance of its investment objective and policy as set out in the prospectus.

As at 31 December 2019 and 31 December 2018 the overall market exposure for each sub-fund was as shown in the Portfolio Statement, other than for derivatives where the exposure could be greater. The sub-funds are exposed to market price risk as the assets and liabilities of the fund are listed on stock exchanges and their prices are subject to movements both up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the sub-funds to market price risk is estimated below which shows the expected change in the market value of the sub-funds when a representative market index changes by 1%. These percentage movements are based on the Investment Adviser's estimate of reasonably possible market movements over the course of a year and uses an industry standard measure (Beta) to estimate the amount a sub-fund has previously changed when that corresponding market index has moved taking into account the Sub-fund's historic correlation to the representative index's movements over the last three years using monthly returns. This analysis assumes that the historic relationships between the portfolio's holdings and the representative index are a valid approximation of their future relationship and that the characteristics of the portfolio and the market have been broadly unchanged over the three years.

Some limitations of sensitivity analysis are;

- markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;



# Notes applicable to the Financial Statements of all Sub-funds (continued)

for the year ended 31 December 2019

## 14 Risk management policies (continued)

### a) Market price risk (continued)

- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

The Sub-funds are required to calculate their exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR).

The calculation of conversion methods for the commitment approach for standard derivatives is taken from the conversion methodologies listed in the ESMA Guidelines on calculation of Global Exposure and Counterparty Risk. The commitment conversion methodology for standard derivatives is either the notional value or the market value of the equivalent position in the underlying asset. Please refer to the portfolio statements for the notional values of any forwards and futures contracts. VaR is a method of estimating potential loss due to market risk, rather than a statement of leverage, using a given confidence level, or probability, over a specific time period and assuming normal market conditions. VaR is calculated using a Historical Simulation model carried out in accordance with regulatory guidelines.

### b) Currency risk

Currency risk is the risk that the revenue and net asset value of the sub-funds may be adversely affected by movements in foreign exchange rates. The revenue and capital value of a sub-fund's investments may be significantly affected by currency risk movements as some of the assets and income are denominated in currencies other than sterling, which is the company's functional and reporting currency.

The ACD has identified three principal areas where foreign currency risk could impact a Sub-fund:

- Movements in exchange rates affecting the value of investments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting the income received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific unwanted currency risk being identified. A Sub-fund may be subject to short-term exposure to exchange rate movements, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD believes that the impact of such movements is not significant enough to warrant the cost incurred of eliminating them via hedging.

The Sub-funds may receive income in currencies other than sterling, and the sterling values of this income can be affected by movements in exchange rates. The Sub-funds convert all receipts of income into sterling on or near the date of receipt; they do not, however, hedge or otherwise seek to avoid exchange rate risk on income accrued but not received.

### c) Interest rate risk

Interest rate risk is the risk that the revenue cash flow or the fair value of investments may be adversely affected by movements in market interest rates. The majority of the Sub-funds' financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Interest receivable on bank deposits and short-term deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rates earned on sterling deposits are earned at a rate linked to LIBOR. As a result, the fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates. Therefore, no interest rate sensitivity analysis has been prepared for these.

### d) Liquidity risk

Liquidity risk is the risk that a Sub-fund will not be able to meet its obligations as they fall due. The Sub-funds' assets comprise wholly of readily realisable securities which can be sold to meet liquidity requirements.

If a Sub-fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the sub-fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings.

Any unquoted investments held by a Sub-fund are by their nature much less liquid than those listed on an exchange. A Sub-fund may not be able to sell a position for full value or at all in the short term.

# Notes applicable to the Financial Statements of all Sub-funds (continued)

for the year ended 31 December 2019

## 14 Risk management policies (continued)

### d) Liquidity risk (continued)

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria and can make it difficult to establish accurate estimates of fundamental value. The lack of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the Investment Adviser's ability to execute substantial deals.

The main liquidity risk of a Sub-fund is the redemption of any shares that investors wish to sell, which are redeemable on demand under the prospectus. Where investments cannot be realised in time to meet any potential liability, a sub-fund may borrow up to 10% of its value to ensure settlement.

In accordance with the ACD's policy, the Investment Adviser monitors the sub-funds' liquidity on a daily basis.

### e) Counterparty credit risk

Counterparty credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Investments may be adversely affected if any of the institutions with which money is deposited or invested suffers insolvency or other financial difficulties or the credit rating of the bearers of the bonds held by a sub-fund are downgraded.

The Sub-funds may enter into transactions in financial instruments (including derivatives) which exposes them to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Sub-funds will only buy and sell financial instruments through parties that have been approved as acceptable by the ACD. This list is reviewed at least annually.

The Sub-funds may enter into stock lending activities which exposes them to the risk that the counterparty will not deliver the stock or cash after a sub-fund has fulfilled its obligations. A Sub-fund will only enter into stock lending activities with parties that have been approved as acceptable by the ACD and obtaining collateral from counterparties which has a fair value in excess of the related stock on loan. No stock lending activities have operated in the financial year.

The Depositary is responsible for the safe-keeping of assets and has appointed State Street Trustees Limited ('SS') as its global custodian. The long term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation, as at 31 December 2019 was A (Standard & Poor's rating).

The Custodian, in the discharge of its delegated Depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of SS and (ii) all financial instruments that can be physically delivered to SS. SS ensures all financial instruments (held in a financial instruments account on the books of SS) are held in segregated accounts in the name of the sub-funds, clearly identifiable as belonging to each sub-fund, and distinct and separately from the proprietary assets of SS.

In addition SS, as banker, holds cash of the sub-funds on deposit. Such cash is held on the balance sheet of SS.

In the event of insolvency of SS, in accordance with standard banking practice, each Sub-fund will rank as an unsecured creditor of SS in respect of any cash deposits.

Insolvency of SS and or one of its agents or affiliates may cause a Sub-fund's rights with respect to its assets to be delayed or may result in the Sub-fund not receiving the full value of its assets.

### f) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

## 15 Portfolio transaction costs

Details of portfolio transaction costs are set out in the notes to the financial statements for the relevant Fund.

## 16 Stock lending

Funds of the Company do not enter into stock lending arrangements.

# Liontrust China Fund

## Investment Objective

The investment objective of Liontrust China Fund is to generate long term (five years or more) capital growth.

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.

The Fund may also invest up to 20% in other companies outside of China, Hong Kong or Taiwan, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

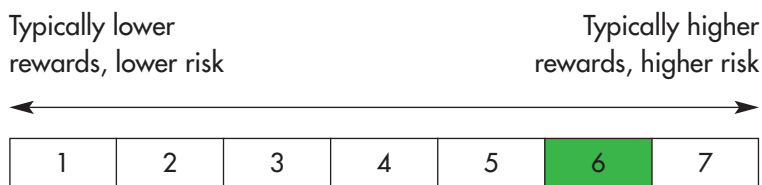
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

The Fund invests in a mix of companies that may provide growth opportunities, attractive valuations, or special situations. Special situations can exist where companies are out of favour, misunderstood or where management changes or takeovers are expected.

## Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 6 primarily for its exposure to Chinese companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- The Fund invests in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the fund over the short term.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust China Fund (continued)

### Investment Manager's Report

#### Market overview

This year, market movements have been driven, in large part, by the trade war between the US and China. We saw a rally in the first quarter on optimism for a trade deal, as well as news of further inclusion of Chinese stocks in the MSCI benchmark indices. The second quarter told a different story, as Trump announced he was no longer willing to negotiate. However, there was renewed optimism when a meeting was agreed at the G20 forum in June and markets began to recover. The market was relatively stable throughout July, however volatility increased at the beginning of August when protests in Hong Kong intensified and when Trump announced that he would move forward with tariffs on the remaining imports from China. The two countries were finally able to reach an agreement for 'Phase 1' of the trade deal in the fourth quarter, bringing back market optimism.

#### Portfolio attribution

The Liontrust China Fund returned 17.0% over the year, compared to the MSCI China Index's 18.7% return and the IA China/Greater China's 22.2% gain.

The portfolio's consumer discretionary sector performed particularly well against the benchmark over the year. Sportswear names continued to outperform due to the increasing trend of health awareness, in particular, domestic sportswear brand Li Ning showed strong increases after a positive profit alert driven by strong sales growth. The education names were also amongst the best performers as online resources enabled companies to reach a wider audience and the regulatory environment became clearer. The e-commerce names also performed well after growth acceleration and strong execution in smaller cities.

This year, we increased the weighting of consumer discretionary names in the portfolio as a result of the individual income tax reform, which provided a lift to consumer spending. We selected companies focusing on apparel and dining, which we believe were in line with the magnitude of extra income received. We also continue to believe in the trend of increased aspiration for domestic and international travel, as well as education remaining a priority for families. We added a PC and mobile gaming company to the portfolio as we like its focus on the domestic consumer market and its strong pipeline of upcoming game releases. We also added a leading e-commerce company, as we believe there is significant room for further growth as companies expand into much less penetrated smaller towns and cities. These additions were funded by reductions in the utilities and energy sectors.

#### Outlook

Phase one of the trade deal has been signed in January, putting a floor on potential decline in the US-China relationship. We believe this deal will hold until at least the presidential election in November. This stabilises the external environment for China and removes a headwind to growth, allowing us to have an improved outlook for the year. This year is also the year that the Chinese government will reach its goal of doubling the country's GDP from 2010 levels. The GDP growth target for the year will be announced in March and we believe it is likely to be maintained at around 6% to ensure that the long-term goal is met. As a result, it is likely that targeted stimulus and measured easing will continue in order to maintain stable growth.

#### Ruth Chambers

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

# Liontrust China Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement

as at 31 December 2019

| Holding   | Portfolio of investments                           | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>CHINA 83.31% (2018 - 76.03%)</b>                |                      |                                    |
|           | <b>Basic Materials 0.00% (2018 - 1.01%)</b>        |                      |                                    |
|           | <b>Consumer Goods 9.08% (2018 - 7.99%)</b>         |                      |                                    |
|           | <b>Food Producers 1.74%</b>                        |                      |                                    |
| 123,000   | China Mengniu Dairy                                | 377                  | 1.74                               |
|           | <b>Personal Goods 7.34%</b>                        |                      |                                    |
| 69,000    | ANTA Sports Products                               | 468                  | 2.16                               |
| 21,500    | Hengan International                               | 116                  | 0.53                               |
| 195,000   | Li Ning  | 442                  | 2.04                               |
| 51,100    | Shenzhou International                             | 565                  | 2.61                               |
|           | <b>Consumer Services 10.63% (2018 - 1.80%)</b>     |                      |                                    |
|           | <b>General Retailers 6.63%</b>                     |                      |                                    |
| 11,517    | JD.com ADR   | 309                  | 1.43                               |
| 26,300    | Meituan Dianping                                   | 261                  | 1.20                               |
| 4,302     | New Oriental Education & Technology ADR            | 400                  | 1.84                               |
| 12,800    | TAL Education ADR                                  | 468                  | 2.16                               |
|           | <b>Media 0.90%</b>                                 |                      |                                    |
| 12,100    | iQIYI ADR  | 195                  | 0.90                               |
|           | <b>Travel &amp; Leisure 3.10%</b>                  |                      |                                    |
| 10,643    | Trip.com ADR                                       | 275                  | 1.27                               |
| 10,900    | Yum China  | 397                  | 1.83                               |
|           | <b>Financials 28.31% (2018 - 23.24%)</b>           |                      |                                    |
|           | <b>Banks 16.53%</b>                                |                      |                                    |
| 994,000   | Agricultural Bank of China                         | 331                  | 1.53                               |
| 2,357,000 | Bank of China 'H'                                  | 763                  | 3.52                               |
| 1,876,000 | China Construction Bank 'H'                        | 1,227                | 5.66                               |
| 98,000    | China Merchants Bank 'H'                           | 382                  | 1.76                               |
| 1,508,800 | Industrial & Commercial Bank of China 'H'          | 880                  | 4.06                               |
|           | <b>Life Insurance 5.70%</b>                        |                      |                                    |
| 138,000   | Ping An Insurance 'H'                              | 1,236                | 5.70                               |
|           | <b>Real Estate Investment &amp; Services 6.08%</b> |                      |                                    |
| 139,100   | China Vanke 'H'                                    | 449                  | 2.07                               |
| 684,000   | Greentown Service                                  | 566                  | 2.61                               |
| 85,500    | Longfor  | 303                  | 1.40                               |
|           | <b>Health Care 3.08% (2018 - 1.96%)</b>            |                      |                                    |
|           | <b>Pharmaceuticals &amp; Biotechnology 3.08%</b>   |                      |                                    |
| 1,258,200 | China Animal Healthcare*                           | —                    | —                                  |
| 192,000   | CSPC Pharmaceutical                                | 347                  | 1.60                               |
| 116,000   | Sinopharm  | 321                  | 1.48                               |



## Liontrust China Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding | Portfolio of investments                                | Market value (£'000) | Percentage of total net assets (%) |
|---------|---|----------------------|------------------------------------|
|         | <b>Industrials 2.68% (2018 - 6.63%)</b>                 |                      |                                    |
|         | <b>Construction &amp; Materials 2.68%</b>               |                      |                                    |
| 69,000  | Anhui Conch Cement                                      | 381                  | 1.76                               |
| 241,500 | China Railway Construction 'H'                          | 200                  | 0.92                               |
|         | <b>Oil &amp; Gas 3.65% (2018 - 6.82%)</b>               |                      |                                    |
|         | <b>Alternative Energy 1.07%</b>                         |                      |                                    |
| 789,200 | Huaneng Renewables 'H'                                  | 232                  | 1.07                               |
|         | <b>Oil &amp; Gas Producers 1.06%</b>                    |                      |                                    |
| 183,000 | CNOOC   | 230                  | 1.06                               |
|         | <b>Oil Equipment, Services &amp; Distribution 1.52%</b> |                      |                                    |
| 278,000 | China Oilfield Services                                 | 330                  | 1.52                               |
|         | <b>Technology 25.88% (2018 - 25.00%)</b>                |                      |                                    |
|         | <b>Software &amp; Computer Services 25.88%</b>          |                      |                                    |
| 13,004  | Alibaba ADR   | 2,096                | 9.67                               |
| 3,400   | Autohome ADR  | 209                  | 0.96                               |
| 1,325   | Baidu ADR   | 127                  | 0.59                               |
| 9,200   | Baozun ADR  | 232                  | 1.07                               |
| 2,500   | NetEase ADR   | 575                  | 2.65                               |
| 56,500  | Tencent   | 2,063                | 9.51                               |
| 167,000 | TravelSky Technology 'H'                                | 309                  | 1.43                               |
|         | <b>HONG KONG 15.19% (2018 - 20.92%)</b>                 |                      |                                    |
| 438,000 | Beijing Enterprises Water                               | 167                  | 0.77                               |
| 578,740 | China Everbright International                          | 352                  | 1.62                               |
| 92,000  | China Mobile  | 585                  | 2.70                               |
| 224,000 | China Overseas Land & Investment                        | 660                  | 3.04                               |
| 54,000  | China Resources Beer                                    | 226                  | 1.04                               |
| 188,000 | China Resources Cement                                  | 181                  | 0.84                               |
| 94,000  | China Resources Gas                                     | 391                  | 1.80                               |
| 468,000 | China Unicom Hong Kong                                  | 334                  | 1.54                               |
| 58,400  | Haier Electronics                                       | 138                  | 0.64                               |
| 50,000  | Health & Happiness H&H International                    | 157                  | 0.72                               |
| 154,000 | Kunlun Energy   | 103                  | 0.48                               |
| 150,000 | Longtop Financial Technologies ADR*                     | —                    | —                                  |
|         | <b>Portfolio of investments</b>                         | <b>21,356</b>        | <b>98.50</b>                       |
|         | <b>Net other assets</b>                                 | <b>325</b>           | <b>1.50</b>                        |
|         | <b>Net assets</b>                                       | <b>21,681</b>        | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

\*Delisted security.

Stocks shown as ADRs represent American Depositary Receipts.

## Liontrust China Fund (continued)

### Investment Manager's Report (continued)

#### The top five purchases and sales for the year

| Purchases         | Cost<br>(£'000) |
|-------------------|-----------------|
| NetEase ADR       | 516             |
| Tencent           | 473             |
| Sinopharm         | 412             |
| China Vanke 'H'   | 401             |
| TAL Education ADR | 392             |

| Sales                      | Proceeds<br>(£'000) |
|----------------------------|---------------------|
| Alibaba ADR                | 1,383               |
| Tencent                    | 1,160               |
| Li Ning                    | 641                 |
| Baidu ADR                  | 574                 |
| China Petroleum & Chemical | 544                 |

Stocks shown as ADRs represent American Depositary Receipts.

# Liontrust China Fund (continued)

## Performance Record

for the year ended 31 December 2019

| <b>A Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 2.11%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 385.96                  | 456.34                  | 346.35                  |
| Return before operating charges               | 70.03                   | (61.59)                 | 118.08                  |
| Operating charges                             | (8.76)                  | (8.79)                  | (8.09)                  |
| Return after operating charges                | 61.27                   | (70.38)                 | 109.99                  |
| Distributions                                 | (1.25)                  | (0.05)                  | (0.28)                  |
| Retained distributions on accumulation shares | 1.25                    | 0.05                    | 0.28                    |
| <b>Closing net asset value per share</b>      | <b>447.23</b>           | <b>385.96</b>           | <b>456.34</b>           |
| After direct transaction costs of:            | 0.49                    | 0.48                    | 0.77                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 15.87%                  | (15.42)%                | 31.76%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 7,819                   | 8,674                   | 11,396                  |
| Closing number of shares                      | 1,748,281               | 2,247,509               | 2,497,347               |
| Operating Charge Figure                       | 2.06%                   | 1.97%                   | 1.98%                   |
| Direct transaction costs                      | 0.11%                   | 0.11%                   | 0.19%                   |
| OCF/TER cap                                   | 2.11%                   | 2.15%                   | 2.10%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 454.20p                 | 500.70p                 | 473.60p                 |
| Lowest share price                            | 380.40p                 | 374.20p                 | 347.50p                 |
| <b>C Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
| OCF/TER cap from 1 January 2020: 1.09%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 161.18                  | 188.66                  | 141.76                  |
| Return before operating charges               | 29.35                   | (25.70)                 | 48.54                   |
| Operating charges                             | (1.89)                  | (1.78)                  | (1.64)                  |
| Return after operating charges                | 27.46                   | (27.48)                 | 46.90                   |
| Distributions                                 | (2.31)                  | (1.89)                  | (1.63)                  |
| Retained distributions on accumulation shares | 2.31                    | 1.89                    | 1.63                    |
| <b>Closing net asset value per share</b>      | <b>188.64</b>           | <b>161.18</b>           | <b>188.66</b>           |
| After direct transaction costs of:            | 0.21                    | 0.20                    | 0.31                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 17.04%                  | (14.57)%                | 33.08%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 13,862                  | 15,627                  | 19,718                  |
| Closing number of shares                      | 7,348,381               | 9,695,505               | 10,451,468              |
| Operating Charge Figure                       | 1.06%                   | 0.96%                   | 0.98%                   |
| Direct transaction costs                      | 0.11%                   | 0.11%                   | 0.19%                   |
| OCF/TER cap                                   | 1.09%                   | 1.16%                   | 1.10%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 191.50p                 | 207.90p                 | 195.60p                 |
| Lowest share price                            | 158.90p                 | 155.90p                 | 142.30p                 |

## Liontrust China Fund (continued)

### **Fund Performance**

The performance of the Sub-fund is shown in the Investment Manager's report on page 22.

Details of the distribution per share for the year are shown in the distribution tables on page 365.

### **Status**

Liontrust China Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

### **Risk Warning**

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust China Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019 |              | 31 December 2018 |                |
|---|-------|------------------|--------------|------------------|----------------|
|   |       | (£'000)          | (£'000)      | (£'000)          | (£'000)        |
| Income  |       |                  |              |                  |                |
| Net capital gains/(losses)  | 2     |                  | 3,401        |                  | (4,590)        |
| Revenue   | 3     | 562              |              | 622              |                |
| Expenses  | 4     | (313)            |              | (384)            |                |
| Interest payable and similar charges  |       | —                |              | —                |                |
| Net revenue before taxation   |       | 249              |              | 238              |                |
| Taxation  | 5     | (40)             |              | (39)             |                |
| Net revenue after taxation  |       |                  | 209          |                  | 199            |
| <b>Total return before distributions</b>  |       |                  | <b>3,610</b> |                  | <b>(4,391)</b> |
| Distributions   | 6     |                  | (209)        |                  | (199)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>3,401</b> |                  | <b>(4,590)</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019 |               | 31 December 2018 |               |
|--|------------------|---------------|------------------|---------------|
|  | (£'000)          | (£'000)       | (£'000)          | (£'000)       |
| <b>Opening net assets attributable to shareholders</b>                       |                  | <b>24,301</b> |                  | <b>31,115</b> |
| Amounts received on issue of shares  | 1,647            |               | 3,094            |               |
| Amounts paid on cancellation of shares                                       | (7,860)          |               | (5,502)          |               |
|  |                  | (6,213)       |                  | (2,408)       |
| Change in net assets attributable to shareholders from investment activities |                  | 3,401         |                  | (4,590)       |
| Retained distribution on accumulation shares                                 |                  | 192           |                  | 184           |
| <b>Closing net assets attributable to shareholders</b>                       |                  | <b>21,681</b> |                  | <b>24,301</b> |



## Liontrust China Fund (continued)

### Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 21,356                      | 23,561                      |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 78                          | 112                         |
| Cash and bank balances                         | 8     | 307                         | 712                         |
| <b>Total current assets</b>                    |       | <b>385</b>                  | <b>824</b>                  |
| <b>Total assets</b>                            |       | <b>21,741</b>               | <b>24,385</b>               |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Other creditors                                | 9     | (60)                        | (84)                        |
| <b>Total liabilities</b>                       |       | <b>(60)</b>                 | <b>(84)</b>                 |
| <b>Net assets attributable to shareholders</b> |       | <b>21,681</b>               | <b>24,301</b>               |

The accompanying notes are an integral part of these Financial Statements.

## Liontrust China Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

**1 Accounting policies**

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| <b>2 Net capital gains/(losses)</b> | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Non-derivative securities           | 3,423                               | (4,601)                             |
| Derivative contracts                | —                                   | 73                                  |
| Currency losses                     | (8)                                 | (55)                                |
| Transaction charges                 | (14)                                | (7)                                 |
| <b>Net capital gains/(losses)</b>   | <b>3,401</b>                        | <b>(4,590)</b>                      |

| <b>3 Revenue</b>     | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------------------|-------------------------------------|-------------------------------------|
| Overseas dividends   | 562                                 | 622                                 |
| <b>Total revenue</b> | <b>562</b>                          | <b>622</b>                          |

| <b>4 Expenses</b>  | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|--|-------------------------------------|-------------------------------------|
| <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                                     |                                     |
| ACD's periodic charge  | 258                                 | 330                                 |
| Distribution fees  | 8                                   | 9                                   |
| Printing costs   | 1                                   | (3)                                 |
| Registration fees  | 6                                   | 7                                   |
| Transfer agent fees  | 5                                   | 5                                   |
|  | <b>278</b>                          | <b>348</b>                          |
| <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                                     |                                     |
| Depositary's fees  | 7                                   | 9                                   |
| Safe custody fees  | 5                                   | 6                                   |
|  | <b>12</b>                           | <b>15</b>                           |
| <b>Other expenses:</b>   |                                     |                                     |
| Audit fee  | 5                                   | 5                                   |
| Legal and professional fees  | 3                                   | 2                                   |
| Publication costs  | 3                                   | 2                                   |
| Research fees  | 12                                  | 12                                  |
|  | <b>23</b>                           | <b>21</b>                           |
| <b>Total expenses</b>  | <b>313</b>                          | <b>384</b>                          |

## Liontrust China Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation                                  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b> |                             |                             |
|   | Overseas withholding tax                  | 40                          | 39                          |
|   | <b>Total taxation for the year</b>        | <b>40</b>                   | <b>39</b>                   |

#### b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%).

The differences are explained below:

|  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-----------------------------|-----------------------------|
| Net revenue before taxation            | 249                         | 238                         |
| Corporation tax at 20% (2018: 20%)     | 50                          | 48                          |
| <b>Effects of:</b>                     |                             |                             |
| Movement in excess management expenses | 63                          | 77                          |
| Non-taxable overseas dividends         | (113)                       | (125)                       |
| Overseas withholding tax               | 40                          | 39                          |
| <b>Current tax charge for the year</b> | <b>40</b>                   | <b>39</b>                   |

#### c) Deferred tax

At the year end, there is a potential deferred tax asset of £1,863 (2018: £1,801) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year.

| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise: |                             |                             |
|   | Final   | 192                         | 184                         |
|   | Add: Amounts deducted on cancellation of shares   | 23                          | 20                          |
|   | Deduct: Amounts received on issue of shares   | (6)                         | (5)                         |
|   | <b>Net distributions for the year</b>   | <b>209</b>                  | <b>199</b>                  |
|   | Reconciliation of net revenue after taxation to distributions   |                             |                             |
|   | Net revenue after taxation  | 209                         | 199                         |
|   | <b>Net distributions for the year</b>   | <b>209</b>                  | <b>199</b>                  |

Details of the distribution per share are set out in the distribution table on page 36.

## Liontrust China Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| <b>7</b> | <b>Debtors</b>                         | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|--|-------------------------------------|-------------------------------------|
|          | Accrued revenue                        | 4                                   | —                                   |
|          | Amounts receivable for issue of shares | 74                                  | 4                                   |
|          | Sales awaiting settlement              | —                                   | 108                                 |
|          | <b>Total debtors</b>                   | <b>78</b>                           | <b>112</b>                          |

| <b>8</b> | <b>Cash and bank balances</b>       | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|-------------------------------------|-------------------------------------|-------------------------------------|
|          | Cash and bank balances              | 307                                 | 712                                 |
|          | <b>Total cash and bank balances</b> | <b>307</b>                          | <b>712</b>                          |

| <b>9</b> | <b>Creditors</b>                          | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|---|-------------------------------------|-------------------------------------|
|          | ACD's periodic charge                     | 20                                  | 23                                  |
|          | Accrued expenses                          | 37                                  | 25                                  |
|          | Amounts payable on cancellation of shares | 3                                   | 36                                  |
|          | <b>Total creditors</b>                    | <b>60</b>                           | <b>84</b>                           |

### **10 Related party transactions**

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 30. The balances due at the year end are shown in notes 7 and 9.

### **11 Shareholder funds**

Details relating to the Fund are shown in the notes on pages 15 to 19.

### **12 Contingent liabilities, contingent assets and commitments**

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### **13 Swing pricing**

The ACD's Swing pricing policy is disclosed in the notes on pages 15 to 19.

## Liontrust China Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

##### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.2% (2018: 9.4%).

The Fund did not use derivatives for investment management purposes in the year and level of leverage employed by the Fund during the year is not considered to be significant.

##### Foreign currency risk

The Portfolio Statement shows the countries in which the Sub-fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency         | Net foreign currency assets |                             |
|------------------|-----------------------------|-----------------------------|
|                  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
| Hong Kong dollar | 16,337                      | 20,197                      |
| US dollar        | 5,283                       | 4,182                       |
| <b>Total</b>     | <b>21,620</b>               | <b>24,379</b>               |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £216 (2018: £244).

## Liontrust China Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

## 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 8,014            | 10,446           | 13,668           | 13,200           |
| <b>Trades in the year before transaction costs</b>          | <b>8,014</b>     | <b>10,446</b>    | <b>13,668</b>    | <b>13,200</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 3                | 5                | (7)              | (6)              |
| Total commissions   | 3                | 5                | (7)              | (6)              |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | 5                | 9                | (11)             | (11)             |
| Total taxes   | 5                | 9                | (11)             | (11)             |
| Total costs   | 8                | 14               | (18)             | (17)             |
| <b>Total net trades in the year after transaction costs</b> | <b>8,022</b>     | <b>10,460</b>    | <b>13,650</b>    | <b>13,183</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.13% (2018: 0.19%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.04             | 0.05             | (0.05)           | (0.05)           |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | 0.06             | 0.09             | (0.08)           | (0.08)           |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.04             | 0.04             |
| Taxes        | 0.07             | 0.07             |
| <b>Total</b> | <b>0.11</b>      | <b>0.11</b>      |



## Liontrust China Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 16 Share reconciliation

Reconciliation of the share movements in the year

| 31 December 2019               | A Accumulation   | C Accumulation   |
|--------------------------------|------------------|------------------|
| Opening shares in issue        | 2,247,509        | 9,695,505        |
| Creations during the year      | 70,464           | 751,423          |
| Cancellations during the year  | (569,692)        | (3,098,547)      |
| <b>Closing shares in issue</b> | <b>1,748,281</b> | <b>7,348,381</b> |

#### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 21,356                                | —  | 23,561                                | —  |
|         | <b>21,356</b>                         | <b>—</b>                                   | <b>23,561</b>                         | <b>—</b>                                   |

The Fund has no Level 2 or Level 3 financial instruments.

#### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class    | Price at<br>31 December 2019 | Price at<br>3 June 2020 | % change |
|----------------|------------------------------|-------------------------|----------|
| A Accumulation | 447.23                       | 469.09                  | 4.89     |
| C Accumulation | 188.64                       | 198.69                  | 5.33     |

## Liontrust China Fund (continued)

### Distribution table

for the year ended 31 December 2019 – in pence per share

### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                              | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 1.2503         | —            | 1.2503                      | 0.0474                   |
| Group 2                      | 0.4889         | 0.7614       | 1.2503                      | 0.0474                   |
| <b>C Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 2.3149         | —            | 2.3149                      | 1.8850                   |
| Group 2                      | 1.4535         | 0.8614       | 2.3149                      | 1.8850                   |

# Liontrust European Opportunities Fund

## Investment Objective

The investment objective of Liontrust European Opportunities Fund is to generate long term (five years or more) capital growth.

The Fund invests at least 80% in shares of companies selected from Europe, excluding the UK. These are companies which, at the time of purchase, are incorporated, domiciled, listed or conduct significant business in Europe.

The Fund may also invest up to 20% in companies outside of Europe excluding the UK, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

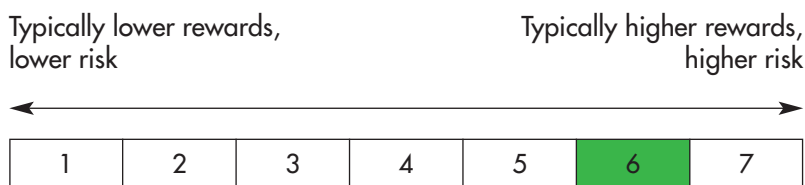
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account and Le Plan d'Épargne en Action (PEA).

The Fund invests in a mix of companies that may provide growth opportunities, attractive valuations, or special situations. Special situations can exist where companies are out of favour, misunderstood or where management changes or takeovers are expected.

## Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 6 primarily 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;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust European Opportunities Fund (continued)

### Investment Manager's Report

#### Market overview

Global markets enjoyed a strong recovery in 2019 after a difficult 2018. Key drivers were the dovish turn in global central banks during the first quarter, through to eventual progress being made in the trade dispute between the US and China and a phase one deal being reached during the fourth quarter. Recession fears have eased and expectations have gradually improved regarding a broad economic recovery into 2020, helped by emerging green shoots in manufacturing PMI data. European markets rose by 20% during the year, slightly lagging broader developed market returns.

Despite the rally in global equities, the fall in global bond yields continued to favour growth over value with technology, healthcare and consumer discretionary among the best performing sectors. As the global backdrop improved, cyclical sectors started to outperform during the fourth quarter. Despite the persistent underperformance of value, strong performance from a number of stocks supported portfolio returns. These included Louis Vuitton, Adidas and Airbus.

#### Outlook

The Liontrust European Opportunities Fund returned 12.9% for the year, compared to 20.0% from the MSCI Europe ex UK Index and 20.3% from the IA Europe ex UK sector.

The portfolio maintains a value bias, with valuations at a material discount to both the market and peers. As recession fears recede and risk assets are supported by accommodative monetary policy and a recovery in global economic data, we see room for the sharp outperformance of growth over value to begin to reverse.

#### Thomas Smith

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

# Liontrust European Opportunities Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement

as at 31 December 2019

| Holding   | Portfolio of investments               | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>AUSTRIA 5.13% (2018 - 3.64%)</b>    |                      |                                    |
| 95,000    | ams                                    | 2,921                | 1.95                               |
| 50,000    | BAWAG                                  | 1,709                | 1.14                               |
| 107,000   | Erste Bank                             | 3,060                | 2.04                               |
|           | <b>BELGIUM 1.12% (2018 - 0.39%)</b>    |                      |                                    |
| 180,000   | Euronav                                | 1,677                | 1.12                               |
|           | <b>DENMARK 2.05% (2018 - 3.39%)</b>    |                      |                                    |
| 2,800     | AP Moller - Maersk 'B'                 | 3,070                | 2.05                               |
|           | <b>FINLAND 2.02% (2018 - 0.00%)</b>    |                      |                                    |
| 1,080,000 | Nokia                                  | 3,025                | 2.02                               |
|           | <b>FRANCE 28.04% (2018 - 14.50%)</b>   |                      |                                    |
| 31,900    | Air Liquide                            | 3,408                | 2.27                               |
| 140,000   | AXA                                    | 2,981                | 1.99                               |
| 270,000   | Credit Agricole                        | 2,973                | 1.97                               |
| 71,000    | Danone                                 | 4,438                | 2.96                               |
| 34,000    | Eiffage                                | 2,958                | 1.97                               |
| 7,000     | Kering                                 | 3,496                | 2.33                               |
| 9,500     | LVMH Moet Hennessy Louis Vuitton       | 3,348                | 2.23                               |
| 30,000    | Pernod Ricard                          | 4,092                | 2.73                               |
| 75,000    | Renault                                | 2,708                | 1.81                               |
| 19,500    | Safran                                 | 2,282                | 1.52                               |
| 59,000    | Sanofi                                 | 4,497                | 3.00                               |
| 14,671    | Sopra Steria                           | 1,791                | 1.19                               |
| 37,000    | Vinci                                  | 3,110                | 2.07                               |
|           | <b>GERMANY 20.46% (2018 - 28.02%)</b>  |                      |                                    |
| 15,000    | adidas                                 | 3,704                | 2.47                               |
| 108,000   | Bayer                                  | 6,690                | 4.47                               |
| 157,000   | Evonik Industries                      | 3,634                | 2.42                               |
| 41,500    | Merck                                  | 3,718                | 2.48                               |
| 200,000   | RVV                                    | 4,642                | 3.10                               |
| 37,000    | SAP                                    | 3,776                | 2.52                               |
| 30,000    | Volkswagen Preference Shares           | 4,498                | 3.00                               |
|           | <b>ITALY 7.35% (2018 - 11.45%)</b>     |                      |                                    |
| 1,500,000 | Intesa Sanpaolo                        | 2,999                | 2.00                               |
| 415,000   | Leonardo                               | 3,705                | 2.47                               |
| 390,000   | UniCredit                              | 4,322                | 2.88                               |
|           | <b>LUXEMBOURG 2.26% (2018 - 3.59%)</b> |                      |                                    |
| 256,000   | ArcelorMittal                          | 3,390                | 2.26                               |

## Liontrust European Opportunities Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding    | Portfolio of investments                                       | Market value (£'000) | Percentage of total net assets (%) |
|------------|--|----------------------|------------------------------------|
|            | <b>NETHERLANDS 11.40% (2018 - 5.46%)</b>                       |                      |                                    |
| 34,000     | Airbus   | 3,762                | 2.51                               |
| 44,500     | Akzo Nobel   | 3,438                | 2.29                               |
| 350,000    | ING  | 3,184                | 2.12                               |
| 160,000    | SBM Offshore   | 2,264                | 1.51                               |
| 102,000    | Unilever   | 4,456                | 2.97                               |
|            | <b>NORWAY 2.54% (2018 - 3.80%)</b>                             |                      |                                    |
| 3,816,355  | Agrinos*   | 658                  | 0.44                               |
| 100,000    | Yara International   | 3,146                | 2.10                               |
|            | <b>PORTUGAL 4.63% (2018 - 4.93%)</b>                           |                      |                                    |
| 22,500,000 | Banco Comercial Portugues                                      | 3,877                | 2.59                               |
| 240,000    | Galp Energia   | 3,059                | 2.04                               |
|            | <b>SPAIN 5.05% (2018 - 9.30%)</b>                              |                      |                                    |
| 100,000    | ACS Actividades de Construccion y Servicios                    | 3,034                | 2.02                               |
| 265,000    | Masmovil Ibercom   | 4,545                | 3.03                               |
|            | <b>SWEDEN 2.49% (2018 - 5.51%)</b>                             |                      |                                    |
| 560,000    | Telefonaktiebolaget LM Ericsson 'B'                            | 3,728                | 2.49                               |
|            | <b>SWITZERLAND 2.49% (2018 - 4.12%)</b>                        |                      |                                    |
| 13,500     | Lonza  | 3,734                | 2.49                               |
|            | <b>DERIVATIVES 0.00% (2018 - 0.01%)</b>                        |                      |                                    |
|            | <b>Forward Foreign Exchange Contracts 0.00% (2018 - 0.01%)</b> |                      |                                    |
|            | Sold CHF8,623 for GBP6,702 Settlement 15/01/2020               | —                    | 0.00                               |
|            | Bought DKK6,803 for GBP776 Settlement 15/01/2020               | —                    | 0.00                               |
|            | Sold DKK34,331 for GBP3,870 Settlement 15/01/2020              | —                    | 0.00                               |
|            | Bought EUR17 for GBP14 Settlement 15/01/2020                   | —                    | 0.00                               |
|            | Sold EUR155,257 for GBP130,881 Settlement 15/01/2020           | (1)                  | 0.00                               |
|            | Bought NOK5 for GBPO Settlement 15/01/2020                     | —                    | 0.00                               |
|            | Sold NOK45,488 for GBP3,778 Settlement 15/01/2020              | —                    | 0.00                               |
|            | Bought SEK36,433 for GBP2,967 Settlement 15/01/2020            | —                    | 0.00                               |
|            | Sold SEK84,006 for GBP6,768 Settlement 15/01/2020              | —                    | 0.00                               |
|            | <b>Portfolio of investments</b>                                | <b>145,506</b>       | <b>97.03</b>                       |
|            | <b>Net other assets</b>  | <b>4,451</b>         | <b>2.97</b>                        |
|            | <b>Net assets</b>  | <b>149,957</b>       | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

\*Delisted security.

## Liontrust European Opportunities Fund (continued)

### Investment Manager's Report (continued)

#### The top five purchases and sales for the year

| Purchases                    | Cost<br>(£'000)     |
|------------------------------|---------------------|
| Siemens                      | 7,472               |
| Danone                       | 7,367               |
| Unilever Depositary Receipt  | 6,817               |
| Pernod Ricard                | 6,794               |
| Sanofi                       | 6,743               |
|                              |                     |
| Sales                        | Proceeds<br>(£'000) |
| Daimler                      | 9,988               |
| Volkswagen Preference Shares | 9,646               |
| E.ON                         | 9,601               |
| SKF                          | 9,423               |
| Banco Santander              | 7,741               |



## Liontrust European Opportunities Fund (continued)

## Performance Record

for the year ended 31 December 2019

| <b>A Income</b>                          | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|--|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 2.13%   | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 398.84                  | 552.70                  | 470.39                  |
| Return before operating charges          | 54.65                   | (128.83)                | 105.50                  |
| Operating charges                        | (9.00)                  | (9.95)                  | (9.84)                  |
| Return after operating charges           | 45.65                   | (138.78)                | 95.66                   |
| Distributions                            | (10.45)                 | (15.08)                 | (13.35)                 |
| <b>Closing net asset value per share</b> | <b>434.04</b>           | <b>398.84</b>           | <b>552.70</b>           |
| After direct transaction costs of:       | 0.84                    | 0.32                    | 1.64                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 11.45%                  | (25.11)%                | 20.34%                  |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£'000)          | 1,371                   | 1,707                   | 2,480                   |
| Closing number of shares                 | 315,846                 | 428,038                 | 448,711                 |
| Operating Charge Figure                  | 2.11%                   | 1.96%                   | 1.88%                   |
| Direct transaction costs                 | 0.20%                   | 0.06%                   | 0.31%                   |
| OCF/TER cap                              | 2.13%                   | 2.06%                   | 2.00%                   |
| Research fee                             | —                       | 0.10%                   | —                       |
| Research fee rebate                      | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | 450.70p                 | 588.70p                 | 565.30p                 |
| Lowest share price                       | 394.10p                 | 398.00p                 | 470.90p                 |

| <b>A Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 2.13%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 480.12                  | 644.86                  | 535.21                  |
| Return before operating charges               | 65.60                   | (152.84)                | 120.97                  |
| Operating charges                             | (10.96)                 | (11.90)                 | (11.32)                 |
| Return after operating charges                | 54.64                   | (164.74)                | 109.65                  |
| Distributions                                 | (2.46)                  | (5.85)                  | (7.45)                  |
| Retained distributions on accumulation shares | 2.46                    | 5.85                    | 7.45                    |
| <b>Closing net asset value per share</b>      | <b>534.76</b>           | <b>480.12</b>           | <b>644.86</b>           |
| After direct transaction costs of:            | 1.02                    | 0.38                    | 1.88                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 11.38%                  | (25.55)%                | 20.49%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 23,315                  | 27,792                  | 53,427                  |
| Closing number of shares                      | 4,359,834               | 5,788,488               | 8,285,007               |
| Operating Charge Figure                       | 2.10%                   | 1.97%                   | 1.88%                   |
| Direct transaction costs                      | 0.20%                   | 0.06%                   | 0.31%                   |
| OCF/TER cap                                   | 2.13%                   | 2.06%                   | 2.00%                   |
| Research fee                                  | —                       | 0.10%                   | —                       |
| Research fee rebate                           | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 555.30p                 | 686.90p                 | 657.10p                 |
| Lowest share price                            | 474.40p                 | 477.40p                 | 535.70p                 |

# Liontrust European Opportunities Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

| <b>B Income</b>                          | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|--|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.62%   | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 408.11                  | 562.69                  | 476.50                  |
| Return before operating charges          | 55.97                   | (131.56)                | 107.07                  |
| Operating charges                        | (7.05)                  | (7.64)                  | (7.33)                  |
| Return after operating charges           | 48.92                   | (139.20)                | 99.74                   |
| Distributions                            | (10.68)                 | (15.38)                 | (13.55)                 |
| <b>Closing net asset value per share</b> | <b>446.35</b>           | <b>408.11</b>           | <b>562.69</b>           |
| After direct transaction costs of:       | 0.86                    | 0.33                    | 1.66                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 11.99%                  | (24.74)%                | 20.93%                  |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£'000)          | 601                     | 1,604                   | 3,084                   |
| Closing number of shares                 | 134,620                 | 392,975                 | 548,043                 |
| Operating Charge Figure                  | 1.61%                   | 1.46%                   | 1.38%                   |
| Direct transaction costs                 | 0.20%                   | 0.06%                   | 0.31%                   |
| OCF/TER cap                              | 1.62%                   | 1.56%                   | 1.50%                   |
| Research fee                             | —                       | 0.10%                   | —                       |
| Research fee rebate                      | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | 462.50p                 | 599.50p                 | 575.10p                 |
| Lowest share price                       | 403.20p                 | 407.20p                 | 477.30p                 |

| <b>B Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.62%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 515.87                  | 689.39                  | 569.34                  |
| Return before operating charges               | 70.57                   | (164.12)                | 128.91                  |
| Operating charges                             | (8.99)                  | (9.40)                  | (8.86)                  |
| Return after operating charges                | 61.58                   | (173.52)                | 120.05                  |
| Distributions                                 | (5.31)                  | (9.50)                  | (9.46)                  |
| Retained distributions on accumulation shares | 5.31                    | 9.50                    | 9.46                    |
| <b>Closing net asset value per share</b>      | <b>577.45</b>           | <b>515.87</b>           | <b>689.39</b>           |
| After direct transaction costs of:            | 1.09                    | 0.41                    | 2.01                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 11.94%                  | (25.17)%                | 21.09%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 1,088                   | 1,703                   | 2,908                   |
| Closing number of shares                      | 188,364                 | 330,039                 | 421,842                 |
| Operating Charge Figure                       | 1.61%                   | 1.46%                   | 1.38%                   |
| Direct transaction costs                      | 0.20%                   | 0.06%                   | 0.31%                   |
| OCF/TER cap                                   | 1.62%                   | 1.56%                   | 1.50%                   |
| Research fee                                  | —                       | 0.10%                   | —                       |
| Research fee rebate                           | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 598.20p                 | 734.50p                 | 701.90p                 |
| Lowest share price                            | 509.70p                 | 512.90p                 | 570.30p                 |

## Liontrust European Opportunities Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

| C Income                                 | 31 December 2019 | 31 December 2018 | 31 December 2017 |
|--|------------------|------------------|------------------|
| OCF/TER cap from 1 January 2020: 1.12%   | (p)              | (p)              | (p)              |
| <b>Change in net asset per share</b>     |                  |                  |                  |
| Opening net asset value per share        | 118.35           | 162.36           | 136.81           |
| Return before operating charges          | 16.27            | (38.14)          | 30.80            |
| Operating charges                        | (1.41)           | (1.43)           | (1.35)           |
| Return after operating charges           | 14.86            | (39.57)          | 29.45            |
| Distributions                            | (3.04)           | (4.44)           | (3.90)           |
| <b>Closing net asset value per share</b> | <b>130.17</b>    | <b>118.35</b>    | <b>162.36</b>    |
| After direct transaction costs of:       | 0.25             | 0.09             | 0.48             |
| <b>Performance</b>                       |                  |                  |                  |
| Return after operating charges           | 12.56%           | (24.37)%         | 21.53%           |
| <b>Other information</b>                 |                  |                  |                  |
| Closing net asset value (£'000)          | 10,826           | 22,008           | 48,380           |
| Closing number of shares                 | 8,316,795        | 18,595,256       | 29,797,489       |
| Operating Charge Figure                  | 1.11%            | 0.96%            | 0.88%            |
| Direct transaction costs                 | 0.20%            | 0.06%            | 0.31%            |
| OCF/TER cap                              | 1.12%            | 1.06%            | 1.00%            |
| Research fee                             | —                | 0.10%            | —                |
| Research fee rebate                      | —                | (0.02)%          | —                |
| <b>Prices</b>                            |                  |                  |                  |
| Highest share price                      | 134.50p          | 173.00p          | 165.80p          |
| Lowest share price                       | 116.90p          | 118.10p          | 137.20p          |

| C Accumulation                                | 31 December 2019 | 31 December 2018 | 31 December 2017 |
|---|------------------|------------------|------------------|
| OCF/TER cap from 1 January 2020: 1.11%        | (p)              | (p)              | (p)              |
| <b>Change in net asset per share</b>          |                  |                  |                  |
| Opening net asset value per share             | 153.17           | 203.66           | 167.35           |
| Return before operating charges               | 20.97            | (48.66)          | 37.98            |
| Operating charges                             | (1.84)           | (1.83)           | (1.67)           |
| Return after operating charges                | 19.13            | (50.49)          | 36.31            |
| Distributions                                 | (2.42)           | (3.77)           | (3.24)           |
| Retained distributions on accumulation shares | 2.42             | 3.77             | 3.24             |
| <b>Closing net asset value per share</b>      | <b>172.30</b>    | <b>153.17</b>    | <b>203.66</b>    |
| After direct transaction costs of:            | 0.33             | 0.12             | 0.59             |
| <b>Performance</b>                            |                  |                  |                  |
| Return after operating charges                | 12.49%           | (24.79)%         | 21.70%           |
| <b>Other information</b>                      |                  |                  |                  |
| Closing net asset value (£'000)               | 62,179           | 99,597           | 189,281          |
| Closing number of shares                      | 36,088,141       | 65,022,675       | 92,937,380       |
| Operating Charge Figure                       | 1.10%            | 0.96%            | 0.88%            |
| Direct transaction costs                      | 0.20%            | 0.06%            | 0.31%            |
| OCF/TER cap                                   | 1.11%            | 1.06%            | 1.00%            |
| Research fee                                  | —                | 0.10%            | —                |
| Research fee rebate                           | —                | (0.02)%          | —                |
| <b>Prices</b>                                 |                  |                  |                  |
| Highest share price                           | 178.10p          | 217.10p          | 207.20p          |
| Lowest share price                            | 151.40p          | 152.30p          | 167.80p          |

# Liontrust European Opportunities Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

| <b>D Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.01%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 122.79                  | 163.10                  | 133.89                  |
| Return before operating charges               | 16.69                   | (38.98)                 | 30.39                   |
| Operating charges                             | (1.34)                  | (1.33)                  | (1.18)                  |
| Return after operating charges                | 15.35                   | (40.31)                 | 29.21                   |
| Distributions                                 | (2.03)                  | (3.17)                  | (2.67)                  |
| Retained distributions on accumulation shares | 2.03                    | 3.17                    | 2.67                    |
| <b>Closing net asset value per share</b>      | <b>138.14</b>           | <b>122.79</b>           | <b>163.10</b>           |
| After direct transaction costs of:            | 0.26                    | 0.10                    | 0.47                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 12.50%                  | (24.71)%                | 21.82%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 4,734                   | 10,025                  | 30,621                  |
| Closing number of shares                      | 3,426,948               | 8,164,242               | 18,773,918              |
| Operating Charge Figure                       | 1.01%                   | 0.86%                   | 0.78%                   |
| Direct transaction costs                      | 0.20%                   | 0.06%                   | 0.31%                   |
| OCF/TER cap                                   | 1.01%                   | 0.96%                   | 0.90%                   |
| Research fee                                  | —                       | 0.10%                   | —                       |
| Research fee rebate                           | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 142.70p                 | 173.80p                 | 165.90p                 |
| Lowest share price                            | 121.30p                 | 122.10p                 | 134.20p                 |

## E Income (Launched 1 December 2017)

|  | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|--|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 0.91%   | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 75.42                   | 102.43                  | 100.00                  |
| Return before operating charges          | 10.38                   | (24.16)                 | 2.48                    |
| Operating charges                        | (0.74)                  | (0.71)                  | (0.05)                  |
| Return after operating charges           | 9.64                    | (24.87)                 | 2.43                    |
| Distributions                            | (2.01)                  | (2.14)                  | -                       |
| <b>Closing net asset value per share</b> | <b>83.05</b>            | <b>75.42</b>            | <b>102.43</b>           |
| After direct transaction costs of:       | 0.16                    | 0.06                    | 0.32                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 12.78%                  | (24.28)%                | 2.43%                   |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£'000)          | 39,470                  | 34,135                  | 37,972                  |
| Closing number of shares                 | 47,524,825              | 45,259,705              | 37,069,718              |
| Operating Charge Figure                  | 0.90%                   | 0.76%                   | 0.70%                   |
| Direct transaction costs                 | 0.20%                   | 0.06%                   | 0.31%                   |
| OCF/TER cap                              | 0.91%                   | 0.86%                   | 0.80%                   |
| Research fee                             | —                       | 0.10%                   | —                       |
| Research fee rebate                      | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | 86.13p                  | 109.20p                 | 103.10p                 |
| Lowest share price                       | 74.53p                  | 74.98p                  | 99.81p                  |

## Liontrust European Opportunities Fund (continued)

### Performance Record (continued)

for the year ended 31 December 2019

| <b>A Accumulation EUR</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 2.13%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 148.53                  | 199.50                  | 165.57                  |
| Return before operating charges               | 20.28                   | (47.28)                 | 37.43                   |
| Operating charges                             | (3.39)                  | (3.69)                  | (3.50)                  |
| Return after operating charges                | 16.89                   | (50.97)                 | 33.93                   |
| Distributions                                 | (0.70)                  | (1.81)                  | (2.30)                  |
| Retained distributions on accumulation shares | 0.70                    | 1.81                    | 2.30                    |
| <b>Closing net asset value per share</b>      | <b>165.42</b>           | <b>148.53</b>           | <b>199.50</b>           |
| After direct transaction costs of:            | 0.31                    | 0.12                    | 0.58                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 11.37%                  | (25.55)%                | 20.49%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 1,495                   | 2,694                   | 7,917                   |
| Closing number of shares                      | 903,816                 | 1,814,145               | 3,968,634               |
| Operating Charge Figure                       | 2.11%                   | 1.96%                   | 1.88%                   |
| Direct transaction costs                      | 0.20%                   | 0.06%                   | 0.31%                   |
| OCF/TER cap                                   | 2.13%                   | 2.06%                   | 2.00%                   |
| Research fee                                  | —                       | 0.09%                   | —                       |
| Research fee rebate                           | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 197.00¢                 | 241.20¢                 | 229.50¢                 |
| Lowest share price                            | 162.50¢                 | 163.80¢                 | 196.10¢                 |

| <b>B Accumulation EUR</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.62%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 155.83                  | 208.26                  | 172.00                  |
| Return before operating charges               | 21.28                   | (49.53)                 | 38.94                   |
| Operating charges                             | (2.72)                  | (2.90)                  | (2.68)                  |
| Return after operating charges                | 18.56                   | (52.43)                 | 36.26                   |
| Distributions                                 | (1.63)                  | (2.86)                  | (2.86)                  |
| Retained distributions on accumulation shares | 1.63                    | 2.86                    | 2.86                    |
| <b>Closing net asset value per share</b>      | <b>174.39</b>           | <b>155.83</b>           | <b>208.26</b>           |
| After direct transaction costs of:            | 0.33                    | 0.12                    | 0.61                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 11.91%                  | (25.18)%                | 21.08%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 4,552                   | 6,369                   | 23,637                  |
| Closing number of shares                      | 2,610,572               | 4,087,016               | 11,349,850              |
| Operating Charge Figure                       | 1.60%                   | 1.46%                   | 1.38%                   |
| Direct transaction costs                      | 0.20%                   | 0.06%                   | 0.31%                   |
| OCF/TER cap                                   | 1.62%                   | 1.56%                   | 1.50%                   |
| Research fee                                  | —                       | 0.10%                   | —                       |
| Research fee rebate                           | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 207.70¢                 | 251.90¢                 | 239.40¢                 |
| Lowest share price                            | 170.50¢                 | 171.80¢                 | 203.90¢                 |

# Liontrust European Opportunities Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

| <b>C Accumulation EUR</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.11%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 90.64                   | 120.52                  | 99.03                   |
| Return before operating charges               | 12.52                   | (28.78)                 | 22.48                   |
| Operating charges                             | (1.07)                  | (1.10)                  | (0.99)                  |
| Return after operating charges                | 11.45                   | (29.88)                 | 21.49                   |
| Distributions                                 | (0.63)                  | (2.23)                  | (1.91)                  |
| Retained distributions on accumulation shares | 0.63                    | 2.23                    | 1.91                    |
| <b>Closing net asset value per share</b>      | <b>102.09</b>           | <b>90.64</b>            | <b>120.52</b>           |
| After direct transaction costs of:            | 0.19                    | 0.07                    | 0.35                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 12.63%                  | (24.79)%                | 21.70%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 177                     | 12,143                  | 50,409                  |
| Closing number of shares                      | 173,140                 | 13,396,968              | 41,824,820              |
| Operating Charge Figure                       | 1.09%                   | 0.96%                   | 0.88%                   |
| Direct transaction costs                      | 0.20%                   | 0.06%                   | 0.31%                   |
| OCF/TER cap                                   | 1.11%                   | 1.06%                   | 1.00%                   |
| Research fee                                  | —                       | 0.09%                   | —                       |
| Research fee rebate                           | —                       | (0.02)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 121.60¢                 | 145.80¢                 | 138.40¢                 |
| Lowest share price                            | 99.15¢                  | 99.92¢                  | 119.50¢                 |

## C Accumulation Hedged (launched 3 January 2018)

|   | <b>31 December 2019</b> | <b>31 December 2018</b> |
|---|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.11%        | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |
| Opening net asset value per share             | 74.39                   | 100.00                  |
| Return before operating charges               | 16.38                   | (24.76)                 |
| Operating charges                             | (0.93)                  | (0.85)                  |
| Return after operating charges                | 15.45                   | (25.61)                 |
| Distributions                                 | (0.52)                  | (1.82)                  |
| Retained distributions on accumulation shares | 0.52                    | 1.82                    |
| <b>Closing net asset value per share</b>      | <b>89.84</b>            | <b>74.39</b>            |
| After direct transaction costs of:            | 0.17                    | 0.05                    |
| <b>Performance</b>                            |                         |                         |
| Return after operating charges                | 20.77%                  | (25.61)%                |
| <b>Other information</b>                      |                         |                         |
| Closing net asset value (£'000)               | 50                      | 528                     |
| Closing number of shares                      | 55,374                  | 710,175                 |
| Operating Charge Figure                       | 1.09%                   | 0.98%                   |
| Direct transaction costs                      | 0.20%                   | 0.06%                   |
| OCF/TER cap                                   | 1.11%                   | 1.06%                   |
| Research fee                                  | —                       | 0.09%                   |
| Research fee rebate                           | —                       | (0.02)%                 |
| <b>Prices</b>                                 |                         |                         |
| Highest share price                           | 90.94p                  | 105.90p                 |
| Lowest share price                            | 73.02p                  | 73.59p                  |

## Liontrust European Opportunities Fund (continued)

### Performance Record (continued)

for the year ended 31 December 2019

#### D Accumulation Hedged (Launched 3 January 2018)

|   | 31 December 2019<br>(p) | 31 December 2018<br>(p) |
|---|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.01%        |                         |                         |
| <b>Change in net asset per share</b>          |                         |                         |
| Opening net asset value per share             | 74.21                   | 100.00                  |
| Return before operating charges               | 16.45                   | (24.99)                 |
| Operating charges                             | (0.81)                  | (0.80)                  |
| Return after operating charges                | 15.64                   | (25.79)                 |
| Distributions                                 | —                       | (1.91)                  |
| Retained distributions on accumulation shares | —                       | 1.91                    |
| <b>Closing net asset value per share</b>      | <b>89.85</b>            | <b>74.21</b>            |
| After direct transaction costs of:            | 0.16                    | 0.06                    |
| <b>Performance</b>                            |                         |                         |
| Return after operating charges                | 21.08%                  | (25.79)%                |
| <b>Other information</b>                      |                         |                         |
| Closing net asset value (£'000)               | 99                      | 9,196                   |
| Closing number of shares                      | 109,875                 | 12,391,965              |
| Operating Charge Figure                       | 0.97%                   | 0.90%                   |
| Direct transaction costs                      | 0.20%                   | 0.06%                   |
| OCF/TER cap                                   | 1.01%                   | 0.96%                   |
| Research fee                                  | —                       | 0.09%                   |
| Research fee rebate                           | —                       | (0.02)%                 |
| <b>Prices</b>                                 |                         |                         |
| Highest share price                           | 90.95p                  | 105.90p                 |
| Lowest share price                            | 72.84p                  | 73.41p                  |

### Fund Performance

The performance of the Fund is shown in the Investment Manager's report on page 38.

Details of the distributions per share for the year are shown in the distribution tables on pages 57 and 58.

### Status

Liontrust European Opportunities Fund is a Sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

### Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.



## Liontrust European Opportunities Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019 |               | 31 December 2018 |                  |
|---|-------|------------------|---------------|------------------|------------------|
|   |       | (£'000)          | (£'000)       | (£'000)          | (£'000)          |
| Income  |       |                  |               |                  |                  |
| Net capital gains/(losses)  | 2     |                  | 19,278        |                  | (105,431)        |
| Revenue   | 3     | 5,396            |               | 12,991           |                  |
| Expenses  | 4     | (2,137)          |               | (4,303)          |                  |
| Interest payable and similar charges  |       | (2)              |               | (11)             |                  |
| Net revenue before taxation   |       | 3,257            |               | 8,677            |                  |
| Taxation  | 5     | (816)            |               | (766)            |                  |
| Net revenue after taxation  |       |                  | 2,441         |                  | 7,911            |
| <b>Total return before distributions</b>  |       |                  | <b>21,719</b> |                  | <b>(97,520)</b>  |
| Distributions   | 6     |                  | (2,918)       |                  | (8,460)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>18,801</b> |                  | <b>(105,980)</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019 |                | 31 December 2018 |                |
|--|------------------|----------------|------------------|----------------|
|  | (£'000)          | (£'000)        | (£'000)          | (£'000)        |
| <b>Opening net assets attributable to shareholders</b>                       |                  | <b>229,501</b> |                  | <b>450,116</b> |
| Amounts received on issue of shares  | 11,352           |                | 76,198           |                |
| Amounts paid on cancellation of shares                                       | (110,806)        |                | (194,619)        |                |
|  |                  | (99,454)       |                  | (118,421)      |
| Dilution adjustment charged  |                  | —              |                  | 11             |
| Change in net assets attributable to shareholders from investment activities |                  | 18,801         |                  | (105,980)      |
| Retained distribution on accumulation shares                                 |                  | 1,109          |                  | 3,775          |
| <b>Closing net assets attributable to shareholders</b>                       |                  | <b>149,957</b> |                  | <b>229,501</b> |

## Liontrust European Opportunities Fund (continued)

## Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019 |                | 31 December 2018 |                |
|--|-------|------------------|----------------|------------------|----------------|
|  |       | (£'000)          | (£'000)        | (£'000)          | (£'000)        |
| <b>Assets</b>                                  |       |                  |                |                  |                |
| <b>Fixed assets</b>                            |       |                  |                |                  |                |
| Investments                                    |       |                  | 145,507        |                  | 225,181        |
| <b>Current assets</b>                          |       |                  |                |                  |                |
| Debtors  | 7     | 6,539            |                | 1,817            |                |
| Cash and bank balances                         | 8     | 1,996            |                | 9,739            |                |
| <b>Total current assets</b>                    |       |                  | <b>8,535</b>   |                  | <b>11,556</b>  |
| <b>Total assets</b>                            |       |                  | <b>154,042</b> |                  | <b>236,737</b> |
| <b>Liabilities</b>                             |       |                  |                |                  |                |
| Investment liabilities                         |       | (1)              |                | (9)              |                |
| <b>Creditors</b>                               |       |                  |                |                  |                |
| Bank overdrafts                                | 8     | (10)             |                | —                |                |
| Distribution payable                           |       | (148)            |                | (92)             |                |
| Other creditors                                | 9     | (3,926)          |                | (7,135)          |                |
| <b>Total liabilities</b>                       |       |                  | <b>(4,085)</b> |                  | <b>(7,236)</b> |
| <b>Net assets attributable to shareholders</b> |       |                  | <b>149,957</b> |                  | <b>229,501</b> |

The accompanying notes are an integral part of these Financial Statements.

# Liontrust European Opportunities Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1 Accounting policies

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| 2 | Net capital gains/(losses)        | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|-----------------------------------|-----------------------------|-----------------------------|
|   | Non-derivative securities         | 19,601                      | (105,096)                   |
|   | Forward currency contracts        | 786                         | (311)                       |
|   | Currency losses                   | (1,079)                     | (23)                        |
|   | Transaction charges               | (30)                        | (1)                         |
|   | <b>Net capital gains/(losses)</b> | <b>19,278</b>               | <b>(105,431)</b>            |

| 3 | Revenue              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------|-----------------------------|-----------------------------|
|   | Bank interest        | 2                           | 1                           |
|   | Scrip dividends      | —                           | 594                         |
|   | UK dividends         | —                           | 982                         |
|   | Overseas dividends   | 5,394                       | 11,414                      |
|   | <b>Total revenue</b> | <b>5,396</b>                | <b>12,991</b>               |

| 4 | Expenses | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------|-----------------------------|-----------------------------|
|---|----------|-----------------------------|-----------------------------|

**Payable to the ACD, associates of the ACD and agents of either of them:**

|  |                       |              |              |
|--|-----------------------|--------------|--------------|
|  | ACD's periodic charge | 1,553        | 3,494        |
|  | ACD's fee rebate*     | (1)          | —            |
|  | Distribution fees     | 103          | 31           |
|  | Printing costs        | 10           | 13           |
|  | Registration fees     | 15           | 16           |
|  | Transfer agent fees   | 33           | 65           |
|  |                       | <b>1,713</b> | <b>3,619</b> |

**Payable to the Depositary, associates of the Depositary and agents of either of them:**

|  |                   |           |            |
|--|-------------------|-----------|------------|
|  | Depositary's fees | 48        | 95         |
|  | Safe custody fees | 44        | 91         |
|  |                   | <b>92</b> | <b>186</b> |

**Other expenses:**

|  |                             |            |            |
|--|-----------------------------|------------|------------|
|  | Audit fee                   | 7          | 43         |
|  | Hedging administration fees | —          | 4          |
|  | Legal and professional fees | 84         | 135        |
|  | Publication costs           | 28         | 16         |
|  | Research fees               | 213        | 300        |
|  |                             | <b>332</b> | <b>498</b> |

|  |                       |              |              |
|--|-----------------------|--------------|--------------|
|  | <b>Total expenses</b> | <b>2,137</b> | <b>4,303</b> |
|--|-----------------------|--------------|--------------|

\*The ACD caps the ongoing charges figure (OCF) of each share class as a percentage of the average net asset value and these percentage caps are disclosed in the Performance Record of each share class. The OCF capping is entirely at the discretion of the ACD and may cease at any time.

## Liontrust European Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>   |                             |                             |
|   | Overseas withholding tax  | 816                         | 766                         |
|   | <b>Total taxation for the year</b>  | <b>816</b>                  | <b>766</b>                  |
|   | <b>b) Factors affecting current tax charge for the year:</b>  |                             |                             |
|   | The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised OEIC (20%).   |                             |                             |
|   | The differences are explained below:  |                             |                             |
|   |   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net revenue before taxation   | 3,257                       | 8,677                       |
|   | Corporation tax at 20% (2018: 20%)  | 651                         | 1,735                       |
|   | <b>Effects of:</b>  |                             |                             |
|   | Movement in excess management expenses  | 389                         | 863                         |
|   | Overseas tax expensed   | (7)                         | —                           |
|   | Overseas withholding tax  | 816                         | 766                         |
|   | Revenue not subject to taxation   | (1,033)                     | (2,598)                     |
|   | <b>Current tax charge for the year</b>  | <b>816</b>                  | <b>766</b>                  |
|   | <b>c) Deferred tax</b>  |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £17,211 (2018: £16,822) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:   |                             |                             |
|   | Interim   | 1,071                       | 2,351                       |
|   | Final   | 1,258                       | 3,867                       |
|   | Add: Amounts deducted on cancellation of shares   | 606                         | 2,656                       |
|   | Deduct: Amounts received on issue of shares   | (17)                        | (414)                       |
|   | <b>Net distributions for the year</b>   | <b>2,918</b>                | <b>8,460</b>                |
|   | Reconciliation of net revenue after taxation to distributions   |                             |                             |
|   | Net revenue after taxation  | 2,441                       | 7,911                       |
|   | Expenses charged to capital   | 475                         | 526                         |
|   | Revenue deficit transferred to capital  | 2                           | 23                          |
|   | <b>Net distributions for the year</b>   | <b>2,918</b>                | <b>8,460</b>                |
|   | Details of the distribution per share are set out in the distribution table on pages 57 and 58.   |                             |                             |
| 7 | Debtors   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Accrued revenue   | —                           | 1                           |
|   | Amounts receivable for issue of shares  | 2                           | 50                          |
|   | Overseas tax recoverable  | 1,182                       | 1,766                       |
|   | Sales awaiting settlement   | 5,355                       | —                           |
|   | <b>Total debtors</b>  | <b>6,539</b>                | <b>1,817</b>                |

# Liontrust European Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 8 | Cash and bank balances              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|-------------------------------------|-----------------------------|-----------------------------|
|   | Cash and bank balances              | 1,996                       | 9,739                       |
|   | Bank overdrafts                     | (10)                        | —                           |
|   | <b>Total cash and bank balances</b> | <b>1,986</b>                | <b>9,739</b>                |

| 9 | Creditors                                 | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | ACD's periodic charge                     | 114                         | 194                         |
|   | Rebate borne by ACD                       | 2                           | 3                           |
|   | Accrued expenses                          | 244                         | 203                         |
|   | Amounts payable on cancellation of shares | 229                         | 6,734                       |
|   | Interest payable                          | —                           | 1                           |
|   | Purchases awaiting settlement             | 3,337                       | —                           |
|   | <b>Total creditors</b>                    | <b>3,926</b>                | <b>7,135</b>                |

## 10 Related party transactions

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 51. The balances due at the year end are shown in notes 7 and 9.

## 11 Shareholder funds

Details relating to the Fund are shown in the notes on pages 15 to 19.

## 12 Contingent liabilities, contingent assets and commitments

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

## 13 Swing pricing

The ACD's Swing pricing policy is disclosed in the notes on pages 15 to 19.

## 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.6% (2018: 15.6%).

The Fund did not use derivatives for investment management purposes in the year and level of leverage employed by the Fund during the year is not considered to be significant.

# Liontrust European Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 14 Risk management policies (continued)

#### Foreign currency risk

The Portfolio Statement shows the countries in which the sub-fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency        | Net foreign currency assets |                             |
|-----------------|-----------------------------|-----------------------------|
|                 | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
| Danish krone    | 3,103                       | 7,501                       |
| Euro            | 131,052                     | 177,746                     |
| Norwegian krone | 3,933                       | 8,496                       |
| Swedish krona   | 3,724                       | 12,112                      |
| Swiss franc     | 6,737                       | 9,170                       |
| US dollar       | —                           | 1                           |
| <b>Total</b>    | <b>148,549</b>              | <b>215,026</b>              |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £1,485 (2018: £2,150).

#### Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

|      | Counterparty | Derivative<br>Exposure (£'000) | Collateral<br>Posted (£'000) | Collateral<br>Received (£'000) | Collateral<br>Asset Class |
|------|--------------|--------------------------------|------------------------------|--------------------------------|---------------------------|
| 2019 | State Street | —                              | —                            | —                              | Cash                      |
| 2018 | State Street | 33,000                         | —                            | —                              | Cash                      |

### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases                   |                             | Sales                       |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
| Equities  | 147,305                     | 133,068                     | 246,237                     | 249,569                     |
| <b>Trades in the year before transaction costs</b>          | <b>147,305</b>              | <b>133,068</b>              | <b>246,237</b>              | <b>249,569</b>              |
| <b>Commissions</b>  |                             |                             |                             |                             |
| Equities  | 68                          | 67                          | (118)                       | (123)                       |
| Total commissions   | 68                          | 67                          | (118)                       | (123)                       |
| <b>Taxes</b>  |                             |                             |                             |                             |
| Equities  | 153                         | 59                          | —                           | —                           |
| Total taxes   | 153                         | 59                          | —                           | —                           |
| Total costs   | 221                         | 126                         | (118)                       | (123)                       |
| <b>Total net trades in the year after transaction costs</b> | <b>147,526</b>              | <b>133,194</b>              | <b>246,119</b>              | <b>249,446</b>              |

# Liontrust European Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 15 Portfolio transaction costs (continued)

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.06% (2018: 0.07%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2019 | 31 December 2018 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.05             | 0.05             | (0.05)           | (0.05)           |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | 0.10             | 0.04             | —                | —                |

Total transaction cost expressed as a percentage of average NAV:

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.11             | 0.05             |
| Taxes        | 0.09             | 0.01             |
| <b>Total</b> | <b>0.20</b>      | <b>0.06</b>      |

### 16 Share reconciliation

Reconciliation of the share movements in the year

|                                | 31 December 2019      |                       |                       |                          |
|--------------------------------|-----------------------|-----------------------|-----------------------|--------------------------|
|                                | A Income              | A Accumulation        | B Income              | B Accumulation           |
| Opening shares in issue        | 428,038               | 5,788,488             | 392,975               | 330,039                  |
| Creations during the year      | 10,836                | 11,972                | 42                    | 3,125                    |
| Cancellations during the year  | (123,028)             | (1,440,626)           | (258,397)             | (144,800)                |
| <b>Closing shares in issue</b> | <b>315,846</b>        | <b>4,359,834</b>      | <b>134,620</b>        | <b>188,364</b>           |
|                                | C Income              | C Accumulation        | D Accumulation        | E Income                 |
| Opening shares in issue        | 18,595,256            | 65,022,675            | 8,164,242             | 45,259,705               |
| Creations during the year      | 961,110               | 83,273                | 141,820               | 11,355,415               |
| Cancellations during the year  | (11,239,571)          | (29,017,807)          | (4,879,114)           | (9,090,295)              |
| <b>Closing shares in issue</b> | <b>8,316,795</b>      | <b>36,088,141</b>     | <b>3,426,948</b>      | <b>47,524,825</b>        |
|                                | 31 December 2019      |                       |                       |                          |
|                                | A Accumulation<br>EUR | B Accumulation<br>EUR | C Accumulation<br>EUR | C Accumulation<br>Hedged |
| Opening shares in issue        | 1,814,145             | 4,087,016             | 13,396,968            | 710,175                  |
| Creations during the year      | 12                    | 607                   | 157,909               | 14,571                   |
| Cancellations during the year  | (910,341)             | (1,477,051)           | (13,381,737)          | (669,372)                |
| <b>Closing shares in issue</b> | <b>903,816</b>        | <b>2,610,572</b>      | <b>173,140</b>        | <b>55,374</b>            |



# Liontrust European Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 16 Share reconciliation (continued)

Reconciliation of the share movements in the year (continued)

#### D Accumulation Hedged

|                               |              |
|-------------------------------|--------------|
| Opening shares in issue       | 12,391,965   |
| Creations during the year     | 15,412       |
| Cancellations during the year | (12,297,502) |

**Closing shares in issue 109,875**

### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 144,849                               | —  | 225,139                               | —  |
| Level 2 | —                                     | (1)  | 42                                    | (9)  |
| Level 3 | 658                                   | —  | —                                     | —  |
|         | <b>145,507</b>                        | <b>(1)</b>                                 | <b>225,181</b>                        | <b>(9)</b>                                 |

### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class           | Price at<br>31 December 2019 | Price at<br>3 June 2020            | % change |
|-----------------------|------------------------------|------------------------------------|----------|
| A Income              | 434.04                       | 373.78                             | (13.88)  |
| A Accumulation        | 534.76                       | 460.26                             | (13.93)  |
| B Income              | 446.35                       | 385.19                             | (13.70)  |
| B Accumulation        | 577.45                       | 498.11                             | (13.74)  |
| C Income              | 130.17                       | 112.61                             | (13.49)  |
| C Accumulation        | 172.30                       | 148.94                             | (13.56)  |
| D Accumulation        | 138.14                       | 119.46                             | (13.52)  |
| E Income              | 83.05                        | 73.54                              | (11.45)  |
| A Accumulation EUR    | 165.42                       | n/a Share class closed in May 2020 | n/a      |
| B Accumulation EUR    | 174.39                       | n/a Share class closed in May 2020 | n/a      |
| C Accumulation EUR    | 102.09                       | n/a Share class closed in May 2020 | n/a      |
| C Accumulation Hedged | 89.84                        | n/a Share class closed in May 2020 | n/a      |
| D Accumulation Hedged | 89.85                        | n/a Share class closed in May 2020 | n/a      |

## Liontrust European Opportunities Fund (continued)

### Distribution tables

for the year ended 31 December 2019 – in pence/cents per share

#### Interim distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 30 June 2019

|                            | Net<br>revenue | Equalisation | Paid<br>31 August 2019 | Paid<br>31 August 2018 |
|----------------------------|----------------|--------------|------------------------|------------------------|
| <b>A Income shares (p)</b> |                |              |                        |                        |
| Group 1                    | 10.4297        | —            | 10.4297                | 13.6227                |
| Group 2                    | 7.3915         | 3.0382       | 10.4297                | 13.6227                |
| <b>B Income shares (p)</b> |                |              |                        |                        |
| Group 1                    | 10.6621        | —            | 10.6621                | 13.8921                |
| Group 2                    | 8.9397         | 1.7224       | 10.6621                | 13.8921                |
| <b>C Income shares (p)</b> |                |              |                        |                        |
| Group 1                    | 3.0312         | —            | 3.0312                 | 4.0153                 |
| Group 2                    | 1.9811         | 1.0501       | 3.0312                 | 4.0153                 |
| <b>E Income shares (p)</b> |                |              |                        |                        |
| Group 1                    | 1.6998         | —            | 1.6998                 | 2.1414                 |
| Group 2                    | 1.3139         | 0.3859       | 1.6998                 | 2.1414                 |

#### Final distribution

Group 1 – Shares purchased prior to 1 July 2019

Group 2 – Shares purchased on or after 1 July 2019 to 31 December 2019

|                            | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|----------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Income shares (p)</b> |                |              |                             |                          |
| Group 1                    | 0.0214         | —            | 0.0214                      | 1.4528                   |
| Group 2                    | —              | 0.0214       | 0.0214                      | 1.4528                   |
| <b>B Income shares (p)</b> |                |              |                             |                          |
| Group 1                    | 0.0197         | —            | 0.0197                      | 1.4836                   |
| Group 2                    | —              | 0.0197       | 0.0197                      | 1.4836                   |
| <b>C Income shares (p)</b> |                |              |                             |                          |
| Group 1                    | 0.0054         | —            | 0.0054                      | 0.4296                   |
| Group 2                    | —              | 0.0054       | 0.0054                      | 0.4296                   |
| <b>E Income shares (p)</b> |                |              |                             |                          |
| Group 1                    | 0.3107         | —            | 0.3107                      | —                        |
| Group 2                    | 0.2637         | 0.0470       | 0.3107                      | —                        |

## Liontrust European Opportunities Fund (continued)

### Distribution tables (continued)

for the year ended 31 December 2019 – in pence/cents per share

#### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|   | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|---|----------------|--------------|-----------------------------|--------------------------|
| <b>A Accumulation shares (p)</b>        |                |              |                             |                          |
| Group 1                                 | 2.4626         | —            | 2.4626                      | 5.8525                   |
| Group 2                                 | —              | 2.4626       | 2.4626                      | 5.8525                   |
| <b>B Accumulation shares (p)</b>        |                |              |                             |                          |
| Group 1                                 | 5.3144         | —            | 5.3144                      | 9.5001                   |
| Group 2                                 | —              | 5.3144       | 5.3144                      | 9.5001                   |
| <b>C Accumulation shares (p)</b>        |                |              |                             |                          |
| Group 1                                 | 2.4171         | —            | 2.4171                      | 3.7663                   |
| Group 2                                 | 1.1969         | 1.2202       | 2.4171                      | 3.7663                   |
| <b>D Accumulation shares (p)</b>        |                |              |                             |                          |
| Group 1                                 | 2.0264         | —            | 2.0264                      | 3.1676                   |
| Group 2                                 | 0.9289         | 1.0975       | 2.0264                      | 3.1676                   |
| <b>A Accumulation EUR shares (¢)</b>    |                |              |                             |                          |
| Group 1                                 | 0.8234         | —            | 0.8234                      | 2.0134                   |
| Group 2                                 | 0.8234         | —            | 0.8234                      | 2.0134                   |
| <b>B Accumulation EUR shares (¢)</b>    |                |              |                             |                          |
| Group 1                                 | 1.9180         | —            | 1.9180                      | 3.1923                   |
| Group 2                                 | 1.8511         | 0.0669       | 1.9180                      | 3.1923                   |
| <b>C Accumulation EUR shares (¢)</b>    |                |              |                             |                          |
| Group 1                                 | 0.7438         | —            | 0.7438                      | 2.4818                   |
| Group 2                                 | —              | 0.7438       | 0.7438                      | 2.4818                   |
| <b>C Accumulation Hedged shares (p)</b> |                |              |                             |                          |
| Group 1                                 | 0.5175         | —            | 0.5175                      | 1.8224                   |
| Group 2                                 | 0.4286         | 0.0889       | 0.5175                      | 1.8224                   |
| <b>D Accumulation Hedged shares (p)</b> |                |              |                             |                          |
| Group 1                                 | —              | —            | —                           | 1.9084                   |
| Group 2                                 | —              | —            | —                           | 1.9084                   |

# Liontrust Global Alpha

## Investment Objective

The investment objective of Liontrust Global Alpha Fund is to generate long term (five years or more) capital growth.

The Fund invests, directly or indirectly, in a mix of asset classes across the world including, but not limited to, equity, fixed income and alternatives. There is no predetermined exposure to any asset class or region.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

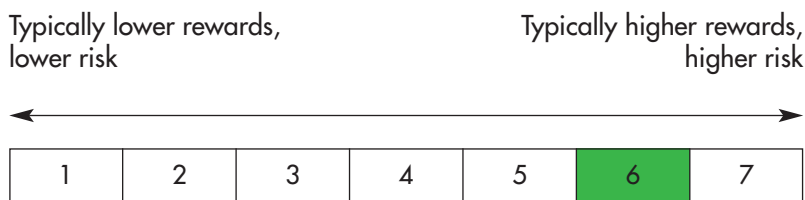
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

The Fund runs an actively managed portfolio and invests in securities using a combination of economic, industry and stock specific analysis irrespective of a benchmark index to generate capital growth.

## Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 6 primarily for its exposure to global companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund. If long-term interest rates rise, the value of your shares is likely to fall. Bonds are affected by any decline in creditworthiness of the borrower (i.e. the bond issuer). Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in repaying their financial obligations.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust Global Alpha Fund (continued)

### Investment Manager's Report

#### Market overview

2018 proved to be a particularly difficult year, with global equities falling sharply in the fourth quarter as global growth slowed, US interest rates rose and trade war tensions between the US and China heightened. 2019 was a considerably more positive year, driven by a combination of low valuations going into the year and the fact that many of the headwinds facing investors receded. Not only was a phase one trade deal agreed between the US and China, but global economic growth started to accelerate thanks to a period of looser monetary policy. This improved sentiment translated into rising global bond yields in the second half of the year, but despite this, value stocks once again underperformed relative to growth. Emerging markets, thanks to concerns surrounding US-China trade, considerably underperformed relative to developed markets for much of the year, but enjoyed a strong rebound (on a relative basis) in Q3 and Q4 as the growth outlook improved and trade war tensions eased. In the UK, despite considerable political uncertainty throughout the year, the surprise, large Tory majority at the general election meant sentiment towards the UK ended the year high as the threat of a Corbyn-led Labour Government was removed, while investors were provided with greater clarity regarding Brexit.

#### Portfolio attribution

The Liontrust Global Alpha Fund returned 15.5% over the year, compared to respective returns of 15.7% and 21.7% from the IA Flexible Investment sector and the MSCI AC World Index.

Much of the Fund's underperformance relative to the wider market was derived in the first quarter of the year, and this was almost entirely driven by the Fund's exposure to exchange traded put options. These had been a significant factor behind the Fund's outperformance during the Q4 2018 sell-off, but as the market rebounded strongly in January, they meant the portfolio lagged the wider market. We did, however, sell down the majority of our puts in January, retaining a small degree of exposure throughout the year to hedge the portfolio against potential tail risk.

While the Fund did benefit from its overweight to the technology sector over the year from an asset allocation perspective, performance relative the MSCI AC World Index was hindered by the performance of certain technology-related stocks in Q2 and Q3. These included Palo Alto Networks, which underperformed during that period thanks to the market reacting poorly to its billing numbers. However, this is stock we have conviction in and believe the market overreacted to this news, given this lower than expected billings figure was driven by management's decision to shift its contracts from three-years (where it collected the entire contract value upfront) to an annual subscription model, creating a higher quality and arguably cleaner cash flow profile. The Funds' returns were also hindered on a relative basis by its exposure to Chinese tech stocks such as Alibaba, which was volatile over the years thanks to uncertainty created by the US-China trade tensions. Some of the Fund's strongest contributors included Apple, Amazon and Microsoft, demonstrating the way that technology firms are increasingly attacking profit pools that in the past were shared by other industries.

#### Outlook

We remain positive in our outlook for global markets. In our view, many of the headwinds that hurt equities in 2018 – such as slowing economic growth and trade war concerns – have receded. Global central banks were ahead of the curve in relation to decelerating growth and we believe the lagged impact of looser monetary policy will mean – barring an external shock – global growth will be 3.5% for 2020. Given the progress made between the US and China regarding a trade deal (which had been a major source of uncertainty last year and in 2018), we are therefore confident in our portfolio positioning as we believe this is a supportive backdrop for equities.

#### Robin Geffen

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

# Liontrust Global Alpha Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement

as at 31 December 2019

| Holding   | Portfolio of investments                         | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>CANADA 1.42% (2018 - 0.00%)</b>               |                      |                                    |
| 2,000     | Constellation Software                           | 1,474                | 1.42                               |
|           | <b>CHILE 0.00% (2018 - 2.12%)</b>                |                      |                                    |
|           | <b>CHINA 7.20% (2018 - 8.22%)</b>                |                      |                                    |
| 16,000    | Alibaba ADR                                      | 2,579                | 2.49                               |
| 260,000   | Ping An Insurance 'H'                            | 2,328                | 2.25                               |
| 70,000    | Tencent  | 2,556                | 2.46                               |
|           | <b>HONG KONG 2.46% (2018 - 3.08%)</b>            |                      |                                    |
| 1,875,000 | Mandarin Oriental International                  | 2,555                | 2.46                               |
|           | <b>IRELAND 0.00% (2018 - 2.53%)</b>              |                      |                                    |
|           | <b>ISRAEL 1.36% (2018 - 0.00%)</b>               |                      |                                    |
| 16,000    | CyberArk Software                                | 1,408                | 1.36                               |
|           | <b>ITALY 1.15% (2018 - 0.00%)</b>                |                      |                                    |
| 35,000    | Moncler  | 1,192                | 1.15                               |
|           | <b>JAPAN 7.72% (2018 - 6.47%)</b>                |                      |                                    |
| 158,000   | CYBERDYNE  | 625                  | 0.60                               |
| 80,000    | Jafco  | 2,399                | 2.31                               |
| 50,000    | M3   | 1,151                | 1.11                               |
| 110,000   | Optex  | 1,268                | 1.22                               |
| 6,000     | Shin-Etsu Chemical                               | 504                  | 0.49                               |
| 40,000    | Sony   | 2,062                | 1.99                               |
|           | <b>SWITZERLAND 0.00% (2018 - 2.10%)</b>          |                      |                                    |
|           | <b>UNITED KINGDOM 13.03% (2018 - 13.95%)</b>     |                      |                                    |
| 120,000   | 3i   | 1,319                | 1.27                               |
| 610,498   | Cambridge Innovation Capital (Private Equity)    | 540                  | 0.52                               |
| 500,000   | Induction Healthcare                             | 565                  | 0.54                               |
| 250,000   | IP   | 178                  | 0.17                               |
| 517,000   | Liontrust Global Smaller Companies Fund 'C' Acc† | 928                  | 0.90                               |
| 1,980,000 | Liontrust Global Technology Fund 'C' Acc†        | 4,720                | 4.55                               |
| 890,000   | Liontrust Japan Equity Fund†                     | 1,281                | 1.24                               |
| 3,041     | Navenio (Private Equity)                         | 225                  | 0.22                               |
| 1,331     | Oxford Nanoimaging (Private Equity)              | 231                  | 0.22                               |
| 9,662     | Oxford Nanopore Technologies (Private Equity)    | 500                  | 0.48                               |
| 833,334   | Oxford Sciences Innovation (Private Equity)      | 1,000                | 0.96                               |
| 3,085     | Oxford VR (Private Equity)                       | 100                  | 0.10                               |
| 471       | Oxstem (Private Equity)                          | 100                  | 0.10                               |
| 406       | Proxisense (Private Equity)                      | —                    | —                                  |
| 16,000    | Reckitt Benckiser                                | 977                  | 0.94                               |
| 7,455     | Ultromics (Private Equity)                       | 500                  | 0.48                               |
| 322       | Vaccitech 'A' (Private Equity)                   | 350                  | 0.34                               |

## Liontrust Global Alpha Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding | Portfolio of investments                      | Market value (£'000) | Percentage of total net assets (%) |
|---------|---|----------------------|------------------------------------|
|         | <b>UNITED STATES 64.60% (2018 - 51.03%)</b>   |                      |                                    |
| 4,500   | Alphabet 'A'                                  | 4,566                | 4.40                               |
| 3,500   | Amazon.com                                    | 4,894                | 4.72                               |
| 16,000  | ANSYS   | 3,111                | 3.00                               |
| 45,000  | Arthur J. Gallagher                           | 3,232                | 3.12                               |
| 60,000  | Brown-Forman 'B'                              | 3,069                | 2.96                               |
| 29,000  | CME   | 4,373                | 4.22                               |
| 13,500  | Electronic Arts                               | 1,093                | 1.05                               |
| 18,000  | Fortinet                                      | 1,457                | 1.41                               |
| 115,000 | Horizon Therapeutics                          | 3,135                | 3.02                               |
| 18,000  | Intercontinental Exchange                     | 1,259                | 1.21                               |
| 8,000   | Intuitive Surgical                            | 3,581                | 3.45                               |
| 33,000  | Mimecast                                      | 1,070                | 1.03                               |
| 15,000  | NVIDIA  | 2,638                | 2.54                               |
| 5,000   | Okta  | 432                  | 0.42                               |
| 13,000  | Palo Alto Networks                            | 2,278                | 2.20                               |
| 20,000  | Pegasystems                                   | 1,198                | 1.16                               |
| 83,000  | Perspecta                                     | 1,681                | 1.62                               |
| 93,000  | Rapid7  | 3,966                | 3.82                               |
| 35,000  | RingCentral 'A'                               | 4,418                | 4.26                               |
| 4,800   | Roper Technologies                            | 1,292                | 1.26                               |
| 22,000  | Square 'A'                                    | 1,029                | 0.99                               |
| 14,000  | SVB Financial                                 | 2,648                | 2.55                               |
| 39,000  | Twilio 'A'                                    | 2,887                | 2.78                               |
| 15,000  | United Rentals                                | 1,912                | 1.84                               |
| 23,000  | Visa 'A'                                      | 3,271                | 3.15                               |
| 12,000  | Xilinx  | 887                  | 0.87                               |
| 20,000  | Zendesk                                       | 1,155                | 1.11                               |
| 9,000   | Zoom Video Communications                     | 455                  | 0.44                               |
|         | <b>DERIVATIVES 0.17% (2018 - 5.53%)</b>       |                      |                                    |
|         | <b>Options 0.17% (2018 - 5.53%)</b>           |                      |                                    |
| 24      | FTSE 100 Index 7000 Put 20/03/2020            | 12                   | 0.01                               |
| 23      | FTSE 100 Index 7200 Put 20/03/2020            | 18                   | 0.02                               |
| 89      | NASDAQ 100 E-Mini Futures 7500 Put 20/03/2020 | 62                   | 0.06                               |
| 86      | NASDAQ 100 E-Mini Futures 7700 Put 20/03/2020 | 79                   | 0.08                               |
|         | <b>Portfolio of investments</b>               | <b>102,773</b>       | <b>99.11</b>                       |
|         | <b>Net other assets</b>                       | <b>922</b>           | <b>0.89</b>                        |
|         | <b>NetNet assets</b>                          | <b>103,695</b>       | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

†Represents investment into a Liontrust Collective Investment Scheme product.

Stocks shown as ADRs represent American Depositary Receipts.

## Liontrust Global Alpha Fund (continued)

### Investment Manager's Report (continued)

#### The top five purchases and sales for the year

| Purchases                                 | Cost<br>(£'000) |
|---|-----------------|
| Liontrust Global Technology Fund 'C' Acc† | 3,867           |
| Arthur J Gallagher                        | 2,682           |
| Intuit                                    | 1,650           |
| CyberArk Software                         | 1,607           |
| Perspecta                                 | 1,568           |

| Sales                                    | Proceeds<br>(£'000) |
|--|---------------------|
| Liontrust Emerging Markets Fund 'C' Acc† | 3,887               |
| Red Hat                                  | 2,766               |
| Twilio                                   | 2,681               |
| Antofagasta                              | 2,289               |
| LivaNova                                 | 2,005               |

†Represents investment into a Liontrust Collective Investment Scheme product.



## Liontrust Global Alpha Fund (continued)

## Performance Record

for the year ended 31 December 2019

| <b>A Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 2.20%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 480.97                  | 492.22                  | 397.46                  |
| Return before operating charges               | 79.62                   | (0.71)                  | 104.00                  |
| Operating charges                             | (11.12)                 | (10.54)                 | (9.24)                  |
| Return after operating charges                | 68.50                   | (11.25)                 | 94.76                   |
| Distributions                                 | —                       | —                       | —                       |
| Retained distributions on accumulation shares | —                       | —                       | —                       |
| <b>Closing net asset value per share</b>      | <b>549.47</b>           | <b>480.97</b>           | <b>492.22</b>           |
| After direct transaction costs of:            | 0.18                    | 0.22                    | 0.84                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 14.24%                  | (2.29)%                 | 23.84%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 27,927                  | 27,163                  | 29,636                  |
| Closing number of shares                      | 5,082,653               | 5,647,708               | 6,020,758               |
| Operating Charge Figure                       | 2.08%                   | 2.05%                   | 2.09%                   |
| Direct transaction costs                      | 0.03%                   | 0.04%                   | 0.19%                   |
| OCF/TER cap                                   | 2.20%                   | 2.23%                   | 2.20%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.04)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 581.20p                 | 552.00p                 | 496.60p                 |
| Lowest share price                            | 478.40p                 | 477.60p                 | 397.40p                 |

| <b>C Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.04%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 546.05                  | 552.34                  | 440.70                  |
| Return before operating charges               | 90.67                   | (1.15)                  | 116.04                  |
| Operating charges                             | (5.68)                  | (5.14)                  | (4.40)                  |
| Return after operating charges                | 84.99                   | (6.29)                  | 111.64                  |
| Distributions                                 | —                       | —                       | (2.69)                  |
| Retained distributions on accumulation shares | —                       | —                       | 2.69                    |
| <b>Closing net asset value per share</b>      | <b>631.04</b>           | <b>546.05</b>           | <b>552.34</b>           |
| After direct transaction costs of:            | 0.21                    | 0.25                    | 0.93                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 15.56%                  | (1.14)%                 | 25.33%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 75,768                  | 69,043                  | 60,343                  |
| Closing number of shares                      | 12,006,854              | 12,643,997              | 10,924,880              |
| Operating Charge Figure                       | 0.93%                   | 0.89%                   | 0.89%                   |
| Direct transaction costs                      | 0.03%                   | 0.04%                   | 0.19%                   |
| OCF/TER cap                                   | 1.04%                   | 1.03%                   | 1.00%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.04)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 664.20p                 | 624.30p                 | 556.60p                 |
| Lowest share price                            | 543.20p                 | 541.70p                 | 440.70p                 |

## Liontrust Global Alpha Fund (continued)

### Fund Performance

The performance of the Fund is shown in the Investment Manager's report on page 60.

### Status

Liontrust Global Alpha Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

### Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust Global Alpha Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   |       | 31 December 2019 |               | 31 December 2018 |                |
|---|-------|------------------|---------------|------------------|----------------|
|   | Notes | (£'000)          | (£'000)       | (£'000)          | (£'000)        |
| Income  |       |                  |               |                  |                |
| Net capital gains/(losses)  | 2     |                  | 14,864        |                  | (1,204)        |
| Revenue   | 3     | 818              |               | 741              |                |
| Expenses  | 4     | (1,211)          |               | (1,149)          |                |
| Interest payable and similar charges  |       | —                |               | —                |                |
| Net expense before taxation   |       | (393)            |               | (408)            |                |
| Taxation  | 5     | (61)             |               | (58)             |                |
| Net expense after taxation  |       |                  | (454)         |                  | (466)          |
| <b>Total return before equalisation</b>   |       |                  | <b>14,410</b> |                  | <b>(1,670)</b> |
| Equalisation  | 6     |                  | 21            |                  | 10             |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>14,431</b> |                  | <b>(1,660)</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  |  | 31 December 2019 |                | 31 December 2018 |               |
|--|--|------------------|----------------|------------------|---------------|
|  |  | (£'000)          | (£'000)        | (£'000)          | (£'000)       |
| <b>Opening net assets attributable to shareholders</b>                       |  |                  | <b>96,206</b>  |                  | <b>89,979</b> |
| Amounts received on issue of shares  |  | 12,152           |                | 20,494           |               |
| Amounts paid on cancellation of shares                                       |  | (19,095)         |                | (12,607)         |               |
|  |  |                  | (6,943)        |                  | 7,887         |
| Dilution adjustment charged  |  |                  | 1              |                  | —             |
| Change in net assets attributable to shareholders from investment activities |  |                  | 14,431         |                  | (1,660)       |
| <b>Closing net assets attributable to shareholders</b>                       |  |                  | <b>103,695</b> |                  | <b>96,206</b> |

## Liontrust Global Alpha Fund (continued)

### Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 102,773                     | 91,427                      |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 97                          | 175                         |
| Cash and bank balances                         | 8     | 1,802                       | 5,520                       |
| <b>Total current assets</b>                    |       | <b>1,899</b>                | <b>5,695</b>                |
| <b>Total assets</b>                            |       | <b>104,672</b>              | <b>97,122</b>               |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Bank overdrafts                                | 8     | (652)                       | —                           |
| Distribution payable                           |       | (1)                         | —                           |
| Other creditors                                | 9     | (324)                       | (916)                       |
| <b>Total liabilities</b>                       |       | <b>(977)</b>                | <b>(916)</b>                |
| <b>Net assets attributable to shareholders</b> |       | <b>103,695</b>              | <b>96,206</b>               |

The accompanying notes are an integral part of these Financial Statements.

## Liontrust Global Alpha Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

**1 Accounting policies**

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| <b>2</b> | <b>Net capital gains/(losses)</b>  | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|--|-------------------------------------|-------------------------------------|
|          | Non-derivative securities  | 20,526                              | (3,334)                             |
|          | Derivative contracts   | (5,600)                             | 1,951                               |
|          | Forward currency contracts   | (15)                                | 7                                   |
|          | Currency (losses)/gains  | (43)                                | 175                                 |
|          | Transaction charges  | (4)                                 | (3)                                 |
|          | <b>Net capital gains/(losses)</b>  | <b>14,864</b>                       | <b>(1,204)</b>                      |
| <b>3</b> | <b>Revenue</b>   | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|          | Bank interest  | 8                                   | 9                                   |
|          | UK dividends   | 153                                 | 91                                  |
|          | Overseas dividends   | 608                                 | 629                                 |
|          | Franked Income from Collective Investment Schemes  | 49                                  | 12                                  |
|          | <b>Total revenue</b>   | <b>818</b>                          | <b>741</b>                          |
| <b>4</b> | <b>Expenses</b>  | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|          | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                                     |                                     |
|          | ACD's periodic charge  | 1,051                               | 1,049                               |
|          | Distribution fees  | 8                                   | 8                                   |
|          | Printing costs   | 4                                   | -                                   |
|          | Registration fees  | 7                                   | 7                                   |
|          | Transfer agent fees  | 21                                  | 17                                  |
|          |  | <b>1,091</b>                        | <b>1,081</b>                        |
|          | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                                     |                                     |
|          | Depositary's fees  | 31                                  | 30                                  |
|          | Safe custody fees  | 11                                  | 12                                  |
|          |  | <b>42</b>                           | <b>42</b>                           |
|          | <b>Other expenses:</b>   |                                     |                                     |
|          | Audit fee  | 8                                   | 7                                   |
|          | KIID Fee   | 1                                   | -                                   |
|          | Legal and professional fees  | 16                                  | 7                                   |
|          | Publication costs  | 3                                   | 2                                   |
|          | Research fees  | 50                                  | 10                                  |
|          |  | <b>78</b>                           | <b>26</b>                           |
|          | <b>Total expenses</b>  | <b>1,211</b>                        | <b>1,149</b>                        |

# Liontrust Global Alpha Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>   |                             |                             |
|   | Overseas withholding tax  | 61                          | 58                          |
|   | <b>Total taxation for the year</b>  | <b>61</b>                   | <b>58</b>                   |
|   | <b>b) Factors affecting current tax charge for the year:</b>  |                             |                             |
|   | The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised OEIC (20%).   |                             |                             |
|   | The differences are explained below:  |                             |                             |
|   |   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net expense before taxation   | (393)                       | (408)                       |
|   | Corporation tax at 20% (2018: 20%)  | (79)                        | (82)                        |
|   | <b>Effects of:</b>  |                             |                             |
|   | Movement in excess management expenses  | 241                         | 228                         |
|   | Overseas withholding tax  | 61                          | 58                          |
|   | Revenue not subject to taxation   | (162)                       | (146)                       |
|   | <b>Current tax charge for the year</b>  | <b>61</b>                   | <b>58</b>                   |
|   | <b>c) Deferred tax</b>  |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £2,957 (2018: £2,717) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Equalisation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The equalisation take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:  |                             |                             |
|   | Deduct: Amounts deducted on cancellation of shares  | (41)                        | (47)                        |
|   | Add: Amounts received on issue of shares  | 20                          | 37                          |
|   | <b>Net equalisation for the year</b>  | <b>(21)</b>                 | <b>(10)</b>                 |
|   | Reconciliation of net expense after taxation to equalisation  |                             |                             |
|   | Net expense after taxation  | (454)                       | (466)                       |
|   | Revenue deficit borne by capital  | 433                         | 456                         |
|   | <b>Net equalisation for the year</b>  | <b>(21)</b>                 | <b>(10)</b>                 |

There will be no distribution for the year ended 31 December 2019.

## Liontrust Global Alpha Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| <b>7</b> | <b>Debtors</b>                         | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|--|-------------------------------------|-------------------------------------|
|          | Accrued revenue                        | 90                                  | 73                                  |
|          | Amounts receivable for issue of shares | 7                                   | 93                                  |
|          | Sales awaiting settlement              | —                                   | 9                                   |
|          | <b>Total debtors</b>                   | <b>97</b>                           | <b>175</b>                          |

| <b>8</b> | <b>Cash and bank balances</b>       | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|-------------------------------------|-------------------------------------|-------------------------------------|
|          | Cash and bank balances              | 1,802                               | 5,520                               |
|          | Bank overdrafts                     | (652)                               | —                                   |
|          | <b>Total cash and bank balances</b> | <b>1,150</b>                        | <b>5,520</b>                        |

| <b>9</b> | <b>Creditors</b>                          | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|---|-------------------------------------|-------------------------------------|
|          | ACD's periodic charge                     | 90                                  | 88                                  |
|          | Accrued expenses                          | 59                                  | 41                                  |
|          | Amounts payable on cancellation of shares | 175                                 | 787                                 |
|          | <b>Total creditors</b>                    | <b>324</b>                          | <b>916</b>                          |

### **10 Related party transactions**

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 68. The balances due at the year end are shown in notes 7 and 9.

### **11 Shareholder funds**

Details relating to the Fund are shown in the notes on pages 15 to 19.

### **12 Contingent liabilities, contingent assets and commitments**

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### **13 Swing pricing**

The ACD's Swing pricing policy is disclosed in the notes on pages 15 to 19.

# Liontrust Global Alpha Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

#### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.7% (2018: 10.7%).

The Fund used derivatives in the year, namely equity index options. The Fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

The level of Market Exposure in the fund as at year end as measured by the Commitment Approach described above was 4.2% (3.5%).

#### Foreign currency risk

The Portfolio Statement shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency         | Net foreign currency assets |                             |
|------------------|-----------------------------|-----------------------------|
|                  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
| Canadian dollar  | 1,474                       | —                           |
| Euro             | 1,192                       | —                           |
| Hong Kong dollar | 4,885                       | 4,270                       |
| Japanese yen     | 8,019                       | 6,239                       |
| US dollar        | 75,529                      | 72,180                      |
| <b>Total</b>     | <b>91,099</b>               | <b>82,689</b>               |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £911 (2018: £827).

#### Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

|      | Counterparty | Derivative<br>Exposure (£'000) | Collateral<br>Posted (£'000) | Collateral<br>Received (£'000) | Collateral<br>Asset Class |
|------|--------------|--------------------------------|------------------------------|--------------------------------|---------------------------|
| 2019 | UBS Europe   | 171                            | —                            | —                              | Cash                      |
| 2018 | RBC Europe   | 5,319                          | —                            | —                              | Cash                      |



## Liontrust Global Alpha Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

## 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 34,719           | 42,834           | 38,802           | 41,208           |
| <b>Trades in the year before transaction costs</b>          | <b>34,719</b>    | <b>42,834</b>    | <b>38,802</b>    | <b>41,208</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 11               | 12               | (12)             | (13)             |
| Options   | 2                | 4                | (3)              | (4)              |
| Total commissions   | 13               | 16               | (15)             | (17)             |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | 6                | 10               | (1)              | (1)              |
| Options   | —                | —                | —                | —                |
| Total taxes   | 6                | 10               | (1)              | (1)              |
| Total costs   | 19               | 26               | (16)             | (18)             |
| <b>Total net trades in the year after transaction costs</b> | <b>34,738</b>    | <b>42,860</b>    | <b>38,786</b>    | <b>41,190</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.10% (2018: 0.27%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.03             | 0.03             | (0.03)           | (0.03)           |
| Options            | —                | —                | —                | —                |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | 0.02             | 0.02             | —                | —                |
| Options            | —                | —                | —                | —                |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.02             | 0.03             |
| Taxes        | 0.01             | 0.01             |
| <b>Total</b> | <b>0.03</b>      | <b>0.04</b>      |

# Liontrust Global Alpha Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 16 Share reconciliation

Reconciliation of the share movements in the year

| 31 December 2019               | A Accumulation   | C Accumulation    |
|--------------------------------|------------------|-------------------|
| Opening shares in issue        | 5,647,708        | 12,643,997        |
| Creations during the year      | 664,170          | 1,403,329         |
| Cancellations during the year  | (1,229,225)      | (2,040,472)       |
| <b>Closing shares in issue</b> | <b>5,082,653</b> | <b>12,006,854</b> |

### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 92,873                                | —  | 83,992                                | —  |
| Level 2 | 6,929                                 | —  | 5,329                                 | —  |
| Level 3 | 2,971                                 | —  | 2,106                                 | —  |
|         | <b>102,773</b>                        | <b>—</b>                                   | <b>91,427</b>                         | <b>—</b>                                   |

### 18 Post balance sheet events

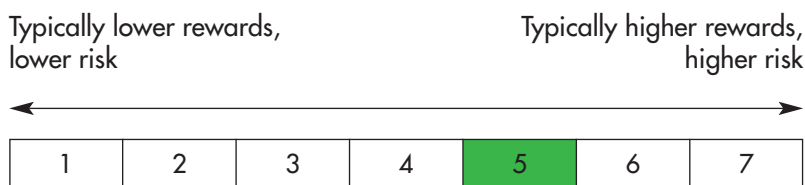
The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class    | Price at<br>31 December 2019 | Price at<br>3 June 2020 | % change |
|----------------|------------------------------|-------------------------|----------|
| A Accumulation | 549.47                       | 639.27                  | 16.34    |
| C Accumulation | 631.04                       | 737.97                  | 16.95    |

The Fund invests in a concentrated portfolio of 20-40 companies that may provide growth opportunities or attractive valuations.

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 primarily for its exposure to global companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- The level of income is not guaranteed.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

# Liontrust Global Dividend Fund (continued)

## Investment Manager's Report

### Market overview

Unsurprisingly, technology led the market in 2019, with the sector up over 38% in 2019 (this was predominately driven by Apple, which returned 76% over the year). Apple surprised the market after responding quickly to softening Chinese demand by lowering the average selling price of iPhones sold in Asian markets. This was followed by a better than expected iPhone 11 launch and continued expansion of its services revenue. However, the major catalyst for the stock was the unanticipated success of the wearables division, in particular, the AirPods and iWatch. In 2020, we expect earnings to inflect once the 5G iPhone replacement cycle begins. Given the stock performance over the last 12 months, our rules-based portfolio construction approach results in us taking profit when stock prices start to diverge from the underlying value of the company. Therefore, after starting 2019 with a weighting in the portfolio of 3.6% in Apple, we finish the year with a weighting approaching 2%.

### Portfolio overview

Over the course of 2019, the Fund topped the IA Global Equity Income sector with a return of 34.0%, compared to the sector average return of 18.6% and a 21.7% gain from the MSCI AC World Index.

Whilst valuations in some areas of the market have now become extended, we remain positive on investing in 'Global Leaders' – who have the ability to continue to drive earnings growth above the market average and achieve multiple expansion. One important characteristic of consumer brands we invest in, is their ability to position themselves close to the consumer to cut out the middle man. Traditionally, this would enable a company to achieve premium margins compared to wholesale but would require significant capital investment. However, now with mobile technology companies such as Disney, who were able to launch a platform business with low margin cost of distribution to monetise their incredible content library but also benefit from the data feedback loop to optimise content creation. Due to Disney's business model pivot, enviable content library, and visionary management team, the company is an excellent example of companies that we hold in the Fund who are able to grow their dividend above 10% as they benefit from execution of a longer-term business strategy.

Another example of a 'Global Leader' is Rightmove who has a unique competitive advantage that represents an abnormal ability to exact profitability from an industry. Rightmove is well positioned to benefit over the next three years after a resounding Conservative Party victory in the UK's parliamentary elections last month. Rightmove benefits from strong network effects in the online real estate advertisement market, which causes industry value to accrue to a handful of companies. Rightmove has built a database of properties that often acts as the first step in buying a home, enabling it to maintain a high and stable market share with strong pricing power. Becoming the de facto home of online real estate listings, an accolade that drives traffic to their platform, makes them more attractive to property advertisements and further entrenches their competitive advantage. Importantly, revenues comfortably cover platform maintenance and upgrades, leaving plenty of opportunity for management to pay a steadily increasing dividend alongside opportunistic buybacks.

### Outlook

As we enter 2020, we remain optimistic about the sustainability of the structural bull market and continue to look for investment opportunities presented by periods of market volatility.

### Storm Uru

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

## Liontrust Global Dividend Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement

as at 31 December 2019

| Holding | Portfolio of investments                    | Market value (£'000) | Percentage of total net assets (%) |
|---------|---|----------------------|------------------------------------|
|         | <b>AUSTRALIA 2.16% (2018 - 0.00%)</b>       |                      |                                    |
| 7,000   | Commonwealth Bank of Australia              | 297                  | 2.16                               |
|         | <b>CANADA 5.99% (2018 - 3.93%)</b>          |                      |                                    |
| 8,000   | Brookfield Asset Management                 | 350                  | 2.55                               |
| 640     | Constellation Software                      | 472                  | 3.44                               |
|         | <b>CHINA 2.40% (2018 - 6.56%)</b>           |                      |                                    |
| 9,000   | Tencent                                     | 329                  | 2.40                               |
|         | <b>DENMARK 2.64% (2018 - 0.00%)</b>         |                      |                                    |
| 6,000   | Chr Hansen                                  | 362                  | 2.64                               |
|         | <b>FRANCE 2.56% (2018 - 0.00%)</b>          |                      |                                    |
| 1,000   | LVMH Moet Hennessy Louis Vuitton            | 352                  | 2.56                               |
|         | <b>GERMANY 0.00% (2018 - 3.41%)</b>         |                      |                                    |
|         | <b>INDIA 2.46% (2018 - 0.00%)</b>           |                      |                                    |
| 25,000  | HDFC Bank                                   | 338                  | 2.46                               |
|         | <b>JAPAN 8.17% (2018 - 8.13%)</b>           |                      |                                    |
| 27,000  | Softbank                                    | 275                  | 2.00                               |
| 21,000  | SUMCO                                       | 267                  | 1.94                               |
| 9,000   | Taisei                                      | 285                  | 2.07                               |
| 30,000  | Tomy  | 296                  | 2.16                               |
|         | <b>NETHERLANDS 3.82% (2018 - 0.00%)</b>     |                      |                                    |
| 12,000  | Unilever                                    | 524                  | 3.82                               |
|         | <b>NEW ZEALAND 5.43% (2018 - 8.38%)</b>     |                      |                                    |
| 150,000 | Genesis Energy                              | 229                  | 1.67                               |
| 110,000 | Infratil                                    | 281                  | 2.04                               |
| 105,000 | Z Energy                                    | 236                  | 1.72                               |
|         | <b>RUSSIA 1.69% (2018 - 2.44%)</b>          |                      |                                    |
| 10,000  | MMC Norilsk Nickel ADR                      | 232                  | 1.69                               |
|         | <b>SWITZERLAND 3.04% (2018 - 2.76%)</b>     |                      |                                    |
| 1,700   | Roche                                       | 418                  | 3.04                               |
|         | <b>UNITED KINGDOM 12.33% (2018 - 5.26%)</b> |                      |                                    |
| 5,000   | Berkeley                                    | 244                  | 1.78                               |
| 12,000  | Diploma                                     | 245                  | 1.78                               |
| 80,000  | Domino's Pizza                              | 257                  | 1.87                               |
| 1,000   | Fevertree Drinks                            | 21                   | 0.15                               |
| 6,700   | Reckitt Benckiser                           | 409                  | 2.98                               |
| 46,000  | Rightmove                                   | 293                  | 2.13                               |
| 5,000   | Rio Tinto                                   | 225                  | 1.64                               |

# Liontrust Global Dividend Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement (continued)

as at 31 December 2019

| Holding | Portfolio of investments                    | Market value (£'000) | Percentage of total net assets (%) |
|---------|---|----------------------|------------------------------------|
|         | <b>UNITED STATES 42.37% (2018 - 64.90%)</b> |                      |                                    |
| 320     | Alphabet 'A'                                | 325                  | 2.37                               |
| 2,500   | American Tower                              | 433                  | 3.15                               |
| 1,300   | Apple                                       | 287                  | 2.09                               |
| 4,500   | Arthur J Gallagher                          | 323                  | 2.35                               |
| 1,500   | Boeing                                      | 371                  | 2.70                               |
| 3,000   | CME   | 452                  | 3.29                               |
| 750     | Equinix                                     | 329                  | 2.40                               |
| 2,800   | Facebook 'A'                                | 433                  | 3.15                               |
| 4,000   | Johnson & Johnson                           | 440                  | 3.20                               |
| 3,000   | Microsoft                                   | 358                  | 2.61                               |
| 1,900   | Moody's                                     | 342                  | 2.49                               |
| 4,000   | NIKE  | 305                  | 2.22                               |
| 1,800   | Roper Technologies                          | 485                  | 3.53                               |
| 1,900   | Thermo Fisher Scientific                    | 468                  | 3.41                               |
| 3,300   | Visa 'A'                                    | 469                  | 3.41                               |
|         | <b>Portfolio of investments</b>             | <b>13,057</b>        | <b>95.06</b>                       |
|         | <b>Net other assets</b>                     | <b>678</b>           | <b>4.94</b>                        |
|         | <b>Net assets</b>                           | <b>13,735</b>        | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

Stocks shown as ADRs represent American Depositary Receipts.

### The top five purchases and sales for the year

| Purchases         | Cost (£'000) |
|-------------------|--------------|
| Boeing            | 839          |
| Fevertree Drinks  | 681          |
| Alphabet 'A'      | 672          |
| Reckitt Benckiser | 662          |
| Rightmove         | 613          |

| Sales             | Proceeds (£'000) |
|-------------------|------------------|
| Fevertree Drinks  | 623              |
| Alphabet 'A'      | 621              |
| Apple             | 541              |
| Ubiquiti Networks | 511              |
| Intuit            | 500              |

## Liontrust Global Dividend Fund (continued)

## Performance Record

for the year ended 31 December 2019

| C Income                                 | 31 December 2019 | 31 December 2018 | 31 December 2017 |
|--|------------------|------------------|------------------|
| OCF/TER cap from 1 January 2020: 1.20%   | (p)              | (p)              | (p)              |
| <b>Change in net asset per share</b>     |                  |                  |                  |
| Opening net asset value per share        | 123.79           | 133.70           | 128.95           |
| Return before operating charges          | 43.29            | (5.13)           | 10.42            |
| Operating charges                        | (1.79)           | (1.60)           | (1.67)           |
| Return after operating charges           | 41.50            | (6.73)           | 8.75             |
| Distributions                            | (4.33)           | (3.18)           | (4.00)           |
| <b>Closing net asset value per share</b> | <b>160.96</b>    | <b>123.79</b>    | <b>133.70</b>    |
| After direct transaction costs of:       | 0.50             | 0.33             | 0.36             |
| <b>Performance</b>                       |                  |                  |                  |
| Return after operating charges           | 33.52%           | (5.03)%          | 6.79%            |
| <b>Other information</b>                 |                  |                  |                  |
| Closing net asset value (£'000)          | 2,891            | 923              | 1,163            |
| Closing number of shares                 | 1,795,859        | 745,644          | 870,031          |
| Operating Charge Figure                  | 1.20%            | 1.20%            | 1.30%            |
| Direct transaction costs                 | 0.34%            | 0.25%            | 0.28%            |
| OCF/TER cap                              | 1.20%            | 1.20%            | 1.30%            |
| Research fee                             | —                | 0.06%            | —                |
| Research fee rebate                      | —                | (0.04)%          | —                |
| <b>Prices</b>                            |                  |                  |                  |
| Highest share price                      | 164.90p          | 143.60p          | 135.50p          |
| Lowest share price                       | 122.20p          | 121.40p          | 122.50p          |

| C Accumulation                                | 31 December 2019 | 31 December 2018 | 31 December 2017 |
|---|------------------|------------------|------------------|
| OCF/TER cap from 1 January 2020: 1.20%        | (p)              | (p)              | (p)              |
| <b>Change in net asset per share</b>          |                  |                  |                  |
| Opening net asset value per share             | 149.99           | 158.07           | 147.81           |
| Return before operating charges               | 52.87            | (6.17)           | 12.20            |
| Operating charges                             | (2.25)           | (1.91)           | (1.94)           |
| Return after operating charges                | 50.62            | (8.08)           | 10.26            |
| Distributions                                 | (5.30)           | (3.81)           | (4.65)           |
| Retained distributions on accumulation shares | 5.30             | 3.81             | 4.65             |
| <b>Closing net asset value per share</b>      | <b>200.61</b>    | <b>149.99</b>    | <b>158.07</b>    |
| After direct transaction costs of:            | 0.63             | 0.40             | 0.42             |
| <b>Performance</b>                            |                  |                  |                  |
| Return after operating charges                | 33.75%           | (5.11)%          | 6.94%            |
| <b>Other information</b>                      |                  |                  |                  |
| Closing net asset value (£'000)               | 10,844           | 1,154            | 1,116            |
| Closing number of shares                      | 5,405,517        | 769,328          | 705,813          |
| Operating Charge Figure                       | 1.20%            | 1.20%            | 1.30%            |
| Direct transaction costs                      | 0.34%            | 0.25%            | 0.28%            |
| OCF/TER cap                                   | 1.20%            | 1.20%            | 1.30%            |
| Research fee                                  | —                | 0.04%            | —                |
| Research fee rebate                           | —                | (0.04)%          | —                |
| <b>Prices</b>                                 |                  |                  |                  |
| Highest share price                           | 204.40p          | 171.90p          | 159.10p          |
| Lowest share price                            | 148.10p          | 144.40p          | 141.60p          |

# Liontrust Global Dividend Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

### F Income (Share class closed 2 January 2019)

|  | 31 December 2019<br>(p) | 31 December 2018<br>(p) | 31 December 2017<br>(p) |
|--|-------------------------|-------------------------|-------------------------|
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 126.96                  | 137.00                  | 130.76                  |
| Return before operating charges          | 1.39                    | (5.15)                  | 10.65                   |
| Operating charges                        | -                       | (1.64)                  | (0.33)                  |
| Return after operating charges           | 1.39                    | (6.79)                  | 10.32                   |
| Transfer to converted shareclass*        | 128.35                  | —                       | —                       |
| Distributions                            | —                       | (3.25)                  | (4.08)                  |
| <b>Closing net asset value per share</b> | <b>—</b>                | <b>126.96</b>           | <b>137.00</b>           |
| After direct transaction costs of:       | 0.71                    | 0.34                    | 0.36                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 1.09%                   | (4.96)%                 | 7.89%                   |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£'000)          | —                       | 1,396                   | 2,714                   |
| Closing number of shares                 | —                       | 1,099,068               | 1,981,190               |
| Operating Charge Figure                  | —                       | 1.20%                   | 0.25%                   |
| Direct transaction costs                 | —                       | 0.25%                   | 0.28%                   |
| OCF/TER cap                              | —                       | 1.20%                   | 0.25%                   |
| Research fee                             | —                       | 0.04%                   | —                       |
| Research fee rebate                      | —                       | (0.04)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | —                       | 147.30p                 | 138.80p                 |
| Lowest share price                       | —                       | 124.50p                 | 124.60p                 |

### F Accumulation (Share class closed 2 January 2019)

|   | 31 December 2019<br>(p) | 31 December 2018<br>(p) | 31 December 2017<br>(p) |
|---|-------------------------|-------------------------|-------------------------|
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 152.58                  | 160.65                  | 148.65                  |
| Return before operating charges               | 1.71                    | (6.13)                  | 12.38                   |
| Operating charges                             | —                       | (1.94)                  | (0.38)                  |
| Return after operating charges                | 1.71                    | (8.07)                  | 12.00                   |
| Transfer to converted shareclass*             | 154.29                  | —                       | —                       |
| Distributions                                 | —                       | (3.87)                  | (4.69)                  |
| Retained distributions on accumulation shares | —                       | 3.87                    | 4.69                    |
| <b>Closing net asset value per share</b>      | <b>—</b>                | <b>152.58</b>           | <b>160.65</b>           |
| After direct transaction costs of:            | 0.94                    | 0.40                    | 0.42                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 1.12%                   | (5.02)%                 | 8.07%                   |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | —                       | 1,314                   | 2,169                   |
| Closing number of shares                      | —                       | 861,359                 | 1,349,954               |
| Operating Charge Figure                       | —                       | 1.20%                   | 0.25%                   |
| Direct transaction costs                      | —                       | 0.25%                   | 0.28%                   |
| OCF/TER cap                                   | —                       | 1.20%                   | 0.25%                   |
| Research fee                                  | —                       | 0.04%                   | —                       |
| Research fee rebate                           | —                       | (0.04)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | —                       | 174.90p                 | 161.60p                 |
| Lowest share price                            | —                       | 146.80p                 | 142.80p                 |

\*Share class F Income converted into C Income and Share class F Accumulation converted into C Accumulation on 2 January 2019.



### Liontrust Global Dividend Fund (continued)

#### **Status**

Liontrust Global Dividend Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

#### **Fund Performance**

The performance of the Fund is shown in the Investment Manager's report on page 75.

Details of the distributions per share for the year are shown in the distribution tables on pages 89 and 90.

#### **Risk Warning**

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust Global Dividend Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|-------|-----------------------------|-----------------------------|
| Income  |       |                             |                             |
| Net capital gains/(losses)  | 2     | 1,916                       | (373)                       |
| Revenue   | 3     | 290                         | 178                         |
| Expenses  | 4     | (117)                       | (98)                        |
| Interest payable and similar charges  |       | (1)                         | —                           |
| Net revenue before taxation   |       | 172                         | 80                          |
| Taxation  | 5     | (34)                        | (19)                        |
| Net revenue after taxation  |       | 138                         | 61                          |
| <b>Total return before distributions</b>  |       | <b>2,054</b>                | <b>(312)</b>                |
| Distributions   | 6     | (250)                       | (158)                       |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       | <b>1,804</b>                | <b>(470)</b>                |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-----------------------------|-----------------------------|
| <b>Opening net assets attributable to shareholders</b>                       | <b>4,787</b>                | <b>7,162</b>                |
| Amounts received on issue of shares  | 7,861                       | 713                         |
| Amounts paid on cancellation of shares                                       | (1,014)                     | (2,685)                     |
|  | 6,847                       | (1,972)                     |
| Dilution adjustment charged  | 10                          | —                           |
| Change in net assets attributable to shareholders from investment activities | 1,804                       | (470)                       |
| Retained distribution on accumulation shares                                 | 287                         | 67                          |
| <b>Closing net assets attributable to shareholders</b>                       | <b>13,735</b>               | <b>4,787</b>                |

## Liontrust Global Dividend Fund (continued)

## Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 13,057                      | 5,063                       |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 403                         | 595                         |
| Cash and bank balances                         | 8     | 508                         | 19                          |
| <b>Total current assets</b>                    |       | <b>911</b>                  | <b>614</b>                  |
| <b>Total assets</b>                            |       | <b>13,968</b>               | <b>5,677</b>                |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Bank overdrafts                                | 8     | (6)                         | —                           |
| Distribution payable                           |       | (16)                        | (15)                        |
| Other creditors                                | 9     | (211)                       | (875)                       |
| <b>Total liabilities</b>                       |       | <b>(233)</b>                | <b>(890)</b>                |
| <b>Net assets attributable to shareholders</b> |       | <b>13,735</b>               | <b>4,787</b>                |

The accompanying notes are an integral part of these Financial Statements.

# Liontrust Global Dividend Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1 Accounting policies

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| 2 | Net capital gains/(losses)        | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|-----------------------------------|-----------------------------|-----------------------------|
|   | Non-derivative securities         | 1,961                       | (480)                       |
|   | Derivative contracts              | (4)                         | 83                          |
|   | Forward currency contracts        | 31                          | —                           |
|   | Currency (losses)/gains           | (80)                        | 1                           |
|   | Transaction charges               | (6)                         | (4)                         |
|   | Transaction charges rebate        | 1                           | 1                           |
|   | ACD's fee rebates*                | 13                          | 26                          |
|   | <b>Net capital gains/(losses)</b> | <b>1,916</b>                | <b>(373)</b>                |

| 3 | Revenue              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------|-----------------------------|-----------------------------|
|   | UK dividends         | 30                          | 19                          |
|   | Overseas dividends   | 260                         | 159                         |
|   | <b>Total revenue</b> | <b>290</b>                  | <b>178</b>                  |

| 4 | Expenses   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                             |                             |
|   | ACD's periodic charge  | 68                          | 44                          |
|   | Distribution fees  | 28                          | 36                          |
|   | Printing costs   | 1                           | (4)                         |
|   | Registration fees  | 2                           | 3                           |
|   | Transfer agent fees  | 2                           | 1                           |
|   |  | <b>101</b>                  | <b>80</b>                   |
|   | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                             |                             |
|   | Depositary's fees  | 2                           | 2                           |
|   | Safe custody fees  | 1                           | 1                           |
|   |  | <b>3</b>                    | <b>3</b>                    |
|   | <b>Other expenses:</b>   |                             |                             |
|   | Audit fee  | 5                           | 5                           |
|   | Legal and professional fees  | 1                           | 5                           |
|   | Publication costs  | 4                           | 3                           |
|   | Research fees  | 3                           | 2                           |
|   |  | <b>13</b>                   | <b>15</b>                   |
|   | <b>Total expenses</b>  | <b>117</b>                  | <b>98</b>                   |

\*The ACD caps the ongoing charges figure (OCF) of each share class as a percentage of the average net asset value and these percentage caps are disclosed in the Performance Record of each share class. The OCF capping is entirely at the discretion of the ACD and may cease at any time.

## Liontrust Global Dividend Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation                                  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b> |                             |                             |
|   | Overseas withholding tax                  | 34                          | 19                          |
|   | <b>Total taxation for the year</b>        | <b>34</b>                   | <b>19</b>                   |

**b) Factors affecting current tax charge for the year:**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%).

The differences are explained below:

|  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-----------------------------|-----------------------------|
| Net revenue before taxation              | 172                         | 80                          |
| Corporation tax at 20% (2018: 20%)       | 34                          | 16                          |
| <b>Effects of:</b>                       |                             |                             |
| Expenses not deductible for tax purposes | 3                           | 5                           |
| Movement in excess management expenses   | 11                          | 11                          |
| Overseas tax expensed                    | (1)                         | —                           |
| Overseas withholding tax                 | 33                          | 19                          |
| Revenue not subject to taxation          | (47)                        | (32)                        |
| Foreign capital gains tax                | 1                           | —                           |
| <b>Current tax charge for the year</b>   | <b>34</b>                   | <b>19</b>                   |

**c) Deferred tax**

At the year end, there is a potential deferred tax asset of £47 (2018: £36) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year.

| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise: |                             |                             |
|   | 1st Quarter   | 12                          | 40                          |
|   | Interim   | 27                          | 18                          |
|   | 3rd Quarter   | 18                          | 20                          |
|   | Final   | 303                         | 63                          |
|   | Add: Amounts deducted on cancellation of shares   | 9                           | 21                          |
|   | Deduct: Amounts received on issue of shares   | (119)                       | (4)                         |
|   | <b>Net distributions for the year</b>   | <b>250</b>                  | <b>158</b>                  |
|   | Reconciliation of net revenue after taxation to distributions   |                             |                             |
|   | Net revenue after taxation  | 138                         | 61                          |
|   | Expenses charged to capital   | 117                         | 98                          |
|   | Tax relief due to capital   | (5)                         | (1)                         |
|   | <b>Net distributions for the year</b>   | <b>250</b>                  | <b>158</b>                  |

Details of the distribution per share are set out in the distribution table on pages 89 and 90.

## Liontrust Global Dividend Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| <b>7</b> | <b>Debtors</b>                         | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|--|-------------------------------------|-------------------------------------|
|          | Accrued revenue                        | 21                                  | 9                                   |
|          | Rebate borne by ACD                    | —                                   | 4                                   |
|          | Amounts receivable for issue of shares | 165                                 | 2                                   |
|          | Overseas tax recoverable               | 5                                   | 4                                   |
|          | Sales awaiting settlement              | 212                                 | 576                                 |
|          | <b>Total debtors</b>                   | <b>403</b>                          | <b>595</b>                          |

| <b>8</b> | <b>Cash and bank balances</b>       | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|-------------------------------------|-------------------------------------|-------------------------------------|
|          | Cash and bank balances              | 508                                 | 19                                  |
|          | Bank overdrafts                     | (6)                                 | —                                   |
|          | <b>Total cash and bank balances</b> | <b>502</b>                          | <b>19</b>                           |

| <b>9</b> | <b>Creditors</b>                          | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|---|-------------------------------------|-------------------------------------|
|          | ACD's periodic charge                     | 1                                   | 3                                   |
|          | Accrued expenses                          | 34                                  | 22                                  |
|          | Amounts payable on cancellation of shares | —                                   | 850                                 |
|          | Purchases awaiting settlement             | 176                                 | —                                   |
|          | <b>Total creditors</b>                    | <b>211</b>                          | <b>875</b>                          |

### 10 Related party transactions

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 83. The balances due at the year end are shown in notes 7 and 9.

### 11 Shareholder funds

Details relating to the Fund are shown in the notes on pages 15 to 19.

### 12 Contingent liabilities, contingent assets and commitments

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### 13 Swing pricing

The Swing pricing policy is disclosed in the notes on pages 15 to 19.

## Liontrust Global Dividend Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

##### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.5% (2018: 12.7%).

The Fund did not use derivatives for investment management purposes in the year and level of leverage employed by the Fund during the year is not considered to be significant.

##### Foreign currency risk

The Portfolio Statement shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency           | Net foreign currency assets |                             |
|--------------------|-----------------------------|-----------------------------|
|                    | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
| Australian dollar  | 297                         | —                           |
| Canadian dollar    | 472                         | 188                         |
| Danish krone       | 363                         | —                           |
| Euro               | 816                         | 165                         |
| Hong Kong dollar   | 329                         | 173                         |
| Indian rupee       | 338                         | —                           |
| Japanese yen       | 1,124                       | 392                         |
| New Zealand dollar | 746                         | 401                         |
| Swiss franc        | 421                         | 2                           |
| US dollar          | 6,858                       | 3,932                       |
| <b>Total</b>       | <b>11,764</b>               | <b>5,253</b>                |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £118 (2018: £53).

# Liontrust Global Dividend Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 28,165           | 10,591           | 22,174           | 11,969           |
| <b>Trades in the year before transaction costs</b>          | <b>28,165</b>    | <b>10,591</b>    | <b>22,174</b>    | <b>11,969</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 12               | 4                | (9)              | (5)              |
| Total commissions   | 12               | 4                | (9)              | (5)              |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | 24               | 7                | (1)              | —                |
| Total taxes   | 24               | 7                | (1)              | —                |
| Total costs   | 36               | 11               | (10)             | (5)              |
| <b>Total net trades in the year after transaction costs</b> | <b>28,201</b>    | <b>10,602</b>    | <b>22,164</b>    | <b>11,964</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.16% (2018: 0.21%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.04             | 0.04             | (0.04)           | (0.04)           |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | 0.09             | 0.07             | —                | —                |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.15             | 0.14             |
| Taxes        | 0.19             | 0.11             |
| <b>Total</b> | <b>0.34</b>      | <b>0.25</b>      |



## Liontrust Global Dividend Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 16 Share reconciliation

Reconciliation of the share movements in the year

| 31 December 2019                 | C Income         | C Accumulation   | F Income    | F Accumulation |
|----------------------------------|------------------|------------------|-------------|----------------|
| Opening shares in issue          | 745,644          | 769,328          | 1,099,068   | 861,359        |
| Creations during the year        | 315,150          | 4,009,150        | —           | —              |
| Cancellations during the year    | (391,216)        | (249,083)        | —           | —              |
| Shares converted during the year | 1,126,281        | 876,122          | (1,099,068) | (861,359)      |
| <b>Closing shares in issue</b>   | <b>1,795,859</b> | <b>5,405,517</b> | <b>—</b>    | <b>—</b>       |

#### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 13,057                                | —  | 5,063                                 | —  |
|         | <b>13,057</b>                         | <b>—</b>                                   | <b>5,063</b>                          | <b>—</b>                                   |

The Fund has no Level 2 or Level 3 financial instruments.

#### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class    | Price at<br>31 December 2019 | Price at<br>3 June 2020 | % change |
|----------------|------------------------------|-------------------------|----------|
| C Income       | 160.96                       | 163.08                  | 1.32     |
| C Accumulation | 200.61                       | 204.61                  | 1.99     |

## Liontrust Global Dividend Fund (continued)

### Distribution tables

for the year ended 31 December 2019 – in pence per share

#### 1st quarter distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 March 2019

|                              | Net<br>revenue | Equalisation | Paid<br>31 May 2019 | Paid<br>31 May 2018 |
|------------------------------|----------------|--------------|---------------------|---------------------|
| <b>C Income shares</b>       |                |              |                     |                     |
| Group 1                      | 0.6838         | —            | 0.6838              | 0.7740              |
| Group 2                      | 0.3093         | 0.3745       | 0.6838              | 0.7740              |
| <b>C Accumulation shares</b> |                |              |                     |                     |
| Group 1                      | —              | —            | —                   | 0.9129              |
| Group 2                      | —              | —            | —                   | 0.9129              |

#### Interim distribution

Group 1 – Shares purchased prior to 1 April 2019

Group 2 – Shares purchased on or after 1 April 2019 to 30 June 2019

|                        | Net<br>revenue | Equalisation | Paid<br>31 August 2019 | Paid<br>31 August 2018 |
|------------------------|----------------|--------------|------------------------|------------------------|
| <b>C Income shares</b> |                |              |                        |                        |
| Group 1                | 1.6663         | —            | 1.6663                 | 0.7629                 |
| Group 2                | 0.9614         | 0.7049       | 1.6663                 | 0.7629                 |

#### 3rd quarter distribution

Group 1 – Shares purchased prior to 1 July 2019

Group 2 – Shares purchased on or after 1 July 2019 to 30 September 2019

|                        | Net<br>revenue | Equalisation | Paid<br>30 November 2019 | Paid<br>30 November 2018 |
|------------------------|----------------|--------------|--------------------------|--------------------------|
| <b>C Income shares</b> |                |              |                          |                          |
| Group 1                | 1.0648         | —            | 1.0648                   | 0.8300                   |
| Group 2                | 0.5720         | 0.4928       | 1.0648                   | 0.8300                   |

## Liontrust Global Dividend Fund (continued)

### Distribution tables (continued)

for the year ended 31 December 2019 – in pence per share

#### Final distribution

Group 1 – Shares purchased prior to 1 October 2019

Group 2 – Shares purchased on or after 1 October 2019 to 31 December 2019

|                        | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>C Income shares</b> |                |              |                             |                          |
| Group 1                | 0.9183         | —            | 0.9183                      | 0.8132                   |
| Group 2                | 0.3078         | 0.6105       | 0.9183                      | 0.8132                   |

#### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                              | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>C Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 5.3041         | —            | 5.3041                      | 2.8934                   |
| Group 2                      | 2.3642         | 2.9399       | 5.3041                      | 2.8934                   |

# Liontrust Global Equity Fund

## Investment Objective

The investment objective of Liontrust Global Equity Fund is to generate long term (five years or more) capital growth.

The Fund invests at least 80% in shares of companies selected from across the world.

The Fund may also invest up to 20% in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

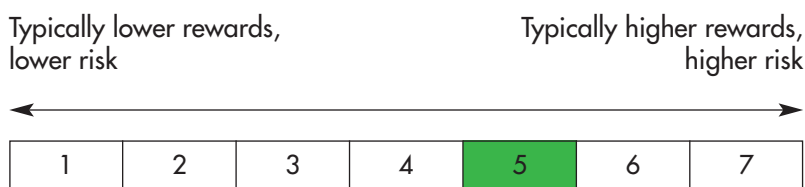
The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

The Fund invests in securities using a combination of economic, industry and stock specific analysis.

## Liontrust Global Equity Fund (continued)

### Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 primarily for its exposure to global companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- The Fund may invest in derivatives, which 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. The use of derivative contracts may help us to control Fund volatility in both up and down markets by hedging against general market movements. As part of the investment policy, the Fund may buy put options on a market index to mitigate against the effect of a significant fall in the level of that market. These put options will be 'covered', as the Fund will not buy a put option unless it has a long exposure to that market (either directly or indirectly).
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

# Liontrust Global Equity Fund (continued)

## Investment Manager's Report

### Market overview

2018 proved to be a particularly difficult year, with global equities falling sharply in the fourth quarter as global growth slowed, US interest rates rose and trade war tensions between the US and China heightened. 2019 was a considerably more positive year, driven by a combination of low valuations going into the year and the fact that many of the headwinds facing investors receded. Not only was a phase one trade deal agreed between the US and China, but global economic growth started to accelerate thanks to a period of looser monetary policy. This improved sentiment translated into rising global bond yields in the second half of the year, but despite this, value stocks once again underperformed relative to growth. Emerging markets, thanks to concerns surrounding US-China trade, considerably underperformed relative to developed markets for much of the year, but enjoyed a strong rebound (on a relative basis) in Q3 and Q4 as the growth outlook improved and trade war tensions eased. In the UK, despite considerable political uncertainty throughout the year, the surprise, large Tory majority at the general election meant sentiment towards the UK ended the year high as the threat of a Corbyn-led Labour Government was removed, while investors were provided with greater clarity regarding Brexit.

### Portfolio attribution

The Liontrust Global Equity Fund returned 18.3% over the year, in comparison to the MSCI AC World Index, which returned 21.7% and the IA Global Equity sector average of 21.9%.

The majority of the Fund's underperformance relative to its peers was derived in the first quarter of the year, this was almost entirely driven by the Fund's exposure to exchange traded put options. These had been a significant factor behind the Fund's outperformance during the Q4 2018 sell-off, but as the market rebounded strongly in January, they meant the portfolio lagged the wider market. We have since sold our positions in put options. On a more positive note, the Fund continued to benefit from its exposure to technology. The sector enjoyed its strongest calendar year performance since 2019 and technology remains a key focus for the Liontrust Global Equity Team. Tech disruption has been an important theme for a number of years, with disruption taking place in virtually every sector. Our global sector research process allows us to generate a strong understanding of how digital disruption is affecting global industries, and within the Fund we focus on those genuine disrupters (companies with platform models/network effects e.g. Amazon, Google), companies that provide the framework to enable this disruption and companies outside of the tech sector that are adopting new technology to gain a competitive advantage over their peers. Some of the Fund's strongest contributors included Apple, Amazon and Microsoft, demonstrating the way that technology firms are increasingly attacking profit pools that in the past were shared by other industries.

### Outlook

We are currently broadly positive on the outlook for global equities. Global economic growth has decelerated and disappointed market expectations for the past two years, halving from around 5% at the start of 2018 to about 2.5% today on an annualised quarter by quarter basis. In 2018, central banks fell behind the curve with respect to this slowdown and almost all asset classes experienced a bear market. In 2019, they got back ahead of the curve and almost all asset classes experienced a bull market. Looking into 2020, we tentatively expect growth to stabilise and then modestly accelerate for the first time in a little while, perhaps up to around 3.5% on an annualised quarterly basis by the end of the year. This would be a welcome development for global equities, particularly if global central banks step aside and allow any acceleration to take hold, which current low core inflation rates would enable them to do. While it is difficult to see multiple expansion as a major driver of global equity returns this year, following its heroic contribution last year, the stabilization and modest acceleration of global growth would likely produce mid-to high digit earnings per share growth, which would provide a decent tailwind for the year. The main risks to this constructive outlook are the upcoming US election and potential geopolitical stresses.

### James Dowe

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

## Liontrust Global Equity Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement

as at 31 December 2019

| Holding   | Portfolio of investments                                | Market value (£'000) | Percentage of total net assets (%) |
|-----------|---|----------------------|------------------------------------|
| 99,500    | <b>CANADA 0.00% (2018 - 0.00%)</b><br>Nebex Resources * | —                    | —                                  |
|           | <b>CHILE 0.00% (2018 - 1.23%)</b>                       |                      |                                    |
|           | <b>CHINA 9.41% (2018 - 10.14%)</b>                      |                      |                                    |
| 33,000    | Alibaba ADR   | 5,318                | 3.32                               |
| 500,000   | Ping An Insurance 'H'                                   | 4,477                | 2.79                               |
| 145,000   | Tencent   | 5,295                | 3.30                               |
|           | <b>DENMARK 1.50% (2018 - 0.00%)</b>                     |                      |                                    |
| 40,000    | Chr Hansen  | 2,411                | 1.50                               |
|           | <b>HONG KONG 3.40% (2018 - 3.84%)</b>                   |                      |                                    |
| 4,000,000 | Mandarin Oriental International                         | 5,451                | 3.40                               |
|           | <b>JAPAN 2.34% (2018 - 7.88%)</b>                       |                      |                                    |
| 14,000    | Keyence   | 3,757                | 2.34                               |
|           | <b>NETHERLANDS 1.54% (2018 - 1.54%)</b>                 |                      |                                    |
| 110,000   | Royal Dutch Shell 'A'                                   | 2,470                | 1.54                               |
|           | <b>SWITZERLAND 0.00% (2018 - 1.07%)</b>                 |                      |                                    |
|           | <b>UNITED KINGDOM 12.10% (2018 - 13.65%)</b>            |                      |                                    |
| 1,500,000 | Liontrust Emerging Markets Fund 'C' Acc†                | 2,616                | 1.63                               |
| 1,626,000 | Liontrust Global Dividend Fund 'C' Acc†                 | 3,301                | 2.06                               |
| 4,123,000 | Liontrust Global Technology Fund 'C' Acc†               | 9,829                | 6.13                               |
| 60,000    | Reckitt Benckiser                                       | 3,663                | 2.28                               |
|           | <b>UNITED STATES 69.79% (2018 - 53.89%)</b>             |                      |                                    |
| 14,000    | Adobe   | 3,481                | 2.17                               |
| 8,150     | Alphabet 'A'  | 8,269                | 5.15                               |
| 6,100     | Amazon.com  | 8,530                | 5.32                               |
| 42,000    | Apple   | 9,273                | 5.78                               |
| 65,000    | Arthur J Gallagher                                      | 4,668                | 2.91                               |
| 65,000    | Badger Meter  | 3,234                | 2.02                               |
| 19,000    | Becton Dickinson  | 3,891                | 2.43                               |
| 110,000   | Brown-Forman 'B'  | 5,627                | 3.51                               |
| 37,000    | CME   | 5,579                | 3.48                               |
| 48,000    | Electronic Arts   | 3,886                | 2.42                               |
| 12,000    | Facebook 'A'  | 1,857                | 1.16                               |
| 30,000    | Fortive   | 1,732                | 1.08                               |
| 17,000    | Home Depot  | 2,797                | 1.74                               |
| 27,000    | Honeywell International                                 | 3,606                | 2.25                               |
| 13,400    | Intuit  | 2,666                | 1.66                               |
| 40,000    | JPMorgan Chase  | 4,200                | 2.62                               |

# Liontrust Global Equity Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement (continued)

as at 31 December 2019

| Holding | Portfolio of investments                                | Market value (£'000) | Percentage of total net assets (%) |
|---------|---|----------------------|------------------------------------|
|         | <b>UNITED STATES 69.79% (2018 - 53.89%) (continued)</b> |                      |                                    |
| 71,800  | Microsoft   | 8,569                | 5.34                               |
| 32,000  | NVIDIA  | 5,628                | 3.51                               |
| 34,000  | Palo Alto Networks                                      | 5,957                | 3.71                               |
| 40,000  | PayPal  | 3,269                | 2.04                               |
| 10,000  | SVB Financial   | 1,891                | 1.18                               |
| 11,000  | Thermo Fisher Scientific                                | 2,707                | 1.69                               |
| 10,000  | UnitedHealth  | 2,225                | 1.39                               |
| 59,000  | Visa 'A'  | 8,390                | 5.23                               |
|         | <b>DERIVATIVES 0.00% (2018 - 6.00%)</b>                 |                      |                                    |
|         | <b>Portfolio of investments</b>                         | <b>160,520</b>       | <b>100.08</b>                      |
|         | <b>Net other liabilities</b>                            | <b>(122)</b>         | <b>(0.08)</b>                      |
|         | <b>Net assets</b>                                       | <b>160,398</b>       | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

\*Non voting depositary receipts.

†Represents investment into a Liontrust Collective Investment Scheme product.

Stocks shown as ADRs represent American Depositary Receipts.

### The top five purchases and sales for the year

| Purchases          | Cost (£'000) |
|--------------------|--------------|
| Arthur J Gallagher | 3,883        |
| Becton Dickinson   | 3,800        |
| Reckitt Benckiser  | 3,744        |
| Intuit             | 3,577        |
| Badger Meter       | 3,518        |

| Sales   | Proceeds (£'000) |
|---|------------------|
| Liontrust Emerging Markets Fund 'C' Acc†      | 7,252            |
| NASDAQ 100 E-Mini Futures 6950 Put 15/03/2019 | 4,444            |
| CME   | 4,386            |
| Willis Towers Watson                          | 3,917            |
| Sony  | 3,770            |

†Represents investment into a Liontrust Collective Investment Scheme product.



## Liontrust Global Equity Fund (continued)

## Performance Record

for the year ended 31 December 2019

| <b>A Income</b>                          | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|--|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.97%   | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 132.98                  | 139.71                  | 118.65                  |
| Return before operating charges          | 25.80                   | (2.49)                  | 25.24                   |
| Operating charges                        | (2.75)                  | (2.59)                  | (2.33)                  |
| Return after operating charges           | 23.05                   | (5.08)                  | 22.91                   |
| Distributions                            | (1.57)                  | (1.65)                  | (1.85)                  |
| <b>Closing net asset value per share</b> | <b>154.46</b>           | <b>132.98</b>           | <b>139.71</b>           |
| After direct transaction costs of:       | 0.05                    | 0.05                    | 0.14                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 17.33%                  | (3.64)%                 | 19.31%                  |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£'000)          | 2,176                   | 2,285                   | 2,578                   |
| Closing number of shares                 | 1,408,485               | 1,718,500               | 1,844,881               |
| Operating Charge Figure                  | 1.89%                   | 1.80%                   | 1.81%                   |
| Direct transaction costs                 | 0.04%                   | 0.03%                   | 0.11%                   |
| OCF/TER cap                              | 1.97%                   | 1.97%                   | 1.90%                   |
| Research fee                             | —                       | 0.05%                   | —                       |
| Research fee rebate                      | —                       | (0.05)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | 157.80p                 | 153.60p                 | 142.20p                 |
| Lowest share price                       | 132.20p                 | 133.50p                 | 118.60p                 |

| <b>A Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.51%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 433.90                  | 450.55                  | 377.33                  |
| Return before operating charges               | 84.23                   | (8.25)                  | 80.68                   |
| Operating charges                             | (9.00)                  | (8.40)                  | (7.46)                  |
| Return after operating charges                | 75.23                   | (16.65)                 | 73.22                   |
| Distributions                                 | —                       | —                       | —                       |
| Retained distributions on accumulation shares | —                       | —                       | —                       |
| <b>Closing net asset value per share</b>      | <b>509.13</b>           | <b>433.90</b>           | <b>450.55</b>           |
| After direct transaction costs of:            | 0.17                    | 0.16                    | 0.45                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 17.34%                  | (3.70)%                 | 19.40%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 44,179                  | 56,731                  | 76,440                  |
| Closing number of shares                      | 8,677,296               | 13,074,648              | 16,965,987              |
| Operating Charge Figure                       | 1.89%                   | 1.80%                   | 1.81%                   |
| Direct transaction costs                      | 0.04%                   | 0.03%                   | 0.11%                   |
| OCF/TER cap                                   | 1.97%                   | 1.97%                   | 1.90%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.05)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 517.70p                 | 498.70p                 | 455.60p                 |
| Lowest share price                            | 431.40p                 | 433.50p                 | 377.20p                 |

# Liontrust Global Equity Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

| <b>B Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.51%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 471.59                  | 487.50                  | 406.45                  |
| Return before operating charges               | 91.68                   | (9.11)                  | 87.12                   |
| Operating charges                             | (7.42)                  | (6.80)                  | (6.07)                  |
| Return after operating charges                | 84.26                   | (15.91)                 | 81.05                   |
| Distributions                                 | —                       | —                       | (0.84)                  |
| Retained distributions on accumulation shares | —                       | —                       | 0.84                    |
| <b>Closing net asset value per share</b>      | <b>555.85</b>           | <b>471.59</b>           | <b>487.50</b>           |
| After direct transaction costs of:            | 0.19                    | 0.17                    | 0.49                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 17.87%                  | (3.26)%                 | 19.94%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 4,876                   | 7,621                   | 11,979                  |
| Closing number of shares                      | 877,304                 | 1,616,057               | 2,457,227               |
| Operating Charge Figure                       | 1.44%                   | 1.34%                   | 1.36%                   |
| Direct transaction costs                      | 0.04%                   | 0.03%                   | 0.11%                   |
| OCF/TER cap                                   | 1.51%                   | 1.52%                   | 1.40%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.05)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 565.10p                 | 541.30p                 | 492.60p                 |
| Lowest share price                            | 468.90p                 | 471.10p                 | 406.40p                 |

| <b>C Income</b>                          | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|--|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.06%   | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 138.54                  | 144.24                  | 121.37                  |
| Return before operating charges          | 26.98                   | (2.65)                  | 25.96                   |
| Operating charges                        | (1.51)                  | (1.34)                  | (1.19)                  |
| Return after operating charges           | 25.47                   | (3.99)                  | 24.77                   |
| Distributions                            | (1.64)                  | (1.71)                  | (1.90)                  |
| <b>Closing net asset value per share</b> | <b>162.37</b>           | <b>138.54</b>           | <b>144.24</b>           |
| After direct transaction costs of:       | 0.06                    | 0.05                    | 0.15                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 18.38%                  | (2.77)%                 | 20.40%                  |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£'000)          | 6,260                   | 5,798                   | 7,216                   |
| Closing number of shares                 | 3,855,372               | 4,185,007               | 5,003,068               |
| Operating Charge Figure                  | 0.99%                   | 0.89%                   | 0.90%                   |
| Direct transaction costs                 | 0.04%                   | 0.03%                   | 0.11%                   |
| OCF/TER cap                              | 1.06%                   | 1.06%                   | 0.90%                   |
| Research fee                             | —                       | 0.05%                   | —                       |
| Research fee rebate                      | —                       | (0.05)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | 165.80p                 | 159.60p                 | 146.60p                 |
| Lowest share price                       | 137.80p                 | 139.10p                 | 121.40p                 |

# Liontrust Global Equity Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

| C Accumulation                                | 31 December 2019 | 31 December 2018 | 31 December 2017 |
|---|------------------|------------------|------------------|
| OCF/TER cap from 1 January 2020: 1.06%        | (p)              | (p)              | (p)              |
| <b>Change in net asset per share</b>          |                  |                  |                  |
| Opening net asset value per share             | 173.98           | 179.03           | 148.57           |
| Return before operating charges               | 33.93            | (3.39)           | 31.92            |
| Operating charges                             | (1.90)           | (1.66)           | (1.46)           |
| Return after operating charges                | 32.03            | (5.05)           | 30.46            |
| Distributions                                 | (0.47)           | (0.67)           | (1.07)           |
| Retained distributions on accumulation shares | 0.47             | 0.67             | 1.07             |
| <b>Closing net asset value per share</b>      | <b>206.01</b>    | <b>173.98</b>    | <b>179.03</b>    |
| After direct transaction costs of:            | 0.07             | 0.06             | 0.18             |
| <b>Performance</b>                            |                  |                  |                  |
| Return after operating charges                | 18.41%           | (2.82)%          | 20.50%           |
| <b>Other information</b>                      |                  |                  |                  |
| Closing net asset value (£'000)               | 100,603          | 90,136           | 100,726          |
| Closing number of shares                      | 48,833,374       | 51,806,661       | 56,262,212       |
| Operating Charge Figure                       | 0.99%            | 0.89%            | 0.90%            |
| Direct transaction costs                      | 0.04%            | 0.03%            | 0.11%            |
| OCF/TER cap                                   | 1.06%            | 1.06%            | 0.90%            |
| Research fee                                  | —                | 0.05%            | —                |
| Research fee rebate                           | —                | (0.05)%          | —                |
| <b>Prices</b>                                 |                  |                  |                  |
| Highest share price                           | 209.40p          | 199.40p          | 180.80p          |
| Lowest share price                            | 173.00p          | 173.80p          | 148.60p          |

## A Accumulation EUR (Share class closed on 2 January 2019)

|   | 31 December 2019 | 31 December 2018 | 31 December 2017 |
|---|------------------|------------------|------------------|
|   | (p)              | (p)              | (p)              |
| <b>Change in net asset per share</b>          |                  |                  |                  |
| Opening net asset value per share             | 181.63           | 188.62           | 157.96           |
| Return before operating charges               | 3.45             | (3.40)           | 33.77            |
| Operating charges                             | —                | (3.59)           | (3.11)           |
| Return after operating charges                | 3.45             | (6.99)           | 30.66            |
| Transfer to converted shareclass*             | (185.08)         | —                | —                |
| Distributions                                 | —                | —                | —                |
| Retained distributions on accumulation shares | —                | —                | —                |
| <b>Closing net asset value per share</b>      | <b>—</b>         | <b>181.63</b>    | <b>188.62</b>    |
| After direct transaction costs of:            | 0.00             | 0.07             | 0.19             |
| <b>Performance</b>                            |                  |                  |                  |
| Return after operating charges                | 1.90%            | (3.71)%          | 19.41%           |
| <b>Other information</b>                      |                  |                  |                  |
| Closing net asset value (£'000)               | —                | 70               | 206              |
| Closing number of shares                      | —                | 38,584           | 109,106          |
| Operating Charge Figure                       | —                | 1.83%            | 1.81%            |
| Direct transaction costs                      | —                | 0.03%            | 0.11%            |
| OCF/TER cap                                   | —                | 1.97%            | 1.90%            |
| Research fee                                  | —                | 0.05%            | —                |
| Research fee rebate                           | —                | (0.05)%          | —                |
| <b>Prices</b>                                 |                  |                  |                  |
| Highest share price                           | —                | 235.20¢          | 193.40¢          |
| Lowest share price                            | —                | 201.40¢          | 147.20¢          |

\*Share class converted into C Accumulation EUR on 2 January 2019.

# Liontrust Global Equity Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

| <b>C Accumulation EUR</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.06%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 197.02                  | 202.73                  | 168.24                  |
| Return before operating charges               | 38.50                   | (3.84)                  | 36.14                   |
| Operating charges                             | (2.14)                  | (1.87)                  | (1.65)                  |
| Return after operating charges                | 36.36                   | (5.71)                  | 34.49                   |
| Distributions                                 | (0.53)                  | (0.77)                  | (1.20)                  |
| Retained distributions on accumulation shares | 0.53                    | 0.77                    | 1.20                    |
| <b>Closing net asset value per share</b>      | <b>233.38</b>           | <b>197.02</b>           | <b>202.73</b>           |
| After direct transaction costs of:            | 0.08                    | 0.07                    | 0.20                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 18.45%                  | (2.82)%                 | 20.50%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 109                     | 43                      | 50                      |
| Closing number of shares                      | 46,590                  | 21,978                  | 24,543                  |
| Operating Charge Figure                       | 0.99%                   | 0.89%                   | 0.90%                   |
| Direct transaction costs                      | 0.04%                   | 0.03%                   | 0.11%                   |
| OCF/TER cap                                   | 1.06%                   | 1.06%                   | 0.90%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.05)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 278.30¢                 | 253.80¢                 | 231.80¢                 |
| Lowest share price                            | 217.60¢                 | 218.40¢                 | 196.40¢                 |

| <b>A Accumulation USD</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.97%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 137.78                  | 143.06                  | 119.81                  |
| Return before operating charges               | 26.79                   | (2.61)                  | 25.62                   |
| Operating charges                             | (2.88)                  | (2.67)                  | (2.37)                  |
| Return after operating charges                | 23.91                   | (5.28)                  | 23.25                   |
| Distributions                                 | —                       | —                       | —                       |
| Retained distributions on accumulation shares | —                       | —                       | —                       |
| <b>Closing net asset value per share</b>      | <b>161.69</b>           | <b>137.78</b>           | <b>143.06</b>           |
| After direct transaction costs of:            | 0.06                    | 0.05                    | 0.14                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 17.35%                  | (3.69)%                 | 19.41%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 2,195                   | 2,218                   | 3,051                   |
| Closing number of shares                      | 1,357,770               | 1,609,942               | 2,132,803               |
| Operating Charge Figure                       | 1.89%                   | 1.80%                   | 1.81%                   |
| Direct transaction costs                      | 0.04%                   | 0.03%                   | 0.11%                   |
| OCF/TER cap                                   | 1.97%                   | 1.97%                   | 1.90%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.05)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 214.90¢                 | 209.70¢                 | 206.70¢                 |
| Lowest share price                            | 173.50¢                 | 174.10¢                 | 155.70¢                 |

### Liontrust Global Equity Fund (continued)

#### **Fund Performance**

The performance of the Fund is shown in the Investment Manager's report on page 93.

Details of the distribution per share for the year are shown in the distribution tables on pages 109 and 110.

#### **Status**

Liontrust Global Equity Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

#### **Risk Warning**

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust Global Equity Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019 |               | 31 December 2018 |                |
|---|-------|------------------|---------------|------------------|----------------|
|   |       | (£'000)          | (£'000)       | (£'000)          | (£'000)        |
| Income  |       |                  |               |                  |                |
| Net capital gains/(losses)  | 2     |                  | 28,050        |                  | (4,469)        |
| Revenue   | 3     | 2,108            |               | 2,519            |                |
| Expenses  | 4     | (2,003)          |               | (2,298)          |                |
| Interest payable and similar charges  |       | (1)              |               | (2)              |                |
| Net revenue before taxation   |       | 104              |               | 219              |                |
| Taxation  | 5     | (208)            |               | (261)            |                |
| Net expense after taxation  |       |                  | (104)         |                  | (42)           |
| <b>Total return before distributions</b>  |       |                  | <b>27,946</b> |                  | <b>(4,511)</b> |
| Distributions   | 6     |                  | (289)         |                  | (418)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>27,657</b> |                  | <b>(4,929)</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019 |                | 31 December 2018 |                |
|--|------------------|----------------|------------------|----------------|
|  | (£'000)          | (£'000)        | (£'000)          | (£'000)        |
| <b>Opening net assets attributable to shareholders</b>                       |                  | <b>164,902</b> |                  | <b>202,246</b> |
| Amounts received on issue of shares  | 25,727           |                | 12,897           |                |
| Amounts paid on cancellation of shares                                       | (58,120)         |                | (45,658)         |                |
|  |                  | (32,393)       |                  | (32,761)       |
| Dilution adjustment charged  |                  | 3              |                  | —              |
| Change in net assets attributable to shareholders from investment activities |                  | 27,657         |                  | (4,929)        |
| Retained distribution on accumulation shares                                 |                  | 229            |                  | 346            |
| <b>Closing net assets attributable to shareholders</b>                       |                  | <b>160,398</b> |                  | <b>164,902</b> |

## Liontrust Global Equity Fund (continued)

## Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 160,520                     | 163,652                     |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 684                         | 272                         |
| Cash and bank balances                         | 8     | 1                           | 3,211                       |
| <b>Total current assets</b>                    |       | <b>685</b>                  | <b>3,483</b>                |
| <b>Total assets</b>                            |       | <b>161,205</b>              | <b>167,135</b>              |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Bank overdrafts                                | 8     | (229)                       | —                           |
| Distribution payable                           |       | (37)                        | (41)                        |
| Other creditors                                | 9     | (541)                       | (2,192)                     |
| <b>Total liabilities</b>                       |       | <b>(807)</b>                | <b>(2,233)</b>              |
| <b>Net assets attributable to shareholders</b> |       | <b>160,398</b>              | <b>164,902</b>              |

The accompanying notes are an integral part of these Financial Statements.

# Liontrust Global Equity Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1 Accounting policies

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| 2 | Net capital gains/(losses)   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | Non-derivative securities  | 33,340                      | (7,903)                     |
|   | Derivative contracts   | (5,356)                     | 3,318                       |
|   | Forward currency contracts   | —                           | 74                          |
|   | Currency gains   | 69                          | 46                          |
|   | Transaction charges  | (3)                         | (4)                         |
|   | <b>Net capital gains/(losses)</b>  | <b>28,050</b>               | <b>(4,469)</b>              |
| 3 | Revenue  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Bank interest  | 8                           | 5                           |
|   | UK dividends   | 276                         | 478                         |
|   | Overseas dividends   | 1,824                       | 2,036                       |
|   | <b>Total revenue</b>   | <b>2,108</b>                | <b>2,519</b>                |
| 4 | Expenses   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                             |                             |
|   | ACD's periodic charge  | 1,663                       | 2,088                       |
|   | Distribution fees  | 59                          | 17                          |
|   | Printing costs   | 7                           | 2                           |
|   | Registration fees  | 17                          | 18                          |
|   | Transfer agent fees  | 33                          | 32                          |
|   |  | <b>1,779</b>                | <b>2,157</b>                |
|   | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                             |                             |
|   | Depositary's fees  | 46                          | 53                          |
|   | Safe custody fees  | 18                          | 25                          |
|   |  | <b>64</b>                   | <b>78</b>                   |
|   | <b>Other expenses:</b>   |                             |                             |
|   | Audit fee  | 10                          | 9                           |
|   | Legal and professional fees  | 49                          | 41                          |
|   | Publication costs  | 13                          | 10                          |
|   | Research fees  | 88                          | 3                           |
|   |  | <b>160</b>                  | <b>63</b>                   |
|   | <b>Total expenses</b>  | <b>2,003</b>                | <b>2,298</b>                |



## Liontrust Global Equity Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>   |                             |                             |
|   | Overseas withholding tax  | 208                         | 261                         |
|   | <b>Total taxation for the year</b>  | <b>208</b>                  | <b>261</b>                  |
|   | <b>b) Factors affecting current tax charge for the year:</b>  |                             |                             |
|   | The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised OEIC (20%).   |                             |                             |
|   | The differences are explained below:  |                             |                             |
|   |   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net revenue before taxation   | 104                         | 219                         |
|   | Corporation tax at 20% (2018: 20%)  | 21                          | 44                          |
|   | <b>Effects of:</b>  |                             |                             |
|   | Movement in excess management expenses  | 399                         | 459                         |
|   | Revenue not subject to taxation   | (420)                       | (503)                       |
|   | Overseas withholding tax  | 208                         | 261                         |
|   | <b>Current tax charge for the year</b>  | <b>208</b>                  | <b>261</b>                  |
|   | <b>c) Deferred tax</b>  |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £17,717 (2018: £17,317) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:   |                             |                             |
|   | Interim   | 50                          | 63                          |
|   | Final   | 267                         | 387                         |
|   | Deduct: Amounts deducted on cancellation of shares  | (17)                        | (36)                        |
|   | Deduct: Amounts received on issue of shares   | (11)                        | 4                           |
|   | <b>Net distributions for the year</b>   | <b>289</b>                  | <b>418</b>                  |
|   | Reconciliation of net expense after taxation to distributions   |                             |                             |
|   | Net expense after taxation  | (104)                       | (42)                        |
|   | Expenses charged to capital   | 96                          | 99                          |
|   | Revenue deficit transferred to capital  | 297                         | 361                         |
|   | <b>Net distributions for the year</b>   | <b>289</b>                  | <b>418</b>                  |

Details of the distribution per share are set out in the distribution table on pages 109 and 110.

## Liontrust Global Equity Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| <b>7</b> | <b>Debtors</b>                         | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|--|-------------------------------------|-------------------------------------|
|          | Accrued revenue                        | 73                                  | 104                                 |
|          | Amounts receivable for issue of shares | 57                                  | 91                                  |
|          | Overseas tax recoverable               | 59                                  | 77                                  |
|          | Sales awaiting settlement              | 495                                 | —                                   |
|          | <b>Total debtors</b>                   | <b>684</b>                          | <b>272</b>                          |

| <b>8</b> | <b>Cash and bank balances</b>       | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|-------------------------------------|-------------------------------------|-------------------------------------|
|          | Cash and bank balances              | 1                                   | 3,211                               |
|          | Bank overdrafts                     | (229)                               | —                                   |
|          | <b>Total cash and bank balances</b> | <b>(228)</b>                        | <b>3,211</b>                        |

| <b>9</b> | <b>Creditors</b>                          | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|---|-------------------------------------|-------------------------------------|
|          | ACD's periodic charge                     | 131                                 | 150                                 |
|          | Accrued expenses                          | 112                                 | 67                                  |
|          | Amounts payable on cancellation of shares | 298                                 | 1,975                               |
|          | <b>Total creditors</b>                    | <b>541</b>                          | <b>2,192</b>                        |

### **10 Related party transactions**

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 103. The balances due at the year end are shown in notes 7 and 9.

### **11 Shareholder funds**

Details relating to the Fund are shown in the notes on pages 15 to 19.

### **12 Contingent liabilities, contingent assets and commitments**

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### **13 Swing pricing**

The ACD's Swing pricing policy is disclosed in the notes on pages 15 to 19.

# Liontrust Global Equity Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

#### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.7% (2018: 10.3%).

The Fund used derivatives in the year, namely equity index options. The Fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

The level of Market Exposure in the Fund as at year end as measured by the Commitment Approach described above was 0.4% (0.00%).

#### Foreign currency risk

The Portfolio Statement shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency         | Net foreign currency assets |                             |
|------------------|-----------------------------|-----------------------------|
|                  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
| Danish krone     | 2,418                       | —                           |
| Euro             | 2,523                       | 2,614                       |
| Hong Kong dollar | 9,773                       | 8,789                       |
| Japanese yen     | 3,757                       | 13,000                      |
| US dollar        | 123,166                     | 109,963                     |
| <b>Total</b>     | <b>141,637</b>              | <b>134,366</b>              |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £1,416 (2018: £1,344).

#### Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

|      | Counterparty | Derivative<br>Exposure (£'000) | Collateral<br>Posted (£'000) | Collateral<br>Received (£'000) | Collateral<br>Asset Class |
|------|--------------|--------------------------------|------------------------------|--------------------------------|---------------------------|
| 2019 | —            | —                              | —                            | —                              | —                         |
| 2018 | RBC Europe   | 9,902                          | —                            | —                              | Cash                      |

# Liontrust Global Equity Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 35,257           | 34,799           | 64,886           | 74,530           |
| <b>Trades in the year before transaction costs</b>          | <b>35,257</b>    | <b>34,799</b>    | <b>64,886</b>    | <b>74,530</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 12               | 10               | (22)             | (26)             |
| Options   | 2                | 9                | (4)              | (8)              |
| Total commissions   | 14               | 19               | (26)             | (34)             |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | 19               | 9                | (2)              | (3)              |
| Options   | —                | —                | —                | —                |
| Total taxes   | 19               | 9                | (2)              | (3)              |
| Total costs   | 33               | 28               | (28)             | (37)             |
| <b>Total net trades in the year after transaction costs</b> | <b>35,290</b>    | <b>34,827</b>    | <b>64,858</b>    | <b>74,493</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.07% (2018: 0.26%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.03             | 0.03             | (0.03)           | (0.03)           |
| Options            | —                | —                | —                | —                |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | 0.05             | 0.03             | —                | —                |
| Options            | —                | —                | —                | —                |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.03             | 0.02             |
| Taxes        | 0.01             | 0.01             |
| <b>Total</b> | <b>0.04</b>      | <b>0.03</b>      |

## Liontrust Global Equity Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

## 16 Share reconciliation

Reconciliation of the share movements in the year

|                                | 31 December 2019 |                  |                |                  |
|--------------------------------|------------------|------------------|----------------|------------------|
|                                | A Income         | A Accumulation   | B Accumulation | C Income         |
| Opening shares in issue        | 1,718,500        | 13,074,648       | 1,616,057      | 4,185,007        |
| Creations during the year      | 2,956,281        | 283,020          | 868,813        | 448,469          |
| Cancellations during the year  | (3,266,296)      | (4,680,372)      | (1,607,566)    | (778,104)        |
| <b>Closing shares in issue</b> | <b>1,408,485</b> | <b>8,677,296</b> | <b>877,304</b> | <b>3,855,372</b> |

|                                  | C Accumulation    | A Accumulation EUR | C Accumulation EUR | A Accumulation USD |
|----------------------------------|-------------------|--------------------|--------------------|--------------------|
| Opening shares in issue          | 51,806,661        | 38,584             | 21,978             | 1,609,942          |
| Creations during the year        | 5,455,511         | —                  | 11,106             | 2,978,973          |
| Cancellations during the year    | (8,428,798)       | —                  | (22,075)           | (3,231,145)        |
| Shares converted during the year | —                 | (38,584)           | 35,581             | —                  |
| <b>Closing shares in issue</b>   | <b>48,833,374</b> | <b>—</b>           | <b>46,590</b>      | <b>1,357,770</b>   |

## 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 144,774                               | —  | 147,267                               | —  |
| Level 2 | 15,746                                | —  | 16,385                                | —  |
|         | <b>160,520</b>                        | <b>—</b>                                   | <b>163,652</b>                        | <b>—</b>                                   |

The Fund has no Level 3 financial instruments.

## 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class        | Price at<br>31 December 2019 | Price at<br>3 June 2020            | % change |
|--------------------|------------------------------|------------------------------------|----------|
| A Income           | 154.46                       | 171.08                             | 10.76    |
| A Accumulation     | 509.13                       | 563.91                             | 10.76    |
| B Accumulation     | 555.85                       | 616.91                             | 10.98    |
| C Income           | 162.37                       | 180.58                             | 11.22    |
| C Accumulation     | 206.01                       | 229.12                             | 11.22    |
| C Accumulation EUR | 233.38                       | n/a Share class closed in May 2020 | n/a      |
| A Accumulation USD | 161.69                       | n/a Share class closed in May 2020 | n/a      |

## Liontrust Global Equity Fund (continued)

### Distribution tables

for the year ended 31 December 2019 – in pence/cents per share

### Interim distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 30 June 2019

|                            | Net<br>revenue | Equalisation | Paid<br>31 August 2019 | Paid<br>31 August 2018 |
|----------------------------|----------------|--------------|------------------------|------------------------|
| <b>A Income shares (p)</b> |                |              |                        |                        |
| Group 1                    | 0.8777         | —            | 0.8777                 | 0.9770                 |
| Group 2                    | 0.4670         | 0.4107       | 0.8777                 | 0.9770                 |
| <b>C Income shares (p)</b> |                |              |                        |                        |
| Group 1                    | 0.9164         | —            | 0.9164                 | 1.0074                 |
| Group 2                    | 0.3078         | 0.6086       | 0.9164                 | 1.0074                 |

## Liontrust Global Equity Fund (continued)

### Distribution tables (continued)

for the year ended 31 December 2019 – in pence/cents per share

#### Final distribution

Group 1 – Shares purchased prior to 1 July 2019

Group 2 – Shares purchased on or after 1 July 2019 to 31 December 2019

|                            | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|----------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Income shares (p)</b> |                |              |                             |                          |
| Group 1                    | 0.6875         | —            | 0.6875                      | 0.6747                   |
| Group 2                    | 0.3838         | 0.3037       | 0.6875                      | 0.6747                   |
| <b>C Income shares (p)</b> |                |              |                             |                          |
| Group 1                    | 0.7210         | —            | 0.7210                      | 0.7013                   |
| Group 2                    | 0.3336         | 0.3874       | 0.7210                      | 0.7013                   |

#### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                                      | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|--------------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | —              | —            | —                           | —                        |
| Group 2                              | —              | —            | —                           | —                        |
| <b>B Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | —              | —            | —                           | —                        |
| Group 2                              | —              | —            | —                           | —                        |
| <b>C Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | 0.4693         | —            | 0.4693                      | 0.6671                   |
| Group 2                              | 0.1662         | 0.3031       | 0.4693                      | 0.6671                   |
| <b>C Accumulation EUR shares (¢)</b> |                |              |                             |                          |
| Group 1                              | 0.6271         | —            | 0.6271                      | 0.8624                   |
| Group 2                              | 0.1641         | 0.4630       | 0.6271                      | 0.8624                   |
| <b>A Accumulation USD shares (¢)</b> |                |              |                             |                          |
| Group 1                              | —              | —            | —                           | —                        |
| Group 2                              | —              | —            | —                           | —                        |

# Liontrust Income Fund

## Investment Objective

The investment objective of Liontrust Income Fund is to generate income with the potential for long term (five years or more) capital growth.

The Fund invests at least 80% in shares of UK companies. These are companies which, at the time of purchase, are incorporated, domiciled, listed or conduct significant business in the UK.

The Fund may also invest up to 20% in companies outside of the UK, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

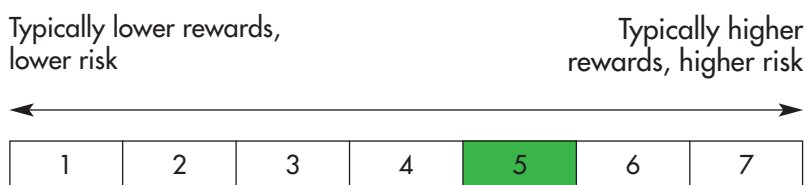
The Fund invests in a concentrated portfolio of 20-40 companies selected using a combination of economic, industry and stock specific analysis.



## Liontrust Income Fund (continued)

### Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 primarily for its exposure to UK companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Fund. If long-term interest rates rise, the value of your shares is likely to fall. Bonds are affected by any decline in creditworthiness of the borrower (i.e. the bond issuer). Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in repaying their financial obligations.
- The Fund may invest in derivatives, which 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. The use of derivative contracts may help us to control Fund volatility in both up and down markets by hedging against general market movements. As part of the investment policy, the Fund may buy put options on a market index to mitigate against the effect of a significant fall in the level of that market. These put options will be 'covered', as the Fund will not buy a put option unless it has a long exposure to that market (either directly or indirectly).
- The level of income is not guaranteed.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust Income Fund (continued)

### Investment Manager's Report

#### Market overview

2018 proved to be a particularly difficult year, with global equities falling sharply in the fourth quarter as global growth slowed, US interest rates rose and trade war tensions between the US and China rose. 2019 was a considerably more positive year, driven by a combination of low valuations going into the year and the fact that many of the headwinds facing investors receded. Not only was a phase one trade deal agreed between the US and China, but global economic growth started to accelerate thanks to a period of looser monetary policy. Furthermore, despite considerable political uncertainty throughout the year, the surprise Tory majority at the general election meant sentiment towards the UK ended the year high as the threat of a Corbyn-led Labour Government was removed, while investors were provided with greater clarity regarding Brexit. Improved sentiment towards the UK, which was mirrored by the fact sterling was up 4% versus the dollar in 2019, meant that FTSE 250 stocks considerably outperformed the FTSE 100 Index over the year. From a top down level, the UK market was predominately driven by more cyclical sectors such as financials and industrials given the improved sentiment and the fact that valuations started the year at very low levels following the Q4 2018 sell-off.

#### Portfolio attribution

The Liontrust Income Fund returned 15.2% over the year, compared to returns of 20.1% and 19.2%, respectively, from the IA UK Equity Income sector and the FTSE All Share Index. However, the Fund is outperforming both the sector and Index over three and five years to the end of December 2019.

The Fund's underperformance in 2019 was primarily driven by three factors: an underweight to mid and small-caps, its international focus and its exposure to exchange traded put options. The latter two factors were the key reasons for the Fund's more muted performance in Q1, as having helped protect the Fund's value in the Q4 2018 sell-off, the sharp rebound in equity markets in January meant our puts handed back some of their gains. We reduced our exposure during that month as valuations improved and recessionary fears abated, but maintained a FTSE 100 put over the year to hedge the portfolio against potential risks (e.g. political uncertainty). We have now sold our puts exposure, however.

Clearly, it is always frustrating to underperform in a calendar year, however the fact it was in a strongly rising market (the Fund did still return more than 15% in absolute terms) is somewhat understandable, given how well the Fund protected capital during the down year of 2018. As such, the underperformance was largely due to what we did not own, rather than poor performance from our underlying holdings. Indeed, the Fund's large and mega-cap focus (which has always been the case), in a year where mid and small-caps considerably outperformed, was a large headwind to relative performance, as was our more international tilt (including our exposure to overseas names). Many (in our view low quality) UK domestics enjoyed a degree of mean reversion last year as sentiment improved and the pound strengthened. This meant our US exposure (which we have as a result of our global sector research process) was, at the margin, a detractor to relative returns. Other international holdings within the UK such as Diageo, which we have a strong long-term view on, was also hurt on a relative basis by sterling strength. We have reduced our overall exposure to the US, and continue to monitor our weightings in the face of potential sterling strength in 2020.

That being said, it was a very strong year for the technology sector and one of the largest contributors to the Fund's returns was Apple. The company surprised the market after responding quickly to softening Chinese demand by lowering the average selling price of iPhones sold in Asian markets. This was followed by a better than expected iPhone 11 launch and continued expansion of its services revenue. However, the major catalyst for the stock was the unanticipated success of the wearables division, in particular, the AirPods and iWatch. Other contributors to returns over the year included the likes of AstraZeneca, British Land and Aberdeen Standard, a stock we bought in Q1 thanks to its low valuation but strong forward dividend coverage. We subsequently sold our position in Aberdeen Standard towards the end of the year as the stock hit our price target.

# Liontrust Income Fund (continued)

### Investment Manager's Report (continued)

#### Outlook

While we believe the UK economy still faces certain structural issues such as poor productivity growth, we believe the UK general election result has removed certain major headwinds and has provided the pathway to a sensible conclusion to the Brexit saga. While the threat of a cliff-edge Brexit remains, we believe there is potential for a 'catch-up' bounce back in UK economic growth, now there is greater clarity surrounding the political environment. This is due to a potential pickup in corporate spend, with UK capex up just 0.5% since the EU referendum, compared to 13% (on average) for the OECD over that same period. As such, we are monitoring our current geographical exposure (both in terms of country of listing and revenue exposure) given the potential for sterling strength over the year. That being said, we believe the most important aspect for UK income investors in 2020 is to focus on stocks that have adequate dividend cover and have growing earnings, as we believe certain popularly-held income stocks are on the verge of cutting their dividends given poor earnings, the need to invest for growth, high leverage but already high pay-out ratios.

#### Robin Geffen

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

# Liontrust Income Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement

as at 31 December 2019

| Holding    | Portfolio of investments                             | Market value (£'000) | Percentage of total net assets (%) |
|------------|--|----------------------|------------------------------------|
|            | <b>UNITED KINGDOM 76.02% (2018 - 65.59%)</b>         |                      |                                    |
|            | <b>Basic Materials 6.12% (2018 - 14.45%)</b>         |                      |                                    |
|            | <b>Mining 6.12%</b>                                  |                      |                                    |
| 490,000    | Anglo American                                       | 10,594               | 3.06                               |
| 236,000    | Rio Tinto  | 10,605               | 3.06                               |
|            | <b>Consumer Goods 8.92% (2018 - 8.77%)</b>           |                      |                                    |
|            | <b>Beverages 3.02%</b>                               |                      |                                    |
| 327,000    | Diageo   | 10,453               | 3.02                               |
|            | <b>Household Goods &amp; Home Construction 3.03%</b> |                      |                                    |
| 172,000    | Reckitt Benckiser                                    | 10,501               | 3.03                               |
|            | <b>Personal Goods 2.87%</b>                          |                      |                                    |
| 229,000    | Unilever   | 9,935                | 2.87                               |
|            | <b>Consumer Services 0.00% (2018 - 5.47%)</b>        |                      |                                    |
|            | <b>Financials 37.10% (2018 - 17.50%)</b>             |                      |                                    |
|            | <b>Banks 9.05%</b>                                   |                      |                                    |
| 5,840,000  | Barclays   | 10,506               | 3.03                               |
| 1,765,000  | HSBC   | 10,431               | 3.01                               |
| 16,670,000 | Lloyds Banking                                       | 10,415               | 3.01                               |
|            | <b>Financial Services 8.86%</b>                      |                      |                                    |
| 960,000    | 3i   | 10,555               | 3.05                               |
| 125,000    | London Stock Exchange                                | 9,643                | 2.79                               |
| 4,410,000  | M&G  | 10,461               | 3.02                               |
|            | <b>Life Insurance 9.29%</b>                          |                      |                                    |
| 2,481,000  | Aviva  | 10,398               | 3.00                               |
| 3,550,000  | Legal & General                                      | 10,828               | 3.13                               |
| 758,000    | Prudential   | 10,953               | 3.16                               |
|            | <b>Nonlife Insurance 3.01%</b>                       |                      |                                    |
| 1,846,000  | RSA Insurance  | 10,415               | 3.01                               |
|            | <b>Real Estate Investment Trusts 6.89%</b>           |                      |                                    |
| 2,001,000  | British Land   | 12,746               | 3.68                               |
| 1,125,000  | Land Securities                                      | 11,120               | 3.21                               |
|            | <b>Health Care 5.98% (2018 - 2.97%)</b>              |                      |                                    |
|            | <b>Pharmaceuticals &amp; Biotechnology 5.98%</b>     |                      |                                    |
| 138,000    | AstraZeneca  | 10,405               | 3.01                               |
| 581,000    | GlaxoSmithKline                                      | 10,286               | 2.97                               |

## Liontrust Income Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding   | Portfolio of investments                           | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>Industrials 11.95% (2018 - 7.78%)</b>           |                      |                                    |
|           | <b>Aerospace &amp; Defence 2.89%</b>               |                      |                                    |
| 1,770,000 | BAE Systems  | 10,001               | 2.89                               |
|           | <b>Electronic &amp; Electrical Equipment 3.04%</b> |                      |                                    |
| 500,000   | Halma  | 10,539               | 3.04                               |
|           | <b>General Industrials 3.01%</b>                   |                      |                                    |
| 620,000   | Smiths   | 10,416               | 3.01                               |
|           | <b>Support Services 3.01%</b>                      |                      |                                    |
| 151,000   | Ferguson   | 10,437               | 3.01                               |
|           | <b>Oil &amp; Gas 2.93% (2018 - 2.88%)</b>          |                      |                                    |
|           | <b>Oil &amp; Gas Producers 2.93%</b>               |                      |                                    |
| 2,138,000 | BP   | 10,129               | 2.93                               |
|           | <b>Technology 3.02% (2018 - 5.77%)</b>             |                      |                                    |
| 1,400,000 | Sage   | 10,472               | 3.02                               |
|           | <b>CANADA 1.96% (2018 - 0.00%)</b>                 |                      |                                    |
| 9,200     | Constellation Software                             | 6,781                | 1.96                               |
|           | <b>CHILE 2.94% (2018 - 2.91%)</b>                  |                      |                                    |
| 1,105,000 | Antofagasta  | 10,170               | 2.94                               |
|           | <b>NETHERLANDS 2.98% (2018 - 2.96%)</b>            |                      |                                    |
| 459,000   | Royal Dutch Shell 'A'                              | 10,302               | 2.98                               |
|           | <b>SWITZERLAND 0.00% (2018 - 3.06%)</b>            |                      |                                    |
|           | <b>UNITED STATES 15.68% (2018 - 17.09%)</b>        |                      |                                    |
| 49,500    | Apple  | 10,929               | 3.16                               |
| 80,000    | CME  | 12,063               | 3.48                               |
| 46,000    | Mastercard 'A'                                     | 10,368               | 2.99                               |
| 88,000    | Microsoft  | 10,502               | 3.03                               |
| 73,500    | Visa 'A'   | 10,452               | 3.02                               |
|           | <b>DERIVATIVES 0.38% (2018 - 8.70%)</b>            |                      |                                    |
|           | <b>Options 0.38% (2018 - 8.70%)</b>                |                      |                                    |
| 1,024     | FTSE 100 Index 7000 Put 20/03/2020                 | 512                  | 0.15                               |
| 995       | FTSE 100 Index 7200 Put 20/03/2020                 | 791                  | 0.23                               |
|           | <b>Portfolio of investments</b>                    | <b>346,114</b>       | <b>99.96</b>                       |
|           | <b>Net other assets</b>                            | <b>130</b>           | <b>0.04</b>                        |
|           | <b>Net assets</b>                                  | <b>346,244</b>       | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

## Liontrust Income Fund (continued)

### Investment Manager's Report (continued)

#### The top five purchases and sales for the year

| Purchases              | Cost<br>(£'000) |
|------------------------|-----------------|
| Aviva                  | 11,942          |
| British Land           | 11,676          |
| Standard Life Aberdeen | 11,274          |
| BT Group               | 11,330          |
| Mastercard 'A'         | 10,772          |

| Sales                  | Proceeds<br>(£'000) |
|------------------------|---------------------|
| Standard Life Aberdeen | 13,045              |
| BT Group               | 11,454              |
| Phoenix                | 10,827              |
| Glencore               | 9,925               |
| Johanson Matthey       | 9,865               |

## Liontrust Income Fund (continued)

## Performance Record

for the year ended 31 December 2019

| <b>A Income</b>                          | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|--|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.84%   | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 168.16                  | 182.64                  | 171.70                  |
| Return before operating charges          | 27.17                   | (4.81)                  | 21.09                   |
| Operating charges                        | (3.12)                  | (3.01)                  | (3.02)                  |
| Return after operating charges           | 24.05                   | (7.82)                  | 18.07                   |
| Distributions                            | (7.64)                  | (6.66)                  | (7.13)                  |
| <b>Closing net asset value per share</b> | <b>184.57</b>           | <b>168.16</b>           | <b>182.64</b>           |
| After direct transaction costs of:       | 0.95                    | 0.43                    | 0.41                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 14.30%                  | (4.28)%                 | 10.53%                  |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£'000)          | 18,833                  | 19,352                  | 23,106                  |
| Closing number of shares                 | 10,203,786              | 11,507,641              | 12,651,658              |
| Operating Charge Figure                  | 1.73%                   | 1.67%                   | 1.69%                   |
| Direct transaction costs                 | 0.53%                   | 0.24%                   | 0.23%                   |
| OCF/TER cap                              | 1.84%                   | 1.81%                   | 1.80%                   |
| Research fee                             | —                       | 0.02%                   | —                       |
| Research fee rebate                      | —                       | (0.05)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | 189.70p                 | 192.80p                 | 185.80p                 |
| Lowest share price                       | 167.40p                 | 170.00p                 | 170.10p                 |

| <b>A Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.84%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 361.35                  | 377.96                  | 341.58                  |
| Return before operating charges               | 58.89                   | (10.32)                 | 42.44                   |
| Operating charges                             | (6.82)                  | (6.29)                  | (6.06)                  |
| Return after operating charges                | 52.07                   | (16.61)                 | 36.38                   |
| Distributions                                 | (16.67)                 | (13.90)                 | (14.33)                 |
| Retained distributions on accumulation shares | 16.67                   | 13.90                   | 14.33                   |
| <b>Closing net asset value per share</b>      | <b>413.42</b>           | <b>361.35</b>           | <b>377.96</b>           |
| After direct transaction costs of:            | 2.09                    | 0.90                    | 0.81                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 14.41%                  | (4.39)%                 | 10.65%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 31,757                  | 26,712                  | 30,436                  |
| Closing number of shares                      | 7,681,549               | 7,392,375               | 8,052,948               |
| Operating Charge Figure                       | 1.73%                   | 1.67%                   | 1.69%                   |
| Direct transaction costs                      | 0.53%                   | 0.24%                   | 0.23%                   |
| OCF/TER cap                                   | 1.84%                   | 1.81%                   | 1.80%                   |
| Research fee                                  | —                       | 0.02%                   | —                       |
| Research fee rebate                           | —                       | (0.05)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 418.80p                 | 399.00p                 | 378.10p                 |
| Lowest share price                            | 359.70p                 | 352.00p                 | 338.30p                 |

# Liontrust Income Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

| <b>B Income</b>                          | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|--|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.34%   | <b>(p)</b>              | <b>(p)</b>              | <b>(p)</b>              |
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 179.11                  | 193.54                  | 181.05                  |
| Return before operating charges          | 29.00                   | (5.12)                  | 22.28                   |
| Operating charges                        | (2.37)                  | (2.23)                  | (2.25)                  |
| Return after operating charges           | 26.63                   | (7.35)                  | 20.03                   |
| Distributions                            | (8.16)                  | (7.08)                  | (7.54)                  |
| <b>Closing net asset value per share</b> | <b>197.58</b>           | <b>179.11</b>           | <b>193.54</b>           |
| After direct transaction costs of:       | 1.02                    | 0.46                    | 0.43                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 14.87%                  | (3.80)%                 | 11.06%                  |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£'000)          | 17,726                  | 17,399                  | 19,569                  |
| Closing number of shares                 | 8,971,382               | 9,713,611               | 10,110,745              |
| Operating Charge Figure                  | 1.23%                   | 1.17%                   | 1.19%                   |
| Direct transaction costs                 | 0.53%                   | 0.24%                   | 0.23%                   |
| OCF/TER cap                              | 1.34%                   | 1.31%                   | 1.30%                   |
| Research fee                             | —                       | 0.02%                   | —                       |
| Research fee rebate                      | —                       | (0.05)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | 202.60p                 | 204.80p                 | 196.90p                 |
| Lowest share price                       | 178.30p                 | 180.60p                 | 179.40p                 |
| <b>C Income</b>                          | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
| OCF/TER cap from 1 January 2020: 0.97%   | <b>(p)</b>              | <b>(p)</b>              | <b>(p)</b>              |
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 120.33                  | 129.56                  | 120.77                  |
| Return before operating charges          | 19.50                   | (3.44)                  | 14.89                   |
| Operating charges                        | (1.14)                  | (1.04)                  | (1.06)                  |
| Return after operating charges           | 18.36                   | (4.48)                  | 13.83                   |
| Distributions                            | (5.49)                  | (4.75)                  | (5.04)                  |
| <b>Closing net asset value per share</b> | <b>133.20</b>           | <b>120.33</b>           | <b>129.56</b>           |
| After direct transaction costs of:       | 0.69                    | 0.31                    | 0.29                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 15.26%                  | (3.46)%                 | 11.45%                  |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£'000)          | 86,622                  | 58,409                  | 72,938                  |
| Closing number of shares                 | 65,034,281              | 48,541,508              | 56,296,166              |
| Operating Charge Figure                  | 0.88%                   | 0.81%                   | 0.84%                   |
| Direct transaction costs                 | 0.53%                   | 0.24%                   | 0.23%                   |
| OCF/TER cap                              | 0.97%                   | 0.96%                   | 0.90%                   |
| Research fee                             | —                       | 0.02%                   | —                       |
| Research fee rebate                      | —                       | (0.05)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | 136.40p                 | 137.30p                 | 131.80p                 |
| Lowest share price                       | 119.80p                 | 121.00p                 | 119.70p                 |



## Liontrust Income Fund (continued)

### Performance Record (continued)

for the year ended 31 December 2019

| C Accumulation                                | 31 December 2019 | 31 December 2018 | 31 December 2017 |
|---|------------------|------------------|------------------|
| OCF/TER cap from 1 January 2020: 0.97%        | (p)              | (p)              | (p)              |
| <b>Change in net asset per share</b>          |                  |                  |                  |
| Opening net asset value per share             | 157.37           | 163.19           | 146.26           |
| Return before operating charges               | 25.73            | (4.49)           | 18.23            |
| Operating charges                             | (1.52)           | (1.33)           | (1.30)           |
| Return after operating charges                | 24.21            | (5.82)           | 16.93            |
| Distributions                                 | (7.29)           | (6.04)           | (6.16)           |
| Retained distributions on accumulation shares | 7.29             | 6.04             | 6.16             |
| <b>Closing net asset value per share</b>      | <b>181.58</b>    | <b>157.37</b>    | <b>163.19</b>    |
| After direct transaction costs of:            | 0.92             | 0.39             | 0.35             |
| <b>Performance</b>                            |                  |                  |                  |
| Return after operating charges                | 15.38%           | (3.57)%          | 11.58%           |
| <b>Other information</b>                      |                  |                  |                  |
| Closing net asset value (£'000)               | 191,306          | 71,130           | 59,068           |
| Closing number of shares                      | 105,355,111      | 45,200,832       | 36,195,103       |
| Operating Charge Figure                       | 0.88%            | 0.81%            | 0.84%            |
| Direct transaction costs                      | 0.53%            | 0.24%            | 0.23%            |
| OCF/TER cap                                   | 0.97%            | 0.96%            | 0.90%            |
| Research fee                                  | —                | 0.02%            | —                |
| Research fee rebate                           | —                | (0.05)%          | —                |
| <b>Prices</b>                                 |                  |                  |                  |
| Highest share price                           | 183.90p          | 173.00p          | 163.20p          |
| Lowest share price                            | 156.70p          | 152.30p          | 145.00p          |

### Fund Performance

The performance of the Fund is shown in the Investment Manager's report on page 113.

Details of the distribution per share for the year are shown in the distribution tables on pages 129 and 130.

### Status

Liontrust Income Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

### Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust Income Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019 |               | 31 December 2018 |                 |
|---|-------|------------------|---------------|------------------|-----------------|
|   |       | (£'000)          | (£'000)       | (£'000)          | (£'000)         |
| Income  |       |                  |               |                  |                 |
| Net capital gains/(losses)  | 2     |                  | 26,970        |                  | (13,053)        |
| Revenue   | 3     | 11,204           |               | 7,781            |                 |
| Expenses  | 4     | (2,810)          |               | (2,168)          |                 |
| Interest payable and similar charges  |       | (8)              |               | (1)              |                 |
| Net revenue before taxation   |       | 8,386            |               | 5,612            |                 |
| Taxation  | 5     | (169)            |               | (181)            |                 |
| Net revenue after taxation  |       |                  | 8,217         |                  | 5,431           |
| <b>Total return before distributions</b>  |       |                  | <b>35,187</b> |                  | <b>(7,622)</b>  |
| Distributions   | 6     |                  | (10,975)      |                  | (7,599)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>24,212</b> |                  | <b>(15,221)</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019 |                | 31 December 2018 |                |
|--|------------------|----------------|------------------|----------------|
|  | (£'000)          | (£'000)        | (£'000)          | (£'000)        |
| <b>Opening net assets attributable to shareholders</b>                       |                  | <b>193,002</b> |                  | <b>205,117</b> |
| Amounts received on issue of shares  | 143,713          |                | 23,682           |                |
| Amounts paid on cancellation of shares                                       | (23,646)         |                | (24,337)         |                |
|  |                  | 120,067        |                  | (655)          |
| Change in net assets attributable to shareholders from investment activities |                  | 24,212         |                  | (15,221)       |
| Retained distribution on accumulation shares                                 |                  | 8,958          |                  | 3,758          |
| Unclaimed distributions  |                  | 5              |                  | 3              |
| <b>Closing net assets attributable to shareholders</b>                       |                  | <b>346,244</b> |                  | <b>193,002</b> |

## Liontrust Income Fund (continued)

### Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 346,114                     | 193,607                     |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 2,538                       | 1,563                       |
| Cash and bank balances                         | 8     | 87                          | —                           |
| <b>Total current assets</b>                    |       | <b>2,625</b>                | <b>1,563</b>                |
| <b>Total assets</b>                            |       | <b>348,739</b>              | <b>195,170</b>              |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Bank overdrafts                                | 8     | —                           | (111)                       |
| Distribution payable                           |       | (695)                       | (1,513)                     |
| Other creditors                                | 9     | (1,800)                     | (544)                       |
| <b>Total liabilities</b>                       |       | <b>(2,495)</b>              | <b>(2,168)</b>              |
| <b>Net assets attributable to shareholders</b> |       | <b>346,244</b>              | <b>193,002</b>              |

The accompanying notes are an integral part of these Financial Statements.

# Liontrust Income Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1 Accounting policies

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| 2 | Net capital gains/(losses)        | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|-----------------------------------|-----------------------------|-----------------------------|
|   | Non-derivative securities         | 44,705                      | (23,042)                    |
|   | Derivative contracts              | (17,620)                    | 10,019                      |
|   | Currency losses                   | (107)                       | (25)                        |
|   | Transaction charges               | (8)                         | (5)                         |
|   | <b>Net capital gains/(losses)</b> | <b>26,970</b>               | <b>(13,053)</b>             |

| 3 | Revenue              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------|-----------------------------|-----------------------------|
|   | Bank interest        | 1                           | —                           |
|   | UK dividends         | 9,206                       | 5,937                       |
|   | Overseas dividends   | 1,997                       | 1,844                       |
|   | <b>Total revenue</b> | <b>11,204</b>               | <b>7,781</b>                |

| 4 | Expenses   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                             |                             |
|   | ACD's periodic charge  | 2,466                       | 2,051                       |
|   | Distribution fees  | 63                          | 23                          |
|   | Printing costs   | 9                           | 5                           |
|   | Registration fees  | 21                          | 21                          |
|   | Transfer agent fees  | 52                          | 34                          |
|   |  | <b>2,611</b>                | <b>2,134</b>                |
|   | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                             |                             |
|   | Depositary's fees  | 68                          | 55                          |
|   | Safe custody fees  | 15                          | 16                          |
|   |  | <b>83</b>                   | <b>71</b>                   |
|   | <b>Other expenses:</b>   |                             |                             |
|   | Audit fee  | 14                          | 10                          |
|   | Legal and professional fees  | 29                          | 11                          |
|   | Publication costs  | 8                           | 6                           |
|   | Research fees  | 65                          | (64)                        |
|   |  | <b>116</b>                  | <b>(37)</b>                 |
|   | <b>Total expenses</b>  | <b>2,810</b>                | <b>2,168</b>                |

## Liontrust Income Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>   |                             |                             |
|   | Overseas withholding tax  | 169                         | 181                         |
|   | <b>Total taxation for the year</b>  | <b>169</b>                  | <b>181</b>                  |
|   | <b>b) Factors affecting current tax charge for the year:</b>  |                             |                             |
|   | The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%).  |                             |                             |
|   | The differences are explained below:  |                             |                             |
|   |   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net revenue before taxation   | 8,386                       | 5,612                       |
|   | Corporation tax at 20% (2018: 20%)  | 1,677                       | 1,122                       |
|   | <b>Effects of:</b>  |                             |                             |
|   | Movement in excess management expenses  | 509                         | 434                         |
|   | Overseas withholding tax  | 169                         | 181                         |
|   | Revenue not subject to taxation   | (2,186)                     | (1,556)                     |
|   | <b>Current tax charge for the year</b>  | <b>169</b>                  | <b>181</b>                  |
|   | <b>c) Deferred tax</b>  |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £16,725 (2018: £16,217) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:   |                             |                             |
|   | Interim   | 3,949                       | 2,475                       |
|   | Final   | 9,654                       | 5,271                       |
|   | Add: Amounts deducted on cancellation of shares   | 528                         | 313                         |
|   | Deduct: Amounts received on issue of shares   | (3,156)                     | (460)                       |
|   | <b>Net distributions for the year</b>   | <b>10,975</b>               | <b>7,599</b>                |
|   | Reconciliation of net revenue after taxation to distributions   |                             |                             |
|   | Net revenue after taxation  | 8,217                       | 5,431                       |
|   | Expenses charged to capital   | 2,810                       | 2,168                       |
|   | Tax relief due to capital   | (52)                        | —                           |
|   | <b>Net distributions for the year</b>   | <b>10,975</b>               | <b>7,599</b>                |

Details of the distribution per share are set out in the distribution table on pages 129 and 130.

## Liontrust Income Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

|           |   |   |   |
|-----------|---|---|---|
| <b>7</b>  | <b>Debtors</b>  | <b>31 December 2019</b><br><b>(£'000)</b> | <b>31 December 2018</b><br><b>(£'000)</b> |
|           | Accrued revenue   | 624                                       | 403                                       |
|           | Amounts receivable for issue of shares  | 1,064                                     | 647                                       |
|           | Overseas tax recoverable  | 313                                       | 302                                       |
|           | Sales awaiting settlement   | 537                                       | 211                                       |
|           | <b>Total debtors</b>  | <b>2,538</b>                              | <b>1,563</b>                              |
| <b>8</b>  | <b>Cash and bank balances</b>   | <b>31 December 2019</b><br><b>(£'000)</b> | <b>31 December 2018</b><br><b>(£'000)</b> |
|           | Cash and bank balances  | 87  | —   |
|           | Bank overdrafts   | —   | (111)                                     |
|           | <b>Total cash and bank balances</b>   | <b>87</b>                                 | <b>(111)</b>                              |
| <b>9</b>  | <b>Creditors</b>  | <b>31 December 2019</b><br><b>(£'000)</b> | <b>31 December 2018</b><br><b>(£'000)</b> |
|           | ACD's periodic charge   | 257                                       | 165                                       |
|           | Accrued expenses  | 125                                       | 59  |
|           | Amounts payable on cancellation of shares   | 431                                       | 320                                       |
|           | Interest payable  | 1   | —   |
|           | Purchases awaiting settlement   | 986                                       | —   |
|           | <b>Total creditors</b>  | <b>1,800</b>                              | <b>544</b>                                |
| <b>10</b> | <b>Related party transactions</b>   |   |   |
|           | General details on related parties are shown in the notes on pages 15 to 19.  |   |   |
|           | Amounts paid to/from the ACD and Depositary are shown in note 4 on page 123. The balances due at the year end are shown in notes 7 and 9. |   |   |
| <b>11</b> | <b>Shareholder funds</b>  |   |   |
|           | Details relating to the Fund are shown in the notes on pages 15 to 19.  |   |   |
| <b>12</b> | <b>Contingent liabilities, contingent assets and commitments</b>  |   |   |
|           | There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).                 |   |   |
| <b>13</b> | <b>Swing pricing</b>  |   |   |
|           | The ACD's Swing pricing policy is disclosed in the notes on pages 15 to 19.   |   |   |

## Liontrust Income Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

##### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.9% (2018: 8.0%).

The Fund used derivatives in the year, namely equity index options. The Fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

The level of Market Exposure in the fund as at year end as measured by the Commitment Approach described above was 8.5% (43.4%).

##### Foreign currency risk

The Portfolio Statement shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency        | Net foreign currency assets |                             |
|-----------------|-----------------------------|-----------------------------|
|                 | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
| Canadian dollar | 6,781                       | —                           |
| Euro            | 285                         | 274                         |
| US dollar       | 54,449                      | 36,123                      |
| <b>Total</b>    | <b>61,515</b>               | <b>36,397</b>               |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £615 (2018: £364).

##### Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

|      | Counterparty | Derivative<br>Exposure (£'000) | Collateral<br>Posted (£'000) | Collateral<br>Received (£'000) | Collateral<br>Asset Class |
|------|--------------|--------------------------------|------------------------------|--------------------------------|---------------------------|
| 2018 | UBS Europe   | 16,797                         | —                            | —                              | Cash                      |

## Liontrust Income Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 290,608          | 93,710           | 169,434          | 99,103           |
| <b>Trades in the year before transaction costs</b>          | <b>290,608</b>   | <b>93,710</b>    | <b>169,434</b>   | <b>99,103</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 131              | 44               | (79)             | (46)             |
| Options   | 17               | 15               | (13)             | (16)             |
| Total commissions   | 148              | 59               | (92)             | (62)             |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | 1,149            | 371              | (10)             | (1)              |
| Options   | 2                | —                | (6)              | —                |
| Total taxes   | 1,151            | 371              | (16)             | (1)              |
| Total costs   | 1,299            | 430              | (108)            | (63)             |
| <b>Total net trades in the year after transaction costs</b> | <b>291,907</b>   | <b>94,140</b>    | <b>169,326</b>   | <b>99,040</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.08% (2018: 0.41%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.05             | 0.05             | (0.05)           | (0.05)           |
| Options            | —                | —                | —                | —                |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | 0.40             | 0.40             | (0.01)           | —                |
| Options            | —                | —                | —                | —                |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.09             | 0.06             |
| Taxes        | 0.44             | 0.18             |
| <b>Total</b> | <b>0.53</b>      | <b>0.24</b>      |



## Liontrust Income Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 16 Share reconciliation

Reconciliation of the share movements in the year

|                                | 31 December 2019      |                  |                  |                   |
|--------------------------------|-----------------------|------------------|------------------|-------------------|
|                                | A Income              | A Accumulation   | B Income         | C Income          |
| Opening shares in issue        | 11,507,641            | 7,392,375        | 9,713,611        | 48,541,508        |
| Creations during the year      | 654,143               | 1,702,829        | 147,712          | 19,531,530        |
| Cancellations during the year  | (1,957,998)           | (1,413,655)      | (889,941)        | (3,038,757)       |
| <b>Closing shares in issue</b> | <b>10,203,786</b>     | <b>7,681,549</b> | <b>8,971,382</b> | <b>65,034,281</b> |
|                                | <b>C Accumulation</b> |                  |                  |                   |
| Opening shares in issue        | 45,200,832            |                  |                  |                   |
| Creations during the year      | 65,627,912            |                  |                  |                   |
| Cancellations during the year  | (5,473,633)           |                  |                  |                   |
| <b>Closing shares in issue</b> | <b>105,355,111</b>    |                  |                  |                   |

#### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 346,114                               | —  | 193,607                               | —  |
|         | <b>346,114</b>                        | <b>—</b>                                   | <b>193,607</b>                        | <b>—</b>                                   |

The Fund has no Level 2 or Level 3 financial instruments.

#### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class    | Price at<br>31 December 2019 | Price at<br>3 June 2020 | % change |
|----------------|------------------------------|-------------------------|----------|
| A Income       | 184.57                       | 153.98                  | (16.57)  |
| A Accumulation | 413.42                       | 349.86                  | (15.37)  |
| B Income       | 197.58                       | 165.21                  | (16.38)  |
| C Income       | 133.20                       | 111.54                  | (16.26)  |
| C Accumulation | 181.58                       | 154.23                  | (15.06)  |

## Liontrust Income Fund (continued)

### Distribution tables

for the year ended 31 December 2019 — in pence per share

#### 1st quarter distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 March 2019

|                            | Net<br>revenue | Equalisation | Paid<br>31 May 2019 | Paid<br>31 May 2018 |
|----------------------------|----------------|--------------|---------------------|---------------------|
| <b>A Income shares (p)</b> |                |              |                     |                     |
| Group 1                    | 1.5413         | —            | 1.5413              | —                   |
| Group 2                    | 0.7543         | 0.7870       | 1.5413              | —                   |
| <b>B Income shares (p)</b> |                |              |                     |                     |
| Group 1                    | 1.6412         | —            | 1.6412              | —                   |
| Group 2                    | 0.4129         | 1.2283       | 1.6412              | —                   |
| <b>C Income shares (p)</b> |                |              |                     |                     |
| Group 1                    | 1.1019         | —            | 1.1019              | —                   |
| Group 2                    | 0.4242         | 0.6777       | 1.1019              | —                   |

#### Interim distribution

Group 1 – Shares purchased prior to 1 April 2019

Group 2 – Shares purchased on or after 1 April 2019 to 30 June 2019

|                            | Net<br>revenue | Equalisation | Paid<br>31 August 2019 | Paid<br>31 August 2018 |
|----------------------------|----------------|--------------|------------------------|------------------------|
| <b>A Income shares (p)</b> |                |              |                        |                        |
| Group 1                    | 2.6049         | —            | 2.6049                 | 3.9799                 |
| Group 2                    | 0.8541         | 1.7508       | 2.6049                 | 3.9799                 |
| <b>B Income shares (p)</b> |                |              |                        |                        |
| Group 1                    | 2.7808         | —            | 2.7808                 | 4.2286                 |
| Group 2                    | 0.4960         | 2.2848       | 2.7808                 | 4.2286                 |
| <b>C Income shares (p)</b> |                |              |                        |                        |
| Group 1                    | 1.8739         | —            | 1.8739                 | 2.8344                 |
| Group 2                    | 0.4977         | 1.3762       | 1.8739                 | 2.8344                 |

## Liontrust Income Fund (continued)

### Distribution tables (continued)

for the year ended 31 December 2019 – in pence per share

#### 3rd quarter distribution

Group 1 – Shares purchased prior to 1 July 2019

Group 2 – Shares purchased on or after 1 July 2019 to 30 September 2019

|                            | Net<br>revenue | Equalisation | Paid<br>30 November 2019 | Paid<br>30 November 2018 |
|----------------------------|----------------|--------------|--------------------------|--------------------------|
| <b>A Income shares (p)</b> |                |              |                          |                          |
| Group 1                    | 2.4541         | —            | 2.4541                   | —                        |
| Group 2                    | 1.7298         | 0.7243       | 2.4541                   | —                        |
| <b>B Income shares (p)</b> |                |              |                          |                          |
| Group 1                    | 2.6223         | —            | 2.6223                   | —                        |
| Group 2                    | 0.2737         | 2.3486       | 2.6223                   | —                        |
| <b>C Income shares (p)</b> |                |              |                          |                          |
| Group 1                    | 1.7649         | —            | 1.7649                   | —                        |
| Group 2                    | 0.8940         | 0.8709       | 1.7649                   | —                        |

#### Final distribution

Group 1 – Shares purchased prior to 1 October 2019

Group 2 – Shares purchased on or after 1 October 2019 to 31 December 2019

|                            | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|----------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Income shares (p)</b> |                |              |                             |                          |
| Group 1                    | 1.0421         | —            | 1.0421                      | 2.6782                   |
| Group 2                    | 0.4567         | 0.5854       | 1.0421                      | 2.6782                   |
| <b>B Income shares (p)</b> |                |              |                             |                          |
| Group 1                    | 1.1149         | —            | 1.1149                      | 2.8485                   |
| Group 2                    | 0.4424         | 0.6725       | 1.1149                      | 2.8485                   |
| <b>C Income shares (p)</b> |                |              |                             |                          |
| Group 1                    | 0.7518         | —            | 0.7518                      | 1.9118                   |
| Group 2                    | 0.2294         | 0.5224       | 0.7518                      | 1.9118                   |

#### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                                  | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|----------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Accumulation shares (p)</b> |                |              |                             |                          |
| Group 1                          | 16.6714        | —            | 16.6714                     | 13.9039                  |
| Group 2                          | 6.8720         | 9.7994       | 16.6714                     | 13.9039                  |
| <b>C Accumulation shares (p)</b> |                |              |                             |                          |
| Group 1                          | 7.2875         | —            | 7.2875                      | 6.0403                   |
| Group 2                          | 2.9368         | 4.3507       | 7.2875                      | 6.0403                   |

# Liontrust India Fund

## Investment Objective

The investment objective of Liontrust India Fund is to generate long term (five years or more) capital growth.

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.

The Fund may also invest up to 20% in other companies outside of India, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

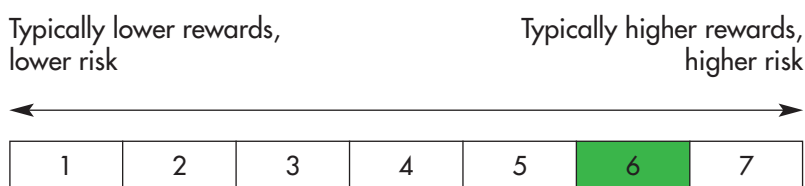
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

The Fund invests in a mix of companies that may provide growth opportunities, attractive valuations, or special situations. Special situations can exist where companies are out of favour, misunderstood or where management changes or takeovers are expected.

## Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on historical data and may not be relied upon to gauge the future risk profile of the Fund.
- This SRRI shown is not guaranteed to remain the same and may shift over time.
- This lowest category (1) does not mean 'risk free'.
- This 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.
- This Fund is categorised 6 primarily for its exposure to Indian companies.
- This SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- The Fund invests in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the fund over the short term.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust India Fund (continued)

### Investment Manager's Report

#### Market overview

The Indian market recorded positive returns in 2019, a year in which global stock markets were resoundingly robust. However, although the local market has continued to perform well, overall US dollar returns to offshore investors have been relatively muted over the past couple of years, especially when compared to outsized returns elsewhere. For the year 2019, India produced a return of 6.1% in dollar terms, lagging both wider emerging (18.4%) and developed markets (25.2%). For a year in which global economic growth momentum generally softened, and investors fretted about the never-ending trade dispute between the US and China, it was somewhat ironic that it was the more domestically driven economies of India and South-East Asia that saw the weakest relative equity returns – usually they tend to be more insulated against global events. However, ultimately any economic concerns were more than offset by the promise of ongoing liquidity provision from global central banks, and then towards the end of the year the promise that the worst in economic data was past. Over the past two years, US dollar strength has weighed on emerging market relative returns in general, however whilst the final quarter of the year saw a softening in the dollar (and attendant emerging market outperformance), the Indian rupee failed to join in the rally, losing ground against the dollar both across the whole year and even in the final quarter, further dampening dollar returns.

Perhaps the most important domestic development for India in 2019 was the General Election in May, which saw the BJP – led by Narendra Modi – re-elected to power with an even larger mandate. Having enjoyed a strong rally into this event, as polls revealed a lower likelihood of a messy coalition government, the market then looked forward to further potential reforms that could be expected from this administration. However policy developments have largely been disappointing, and with more of a political focus – such as the revoking of special status of the state of Jammu and Kashmir, as well as a highly controversial immigration/citizenship law. In general, the economy has continued to slow and 2019 was characterised by worsening economic news flow through the year. The government responded to the growth situation with a series of incremental steps including the rollback of surcharge on capital gains of foreign investors and also corporate tax cuts. Monetary policy has turned increasingly dovish, allowing 135bps of rate cuts until a spike in food inflation forced a pause in October.

#### Portfolio attribution

The Liontrust India Fund returned –6.7% over the year, compared to 3.4% from the MSCI India Index. Despite the mixed growth outlook, foreign investors continued to put money to work in India, seeing the strongest net inflows since 2013 (over \$15bn). Although the local markets both hit all-time highs during the year, there was a dramatic divergence between returns from the large and mid-cap indices. The Liontrust India Fund enjoyed a very strong finish to the year in the final quarter, but was ill-positioned for the continued anaemic growth outlook and weakness in the domestic economy and mid-cap stocks. A considerable portion of this underperformance was driven by the Fund's allocation to both the domestic economy, where we see the long-term potential for strong equity returns, as well as to smaller companies that have been hit harder during the economic weakness. In particular, weightings in smaller financial institutions that suffered on the hands of the liquidity crunch in 2019 hurt returns. In addition, the overweight position in domestic industrial companies, especially capital goods proved costly. The holding in Sterling Wilson (a solar equipment player) hit the Fund towards the end of the year when promoters failed to repay a loan to the company, which saw the share price fall dramatically. Although no offsetting these factors, bright spots for the portfolio included the real estate sector, which was a rare area of strength in the economy as the housing market begins to recover. The holding in Prestige Estates performed particularly well in this environment.

#### Outlook

The Fund remains optimistic about the long-term prospects of the Indian economy and believes the best long-term investment opportunities remain in the domestic sector and amongst the smaller large caps and also mid-caps, that are most geared into this. Moreover, the financial deepening of the economy is a major theme that we believe will benefit a number of our holdings. Indeed, as the operating backdrop for companies began to inflect in the final quarter, the portfolio performed very well, indicating that it is well positioned for economic recovery that we expect to see take a stronger footing in 2020. Given this conviction, we have largely kept the portfolio as is without making any substantial changes.

#### Ewan Thompson

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

# Liontrust India Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement

as at 31 December 2019

| Holding   | Portfolio of investments                           | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>INDIA 100.72% (2018 - 99.58%)</b>               |                      |                                    |
|           | <b>Basic Materials 8.29% (2018 - 6.34%)</b>        |                      |                                    |
|           | <b>Chemicals 4.89%</b>                             |                      |                                    |
| 308,037   | Deepak Nitrite                                     | 1,217                | 2.74                               |
| 85,163    | Finolex Industries                                 | 497                  | 1.12                               |
| 391,989   | SH Kelkar  | 458                  | 1.03                               |
|           | <b>Industrial Metals &amp; Mining 3.40%</b>        |                      |                                    |
| 341,282   | Hindalco Industries                                | 782                  | 1.76                               |
| 452,513   | Vedanta  | 730                  | 1.64                               |
|           | <b>Consumer Goods 5.61% (2018 - 8.52%)</b>         |                      |                                    |
|           | <b>Automobiles &amp; Parts 2.57%</b>               |                      |                                    |
| 736,242   | Motherson Sumi Systems                             | 1,143                | 2.57                               |
|           | <b>Personal Goods 3.04%</b>                        |                      |                                    |
| 186,512   | Godrej Consumer Products                           | 1,351                | 3.04                               |
|           | <b>Consumer Services 2.24% (2018 - 4.05%)</b>      |                      |                                    |
|           | <b>General Retailers 2.24%</b>                     |                      |                                    |
| 661,778   | Indian Energy Exchange                             | 996                  | 2.24                               |
|           | <b>Financials 36.08% (2018 - 30.27%)</b>           |                      |                                    |
|           | <b>Banks 21.73%</b>                                |                      |                                    |
| 633,327   | Bank of Baroda                                     | 683                  | 1.54                               |
| 39,590    | HDFC Bank ADR                                      | 1,886                | 4.24                               |
| 738,427   | ICICI Bank   | 4,219                | 9.49                               |
| 79,168    | Kotak Mahindra Bank                                | 1,415                | 3.18                               |
| 411,664   | State Bank of India                                | 1,457                | 3.28                               |
|           | <b>Financial Services 10.22%</b>                   |                      |                                    |
| 554,161   | Edelweiss Financial Services                       | 642                  | 1.45                               |
| 1,116,457 | Equitas  | 1,263                | 2.84                               |
| 102,920   | Housing Development Finance                        | 2,634                | 5.93                               |
|           | <b>Real Estate Investment &amp; Services 4.13%</b> |                      |                                    |
| 514,580   | Prestige Estates Projects                          | 1,835                | 4.13                               |
|           | <b>Health Care 7.18% (2018 - 9.09%)</b>            |                      |                                    |
|           | <b>Pharmaceuticals &amp; Biotechnology 7.18%</b>   |                      |                                    |
| 294,434   | Biocon   | 917                  | 2.06                               |
| 199,478   | Sun Pharmaceutical Industries                      | 914                  | 2.06                               |
| 69,251    | Torrent Pharmaceuticals                            | 1,358                | 3.06                               |
|           | <b>Industrials 15.37% (2018 - 19.95%)</b>          |                      |                                    |
|           | <b>Construction &amp; Materials 14.38%</b>         |                      |                                    |
| 908,922   | Ashoka Buildcon                                    | 994                  | 2.24                               |
| 156,783   | Blue Star  | 1,397                | 3.14                               |
| 277,082   | Capacit'e Infraprojects                            | 535                  | 1.20                               |
| 110,836   | Larsen & Toubro                                    | 1,533                | 3.45                               |
| 117,498   | Ramco Cements                                      | 939                  | 2.11                               |
| 4,601     | Shree Cement                                       | 994                  | 2.24                               |

## Liontrust India Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding | Portfolio of investments                                | Market value (£'000) | Percentage of total net assets (%) |
|---------|---|----------------------|------------------------------------|
| 128,212 | Industrial Engineering 0.99%<br>Sterling & Wilson Solar | 440                  | 0.99                               |
|         | <b>Oil &amp; Gas 10.90% (2018 - 7.02%)</b>              |                      |                                    |
| 355,767 | Oil & Gas Producers 10.90%<br>Hindustan Petroleum       | 997                  | 2.24                               |
| 239,571 | Reliance Industries                                     | 3,851                | 8.66                               |
|         | <b>Technology 15.05% (2018 - 14.34%)</b>                |                      |                                    |
|         | Software & Computer Services 15.05%                     |                      |                                    |
| 221,064 | Cyient  | 958                  | 2.16                               |
| 150,740 | HCL Technologies  | 908                  | 2.04                               |
| 474,323 | Infosys   | 3,683                | 8.29                               |
| 160,099 | Persistent Systems                                      | 1,138                | 2.56                               |
|         | <b>Portfolio of investments</b>                         | <b>44,764</b>        | <b>100.72</b>                      |
|         | <b>Net other liabilities</b>                            | <b>(318)</b>         | <b>(0.72)</b>                      |
|         | <b>Net assets</b>                                       | <b>44,446</b>        | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

Stocks shown as ADRs represent American Depositary Receipts.

## All purchases and top five sales for the year

| Purchases                  | Cost (£'000)     |
|----------------------------|------------------|
| Sterling & Wilson Solar    | 1,156            |
| Sales                      | Proceeds (£'000) |
| Infosys                    | 2,801            |
| Yes Bank                   | 2,385            |
| Mahindra & Mahindra        | 2,196            |
| Maruti Suzuki India        | 2,147            |
| Indiabulls Housing Finance | 1,838            |

## Liontrust India Fund (continued)

### Performance Record

for the year ended 31 December 2019

| <b>C Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.47%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 225.67                  | 259.77                  | 207.94                  |
| Return before operating charges               | (11.96)                 | (31.00)                 | 54.64                   |
| Operating charges                             | (3.22)                  | (3.10)                  | (2.81)                  |
| Return after operating charges                | (15.18)                 | (34.10)                 | 51.83                   |
| Distributions                                 | —                       | —                       | (0.03)                  |
| Retained distributions on accumulation shares | —                       | —                       | 0.03                    |
| <b>Closing net asset value per share</b>      | <b>210.49</b>           | <b>225.67</b>           | <b>259.77</b>           |
| After direct transaction costs of:            | 0.29                    | 0.44                    | 0.58                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | (6.73)%                 | (13.13)%                | 24.93%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 44,432                  | 84,252                  | 110,755                 |
| Closing number of shares                      | 21,108,587              | 37,334,591              | 42,636,177              |
| Operating Charge Figure                       | 1.47%                   | 1.31%                   | 1.16%                   |
| Direct transaction costs                      | 0.13%                   | 0.19%                   | 0.24%                   |
| OCF/TER cap                                   | 1.47%                   | 1.34%                   | 1.30%                   |
| Research fee                                  | —                       | 0.10%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 239.40p                 | 265.60p                 | 259.90p                 |
| Lowest share price                            | 200.60p                 | 198.00p                 | 208.80p                 |

### A Accumulation USD (Share class closed on 20 November 2019)

|   | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
|   | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>                |                         |                         |                         |
| Opening net asset value per share                   | 67.31                   | 76.48                   | 75.20                   |
| Return before operating charges                     | (4.39)                  | (9.17)                  | 1.28                    |
| Operating charges                                   | —                       | —                       | -                       |
| Return after operating charges                      | (4.39)                  | (9.17)                  | 1.28                    |
| Return to shareholders as a result of class closure | (62.92)                 | —                       | -                       |
| Distributions                                       | —                       | (0.90)                  | (0.01)                  |
| Retained distributions on accumulation shares       | —                       | 0.90                    | 0.01                    |
| <b>Closing net asset value per share</b>            | <b>—</b>                | <b>67.31</b>            | <b>76.48</b>            |
| After direct transaction costs of:                  | 0.09                    | 0.13                    | 0.18                    |
| <b>Performance</b>                                  |                         |                         |                         |
| Return after operating charges                      | (6.52)%                 | (11.99)%                | 1.70%                   |
| <b>Other information</b>                            |                         |                         |                         |
| Closing net asset value (£'000)                     | —                       | 1                       | 1                       |
| Closing number of shares                            | —                       | 1,000                   | 1,000                   |
| Operating Charge Figure                             | —                       | 2.29%                   | 2.20%                   |
| Direct transaction costs                            | —                       | 0.19%                   | 0.24%                   |
| OCF/TER cap   | —                       | 2.34%                   | 2.20%                   |
| Research fee  | —                       | 0.10%                   | —                       |
| Research fee rebate                                 | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                       |                         |                         |                         |
| Highest share price                                 | 91.81¢*                 | 107.40¢                 | 103.40¢                 |
| Lowest share price                                  | 74.19¢*                 | 75.34¢                  | 95.90¢                  |

\*From 1 January 2019 to 20 November 2019.



## Liontrust India Fund (continued)

### Performance Record

for the year ended 31 December 2019

| <b>C Accumulation USD</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.47%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 83.76                   | 96.39                   | 77.18                   |
| Return before operating charges               | (4.41)                  | (11.43)                 | 20.27                   |
| Operating charges                             | (1.20)                  | (1.20)                  | (1.06)                  |
| Return after operating charges                | (5.61)                  | (12.63)                 | 19.21                   |
| Distributions                                 | -                       | -                       | (0.01)                  |
| Retained distributions on accumulation shares | -                       | -                       | 0.01                    |
| <b>Closing net asset value per share</b>      | <b>78.15</b>            | <b>83.76</b>            | <b>96.39</b>            |
| After direct transaction costs of:            | 0.11                    | 0.18                    | 0.22                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | (6.70)%                 | (13.10)%                | 24.89%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 14                      | 44                      | 629                     |
| Closing number of shares                      | 17,700                  | 52,827                  | 652,827                 |
| Operating Charge Figure                       | 1.47%                   | 1.28%                   | 1.17%                   |
| Direct transaction costs                      | 0.13%                   | 0.19%                   | 0.24%                   |
| OCF/TER cap                                   | 1.47%                   | 1.34%                   | 1.30%                   |
| Research fee                                  | —                       | 0.10%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 113.90¢                 | 135.20¢                 | 130.40¢                 |
| Lowest share price                            | 91.44¢                  | 94.00¢                  | 95.23¢                  |

### Fund Performance

The performance of the Sub-fund is shown in the Investment Manager's report on page 132.

### Status

Liontrust India Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

### Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust India Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019 |                | 31 December 2018 |                 |
|---|-------|------------------|----------------|------------------|-----------------|
|   |       | (£'000)          | (£'000)        | (£'000)          | (£'000)         |
| Income  |       |                  |                |                  |                 |
| Net capital losses  | 2     |                  | (3,951)        |                  | (15,014)        |
| Revenue   | 3     | 666              |                | 1,284            |                 |
| Expenses  | 4     | (841)            |                | (1,274)          |                 |
| Interest payable and similar charges  |       | (4)              |                | (9)              |                 |
| Net (expense)/revenue before taxation   |       | (179)            |                | 1                |                 |
| Taxation  | 5     | —                |                | (3)              |                 |
| Net expense after taxation  |       |                  | (179)          |                  | (2)             |
| <b>Total return before equalisation</b>   |       |                  | <b>(4,130)</b> |                  | <b>(15,016)</b> |
| Equalisation  | 6     |                  | 34             |                  | (8)             |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>(4,096)</b> |                  | <b>(15,024)</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019 |               | 31 December 2018 |                |
|--|------------------|---------------|------------------|----------------|
|  | (£'000)          | (£'000)       | (£'000)          | (£'000)        |
| <b>Opening net assets attributable to shareholders</b>                       |                  | <b>84,297</b> |                  | <b>111,385</b> |
| Amounts received on issue of shares  | 1,646            |               | 20,880           |                |
| Amounts paid on cancellation of shares                                       | (37,416)         |               | (32,964)         |                |
|  |                  | (35,770)      |                  | (12,084)       |
| Dilution adjustment charged  |                  | 15            |                  | 20             |
| Change in net assets attributable to shareholders from investment activities |                  | (4,096)       |                  | (15,024)       |
| <b>Closing net assets attributable to shareholders</b>                       |                  | <b>44,446</b> |                  | <b>84,297</b>  |

## Liontrust India Fund (continued)

### Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 44,764                      | 83,944                      |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 24                          | 212                         |
| Cash and bank balances                         | 8     | 677                         | 337                         |
| <b>Total current assets</b>                    |       | <b>701</b>                  | <b>549</b>                  |
| <b>Total assets</b>                            |       | <b>45,465</b>               | <b>84,493</b>               |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Bank overdrafts                                | 8     | (452)                       | —                           |
| Other creditors                                | 9     | (567)                       | (196)                       |
| <b>Total liabilities</b>                       |       | <b>(1,019)</b>              | <b>(196)</b>                |
| <b>Net assets attributable to shareholders</b> |       | <b>44,446</b>               | <b>84,297</b>               |

The accompanying notes are an integral part of these Financial Statements.

# Liontrust India Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1 Accounting policies

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| 2 | Net capital losses         | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------------|-----------------------------|-----------------------------|
|   | Non-derivative securities  | (3,798)                     | (14,808)                    |
|   | Forward currency contracts | —                           | (3)                         |
|   | Currency losses            | (114)                       | (188)                       |
|   | Transaction charges        | (39)                        | (15)                        |
|   | <b>Net capital losses</b>  | <b>(3,951)</b>              | <b>(15,014)</b>             |

| 3 | Revenue              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------|-----------------------------|-----------------------------|
|   | Bank interest        | 1                           | 2                           |
|   | Overseas dividends   | 665                         | 1,282                       |
|   | <b>Total revenue</b> | <b>666</b>                  | <b>1,284</b>                |

| 4 | Expenses   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                             |                             |
|   | ACD's periodic charge  | 449                         | 740                         |
|   | ACD's fee rebate*  | (21)                        | —                           |
|   | Distribution fees  | 8                           | 8                           |
|   | Printing costs   | 4                           | —                           |
|   | Registration fees  | 6                           | 6                           |
|   | Transfer agent fees  | 12                          | 16                          |
|   |  | <b>458</b>                  | <b>770</b>                  |
|   | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                             |                             |
|   | Depositary's fees  | 18                          | 29                          |
|   | Safe custody fees  | 189                         | 308                         |
|   |  | <b>207</b>                  | <b>337</b>                  |
|   | <b>Other expenses:</b>   |                             |                             |
|   | Audit fee  | 7                           | 7                           |
|   | Legal and professional fees  | 68                          | 63                          |
|   | Publication costs  | 26                          | 4                           |
|   | Research fees  | 75                          | 93                          |
|   |  | <b>176</b>                  | <b>167</b>                  |
|   | <b>Total expenses</b>  | <b>841</b>                  | <b>1,274</b>                |

\*The ACD caps the ongoing charges figure (OCF) of each share class as a percentage of the average net asset value and these percentage caps are disclosed in the Performance Record of each share class. The OCF capping is entirely at the discretion of the ACD and may cease at any time.

## Liontrust India Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>   |                             |                             |
|   | Overseas withholding tax  | —                           | 3                           |
|   | <b>Total taxation for the year</b>  | <b>—</b>                    | <b>3</b>                    |
|   | <b>b) Factors affecting current tax charge for the year:</b>  |                             |                             |
|   | The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%).  |                             |                             |
|   | The differences are explained below:  |                             |                             |
|   |   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net (expense)/revenue before taxation   | (179)                       | 1                           |
|   | Corporation tax at 20% (2018: 20%)  | (36)                        | —                           |
|   | <b>Effects of:</b>  |                             |                             |
|   | Movement in excess management expenses  | 169                         | 256                         |
|   | Non-taxable overseas dividends  | (133)                       | (256)                       |
|   | Overseas withholding tax  | —                           | 3                           |
|   | <b>Current tax charge for the year</b>  | <b>—</b>                    | <b>3</b>                    |
|   | <b>c) Deferred tax</b>  |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £2,008 (2018: £1,839) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Equalisation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The equalisation take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:  |                             |                             |
|   | Deduct: Amounts deducted on cancellation of shares  | (37)                        | (11)                        |
|   | Add: Amounts received on issue of shares  | 3                           | 19                          |
|   | <b>Net equalisation for the year</b>  | <b>(34)</b>                 | <b>8</b>                    |
|   | Reconciliation of net expense after taxation to equalisation  |                             |                             |
|   | Net expense after taxation  | (179)                       | (2)                         |
|   | Revenue deficit transferred to capital  | 145                         | 10                          |
|   | <b>Net equalisation for the year</b>  | <b>(34)</b>                 | <b>8</b>                    |

There will be no distribution for the year ended 31 December 2019.

## Liontrust India Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| <b>7</b> | <b>Debtors</b>                         | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|--|-------------------------------------|-------------------------------------|
|          | Accrued Rebate borne by ACD            | 24                                  | 2                                   |
|          | Amounts receivable for issue of shares | —                                   | 210                                 |
|          | <b>Total debtors</b>                   | <b>24</b>                           | <b>212</b>                          |

| <b>8</b> | <b>Cash and bank balances</b>       | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|-------------------------------------|-------------------------------------|-------------------------------------|
|          | Cash and bank balances              | 677                                 | 337                                 |
|          | Bank overdrafts                     | (452)                               | —                                   |
|          | <b>Total cash and bank balances</b> | <b>225</b>                          | <b>337</b>                          |

| <b>9</b> | <b>Creditors</b>                          | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|---|-------------------------------------|-------------------------------------|
|          | ACD's periodic charge                     | 29                                  | 53                                  |
|          | Accrued expenses                          | 250                                 | 140                                 |
|          | Amounts payable on cancellation of shares | 288                                 | 3                                   |
|          | <b>Total creditors</b>                    | <b>567</b>                          | <b>196</b>                          |

### **10 Related party transactions**

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 139. The balances due at the year end are shown in notes 7 and 9.

### **11 Shareholder funds**

Details relating to the Fund are shown in the notes on pages 15 to 19.

### **12 Contingent liabilities, contingent assets and commitments**

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### **13 Swing pricing**

The ACD's Swing pricing policy is disclosed in the notes on pages 15 to 19.

## Liontrust India Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

##### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 13.2% (2018: 9.9%).

The Fund did not use derivatives for investment management purposes in the year and level of leverage employed by the Fund during the year is not considered to be significant.

##### Foreign currency risk

The Portfolio Statement shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency     | Net foreign currency assets/(liabilities) |                             |
|--------------|---|-----------------------------|
|              | 31 December 2019<br>(£'000)               | 31 December 2018<br>(£'000) |
| Euro         | (2)                                       | —                           |
| Indian rupee | 42,910                                    | 81,925                      |
| US dollar    | 2,531                                     | 2,356                       |
| <b>Total</b> | <b>45,439</b>                             | <b>84,281</b>               |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £454 (2018: £843).

## Liontrust India Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 1,156            | 36,578           | 36,616           | 49,551           |
| <b>Trades in the year before transaction costs</b>          | <b>1,156</b>     | <b>36,578</b>    | <b>36,616</b>    | <b>49,551</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | —                | 37               | (36)             | (49)             |
| Total commissions   | —                | 37               | (36)             | (49)             |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | —                | 42               | (42)             | (55)             |
| Total taxes   | —                | 42               | (42)             | (55)             |
| Total costs   | —                | 79               | (78)             | (104)            |
| <b>Total net trades in the year after transaction costs</b> | <b>1,156</b>     | <b>36,657</b>    | <b>36,538</b>    | <b>49,447</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.15% (2018: 0.15%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | —                | 0.10             | (0.10)           | (0.10)           |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | —                | 0.11             | (0.11)           | (0.11)           |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.06             | 0.09             |
| Taxes        | 0.07             | 0.10             |
| <b>Total</b> | <b>0.13</b>      | <b>0.19</b>      |



## Liontrust India Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 16 Share reconciliation

Reconciliation of the share movements in the year

| 31 December 2019               | C Accumulation    | A Accumulation USD | C Accumulation USD |
|--------------------------------|-------------------|--------------------|--------------------|
| Opening shares in issue        | 37,334,591        | 1,000              | 52,827             |
| Creations during the year      | 740,676           | —                  | 6,396              |
| Cancellations during the year  | (16,966,680)      | (1,000)            | (41,523)           |
| <b>Closing shares in issue</b> | <b>21,108,587</b> | <b>—</b>           | <b>17,700</b>      |

#### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 44,764                                | —  | 83,944                                | —  |
|         | <b>44,764</b>                         | <b>—</b>                                   | <b>83,944</b>                         | <b>—</b>                                   |

The Fund has no Level 2 or Level 3 financial instruments.

#### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class        | Price at<br>31 December 2019 | Price at<br>3 June 2020            | % change |
|--------------------|------------------------------|------------------------------------|----------|
| C Accumulation     | 210.49                       | 167.70                             | (20.33)  |
| C Accumulation USD | 78.15                        | n/a Share class closed in May 2020 | n/a      |

# Liontrust Japan Opportunities Fund

## Investment Objective

The investment objective of Liontrust Japan Opportunities Fund is to generate long term (five years or more) capital growth.

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.

The Fund may also invest up to 20% in other companies outside of Japan, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

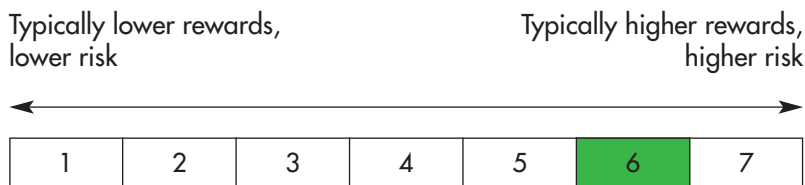
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

The Fund invests in securities using a combination of economic, industry and stock specific analysis.

## Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 6 primarily for its exposure to Japanese companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust Japan Opportunities Fund (continued)

### Investment Manager's Report

#### Market overview

2019 got off to a strong initial quarter as global markets recovered from their dreadful final quarter of 2018. This saw the TOPIX Index open at 1,450 before adding 200 points or so to end March at around 1,650. Thereafter, investors seem to focus on the twin negatives of an oil price that had risen from \$46 to \$60 a barrel, and China-US trade tension remaining high. In Japan's case, the market broke lower after its 10-day holiday at the beginning of May to celebrate the inauguration of the new emperor.

Overall, Japanese full year results for the 12 months ending 31st March 2019, which began to be released after the 10-day holiday and across the rest of the second quarter, came out mostly in-line with expectations. But, as usual, Japanese corporate management's projections for the coming year were conservative, verging on pessimistic, and tying in with renewed global investor nervousness regarding both World Trade and GDP growth. This saw the TOPIX Index fall back to around the 1,470 level, not far off where it began the year.

Despite the attacks on the Saudi oil fields, and because the disruption proved short lived, Japanese share prices collectively rallied in-line with other stock markets. Prices in Tokyo received an additional boost from the impact of the 2% VAT rise to 10% proving relatively mild. So, as confidence built over international trade talks and the global economy not getting any worse, the TOPIX found a new lease of life to close the year around 1,750.

#### Portfolio attribution

The Liontrust Japan Opportunities Fund returned 20.7% over 2019, compared to the TOPIX Index's gain of 15.8% and the IA Japan sector average return of 17.2%.

A c.4% depreciation of the yen meant the Fund's currency hedge back into sterling lifted gains by roughly that same amount, thus adding another layer of return to the Fund's outperformance. The Fund's underlying equity portfolio benefited from holding stocks at the larger end of the market cap spectrum, which in aggregate, outperformed those in the other capitalization categories. The JASDAQ Index performed strongly as it contained companies that are at the much smaller end, but also had little exposure to the quoted sectors that underperformed.

From that standpoint, the Fund also had a near zero exposure to consumer staples, energy and utilities which were in the negative territory for the year. In addition, the portfolio had substantial overweights in the consumer discretionary, industrial and information technology sectors, which all rose strongly over the year.

Even within relatively sedate sectors such as materials, individual stocks made quite substantial gains, such as Sumco, the silicon ingot supplier to semiconductor manufacturers, and also Nippon Paint, both of which achieved total returns of over 50%. At the same time, other holdings such as the steel firm JFE and JXTG, the oil firm both fell by more than 15%. Similar patterns were seen in the industrials, where many of the machinery and construction sectors did well be rising over 30%, whilst a few stocks fell, including Taisei and Sumitomo Mitsui Construction.

#### Outlook

In 2020, we expect that the market should improve throughout the year as the world is passing through the low point of both its recent slowdown and China-US trade relations, which should all help the market recover. Likewise, an end seems to have come to the recent wave of downgrades to corporate earnings forecasts that will likely provide a firm valuation base for share prices to appreciate from. Under such future circumstances, we anticipate that major Japanese firms, particularly those that are global, will see their sales and profits benefit substantially.

Furthermore, we expect that sterling will benefit from Brexit's resolution. Whilst Japan has done little to solve its underlying fiscal problems and the temporary Olympics' stimulus will begin to wear off. All of these factors, we believe, will weaken the yen meaning our strategic hedge of the yen back into sterling will remain in place.

#### Chris Taylor

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

# Liontrust Japan Opportunities Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement

as at 31 December 2019

| Holding | Portfolio of investments                           | Market value (£'000) | Percentage of total net assets (%) |
|---------|--|----------------------|------------------------------------|
|         | <b>BASIC MATERIALS 15.45% (2018 - 19.83%)</b>      |                      |                                    |
|         | <b>Chemicals 14.63%</b>                            |                      |                                    |
| 146,000 | Kansai Paint                                       | 2,725                | 2.72                               |
| 386,900 | Mitsubishi Chemical                                | 2,204                | 2.20                               |
| 189,800 | Mitsubishi Gas Chemical                            | 2,214                | 2.21                               |
| 79,400  | Nippon Paint                                       | 3,123                | 3.12                               |
| 31,900  | Shin-Etsu Chemical                                 | 2,682                | 2.68                               |
| 330,000 | Toray Industries                                   | 1,704                | 1.70                               |
|         | <b>Industrial Metals &amp; Mining 0.82%</b>        |                      |                                    |
| 83,700  | JFE  | 823                  | 0.82                               |
|         | <b>CONSUMER GOODS 11.27% (2018 - 10.49%)</b>       |                      |                                    |
|         | <b>Automobiles &amp; Parts 6.65%</b>               |                      |                                    |
| 95,200  | NGK Spark Plug                                     | 1,417                | 1.41                               |
| 304,000 | NSK  | 2,207                | 2.20                               |
| 56,600  | Toyota Motor                                       | 3,044                | 3.04                               |
|         | <b>Leisure Goods 4.62%</b>                         |                      |                                    |
| 100,000 | Bandai Namco                                       | 4,623                | 4.62                               |
|         | <b>FINANCIALS 13.72% (2018 - 14.86%)</b>           |                      |                                    |
|         | <b>Banks 3.52%</b>                                 |                      |                                    |
| 65,700  | Sumitomo Mitsui Financial                          | 1,850                | 1.85                               |
| 55,500  | Sumitomo Mitsui Trust                              | 1,678                | 1.67                               |
|         | <b>Financial Services 6.56%</b>                    |                      |                                    |
| 60,000  | Jafco  | 1,799                | 1.80                               |
| 230,800 | ORIX   | 2,915                | 2.91                               |
| 115,000 | SBI  | 1,855                | 1.85                               |
|         | <b>Real Estate Investment &amp; Services 3.64%</b> |                      |                                    |
| 122,100 | Mitsubishi Estate                                  | 1,779                | 1.78                               |
| 100,000 | Mitsui Fudosan                                     | 1,863                | 1.86                               |
|         | <b>INDUSTRIALS 42.11% (2018 - 43.11%)</b>          |                      |                                    |
|         | <b>Construction &amp; Materials 12.62%</b>         |                      |                                    |
| 294,800 | Haseko   | 3,024                | 3.02                               |
| 324,600 | Shimizu  | 2,524                | 2.52                               |
| 413,000 | Sumitomo Mitsui Construction                       | 1,829                | 1.83                               |
| 78,400  | Sumitomo Osaka Cement                              | 2,605                | 2.60                               |
| 84,000  | Taisei   | 2,659                | 2.65                               |
|         | <b>Electronic &amp; Electrical Equipment 7.99%</b> |                      |                                    |
| 90,000  | Hitachi  | 2,903                | 2.90                               |
| 19,000  | Keyence  | 5,098                | 5.09                               |
|         | <b>General Industrials 1.60%</b>                   |                      |                                    |
| 62,300  | Toshiba  | 1,607                | 1.60                               |

## Liontrust Japan Opportunities Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding   | Portfolio of investments                                      | Market value (£'000) | Percentage of total net assets (%) |
|-----------|---|----------------------|------------------------------------|
|           | <b>Industrial Engineering 19.90%</b>                          |                      |                                    |
| 247,500   | Amada   | 2,157                | 2.15                               |
| 148,900   | Chugai Ro   | 1,894                | 1.89                               |
| 22,300    | Daikin Industries   | 2,402                | 2.40                               |
| 17,100    | FANUC   | 2,424                | 2.42                               |
| 172,000   | Kimura Chemical Plants  | 835                  | 0.83                               |
| 94,400    | Komatsu   | 1,739                | 1.74                               |
| 65,400    | Mitsubishi Heavy Industries                                   | 1,937                | 1.93                               |
| 68,900    | Nabtesco  | 1,566                | 1.56                               |
| 1,011,600 | NTN   | 2,434                | 2.43                               |
| 63,200    | OKUMA   | 2,552                | 2.55                               |
|           | <b>OIL &amp; GAS 2.17% (2018 - 3.23%)</b>                     |                      |                                    |
|           | <b>Oil &amp; Gas Producers 2.17%</b>                          |                      |                                    |
| 625,400   | JXTG  | 2,171                | 2.17                               |
|           | <b>TECHNOLOGY 15.98% (2018 - 10.64%)</b>                      |                      |                                    |
|           | <b>Leisure Goods 5.33%</b>                                    |                      |                                    |
| 17,400    | Nintendo  | 5,335                | 5.33                               |
|           | <b>Technology Hardware &amp; Equipment 10.65%</b>             |                      |                                    |
| 39,000    | Fujitsu   | 2,792                | 2.79                               |
| 100,000   | Oki Electric Industry   | 1,059                | 1.05                               |
| 535,700   | SUMCO   | 6,821                | 6.81                               |
|           | <b>DERIVATIVES 2.10% (2018 - (2.47)%)</b>                     |                      |                                    |
|           | <b>Forward Foreign Exchange Contracts 2.10%</b>               |                      |                                    |
|           | Sold JPY4,000,000,000 for GBP28,477,798 Settlement 17/01/2020 | 576                  | 0.57                               |
|           | Sold JPY3,000,000,000 for GBP21,354,988 Settlement 21/01/2020 | 427                  | 0.43                               |
|           | Sold JPY3,000,000,000 for GBP21,429,230 Settlement 24/01/2020 | 500                  | 0.50                               |
|           | Sold JPY3,000,000,000 for GBP21,534,073 Settlement 28/01/2020 | 602                  | 0.60                               |
|           | <b>Portfolio of investments</b>                               | <b>102,977</b>       | <b>102.80</b>                      |
|           | <b>Net other liabilities</b>                                  | <b>(2,807)</b>       | <b>(2.80)</b>                      |
|           | <b>Net assets</b>   | <b>100,170</b>       | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

## Liontrust Japan Opportunities Fund (continued)

## Investment Manager's Report (continued)

### The top five purchases and sales for the year

| Purchases | Cost (£'000) |
|-----------|--------------|
| SUMCO     | 4,334        |
| ORIX      | 4,124        |
| SBI       | 3,182        |
| NTN       | 2,555        |
| FANUC     | 1,875        |

| Sales                            | Proceeds<br>(£'000) |
|----------------------------------|---------------------|
| Keyence                          | 8,320               |
| Nintendo                         | 7,380               |
| Toshiba Plant Systems & Services | 6,394               |
| Bandai Namco                     | 5,734               |
| Nippon Paint                     | 4,688               |

## Liontrust Japan Opportunities Fund (continued)

## Performance Record

for the year ended 31 December 2019

| <b>A Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.89%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 375.12                  | 498.67                  | 396.16                  |
| Return before operating charges               | 81.20                   | (115.61)                | 109.98                  |
| Operating charges                             | (7.40)                  | (7.94)                  | (7.47)                  |
| Return after operating charges                | 73.80                   | (123.55)                | 102.51                  |
| Distributions                                 | (3.09)                  | (1.76)                  | (0.79)                  |
| Retained distributions on accumulation shares | 3.09                    | 1.76                    | 0.79                    |
| <b>Closing net asset value per share</b>      | <b>448.92</b>           | <b>375.12</b>           | <b>498.67</b>           |
| After direct transaction costs of:            | 0.26                    | 0.03                    | 0.27                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 19.67%                  | (24.78)%                | 25.88%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 8,480                   | 11,177                  | 23,276                  |
| Closing number of shares                      | 1,889,032               | 2,979,617               | 4,667,537               |
| Operating Charge Figure                       | 1.82%                   | 1.73%                   | 1.71%                   |
| Direct transaction costs                      | 0.06%                   | 0.01%                   | 0.06%                   |
| OCF/TER cap                                   | 1.89%                   | 1.85%                   | 1.80%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.03)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 456.10p                 | 529.50p                 | 502.60p                 |
| Lowest share price                            | 365.00p                 | 370.30p                 | 394.20p                 |

| <b>B Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.39%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 400.13                  | 529.25                  | 418.36                  |
| Return before operating charges               | 86.82                   | (123.01)                | 116.49                  |
| Operating charges                             | (5.75)                  | (6.11)                  | (5.60)                  |
| Return after operating charges                | 81.07                   | (129.12)                | 110.89                  |
| Distributions                                 | (5.49)                  | (4.30)                  | (1.48)                  |
| Retained distributions on accumulation shares | 5.49                    | 4.30                    | 1.48                    |
| <b>Closing net asset value per share</b>      | <b>481.20</b>           | <b>400.13</b>           | <b>529.25</b>           |
| After direct transaction costs of:            | 0.28                    | 0.03                    | 0.28                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 20.26%                  | (24.40)%                | 26.51%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 1,650                   | 1,627                   | 5,972                   |
| Closing number of shares                      | 342,932                 | 406,534                 | 1,128,480               |
| Operating Charge Figure                       | 1.32%                   | 1.23%                   | 1.21%                   |
| Direct transaction costs                      | 0.06%                   | 0.01%                   | 0.06%                   |
| OCF/TER cap                                   | 1.39%                   | 1.35%                   | 1.30%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.03)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 488.80p                 | 562.20p                 | 533.40p                 |
| Lowest share price                            | 389.30p                 | 395.00p                 | 416.90p                 |

# Liontrust Japan Opportunities Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

| <b>C Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.02%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 185.18                  | 244.06                  | 192.25                  |
| Return before operating charges               | 40.24                   | (56.92)                 | 53.65                   |
| Operating charges                             | (1.94)                  | (1.96)                  | (1.84)                  |
| Return after operating charges                | 38.30                   | (58.88)                 | 51.81                   |
| Distributions                                 | (3.25)                  | (2.79)                  | (1.77)                  |
| Retained distributions on accumulation shares | 3.25                    | 2.79                    | 1.77                    |
| <b>Closing net asset value per share</b>      | <b>223.48</b>           | <b>185.18</b>           | <b>244.06</b>           |
| After direct transaction costs of:            | 0.13                    | 0.02                    | 0.13                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 20.68%                  | (24.13)%                | 26.95%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 72,237                  | 135,418                 | 203,946                 |
| Closing number of shares                      | 32,323,997              | 73,125,970              | 83,563,957              |
| Operating Charge Figure                       | 0.96%                   | 0.87%                   | 0.86%                   |
| Direct transaction costs                      | 0.06%                   | 0.01%                   | 0.06%                   |
| OCF/TER cap                                   | 1.02%                   | 1.00%                   | 1.00%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.03)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 226.90p                 | 259.30p                 | 246.00p                 |
| Lowest share price                            | 180.20p                 | 182.80p                 | 191.80p                 |

| <b>D Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.92%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 109.40                  | 144.03                  | 113.34                  |
| Return before operating charges               | 23.79                   | (33.60)                 | 31.65                   |
| Operating charges                             | (1.03)                  | (1.03)                  | (0.96)                  |
| Return after operating charges                | 22.76                   | (34.63)                 | 30.69                   |
| Distributions                                 | (2.04)                  | (1.78)                  | (1.24)                  |
| Retained distributions on accumulation shares | 2.04                    | 1.78                    | 1.24                    |
| <b>Closing net asset value per share</b>      | <b>132.16</b>           | <b>109.40</b>           | <b>144.03</b>           |
| After direct transaction costs of:            | 0.08                    | 0.01                    | 0.08                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 20.80%                  | (24.04)%                | 27.08%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 16,372                  | 42,997                  | 62,166                  |
| Closing number of shares                      | 12,388,089              | 39,304,694              | 43,160,494              |
| Operating Charge Figure                       | 0.86%                   | 0.77%                   | 0.76%                   |
| Direct transaction costs                      | 0.06%                   | 0.01%                   | 0.06%                   |
| OCF/TER cap                                   | 0.92%                   | 0.90%                   | 0.90%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.03)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 134.20p                 | 153.00p                 | 145.20p                 |
| Lowest share price                            | 106.40p                 | 108.00p                 | 113.10p                 |



## Liontrust Japan Opportunities Fund (continued)

### Performance Record (continued)

for the year ended 31 December 2019

| <b>A Accumulation USD</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.89%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 93.34                   | 124.07                  | 98.56                   |
| Return before operating charges               | 20.19                   | (28.77)                 | 27.36                   |
| Operating charges                             | (1.84)                  | (1.96)                  | (1.85)                  |
| Return after operating charges                | 18.35                   | (30.73)                 | 25.51                   |
| Distributions                                 | (0.77)                  | (0.44)                  | (0.51)                  |
| Retained distributions on accumulation shares | 0.77                    | 0.44                    | 0.51                    |
| <b>Closing net asset value per share</b>      | <b>111.69</b>           | <b>93.34</b>            | <b>124.07</b>           |
| After direct transaction costs of:            | 0.06                    | 0.01                    | 0.07                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 19.66%                  | (24.77)%                | 25.88%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 1,338                   | 1,410                   | 1,988                   |
| Closing number of shares                      | 1,198,038               | 1,510,231               | 1,602,273               |
| Operating Charge Figure                       | 1.82%                   | 1.72%                   | 1.71%                   |
| Direct transaction costs                      | 0.06%                   | 0.01%                   | 0.06%                   |
| OCF/TER cap                                   | 1.89%                   | 1.85%                   | 1.80%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.03)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 151.90¢                 | 184.80¢                 | 167.80¢                 |
| Lowest share price                            | 112.70¢                 | 116.60¢                 | 120.70¢                 |

| <b>C Accumulation USD</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.02%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 98.48                   | 129.82                  | 102.26                  |
| Return before operating charges               | 21.38                   | (30.30)                 | 28.58                   |
| Operating charges                             | (1.02)                  | (1.04)                  | (1.02)                  |
| Return after operating charges                | 20.36                   | (31.34)                 | 27.56                   |
| Distributions                                 | (1.73)                  | (1.47)                  | (1.00)                  |
| Retained distributions on accumulation shares | 1.73                    | 1.47                    | 1.00                    |
| <b>Closing net asset value per share</b>      | <b>118.84</b>           | <b>98.48</b>            | <b>129.82</b>           |
| After direct transaction costs of:            | 0.07                    | 0.01                    | 0.07                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 20.67%                  | (24.14)%                | 26.95%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 93                      | 249                     | 1,168                   |
| Closing number of shares                      | 78,037                  | 252,842                 | 899,402                 |
| Operating Charge Figure                       | 0.97%                   | 0.86%                   | 0.86%                   |
| Direct transaction costs                      | 0.06%                   | 0.01%                   | 0.06%                   |
| OCF/TER cap                                   | 1.02%                   | 1.00%                   | 1.00%                   |
| Research fee                                  | —                       | 0.05%                   | —                       |
| Research fee rebate                           | —                       | (0.03)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 161.60¢                 | 193.50¢                 | 175.60¢                 |
| Lowest share price                            | 119.60¢                 | 123.00¢                 | 125.30¢                 |

## Liontrust Japan Opportunities Fund (continued)

### Fund Performance

The performance of the Sub-fund is shown in the Investment Manager's report on page 146.

Details of the distribution per share for the year are shown in the distribution tables on page 162.

### Status

Liontrust Japan Opportunities Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

### Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust Japan Opportunities Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   |       | 31 December 2019 |               | 31 December 2018 |                 |
|---|-------|------------------|---------------|------------------|-----------------|
|   | Notes | (£'000)          | (£'000)       | (£'000)          | (£'000)         |
| Income  |       |                  |               |                  |                 |
| Net capital gains/(losses)  | 2     |                  | 22,049        |                  | (68,561)        |
| Revenue   | 3     | 4,274            |               | 6,085            |                 |
| Expenses  | 4     | (1,400)          |               | (2,363)          |                 |
| Interest payable and similar charges  |       | (21)             |               | (16)             |                 |
| Net revenue before taxation   |       | 2,853            |               | 3,706            |                 |
| Taxation  | 5     | (416)            |               | (594)            |                 |
| Net revenue after taxation  |       |                  | 2,437         |                  | 3,112           |
| <b>Total return before distributions</b>  |       |                  | <b>24,486</b> |                  | <b>(65,449)</b> |
| Distributions   | 6     |                  | (2,437)       |                  | (3,112)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>22,049</b> |                  | <b>(68,561)</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  |  | 31 December 2019 |                | 31 December 2018 |                |
|--|--|------------------|----------------|------------------|----------------|
|  |  | (£'000)          | (£'000)        | (£'000)          | (£'000)        |
| <b>Opening net assets attributable to shareholders</b>                       |  |                  | <b>192,878</b> |                  | <b>298,516</b> |
| Amounts received on issue of shares  |  | 15,624           |                | 36,939           |                |
| Amounts paid on cancellation of shares                                       |  | (131,822)        |                | (76,840)         |                |
|  |  |                  | (116,198)      |                  | (39,901)       |
| Dilution adjustment charged  |  |                  | 51             |                  | 1              |
| Change in net assets attributable to shareholders from investment activities |  |                  | 22,049         |                  | (68,561)       |
| Retained distribution on accumulation shares                                 |  |                  | 1,390          |                  | 2,823          |
| <b>Closing net assets attributable to shareholders</b>                       |  |                  | <b>100,170</b> |                  | <b>192,878</b> |

# Liontrust Japan Opportunities Fund (continued)

## Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 102,977                     | 197,031                     |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 77                          | 493                         |
| Cash and bank balances                         | 8     | 1,580                       | 2,195                       |
| <b>Total current assets</b>                    |       | <b>1,657</b>                | <b>2,688</b>                |
| <b>Total assets</b>                            |       | <b>104,634</b>              | <b>199,719</b>              |
| <b>Liabilities</b>                             |       |                             |                             |
| Investment liabilities                         |       | —                           | (4,754)                     |
| <b>Creditors</b>                               |       |                             |                             |
| Other creditors                                | 9     | (4,464)                     | (2,087)                     |
| <b>Total liabilities</b>                       |       | <b>(4,464)</b>              | <b>(6,841)</b>              |
| <b>Net assets attributable to shareholders</b> |       | <b>100,170</b>              | <b>192,878</b>              |

The accompanying notes are an integral part of these Financial Statements.

## Liontrust Japan Opportunities Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

**1 Accounting policies**

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| <b>2</b> | <b>Net capital gains/(losses)</b>  | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|--|-------------------------------------|-------------------------------------|
|          | Non-derivative securities  | 20,558                              | (49,404)                            |
|          | Forward currency contracts   | 136                                 | (19,836)                            |
|          | Currency gains   | 1,377                               | 691                                 |
|          | Transaction charges  | (22)                                | (12)                                |
|          | <b>Net capital gains/(losses)</b>  | <b>22,049</b>                       | <b>(68,561)</b>                     |
| <b>3</b> | <b>Revenue</b>   | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|          | Bank interest  | 2                                   | 1                                   |
|          | Overseas dividends   | 4,272                               | 6,084                               |
|          | <b>Total revenue</b>   | <b>4,274</b>                        | <b>6,085</b>                        |
| <b>4</b> | <b>Expenses</b>  | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|          | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                                     |                                     |
|          | ACD's periodic charge  | 1,125                               | 2,073                               |
|          | Distribution fees  | 23                                  | 25                                  |
|          | Printing costs   | 8                                   | 6                                   |
|          | Registration fees  | 8                                   | 8                                   |
|          | Transfer agent fees  | 27                                  | 43                                  |
|          |  | <b>1,191</b>                        | <b>2,155</b>                        |
|          | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                                     |                                     |
|          | Depositary's fees  | 39                                  | 67                                  |
|          | Safe custody fees  | 33                                  | 54                                  |
|          |  | <b>72</b>                           | <b>121</b>                          |
|          | <b>Other expenses:</b>   |                                     |                                     |
|          | Audit fee  | 9                                   | 13                                  |
|          | Legal and professional fees  | 32                                  | 22                                  |
|          | Publication costs  | 8                                   | 7                                   |
|          | Research fees  | 88                                  | 45                                  |
|          |  | <b>137</b>                          | <b>87</b>                           |
|          | <b>Total expenses</b>  | <b>1,400</b>                        | <b>2,363</b>                        |

# Liontrust Japan Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation                                  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b> |                             |                             |
|   | Overseas withholding tax                  | 416                         | 594                         |
|   | <b>Total taxation for the year</b>        | <b>416</b>                  | <b>594</b>                  |

### b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%).

The differences are explained below:

|  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-----------------------------|-----------------------------|
| Net revenue before taxation            | 2,853                       | 3,706                       |
| Corporation tax at 20% (2018: 20%)     | 571                         | 741                         |
| <b>Effects of:</b>                     |                             |                             |
| Movement in excess management expenses | 284                         | 476                         |
| Overseas withholding tax               | 416                         | 594                         |
| Revenue not subject to taxation        | (855)                       | (1,217)                     |
| <b>Current tax charge for the year</b> | <b>416</b>                  | <b>594</b>                  |

### c) Deferred tax

At the year end, there is a potential deferred tax asset of £5,301 (2018: £5,017) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year.

| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise: |                             |                             |
|   | Final   | 1,390                       | 2,823                       |
|   | Add: Amounts deducted on cancellation of shares   | 1,128                       | 488                         |
|   | Deduct: Amounts received on issue of shares   | (81)                        | (199)                       |
|   | <b>Net for the year</b>   | <b>2,437</b>                | <b>3,112</b>                |
|   | Reconciliation of net revenue after taxation to distributions   |                             |                             |
|   | Net revenue after taxation  | 2,437                       | 3,112                       |
|   | <b>Net distributions for the year</b>   | <b>2,437</b>                | <b>3,112</b>                |

Details of the distribution per share are set out in the distribution table on page 162.

## Liontrust Japan Opportunities Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| <b>7 Debtors</b>                       | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|--|-------------------------------------|-------------------------------------|
| Accrued revenue                        | 62                                  | 144                                 |
| Amounts receivable for issue of shares | 15                                  | 349                                 |
| <b>Total debtors</b>                   | <b>77</b>                           | <b>493</b>                          |

| <b>8 Cash and bank balances</b>     | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Cash and bank balances              | 1,580                               | 2,195                               |
| <b>Total cash and bank balances</b> | <b>1,580</b>                        | <b>2,195</b>                        |

| <b>9 Creditors</b>                        | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|---|-------------------------------------|-------------------------------------|
| ACD's periodic charge                     | 75                                  | 137                                 |
| Accrued expenses                          | 130                                 | 105                                 |
| Amounts payable on cancellation of shares | 4,259                               | 1,845                               |
| <b>Total creditors</b>                    | <b>4,464</b>                        | <b>2,087</b>                        |

### 10 Related party transactions

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 156. The balances due at the year end are shown in notes 7 and 9.

### 11 Shareholder funds

Details relating to the Fund are shown in the notes on pages 15 to 19.

### 12 Contingent liabilities, contingent assets and commitments

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### 13 Swing pricing

The ACD's Swing pricing policy is disclosed in the notes on pages 15 to 19.

# Liontrust Japan Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

#### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 0.0% (2018: 5.2%).

The Fund used derivatives in the year, namely foreign exchange forward contracts. The Fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

The level of Market Exposure in the Fund as at year end as measured by the Commitment Approach described above was 2.9% (0.00%).

#### Foreign currency risk

The Portfolio Statement shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency     | Net foreign currency assets/(liabilities) |                             |
|--------------|---|-----------------------------|
|              | 31 December 2019<br>(£'000)               | 31 December 2018<br>(£'000) |
| Euro         | —   | 1                           |
| Japanese yen | 10,242                                    | (2,332)                     |
| US dollar    | 9   | 29                          |
| <b>Total</b> | <b>10,251</b>                             | <b>(2,302)</b>              |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £103 (2018: £23).

#### Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

|      | Counterparty         | Derivative<br>Exposure (£'000) | Collateral<br>Posted (£'000) | Collateral<br>Received (£'000) | Collateral<br>Asset Class |
|------|----------------------|--------------------------------|------------------------------|--------------------------------|---------------------------|
| 2019 | State Street         | 2,105                          | —                            | —                              | Cash                      |
| 2018 | Barclays             | —                              | —                            | —                              | Cash                      |
|      | Natwest              | —                              | —                            | —                              | Cash                      |
|      | Royal Bank of Canada | —                              | —                            | —                              | Cash                      |



# Liontrust Japan Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 28,993           | 14,370           | 145,787          | 50,390           |
| <b>Trades in the year before transaction costs</b>          | <b>28,993</b>    | <b>14,370</b>    | <b>145,787</b>   | <b>50,390</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 14               | 4                | (73)             | (14)             |
| Total commissions   | 14               | 4                | (73)             | (14)             |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | —                | —                | —                | —                |
| Total costs   | 14               | 4                | (73)             | (14)             |
| <b>Total net trades in the year after transaction costs</b> | <b>29,007</b>    | <b>14,374</b>    | <b>145,714</b>   | <b>50,376</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.19% (2018: 0.27%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2019 | 31 December 2018 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.05             | 0.03             | (0.05)           | (0.03)           |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | —                | —                | —                | —                |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.06             | 0.01             |
| Taxes        | —                | —                |
| <b>Total</b> | <b>0.06</b>      | <b>0.01</b>      |

# Liontrust Japan Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 16 Share reconciliation

Reconciliation of the share movements in the year

|                                | 31 December 2019 |                |                   |
|--------------------------------|------------------|----------------|-------------------|
|                                | A Accumulation   | B Accumulation | C Accumulation    |
| Opening shares in issue        | 2,979,617        | 406,534        | 73,125,970        |
| Creations during the year      | 2,571,725        | 60,635         | 2,039,344         |
| Cancellations during the year  | (3,662,310)      | (124,237)      | (42,841,317)      |
| <b>Closing shares in issue</b> | <b>1,889,032</b> | <b>342,932</b> | <b>32,323,997</b> |

|                                | D Accumulation    | A Accumulation USD | C Accumulation USD |
|--------------------------------|-------------------|--------------------|--------------------|
| Opening shares in issue        | 39,304,694        | 1,510,231          | 252,842            |
| Creations during the year      | 729,708           | 5,415              | 84,645             |
| Cancellations during the year  | (27,646,313)      | (317,608)          | (259,450)          |
| <b>Closing shares in issue</b> | <b>12,388,089</b> | <b>1,198,038</b>   | <b>78,037</b>      |

### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 100,872                               | —  | 197,031                               | —  |
| Level 2 | 2,105                                 | —  | —                                     | (4,754)                                    |
|         | <b>102,977</b>                        | <b>—</b>                                   | <b>197,031</b>                        | <b>(4,754)</b>                             |

The Fund has no Level 3 financial instruments.

### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class        | Price at<br>31 December 2019 | Price at<br>3 June 2020            | % change |
|--------------------|------------------------------|------------------------------------|----------|
| A Accumulation     | 448.92                       | 391.56                             | (12.78)  |
| B Accumulation     | 481.20                       | 420.60                             | (12.59)  |
| C Accumulation     | 223.48                       | 195.64                             | (12.46)  |
| D Accumulation     | 132.16                       | 115.74                             | (12.42)  |
| A Accumulation USD | 111.69                       | n/a Share class closed in May 2020 | n/a      |
| C Accumulation USD | 118.84                       | n/a Share class closed in May 2020 | n/a      |

## Liontrust Japan Opportunities Fund (continued)

### Distribution tables

for the year ended 31 December 2019 – in pence/cents per share

### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                                      | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|--------------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | 3.0860         | —            | 3.0860                      | 1.7608                   |
| Group 2                              | 1.6236         | 1.4624       | 3.0860                      | 1.7608                   |
| <b>B Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | 5.4864         | —            | 5.4864                      | 4.2983                   |
| Group 2                              | 0.6115         | 4.8749       | 5.4864                      | 4.2983                   |
| <b>C Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | 3.2479         | —            | 3.2479                      | 2.7928                   |
| Group 2                              | 1.5577         | 1.6902       | 3.2479                      | 2.7928                   |
| <b>D Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | 2.0388         | —            | 2.0388                      | 1.7825                   |
| Group 2                              | 1.0703         | 0.9685       | 2.0388                      | 1.7825                   |
| <b>A Accumulation USD shares (¢)</b> |                |              |                             |                          |
| Group 1                              | 1.0166         | —            | 1.0166                      | 0.5620                   |
| Group 2                              | 1.0166         | —            | 1.0166                      | 0.5620                   |
| <b>C Accumulation USD shares (¢)</b> |                |              |                             |                          |
| Group 1                              | 2.2813         | —            | 2.2813                      | 1.8831                   |
| Group 2                              | 1.0713         | 1.2100       | 2.2813                      | 1.8831                   |

# Liontrust Latin America Fund

## Investment Objective

The investment objective of Liontrust Latin America Fund is to generate long term (five years or more) capital growth.

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.

The Fund may also invest up to 20% in companies outside of Latin America, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

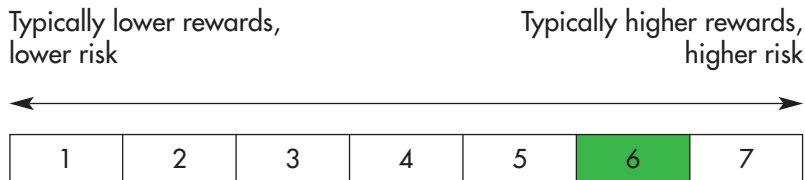
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

The Fund invests in a mix of companies that may provide growth opportunities, attractive valuations, or special situations. Special situations can exist where companies are out of favour, misunderstood or where management changes or takeovers are expected.

## Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 6 primarily for its exposure to Latin American companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.

This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.

- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- The Fund invests in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the fund over the short term.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust Latin America Fund (continued)

### Investment Manager's Report

#### Market overview

Global markets enjoyed a strong recovery in 2019 after a difficult 2018. Key drivers were the dovish turn in global central banks during the first quarter, through to eventual progress being made in the trade dispute between the US and China and a phase one deal being reached during the fourth quarter. Recession fears have eased and expectations have gradually improved regarding a broad economic recovery into 2020, helped by emerging green shoots in manufacturing PMI data. Latin American markets rose by 12.9% during the year, broadly in line with wider emerging markets, although lagging developed market returns. Within Latin America divergence across countries was significant. Colombia and Brazil led the way returning 21% and 17%, respectively, while Chile and Argentina were the laggards with returns of -22% and -26%, respectively.

In Brazil, the focus for much of the year was on the passage of the pension reform under incoming President Jair Bolsonaro. The final version was far more comprehensive than many had expected and goes a long way to setting Brazil's fiscal accounts back on a sustainable path. The government was busy with a wide-ranging reform agenda beyond the pension reform and this will continue into 2020 with privatisations and a tax reform high up on the agenda. The Chilean market suffered during the fourth quarter as widespread social unrest caused a sharp slowdown in the economy and a change in government focus away from productive reforms to higher spending on social programs. The weakness in Argentina resulted from the landslide victory for Alberto Fernandez in the August primaries and subsequent victory in the October presidential election, signalling a return to Peronism.

Key contributors to performance over the year included the consumer discretionary and utilities sectors in Brazil, technology holdings in Argentina, and financials in Mexico.

#### Outlook

The Liontrust Latin America Fund returned 23.2% in 2019, outperforming the MSCI EM Latin America Index return of 12.9%.

Looking into 2020, economic acceleration and reform momentum will be key drivers in Brazil. Having now passed the pension reform, Congress will turn their attention to wide ranging reforms including a reduction in the role of the state, privatisations, and a comprehensive tax reform. In Mexico, AMLO appears to be edging back towards the centre, much like he did while Mayor of Mexico City, which could spur a rally from the currently depressed levels.

Across emerging markets, investors are crying out for reformist governments. In Asia we have seen this with India, and in Latin America, Peru, Chile, Colombia and now Brazil have elected strong pro-market governments. The populist tide has finally reversed as governments focus on structural reforms to raise productivity and economic growth.

#### Thomas Smith

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

# Liontrust Latin America Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement

as at 31 December 2019

| Holding   | Portfolio of investments                               | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>ARGENTINA 3.85% (2018 - 4.99%)</b>                  |                      |                                    |
| 131,000   | Adecoagro  | 828                  | 2.08                               |
| 1,600     | MercadoLibre   | 707                  | 1.77                               |
|           | <b>BRAZIL 67.99% (2018 - 61.57%)</b>                   |                      |                                    |
| 122,000   | Banco Bradesco   | 782                  | 1.96                               |
| 175,000   | Banco Bradesco Preference Shares                       | 1,191                | 2.99                               |
| 60,000    | Banco BTG Pactual                                      | 859                  | 2.16                               |
| 124,000   | Banco do Brasil  | 1,233                | 3.10                               |
| 195,000   | Banco do Estado do Rio Grande do Sul Preference Shares | 795                  | 2.00                               |
| 262,802   | Cia de Locacao das Americas                            | 1,123                | 2.82                               |
| 64,000    | Cia de Saneamento de Minas Gerais-COPASA               | 816                  | 2.05                               |
| 57,000    | Cia de Saneamento do Parana                            | 1,088                | 2.73                               |
| 170,000   | Construtora Tenda                                      | 966                  | 2.43                               |
| 370,000   | Direcional Engenharia                                  | 1,038                | 2.61                               |
| 102,000   | Energisa   | 1,028                | 2.58                               |
| 265,000   | Gerdau ADR   | 985                  | 2.47                               |
| 740,000   | Itausa - Investimentos Itau Preference Shares          | 1,961                | 4.92                               |
| 250,000   | Light  | 1,118                | 2.81                               |
| 107       | Lupatech 6.5% 15/04/2018†                              | —                    | —                                  |
| 74,626    | Magazine Luiza   | 670                  | 1.68                               |
| 31,000    | Pagseguro Digital 'A'                                  | 780                  | 1.96                               |
| 150,000   | Petrobras Distribuidora                                | 847                  | 2.13                               |
| 255,000   | Petroleo Brasileiro Preference Shares                  | 1,448                | 3.64                               |
| 1,653     | Refinaria Petroleo Preference Shares*                  | —                    | —                                  |
| 263,000   | Rumo   | 1,292                | 3.24                               |
| 190,000   | Ser Educacional  | 992                  | 2.49                               |
| 125,000   | Suzano   | 933                  | 2.34                               |
| 440,000   | T4F Entretenimento                                     | 518                  | 1.30                               |
| 365,000   | Vale ADR   | 3,645                | 9.15                               |
| 460,000   | Via Varejo   | 967                  | 2.43                               |
|           | <b>CANADA 2.06% (2018 - 2.76%)</b>                     |                      |                                    |
| 6,412,000 | Trevali Mining   | 820                  | 2.06                               |
|           | <b>CHILE 0.00% (2018 - 3.51%)</b>                      |                      |                                    |
|           | <b>COLOMBIA 0.14% (2018 - 0.14%)</b>                   |                      |                                    |
| 537,439   | Constructora Concreto                                  | 56                   | 0.14                               |
|           | <b>LUXEMBOURG 1.01% (2018 - 1.10%)</b>                 |                      |                                    |
| 5,000     | Globant  | 401                  | 1.01                               |

## Liontrust Latin America Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding   | Portfolio of investments                 | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>MEXICO 21.21% (2018 - 21.92%)</b>     |                      |                                    |
| 1,170,000 | Alfa                                     | 749                  | 1.88                               |
| 360,000   | Alsea                                    | 717                  | 1.80                               |
| 480,000   | Banco del Bajio                          | 600                  | 1.51                               |
| 255,000   | Cemex ADR                                | 730                  | 1.83                               |
| 1,000,000 | Credito Real                             | 943                  | 2.37                               |
| 975,000   | Genomma Lab Internacional 'B'            | 726                  | 1.82                               |
| 1,200,000 | Gentera                                  | 914                  | 2.30                               |
| 214,000   | Infraestructura Energetica Nova          | 746                  | 1.87                               |
| 580,000   | Inmobiliaria Vesta                       | 782                  | 1.96                               |
| 470,000   | Orbia Advance                            | 764                  | 1.92                               |
| 100,000   | Promotora y Operadora de Infraestructura | 775                  | 1.95                               |
|           | <b>NORWAY 0.08% (2018 - 0.16%)</b>       |                      |                                    |
| 189,700   | Agrinos *                                | 32                   | 0.08                               |
|           | <b>PERU 2.44% (2018 - 2.63%)</b>         |                      |                                    |
| 6,000     | Credicorp                                | 972                  | 2.44                               |
|           | <b>SPAIN 0.00% (2018 - 0.29%)</b>        |                      |                                    |
|           | <b>Portfolio of investments</b>          | <b>39,337</b>        | <b>98.78</b>                       |
|           | <b>Net other assets</b>                  | <b>486</b>           | <b>1.22</b>                        |
|           | <b>Net assets</b>                        | <b>39,823</b>        | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

\*Delisted security.

†Convertible Bond in default.

Stocks shown as ADRs represent American Depositary Receipts.

## Liontrust Latin America Fund (continued)

### Investment Manager's Report (continued)

#### The top five purchases and sales for the year

| Purchases                                     | Cost<br>(£'000) |
|---|-----------------|
| Vale ADR                                      | 2,361           |
| Cia de Locacao das Americas                   | 873             |
| Itausa - Investimentos Itau Preference Shares | 759             |
| Trevali Mining                                | 740             |
| Pagseguro Digital 'A'                         | 692             |

| Sales                                 | Proceeds<br>(£'000) |
|---------------------------------------|---------------------|
| Banco BTG Pactual                     | 1,096               |
| Petroleo Brasileiro Preference Shares | 1,025               |
| Vale ADR                              | 825                 |
| lochpe Maxion                         | 651                 |
| B3 -Brasil, Bolsa, Balao              | 602                 |

Stocks shown as ADRs represent American Depositary Receipts.



## Liontrust Latin America Fund (continued)

### Performance Record

for the year ended 31 December 2019

| C Accumulation                                | 31 December 2019 | 31 December 2018 | 31 December 2017 |
|---|------------------|------------------|------------------|
| OCF/TER cap from 1 January 2020: 1.21%        | (p)              | (p)              | (p)              |
| <b>Change in net asset per share</b>          |                  |                  |                  |
| Opening net asset value per share             | 110.21           | 106.22           | 89.55            |
| Return before operating charges               | 26.98            | 5.17             | 17.74            |
| Operating charges                             | (1.36)           | (1.18)           | (1.07)           |
| Return after operating charges                | 25.62            | 3.99             | 16.67            |
| Distributions                                 | (2.73)           | (1.98)           | (1.18)           |
| Retained distributions on accumulation shares | 2.73             | 1.98             | 1.18             |
| <b>Closing net asset value per share</b>      | <b>135.83</b>    | <b>110.21</b>    | <b>106.22</b>    |
| After direct transaction costs of:            | 0.09             | 0.09             | 0.27             |
| <b>Performance</b>                            |                  |                  |                  |
| Return after operating charges                | 23.25%           | 3.76%            | 18.62%           |
| <b>Other information</b>                      |                  |                  |                  |
| Closing net asset value (£'000)               | 39,823           | 32,305           | 34,847           |
| Closing number of shares                      | 29,317,852       | 29,312,141       | 32,806,501       |
| Operating Charge Figure                       | 1.10%            | 1.08%            | 1.03%            |
| Direct transaction costs                      | 0.07%            | 0.08%            | 0.26%            |
| OCF/TER cap                                   | 1.21%            | 1.18%            | 1.30%            |
| Research fee                                  | —                | 0.09%            | —                |
| Research fee rebate                           | —                | (0.00)%          | —                |
| <b>Prices</b>                                 |                  |                  |                  |
| Highest share price                           | 139.70p          | 117.60p          | 116.90p          |
| Lowest share price                            | 111.40p          | 96.71p           | 89.20p           |

### Fund Performance

The performance of the Sub-fund is shown in the Investment Manager's report on page 164.

Details of the distribution per share for the year are shown in the distribution tables on page 177.

### Status

Liontrust Latin America Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

### Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust Latin America Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019 |              | 31 December 2018 |              |
|---|-------|------------------|--------------|------------------|--------------|
|   |       | (£'000)          | (£'000)      | (£'000)          | (£'000)      |
| Income  |       |                  |              |                  |              |
| Net capital gains/(losses)  | 2     |                  | 6,341        |                  | (206)        |
| Revenue   | 3     | 1,291            |              | 1,085            |              |
| Expenses  | 4     | (405)            |              | (365)            |              |
| Interest payable and similar charges  |       | (1)              |              | (1)              |              |
| Net revenue before taxation   |       | 885              |              | 719              |              |
| Taxation  | 5     | (64)             |              | (87)             |              |
| Net revenue after taxation  |       |                  | 821          |                  | 632          |
| <b>Total return before distributions</b>  |       |                  | <b>7,162</b> |                  | <b>426</b>   |
| Distributions   | 6     |                  | (821)        |                  | (632)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>6,341</b> |                  | <b>(206)</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019 |               | 31 December 2018 |               |
|--|------------------|---------------|------------------|---------------|
|  | (£'000)          | (£'000)       | (£'000)          | (£'000)       |
| <b>Opening net assets attributable to shareholders</b>                       |                  | <b>32,305</b> |                  | <b>34,847</b> |
| Amounts received on issue of shares  | 15,548           |               | 12,848           |               |
| Amounts paid on cancellation of shares                                       | (15,173)         |               | (15,777)         |               |
|  |                  | 375           |                  | (2,929)       |
| Dilution adjustment charged  |                  | —             |                  | 14            |
| Change in net assets attributable to shareholders from investment activities |                  | 6,341         |                  | (206)         |
| Retained distribution on accumulation shares                                 |                  | 802           |                  | 579           |
| <b>Closing net assets attributable to shareholders</b>                       |                  | <b>39,823</b> |                  | <b>32,305</b> |

## Liontrust Latin America Fund (continued)

### Balance Sheet

for the year ended 31 December 2019

|  |       | 31 December 2019 |               | 31 December 2018 |               |
|--|-------|------------------|---------------|------------------|---------------|
|  | Notes | (£'000)          | (£'000)       | (£'000)          | (£'000)       |
| <b>Assets</b>                                  |       |                  |               |                  |               |
| <b>Fixed assets</b>                            |       |                  |               |                  |               |
| Investments                                    |       |                  | 39,337        |                  | 32,004        |
| <b>Current assets</b>                          |       |                  |               |                  |               |
| Debtors  | 7     | 456              |               | 281              |               |
| Cash and bank balances                         | 8     | 181              |               | 78               |               |
| <b>Total current assets</b>                    |       |                  | <b>637</b>    |                  | <b>359</b>    |
| <b>Total assets</b>                            |       |                  | <b>39,974</b> |                  | <b>32,363</b> |
| <b>Liabilities</b>                             |       |                  |               |                  |               |
| <b>Creditors</b>                               |       |                  |               |                  |               |
| Bank overdrafts                                | 8     | (56)             |               | —                |               |
| Other creditors                                | 9     | (95)             |               | (58)             |               |
| <b>Total liabilities</b>                       |       |                  | <b>(151)</b>  |                  | <b>(58)</b>   |
| <b>Net assets attributable to shareholders</b> |       |                  | <b>39,823</b> |                  | <b>32,305</b> |

The accompanying notes are an integral part of these Financial Statements.

# Liontrust Latin America Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1 Accounting policies

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| 2 | Net capital gains/(losses)   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | Non-derivative securities  | 6,398                       | (230)                       |
|   | Currency (losses)/gains  | (39)                        | 46                          |
|   | Transaction charges  | (11)                        | (12)                        |
|   | Issuance fee   | (7)                         | (10)                        |
|   | <b>Net capital gains/(losses)</b>  | <b>6,341</b>                | <b>(206)</b>                |
| 3 | Revenue  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Bank interest  | 3                           | —                           |
|   | Overseas dividends   | 1,288                       | 1,085                       |
|   | <b>Total revenue</b>   | <b>1,291</b>                | <b>1,085</b>                |
| 4 | Expenses   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                             |                             |
|   | ACD's periodic charge  | 285                         | 263                         |
|   | Distribution fees  | 4                           | 4                           |
|   | Printing costs   | 2                           | (2)                         |
|   | Registration fees  | 4                           | 4                           |
|   | Transfer agent fees  | 8                           | 6                           |
|   |  | <b>303</b>                  | <b>275</b>                  |
|   | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                             |                             |
|   | Depositary's fees  | 11                          | 11                          |
|   | Safe custody fees  | 38                          | 42                          |
|   |  | <b>49</b>                   | <b>53</b>                   |
|   | <b>Other expenses:</b>   |                             |                             |
|   | Audit fee  | 6                           | 5                           |
|   | Legal and professional fees  | 5                           | 1                           |
|   | Publication costs  | 1                           | 1                           |
|   | Research fees  | 41                          | 30                          |
|   |  | <b>53</b>                   | <b>37</b>                   |
|   | <b>Total expenses</b>  | <b>405</b>                  | <b>365</b>                  |

## Liontrust Latin America Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>   |                             |                             |
|   | Overseas withholding tax  | 64                          | 87                          |
|   | <b>Total taxation for the year</b>  | <b>64</b>                   | <b>87</b>                   |
|   | <b>b) Factors affecting current tax charge for the year:</b>  |                             |                             |
|   | The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%).  |                             |                             |
|   | The differences are explained below:  |                             |                             |
|   |   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net revenue before taxation   | 885                         | 719                         |
|   | Corporation tax at 20% (2018: 20%)  | 177                         | 144                         |
|   | <b>Effects of:</b>  |                             |                             |
|   | Movement in excess management expenses  | —                           | (15)                        |
|   | Overseas tax expensed   | (11)                        | (15)                        |
|   | Overseas withholding tax  | 64                          | 87                          |
|   | Revenue not subject to taxation   | (166)                       | (114)                       |
|   | <b>Current tax charge for the year</b>  | <b>64</b>                   | <b>87</b>                   |
|   | <b>c) Deferred tax</b>  |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £528 (2018: £528) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:   |                             |                             |
|   | Final   | 801                         | 580                         |
|   | Add: Amounts deducted on cancellation of shares   | 154                         | 159                         |
|   | Deduct: Amounts received on issue of shares   | (134)                       | (107)                       |
|   | <b>Net distributions for the year</b>   | <b>821</b>                  | <b>632</b>                  |
|   | Reconciliation of net revenue after taxation to distributions   |                             |                             |
|   | Net revenue after taxation  | 821                         | 632                         |
|   | <b>Net distributions for the year</b>   | <b>821</b>                  | <b>632</b>                  |

Details of the distribution per share are set out in the distribution table on page 177..

## Liontrust Latin America Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| <b>7</b> | <b>Debtors</b>                         | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|--|-------------------------------------|-------------------------------------|
|          | Accrued revenue                        | 160                                 | 141                                 |
|          | Amounts receivable for issue of shares | 295                                 | 140                                 |
|          | Overseas tax recoverable               | 1                                   | —                                   |
|          | <b>Total debtors</b>                   | <b>456</b>                          | <b>281</b>                          |

| <b>8</b> | <b>Cash and bank balances</b>       | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|-------------------------------------|-------------------------------------|-------------------------------------|
|          | Cash and bank balances              | 181                                 | 78                                  |
|          | Bank overdrafts                     | (56)                                | —                                   |
|          | <b>Total cash and bank balances</b> | <b>125</b>                          | <b>78</b>                           |

| <b>9</b> | <b>Creditors</b>       | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|------------------------|-------------------------------------|-------------------------------------|
|          | ACD's periodic charge  | 24                                  | 20                                  |
|          | Rebate borne by ACD    | 2                                   | 2                                   |
|          | Accrued expenses       | 69                                  | 36                                  |
|          | <b>Total creditors</b> | <b>95</b>                           | <b>58</b>                           |

### **10 Related party transactions**

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 171. The balances due at the year end are shown in notes 7 and 9.

### **11 Shareholder funds**

Details relating to the Fund are shown in the notes on pages 15 to 19.

### **12 Contingent liabilities, contingent assets and commitments**

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### **13 Swing pricing**

The ACD's swing pricing policy is disclosed in the notes on pages 15 to 19.

## Liontrust Latin America Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

##### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.3% (2018: 11.7%).

The Fund did not use derivatives for investment management purposes in the year and level of leverage employed by the Fund during the year is not considered to be significant.

##### Foreign currency risk

The Portfolio Statement shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency        | Net foreign currency assets |                             |
|-----------------|-----------------------------|-----------------------------|
|                 | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
| Brazilian real  | 21,607                      | 16,739                      |
| Canadian dollar | 820                         | 892                         |
| Chilean peso    | —                           | 1,135                       |
| Columbian peso  | 56                          | 45                          |
| Mexican peso    | 7,719                       | 6,019                       |
| Norwegian krone | 33                          | 51                          |
| US dollar       | 9,191                       | 7,341                       |
| <b>Total</b>    | <b>39,426</b>               | <b>32,222</b>               |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £394m (2018: £322m).

## Liontrust Latin America Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 15,422           | 12,779           | 14,514           | 15,326           |
| <b>Trades in the year before transaction costs</b>          | <b>15,422</b>    | <b>12,779</b>    | <b>14,514</b>    | <b>15,326</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 11               | 10               | (11)             | (14)             |
| Total commissions   | 11               | 10               | (11)             | (14)             |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | 2                | 2                | (2)              | (2)              |
| Total taxes   | 2                | 2                | (2)              | (2)              |
| Total costs   | 13               | 12               | (13)             | (16)             |
| <b>Total net trades in the year after transaction costs</b> | <b>15,435</b>    | <b>12,791</b>    | <b>14,501</b>    | <b>15,310</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.32% (2018: 0.37%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.07             | 0.08             | (0.07)           | (0.09)           |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | 0.01             | 0.02             | (0.01)           | (0.01)           |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.07             | 0.07             |
| Taxes        | 0.01             | 0.01             |
| <b>Total</b> | <b>0.08</b>      | <b>0.08</b>      |



## Liontrust Latin America Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 16 Share reconciliation

Reconciliation of the share movements in the year

##### 31 December 2019 C Accumulation

|                               |              |
|-------------------------------|--------------|
| Opening shares in issue       | 29,312,141   |
| Creations during the year     | 12,501,944   |
| Cancellations during the year | (12,496,233) |

|                                |                   |
|--------------------------------|-------------------|
| <b>Closing shares in issue</b> | <b>29,317,852</b> |
|--------------------------------|-------------------|

#### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 39,305                                | —  | 32,004                                | —  |
| Level 3 | 32                                    | —  | —                                     | —  |
|         | <b>39,337</b>                         | <b>—</b>                                   | <b>32,004</b>                         | <b>—</b>                                   |

The Fund has no Level 2 financial instruments.

#### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class    | Price at<br>31 December 2019 | Price at<br>3 June 2020 | % change |
|----------------|------------------------------|-------------------------|----------|
| C Accumulation | 135.83                       | 91.72                   | (32.47)  |

## Liontrust Latin America Fund (continued)

### Distribution tables

for the year ended 31 December 2019 – in pence per share

### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                              | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>C Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 2.7328         | —            | 2.7328                      | 1.9769                   |
| Group 2                      | 1.6521         | 1.0807       | 2.7328                      | 1.9769                   |

# Liontrust Russia Fund

## Investment Objective

The investment objective of Liontrust Russia Fund is to generate long term (five years or more) capital growth.

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.

The Fund may also invest up to 20% in companies outside of Russia, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

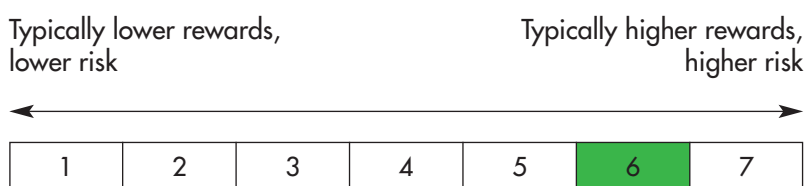
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

The Fund invests in a concentrated portfolio of 20-40 companies selected using a combination of economic, industry and stock specific analysis.

## Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 6 primarily for its exposure to Russian companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- The Fund invests in emerging markets which carries a higher risk than investment in more developed countries. This may result in higher volatility and larger drops in the value of the fund over the short term.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust Russia Fund (continued)

### Investment Manager's Report

#### Market overview

Global markets enjoyed a strong recovery in 2019 after a difficult 2018. Key drivers were the dovish turn in global central banks during the first quarter, through to eventual progress being made in the trade dispute between the US and China and a phase one deal being reached during the fourth quarter. Recession fears have eased and expectations have gradually improved regarding a broad economic recovery into 2020, helped by emerging green shoots in manufacturing PMI data. Having fallen to a little over \$50 a barrel in late 2018, crude oil recovered during the first quarter and traded between \$55 and \$75 during the year, closing at \$66.

Russian markets were one of the top performers globally during 2019, rising by 37% and materially outperforming both emerging and developed markets. Returns were helped by rising global markets and the surprise dividend recommendation at Gazprom, which saw the stock rally by 66% in the second quarter. The sharp move in Gazprom accounted for 7% of relative underperformance, while positive contributions came from Norilsk Nickel, EPAM and X5. While Gazprom's dividend announcement caught the market by surprise, we continue to have concerns over earnings in the short to medium term and capital allocation in the longer term. We expect Gazprom to compete with rising US LNG exports by having to lower gas prices to Europe, which will lead to declining earnings. Therefore, while the enhanced payout ratio will boost the dividends in the short term, we see dividends falling along with earnings in the years ahead.

#### Outlook

The Liontrust Russia Fund returned 32.7% in 2019, compared to 37.4% from the MSCI Russia 10-40 Index.

The Russian benchmarks continue to be heavily weighted in the energy sector, with many sectors of the Russian economy underrepresented or not represented at all. The Liontrust Russia Fund continues to offer diversified exposure in sectors that are not present in the benchmark, such as the IT and industrials sectors.

Despite the recent outperformance of the Russian market against broader emerging markets, Russia is still trading at a more than 50% discount to emerging markets, near the lowest levels seen in the past ten years and only marginally higher than at the peak of the crisis in late 2014.

#### Robin Geffen

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

## Liontrust Russia Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement

as at 31 December 2019

| Holding   | Portfolio of investments                           | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>RUSSIA 72.11% (2018 - 72.02%)</b>               |                      |                                    |
|           | <b>Basic Materials 15.24% (2018 - 18.45%)</b>      |                      |                                    |
|           | <b>Industrial Metals &amp; Mining 15.24%</b>       |                      |                                    |
| 5,000,000 | ALROSA   | 5,126                | 2.34                               |
| 854,000   | MMC Norilsk Nickel ADR                             | 19,797               | 9.03                               |
| 20,000    | MMC Norilsk Nickel ADR (US Listing)                | 464                  | 0.21                               |
| 670,000   | Severstal GDR                                      | 7,664                | 3.50                               |
| 30,000    | Severstal GDR (US Listing)                         | 343                  | 0.16                               |
|           | <b>Consumer Services 3.25% (2018 - 2.89%)</b>      |                      |                                    |
|           | <b>Food &amp; Drug Retailers 1.01%</b>             |                      |                                    |
| 53,000    | Magnit   | 2,210                | 1.01                               |
|           | <b>Travel &amp; Leisure 2.24%</b>                  |                      |                                    |
| 3,900,000 | Aeroflot - Russian Airlines                        | 4,915                | 2.24                               |
|           | <b>Financials 15.66% (2018 - 13.45%)</b>           |                      |                                    |
|           | <b>Banks 10.71%</b>                                |                      |                                    |
| 1,547,000 | Sberbank of Russia ADR                             | 19,283               | 8.80                               |
| 114,000   | Sberbank of Russia ADR (US Listing)                | 1,421                | 0.65                               |
| 2,500,000 | VTB Bank GDR                                       | 2,756                | 1.26                               |
|           | <b>Financial Services 4.39%</b>                    |                      |                                    |
| 7,350,000 | Moscow Exchange                                    | 9,624                | 4.39                               |
|           | <b>Real Estate Investment &amp; Services 0.56%</b> |                      |                                    |
| 250,000   | PIK  | 1,221                | 0.56                               |
|           | <b>Industrials 1.43% (2018 - 1.34%)</b>            |                      |                                    |
|           | <b>Industrial Transportation 1.43%</b>             |                      |                                    |
| 450,000   | Novorossiysk Commercial Sea Port GDR               | 3,134                | 1.43                               |
|           | <b>Oil &amp; Gas 29.65% (2018 - 29.79%)</b>        |                      |                                    |
|           | <b>Oil &amp; Gas 29.65%</b>                        |                      |                                    |
| 362,087   | Gazprom Neft ADR                                   | 9,238                | 4.22                               |
| 14,921    | Gazprom Neft ADR (US Listing)                      | 376                  | 0.17                               |
| 262,000   | LUKOIL ADR   | 19,593               | 8.94                               |
| 129,000   | Novatek GDR  | 19,747               | 9.01                               |
| 2,000     | Novatek GDR (US Listing)                           | 306                  | 0.14                               |
| 1,000,000 | Surgutneftegas ADR                                 | 6,091                | 2.78                               |
| 160,500   | Tatneft ADR  | 8,938                | 4.08                               |
| 12,000    | Tatneft ADR (US Listing)                           | 665                  | 0.31                               |
|           | <b>Technology 4.60% (2018 - 4.38%)</b>             |                      |                                    |
|           | <b>Software &amp; Computer Services 4.60%</b>      |                      |                                    |
| 582,000   | Mail.Ru GDR  | 9,640                | 4.40                               |
| 26,000    | Mail.Ru GDR (US Listing)                           | 431                  | 0.20                               |
|           | <b>Telecommunications 2.28% (2018 - 1.72%)</b>     |                      |                                    |
|           | <b>Mobile Telecommunications 2.28%</b>             |                      |                                    |
| 500,000   | Mobile TeleSystems                                 | 1,947                | 0.89                               |
| 100,000   | Mobile TeleSystems ADR                             | 771                  | 0.35                               |
| 4,000,000 | Sistema  | 742                  | 0.34                               |
| 420,000   | Sistema GDR  | 1,541                | 0.70                               |

# Liontrust Russia Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement (continued)

as at 31 December 2019

| Holding | Portfolio of investments                      | Market value (£'000) | Percentage of total net assets (%) |
|---------|---|----------------------|------------------------------------|
|         | <b>CYPRUS 6.48% (2018 - 8.87%)</b>            |                      |                                    |
|         | <b>Consumer Goods 3.01% (2018 - 4.72%)</b>    |                      |                                    |
| 875,000 | Food Producers 3.01%                          |                      |                                    |
|         | Ros Agro GDR                                  | 6,598                | 3.01                               |
|         | <b>Financials 0.49% (2018 - 0.00%)</b>        |                      |                                    |
| 75,000  | Financial Services 0.49%                      |                      |                                    |
|         | QIWI ADR                                      | 1,088                | 0.49                               |
|         | <b>Industrials 2.98% (2018 - 4.15%)</b>       |                      |                                    |
| 977,000 | Industrial Transportation 2.98%               |                      |                                    |
|         | Globaltrans Investment GDR                    | 6,524                | 2.98                               |
|         | <b>JERSEY 4.66% (2018 - 0.00%)</b>            |                      |                                    |
|         | <b>Basic Materials 4.66% (2018 - 0.00%)</b>   |                      |                                    |
| 852,000 | Industrial Metals & Mining 4.66%              |                      |                                    |
|         | Polymetal International                       | 10,203               | 4.66                               |
|         | <b>NETHERLANDS 9.12% (2018 - 7.45%)</b>       |                      |                                    |
|         | <b>Consumer Services 4.57% (2018 - 2.80%)</b> |                      |                                    |
| 5,000   | Food & Drug Retailers 4.57%                   |                      |                                    |
|         | X5 Retail GDR                                 | 131                  | 0.06                               |
| 377,000 | X5 Retail GDR (London Listing)                | 9,878                | 4.51                               |
|         | <b>Technology 4.55% (2018 - 4.65%)</b>        |                      |                                    |
| 303,200 | Software & Computer Services 4.55%            |                      |                                    |
|         | Yandex 'A'                                    | 9,971                | 4.55                               |
|         | <b>UNITED KINGDOM 0.00% (2018 - 2.95%)</b>    |                      |                                    |
|         | <b>Basic Materials 0.00% (2018 - 2.95%)</b>   |                      |                                    |
|         | <b>UNITED STATES 4.50% (2018 - 4.32%)</b>     |                      |                                    |
|         | <b>Technology 4.50% (2018 - 4.32%)</b>        |                      |                                    |
| 62,000  | Software & Computer Services 4.50%            |                      |                                    |
|         | EPAM Systems                                  | 9,866                | 4.50                               |
|         | <b>Portfolio of investments</b>               | <b>212,243</b>       | <b>96.87</b>                       |
|         | <b>Net other assets</b>                       | <b>6,856</b>         | <b>3.13</b>                        |
|         | <b>Net assets</b>                             | <b>219,099</b>       | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as GDRs represent Global Depositary Receipts.

## Liontrust Russia Fund (continued)

### Investment Manager's Report (continued)

#### The top five purchases and sales for the year

| Purchases                           | Cost<br>(£'000) |
|-------------------------------------|-----------------|
| Sberbank of Russia ADR (US Listing) | 11,703          |
| MMC Norilsk Nickel ADR (US Listing) | 11,623          |
| Polymetal International             | 11,296          |
| Novatek GDR (US Listing)            | 9,846           |
| LUKOIL ADR (US Listing)             | 9,748           |

| Sales                               | Proceeds<br>(£'000) |
|-------------------------------------|---------------------|
| MMC Norilsk Nickel ADR (US Listing) | 11,207              |
| Sberbank of Russia ADR (US Listing) | 10,521              |
| Novatek GDR (US Listing)            | 9,099               |
| LUKOIL ADR (US Listing)             | 8,653               |
| MMC Norilsk Nickel ADR              | 8,352               |

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as GDRs represent Global Depositary Receipts.

## Liontrust Russia Fund (continued)

### Performance Record

for the year ended 31 December 2019

| <b>A Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 2.13%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 351.06                  | 335.15                  | 321.33                  |
| Return before operating charges               | 119.46                  | 23.05                   | 20.20                   |
| Operating charges                             | (8.32)                  | (7.14)                  | (6.38)                  |
| Return after operating charges                | 111.14                  | 15.91                   | 13.82                   |
| Distributions                                 | (18.77)                 | (13.42)                 | (11.20)                 |
| Retained distributions on accumulation shares | 18.77                   | 13.42                   | 11.20                   |
| <b>Closing net asset value per share</b>      | <b>462.20</b>           | <b>351.06</b>           | <b>335.15</b>           |
| After direct transaction costs of:            | 0.26                    | 0.19                    | 0.50                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 31.66%                  | 4.75%                   | 4.30%                   |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 53,254                  | 48,027                  | 55,608                  |
| Closing number of shares                      | 11,521,852              | 13,680,626              | 16,592,068              |
| Operating Charge Figure                       | 1.98%                   | 2.01%                   | 1.97%                   |
| Direct transaction costs                      | 0.06%                   | 0.05%                   | 0.15%                   |
| OCF/TER cap                                   | 2.13%                   | 2.14%                   | 2.20%                   |
| Research fee                                  | —                       | 0.07%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 470.20p                 | 375.90p                 | 353.90p                 |
| Lowest share price                            | 353.40p                 | 304.40p                 | 289.70p                 |

| <b>C Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.16%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 124.02                  | 117.27                  | 111.37                  |
| Return before operating charges               | 41.63                   | 8.07                    | 7.05                    |
| Operating charges                             | (1.54)                  | (1.32)                  | (1.15)                  |
| Return after operating charges                | 40.09                   | 6.75                    | 5.90                    |
| Distributions                                 | (7.36)                  | (5.92)                  | (4.97)                  |
| Retained distributions on accumulation shares | 7.36                    | 5.92                    | 4.97                    |
| <b>Closing net asset value per share</b>      | <b>164.11</b>           | <b>124.02</b>           | <b>117.27</b>           |
| After direct transaction costs of:            | 0.09                    | 0.07                    | 0.17                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 32.33%                  | 5.76%                   | 5.30%                   |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 152,950                 | 119,687                 | 122,085                 |
| Closing number of shares                      | 93,202,185              | 96,509,095              | 104,106,970             |
| Operating Charge Figure                       | 1.03%                   | 1.05%                   | 1.02%                   |
| Direct transaction costs                      | 0.06%                   | 0.05%                   | 0.15%                   |
| OCF/TER cap                                   | 1.16%                   | 1.19%                   | 1.20%                   |
| Research fee                                  | —                       | 0.07%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 167.70p                 | 132.50p                 | 123.50p                 |
| Lowest share price                            | 124.80p                 | 106.80p                 | 100.90p                 |



## Liontrust Russia Fund (continued)

### Performance Record

for the year ended 31 December 2019

#### A Accumulation EUR (Share class closed on 2 January 2019)

|   | 31 December 2019<br>(p) | 31 December 2018<br>(p) | 31 December 2017<br>(p) |
|---|-------------------------|-------------------------|-------------------------|
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 131.59                  | 125.61                  | 120.42                  |
| Return before operating charges               | 0.87                    | 8.65                    | 7.58                    |
| Operating charges                             | —                       | (2.67)                  | (2.39)                  |
| Return after operating charges                | 0.87                    | 5.98                    | 5.19                    |
| Transfer to converted shareclass*             | (132.46)                | —                       | —                       |
| Distributions                                 | —                       | (5.04)                  | (4.42)                  |
| Retained distributions on accumulation shares | —                       | 5.04                    | 4.42                    |
| <b>Closing net asset value per share</b>      | <b>—</b>                | <b>131.59</b>           | <b>125.61</b>           |
| After direct transaction costs of:            | 0.12                    | 0.07                    | 0.19                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 0.66%                   | 4.76%                   | 4.31%                   |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | —                       | 411                     | 376                     |
| Closing number of shares                      | —                       | 312,189                 | 299,187                 |
| Operating Charge Figure                       | —                       | 2.01%                   | 1.98%                   |
| Direct transaction costs                      | —                       | 0.05%                   | 0.15%                   |
| OCF/TER cap                                   | —                       | 2.14%                   | 2.20%                   |
| Research fee                                  | —                       | 0.07%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | —                       | 158.50¢                 | 149.60¢                 |
| Lowest share price                            | —                       | 131.10¢                 | 123.50¢                 |

\*Share class converted into C Accumulation EUR on 2 January 2019.

#### C Accumulation EUR

|   | 31 December 2019<br>(p) | 31 December 2018<br>(p) | 31 December 2017<br>(p) |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.16%        |                         |                         |                         |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 139.74                  | 132.14                  | 125.48                  |
| Return before operating charges               | 49.35                   | 9.07                    | 7.95                    |
| Operating charges                             | (1.72)                  | (1.47)                  | (1.29)                  |
| Return after operating charges                | 47.63                   | 7.60                    | 6.66                    |
| Distributions                                 | (10.82)                 | (6.69)                  | (5.93)                  |
| Retained distributions on accumulation shares | 10.82                   | 6.69                    | 5.93                    |
| <b>Closing net asset value per share</b>      | <b>187.37</b>           | <b>139.74</b>           | <b>132.14</b>           |
| After direct transaction costs of:            | 0.10                    | 0.08                    | 0.20                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 34.08%                  | 5.75%                   | 5.31%                   |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 430                     | 999                     | 20                      |
| Closing number of shares                      | 229,568                 | 714,860                 | 14,860                  |
| Operating Charge Figure                       | 1.03%                   | 1.03%                   | 1.02%                   |
| Direct transaction costs                      | 0.06%                   | 0.05%                   | 0.15%                   |
| OCF/TER cap                                   | 1.16%                   | 1.19%                   | 1.20%                   |
| Research fee                                  | —                       | 0.09%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 221.60¢                 | 167.70¢                 | 157.10¢                 |
| Lowest share price                            | 155.80¢                 | 138.30¢                 | 129.20¢                 |

## Liontrust Russia Fund (continued)

### Performance Record

for the year ended 31 December 2019

| <b>A Accumulation USD</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 2.13%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 92.80                   | 88.60                   | 83.55                   |
| Return before operating charges               | 31.28                   | 6.09                    | 6.74                    |
| Operating charges                             | (2.21)                  | (1.89)                  | (1.69)                  |
| Return after operating charges                | 29.07                   | 4.20                    | 5.05                    |
| Distributions                                 | (4.65)                  | (3.55)                  | (3.29)                  |
| Retained distributions on accumulation shares | 4.65                    | 3.55                    | 3.29                    |
| <b>Closing net asset value per share</b>      | <b>121.87</b>           | <b>92.80</b>            | <b>88.60</b>            |
| After direct transaction costs of:            | 0.07                    | 0.05                    | 0.13                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 31.33%                  | 4.74%                   | 6.04%                   |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 4,484                   | 4,196                   | 4,875                   |
| Closing number of shares                      | 3,679,504               | 4,521,123               | 5,502,638               |
| Operating Charge Figure                       | 1.98%                   | 2.01%                   | 1.97%                   |
| Direct transaction costs                      | 0.06%                   | 0.05%                   | 0.15%                   |
| OCF/TER cap                                   | 2.13%                   | 2.14%                   | 2.20%                   |
| Research fee                                  | —                       | 0.07%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 162.90¢                 | 137.90¢                 | 122.70¢                 |
| Lowest share price                            | 118.30¢                 | 113.90¢                 | 97.12¢                  |

| <b>C Accumulation USD</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.16%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 95.83                   | 90.62                   | 86.06                   |
| Return before operating charges               | 31.88                   | 6.22                    | 5.45                    |
| Operating charges                             | (1.24)                  | (1.01)                  | (0.89)                  |
| Return after operating charges                | 30.64                   | 5.21                    | 4.56                    |
| Distributions                                 | (5.36)                  | (4.56)                  | (4.30)                  |
| Retained distributions on accumulation shares | 5.36                    | 4.56                    | 4.30                    |
| <b>Closing net asset value per share</b>      | <b>126.47</b>           | <b>95.83</b>            | <b>90.62</b>            |
| After direct transaction costs of:            | 0.07                    | 0.05                    | 0.13                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 31.97%                  | 5.75%                   | 5.30%                   |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 7,981                   | 462                     | 3,195                   |
| Closing number of shares                      | 6,309,911               | 482,033                 | 3,525,697               |
| Operating Charge Figure                       | 1.04%                   | 1.05%                   | 1.03%                   |
| Direct transaction costs                      | 0.06%                   | 0.05%                   | 0.15%                   |
| OCF/TER cap                                   | 1.16%                   | 1.19%                   | 1.20%                   |
| Research fee                                  | —                       | 0.07%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 169.80¢                 | 141.30¢                 | 125.30¢                 |
| Lowest share price                            | 122.10¢                 | 116.90¢                 | 98.84¢                  |

### Liontrust Russia Fund (continued)

#### **Fund Performance**

The performance of the Sub-fund is shown in the Investment Manager's report on page 179.

Details of the distribution per share for the year are shown in the distribution tables on page 195.

#### **Status**

Liontrust Russia Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

#### **Risk Warning**

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust Russia Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019 |               | 31 December 2018 |              |
|---|-------|------------------|---------------|------------------|--------------|
|   |       | (£'000)          | (£'000)       | (£'000)          | (£'000)      |
| Income  |       |                  |               |                  |              |
| Net capital gains   | 2     |                  | 44,371        |                  | 1,009        |
| Revenue   | 3     | 13,466           |               | 11,296           |              |
| Expenses  | 4     | (2,569)          |               | (2,427)          |              |
| Interest payable and similar charges  |       | (7)              |               | (1)              |              |
| Net revenue before taxation   |       | 10,890           |               | 8,868            |              |
| Taxation  | 5     | (1,223)          |               | (982)            |              |
| Net revenue after taxation  |       |                  | 9,667         |                  | 7,886        |
| <b>Total return before distributions</b>  |       |                  | <b>54,038</b> |                  | <b>8,895</b> |
| Distributions   | 6     |                  | (9,667)       |                  | (7,888)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>44,371</b> |                  | <b>1,007</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019 |                | 31 December 2018 |                |
|--|------------------|----------------|------------------|----------------|
|  | (£'000)          | (£'000)        | (£'000)          | (£'000)        |
| <b>Opening net assets attributable to shareholders</b>                       |                  | <b>173,782</b> |                  | <b>186,159</b> |
| Amounts received on issue of shares  | 29,930           |                | 30,963           |                |
| Amounts paid on cancellation of shares                                       | (38,541)         |                | (52,153)         |                |
|  |                  | (8,611)        |                  | (21,190)       |
| Dilution adjustment charged  |                  | —              |                  | 10             |
| Change in net assets attributable to shareholders from investment activities |                  | 44,371         |                  | 1,007          |
| Retained distribution on accumulation shares                                 |                  | 9,557          |                  | 7,796          |
| <b>Closing net assets attributable to shareholders</b>                       |                  | <b>219,099</b> |                  | <b>173,782</b> |

## Liontrust Russia Fund (continued)

### Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 212,243                     | 166,156                     |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 2,005                       | 1,153                       |
| Cash and bank balances                         | 8     | 5,725                       | 7,201                       |
| <b>Total current assets</b>                    |       | <b>7,730</b>                | <b>8,354</b>                |
| <b>Total assets</b>                            |       | <b>219,973</b>              | <b>174,510</b>              |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Other creditors                                | 9     | (874)                       | (728)                       |
| <b>Total liabilities</b>                       |       | <b>(874)</b>                | <b>(728)</b>                |
| <b>Net assets attributable to shareholders</b> |       | <b>219,099</b>              | <b>173,782</b>              |

The accompanying notes are an integral part of these Financial Statements.

# Liontrust Russia Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1 Accounting policies

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| 2 | Net capital gains          | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------------|-----------------------------|-----------------------------|
|   | Non-derivative securities  | 44,868                      | 905                         |
|   | Forward currency contracts | —                           | 60                          |
|   | Currency (losses)/gains    | (402)                       | 189                         |
|   | Transaction charges        | (57)                        | (75)                        |
|   | Issuance fee               | (38)                        | (70)                        |
|   | <b>Net capital gains</b>   | <b>44,371</b>               | <b>1,009</b>                |

| 3 | Revenue              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------|-----------------------------|-----------------------------|
|   | Bank interest        | 19                          | 13                          |
|   | UK dividends         | 778                         | 874                         |
|   | Overseas dividends   | 12,669                      | 10,409                      |
|   | <b>Total revenue</b> | <b>13,466</b>               | <b>11,296</b>               |

| 4 | Expenses   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                             |                             |
|   | ACD's periodic charge  | 2,160                       | 2,042                       |
|   | Distribution fees  | 19                          | 26                          |
|   | Printing costs   | 8                           | 3                           |
|   | Registration fees  | 15                          | 16                          |
|   | Transfer agent fees  | 41                          | 31                          |
|   |  | <b>2,243</b>                | <b>2,118</b>                |
|   | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                             |                             |
|   | Depositary's fees  | 54                          | 50                          |
|   | Safe custody fees  | 70                          | 90                          |
|   |  | <b>124</b>                  | <b>140</b>                  |
|   | <b>Other expenses:</b>   |                             |                             |
|   | Audit fee  | 12                          | 9                           |
|   | Legal and professional fees  | 62                          | 44                          |
|   | Publication costs  | 11                          | 9                           |
|   | Research fees  | 117                         | 107                         |
|   |  | <b>202</b>                  | <b>169</b>                  |
|   | <b>Total expenses</b>  | <b>2,569</b>                | <b>2,427</b>                |

## Liontrust Russia Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>   |                             |                             |
|   | Overseas withholding tax  | 1,223                       | 982                         |
|   | <b>Total taxation for the year</b>  | <b>1,223</b>                | <b>982</b>                  |
|   | <b>b) Factors affecting current tax charge for the year:</b>  |                             |                             |
|   | The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%).  |                             |                             |
|   | The differences are explained below:  |                             |                             |
|   |   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net revenue before taxation   | 10,890                      | 8,868                       |
|   | Corporation tax at 20% (2018: 20%)  | 2,178                       | 1,774                       |
|   | <b>Effects of:</b>  |                             |                             |
|   | Movement in excess management expenses  | (1,063)                     | (933)                       |
|   | Overseas withholding tax  | 1,223                       | 982                         |
|   | Revenue not subject to taxation   | (550)                       | (502)                       |
|   | Double taxation relief  | (565)                       | (339)                       |
|   | <b>Current tax charge for the year</b>  | <b>1,223</b>                | <b>982</b>                  |
|   | <b>c) Deferred tax</b>  |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £3,224 (2018: £4,288) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:   |                             |                             |
|   | Final   | 9,557                       | 7,796                       |
|   | Add: Amounts deducted on cancellation of shares   | 768                         | 494                         |
|   | Deduct: Amounts received on issue of shares   | (658)                       | (402)                       |
|   | <b>Net distributions for the year</b>   | <b>9,667</b>                | <b>7,888</b>                |
|   | Reconciliation of net revenue after taxation to distributions   |                             |                             |
|   | Net revenue after taxation  | 9,667                       | 7,886                       |
|   | Equalisation on conversion of shares  | —                           | 2                           |
|   | <b>Net distributions for the year</b>   | <b>9,667</b>                | <b>7,888</b>                |

Details of the distribution per share are set out in the distribution table on page 195.

## Liontrust Russia Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

|           |   |   |   |
|-----------|---|---|---|
| <b>7</b>  | <b>Debtors</b>  | <b>31 December 2019</b><br><b>(£'000)</b> | <b>31 December 2018</b><br><b>(£'000)</b> |
|           | Accrued revenue   | 1,273                                     | 1,002                                     |
|           | Rebate borne by ACD   | 1   | 1   |
|           | Amounts receivable for issue of shares  | 342                                       | 35  |
|           | Overseas tax recoverable  | 31  | 12  |
|           | Sales awaiting settlement   | 358                                       | 103                                       |
|           | <b>Total debtors</b>  | <b>2,005</b>                              | <b>1,153</b>                              |
| <b>8</b>  | <b>Cash and bank balances</b>   | <b>31 December 2019</b><br><b>(£'000)</b> | <b>31 December 2018</b><br><b>(£'000)</b> |
|           | Cash and bank balances  | 5,725                                     | 7,201                                     |
|           | <b>Total cash and bank balances</b>   | <b>5,725</b>                              | <b>7,201</b>                              |
| <b>9</b>  | <b>Creditors</b>  | <b>31 December 2019</b><br><b>(£'000)</b> | <b>31 December 2018</b><br><b>(£'000)</b> |
|           | ACD's periodic charge   | 192                                       | 167                                       |
|           | Accrued expenses  | 164                                       | 114                                       |
|           | Amounts payable on cancellation of shares   | 257                                       | 335                                       |
|           | Purchases awaiting settlement   | 261                                       | 112                                       |
|           | <b>Total creditors</b>  | <b>874</b>                                | <b>728</b>                                |
| <b>10</b> | <b>Related party transactions</b>   |   |   |
|           | General details on related parties are shown in the notes on pages 15 to 19.  |   |   |
|           | Amounts paid to/from the ACD and Depositary are shown in note 4 on page 189. The balances due at the year end are shown in notes 7 and 9. |   |   |
| <b>11</b> | <b>Shareholder funds</b>  |   |   |
|           | Details relating to the Fund are shown in the notes on pages 15 to 19.  |   |   |
| <b>12</b> | <b>Contingent liabilities, contingent assets and commitments</b>  |   |   |
|           | There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).                 |   |   |
| <b>13</b> | <b>Swing pricing</b>  |   |   |
|           | The ACD's swing pricing policy is disclosed in the notes on pages 15 to 19.   |   |   |



## Liontrust Russia Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

##### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.0% (2018: 9.3%).

The Fund did not use derivatives for investment management purposes in the year and level of leverage employed by the Fund during the year is not considered to be significant.

##### Foreign currency risk

The Portfolio Statement shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency      | Net foreign currency assets |                             |
|---------------|-----------------------------|-----------------------------|
|               | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
| Euro          | 983                         | 1,044                       |
| Russian ruble | 5,657                       | 4,814                       |
| US dollar     | 202,248                     | 163,381                     |
| <b>Total</b>  | <b>208,888</b>              | <b>169,239</b>              |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £2,089 (2018: £1,692).

# Liontrust Russia Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 106,338          | 77,622           | 105,244          | 94,962           |
| <b>Trades in the year before transaction costs</b>          | <b>106,338</b>   | <b>77,622</b>    | <b>105,244</b>   | <b>94,962</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 51               | 40               | (49)             | (53)             |
| Total commissions   | 51               | 40               | (49)             | (53)             |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | 25               | 6                | —                | —                |
| Total taxes   | 25               | 6                | —                | —                |
| Total costs   | 76               | 46               | (49)             | (53)             |
| <b>Total net trades in the year after transaction costs</b> | <b>106,414</b>   | <b>77,668</b>    | <b>105,195</b>   | <b>94,909</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 1.36% (2018: 0.97%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.05             | 0.05             | (0.05)           | (0.06)           |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | 0.02             | 0.01             | —                | —                |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.05             | 0.05             |
| Taxes        | 0.01             | —                |
| <b>Total</b> | <b>0.06</b>      | <b>0.05</b>      |

## Liontrust Russia Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 16 Share reconciliation

Reconciliation of the share movements in the year

|                                  | 31 December 2019      |                       |                       |                       |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                  | A Accumulation        | C Accumulation        | A Accumulation<br>EUR | C Accumulation<br>EUR |
| Opening shares in issue          | 13,680,626            | 96,509,095            | 312,189               | 714,860               |
| Creations during the year        | 478,319               | 11,920,107            | —                     | —                     |
| Cancellations during the year    | (2,637,093)           | (15,227,017)          | —                     | (779,246)             |
| Shares converted during the year | —                     | —                     | (312,189)             | 293,954               |
| <b>Closing shares in issue</b>   | <b>11,521,852</b>     | <b>93,202,185</b>     | <b>—</b>              | <b>229,568</b>        |
|                                  | A Accumulation<br>USD | C Accumulation<br>USD |                       |                       |
| Opening shares in issue          | 4,521,123             | 482,033               |                       |                       |
| Creations during the year        | 2,998,971             | 6,231,844             |                       |                       |
| Cancellations during the year    | (3,840,590)           | (403,966)             |                       |                       |
| <b>Closing shares in issue</b>   | <b>3,679,504</b>      | <b>6,309,911</b>      |                       |                       |

#### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 212,243                               | —  | 166,156                               | —  |
|         | <b>212,243</b>                        | <b>—</b>                                   | <b>166,156</b>                        | <b>—</b>                                   |

The Fund has no Level 2 or Level 3 financial instruments.

#### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class        | Price at<br>31 December 2019 | Price at<br>3 June 2020            | % change |
|--------------------|------------------------------|------------------------------------|----------|
| A Accumulation     | 462.20                       | 424.16                             | (8.23)   |
| C Accumulation     | 164.11                       | 151.10                             | (7.93)   |
| C Accumulation EUR | 187.37                       | n/a Share class closed in May 2020 | n/a      |
| A Accumulation USD | 121.87                       | n/a Share class closed in May 2020 | n/a      |
| C Accumulation USD | 126.47                       | n/a Share class closed in May 2020 | n/a      |

## Liontrust Russia Fund (continued)

### Distribution tables

for the year ended 31 December 2019 – in pence/cents per share

#### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                                      | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|--------------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | 18.7654        | —            | 18.7654                     | 13.4234                  |
| Group 2                              | 12.4609        | 6.3045       | 18.7654                     | 13.4234                  |
| <b>C Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | 7.3611         | —            | 7.3611                      | 5.9203                   |
| Group 2                              | 4.4398         | 2.9213       | 7.3611                      | 5.9203                   |
| <b>C Accumulation EUR shares (¢)</b> |                |              |                             |                          |
| Group 1                              | 12.7350        | —            | 12.7350                     | 7.4597                   |
| Group 2                              | 12.7350        | —            | 12.7350                     | 7.4597                   |
| <b>A Accumulation USD shares (¢)</b> |                |              |                             |                          |
| Group 1                              | 6.1485         | —            | 6.1485                      | 4.5310                   |
| Group 2                              | 2.8621         | 3.2864       | 6.1485                      | 4.5310                   |
| <b>C Accumulation USD shares (¢)</b> |                |              |                             |                          |
| Group 1                              | 7.0789         | —            | 7.0789                      | 5.8251                   |
| Group 2                              | 2.8338         | 4.2451       | 7.0789                      | 5.8251                   |

# Liontrust UK Mid Cap Fund

## Investment Objective

The investment objective of Liontrust UK Mid Cap Fund is to generate long-term (five years or more) capital growth.

The Fund invests at least 80% in shares of medium sized companies which are incorporated, domiciled or conduct significant business in the UK. Medium sized companies are those which, at the time of purchase, are listed within the bottom twenty of the FTSE 100, anywhere within the FTSE 250 ex Invst Trust Index, or the top fifty of the FTSE SmallCap ex Invst Trust Index based on index weighting.

The Fund may also invest up to 20% in other companies, including those outside of the UK, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

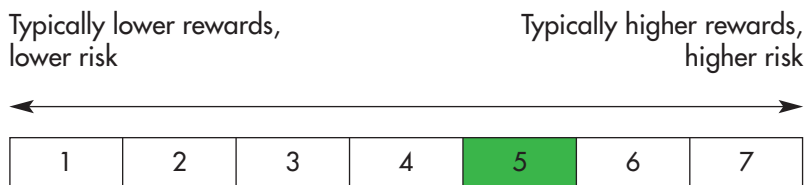
The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

The Fund invests in a concentrated portfolio of 20-40 companies that may provide growth opportunities, attractive valuations, or special situations. Special situations can exist where companies are out of favour, misunderstood or where management changes or takeovers are expected.

## Liontrust UK Mid Cap Fund (continued)

### Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 primarily for its exposure to small UK companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- As the Fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the fund to defer or suspend redemptions of its shares. In addition the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings.
- The Fund may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller companies. The rules are less demanding than those of the official List of the London Stock Exchange and therefore companies listed on AIM may carry a greater risk than a company with a full listing.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust UK Mid Cap Fund (continued)

### Investment Manager's Report

#### Market overview

The broad UK market, including the FTSE 250 Index, was firmly in positive territory for the year. This strong performance was accompanied, encouragingly, by strength in trade-weighted sterling. The primary catalyst for this strength was the conclusive victory for the Tory party in the General Election on 12 December. Whilst the relative performance of the Fund was poor, it was encouraging to see strong relative and absolute performance in the fourth quarter: I believe the election result stands the Fund in good stead going into 2020. Over the year, mid-caps outperformed, with small caps underperforming the broad market.

#### Portfolio attribution

The Liontrust UK Mid Cap Fund returned 18.8% over the 2019. By comparison, the FTSE All-Share and FTSE 250 (excluding investment trusts) indices returned 19.2% and 30.8% respectively, while IA UK All Companies sector average return was 22.3%.

Strong performance over the year came from Spirent Communications as the market recognised both the self-help features of the company and the market opportunity available to it from the rollout of 5G networks. The position was exited during the year as the target price was reached. Ultra Electronics, the defence company, performed well as the macro outlook for defence budgets improved and management quality was realised. Again, the position was exited on strength. Morgan Advanced Materials was also a strong performer as the benefits of reinvestment into the business began to be recognised.

The negative impact of poor performers more than offset these stocks, however. De La Rue continued to be a drag on performance for the Fund and the decision was taken to exit the position. Management churn and balance sheet pressure combined to override the attractions of the investment case. We regularly reassess all of our holdings from a fresh perspective and inconsistent management messaging overrode otherwise appealing facets of the investment case. Circassia was another poor performer which was also exited over the course of the year – again due to balance sheet pressure and management churn. IP Group, the technology company, was also a poor performer over the year, although in this case the Fund has maintained its position. Management have taken material steps to improve liquidity and the fundamental performance of the business has been strong. Poor performance of the stock was largely due to high profile, large, investors being forced sellers of the stock due to liquidity concerns. It is often attractive to buy from investors who are required to sell regardless of price – and this was certainly the case with IP Group.

#### Outlook

Our long-held concerns over the outlook for the UK consumer continued to be reflected in economic data and corporate updates. Whilst valuations in some domestic consumer cyclical companies are optically low, we remain underweight that area of the market despite the General Election result. Where we do have exposure to UK-focused companies, we primarily target those with structural earnings drivers and highly visible earnings pipelines.

We remain confident in the prospects for selective UK mid- and small-cap companies, primarily because of attractive company-specific valuations but also due to the potential for further M&A activity. The Fund continues to make use of its ability to invest in large small-cap companies and we see exciting opportunities to invest in undervalued companies in this part of the market.

We continue to focus on maximising risk-adjusted performance over the business cycle by way of our style agnostic approach, structuring the Fund around the three silos of economic recovery, structural growth (or 'steady eddies') and corporate turnarounds (or 'hidden fruit'). While we are somewhat cautious of elevated valuations in the broad market, we believe that the current environment creates unusually large opportunities for alpha generation. We are excited by the investment opportunities in 2020 and believe there is significant potential for long-term outperformance in the coming months and years.

#### Mark Martin

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

# Liontrust UK Mid Cap Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement

as at 31 December 2019

| Holding   | Portfolio of investments                           | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>UNITED KINGDOM 88.73% (2018 - 95.80%)</b>       |                      |                                    |
|           | <b>Basic Materials 10.26% (2018 - 0.00%)</b>       |                      |                                    |
|           | Chemicals 10.26%                                   |                      |                                    |
| 4,126,805 | Elementis  | 7,399                | 4.70                               |
| 2,462,015 | Synthomer  | 8,740                | 5.56                               |
|           | <b>Consumer Goods 10.27% (2018 - 16.06%)</b>       |                      |                                    |
|           | Food Producers 10.27%                              |                      |                                    |
| 2,145,000 | Bakkavor   | 2,969                | 1.89                               |
| 7,491,168 | Devro  | 13,184               | 8.38                               |
|           | <b>Consumer Services 2.59% (2018 - 8.48%)</b>      |                      |                                    |
|           | Travel & Leisure 2.59%                             |                      |                                    |
| 500,000   | Domino's Pizza                                     | 1,609                | 1.02                               |
| 346,807   | Gamesys  | 2,462                | 1.57                               |
|           | <b>Financials 7.32% (2018 - 3.32%)</b>             |                      |                                    |
|           | Financial Services 7.32%                           |                      |                                    |
| 9,950,000 | IP   | 7,065                | 4.49                               |
| 50,000    | Jupiter Fund Management                            | 205                  | 0.13                               |
| 70,000    | Rathbone Brothers                                  | 1,484                | 0.94                               |
| 2,600,000 | Redde  | 2,766                | 1.76                               |
|           | <b>Health Care 8.40% (2018 - 12.60%)</b>           |                      |                                    |
|           | Health Care Equipment & Services 4.40%             |                      |                                    |
| 675,256   | Consort Medical                                    | 6,921                | 4.40                               |
|           | <b>Pharmaceuticals &amp; Biotechnology 4.00%</b>   |                      |                                    |
| 6,852,492 | Vectura  | 6,298                | 4.00                               |
|           | <b>Industrials 46.14% (2018 - 35.37%)</b>          |                      |                                    |
|           | Aerospace & Defence 9.50%                          |                      |                                    |
| 10,000    | Babcock International                              | 63                   | 0.04                               |
| 214,306   | Chemring   | 514                  | 0.33                               |
| 8,283,825 | Senior   | 14,356               | 9.13                               |
|           | <b>Construction &amp; Materials 8.73%</b>          |                      |                                    |
| 2,600,000 | Tyman  | 6,955                | 4.42                               |
| 2,650,000 | Volution   | 6,784                | 4.31                               |
|           | <b>Electronic &amp; Electrical Equipment 8.43%</b> |                      |                                    |
| 4,158,831 | Morgan Advanced Materials                          | 13,267               | 8.43                               |
|           | <b>General Industrials 4.49%</b>                   |                      |                                    |
| 1,410,000 | Vesuvius   | 7,057                | 4.49                               |



## Liontrust UK Mid Cap Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding   | Portfolio of investments                       | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>Support Services 14.99%</b>                 |                      |                                    |
| 1,708,700 | Equiniti                                       | 3,517                | 2.24                               |
| 50,000    | Hays   | 91                   | 0.06                               |
| 222,109   | Northgate                                      | 695                  | 0.44                               |
| 1,000,000 | Pagegroup                                      | 5,245                | 3.33                               |
| 890,000   | Ricardo  | 6,782                | 4.31                               |
| 24,638    | Robert Walters                                 | 140                  | 0.09                               |
| 1,900,000 | SThree   | 7,115                | 4.52                               |
|           | <b>Technology 3.75% (2018 - 16.86%)</b>        |                      |                                    |
|           | <b>Software &amp; Computer Services 3.75%</b>  |                      |                                    |
| 2,600,000 | NCC  | 5,902                | 3.75                               |
|           | <b>Telecommunications 0.00% (2018 - 3.11%)</b> |                      |                                    |
|           | <b>IRELAND 2.47% (2018 - 0.00%)</b>            |                      |                                    |
| 440,000   | Grafton  | 3,879                | 2.47                               |
|           | <b>ISLE OF MAN 4.19% (2018 - 0.00%)</b>        |                      |                                    |
| 1,652,330 | Playtech                                       | 6,586                | 4.19                               |
|           | <b>NETHERLANDS 5.35% (2018 - 0.83%)</b>        |                      |                                    |
| 217,343   | Rhi Magnesita                                  | 8,416                | 5.35                               |
|           | <b>Portfolio of investments</b>                | <b>158,466</b>       | <b>100.74</b>                      |
|           | <b>Net other liabilities</b>                   | <b>(1,160)</b>       | <b>(0.74)</b>                      |
|           | <b>Net assets</b>                              | <b>157,306</b>       | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

## The top five purchases and sales for the year

| Purchases                 | Cost (£'000) |
|---------------------------|--------------|
| Elementis                 | 25,862       |
| Senio                     | 24,755       |
| Morgan Advanced Materials | 21,326       |
| Synthome                  | 12,991       |
| Playtech                  | 12,419       |

| Sales                  | Proceeds (£'000) |
|------------------------|------------------|
| NCC                    | 31,933           |
| Spirent Communications | 28,989           |
| Devro                  | 25,292           |
| De La Rue              | 19,498           |
| Chemring               | 19,412           |

## Liontrust UK Mid Cap Fund (continued)

### Performance Record

for the year ended 31 December 2019

| <b>A Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.82%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 391.28                  | 485.90                  | 427.84                  |
| Return before operating charges               | 77.28                   | (87.08)                 | 65.81                   |
| Operating charges                             | (7.12)                  | (7.54)                  | (7.75)                  |
| Return after operating charges                | 70.16                   | (94.62)                 | 58.06                   |
| Distributions                                 | (7.95)                  | (8.40)                  | (4.54)                  |
| Retained distributions on accumulation shares | 7.95                    | 8.40                    | 4.54                    |
| <b>Closing net asset value per share</b>      | <b>461.44</b>           | <b>391.28</b>           | <b>485.90</b>           |
| After direct transaction costs of:            | 3.10                    | 1.98                    | 3.48                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 17.93%                  | (19.47)%                | 13.57%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 12,002                  | 16,915                  | 32,449                  |
| Closing number of shares                      | 2,601,134               | 4,322,921               | 6,678,065               |
| Operating Charge Figure                       | 1.76%                   | 1.65%                   | 1.67%                   |
| Direct transaction costs                      | 0.76%                   | 0.43%                   | 0.75%                   |
| OCF/TER cap                                   | 1.82%                   | 1.78%                   | 1.80%                   |
| Research fee                                  | —                       | 0.01%                   | —                       |
| Research fee rebate                           | —                       | (0.04)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 465.20p                 | 486.50p                 | 501.70p                 |
| Lowest share price                            | 377.10p                 | 383.10p                 | 426.00p                 |

| <b>C Income</b>                          | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|--|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 0.95%   | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 90.06                   | 115.14                  | 103.21                  |
| Return before operating charges          | 17.72                   | (20.49)                 | 15.80                   |
| Operating charges                        | (0.84)                  | (0.85)                  | (0.92)                  |
| Return after operating charges           | 16.88                   | (21.34)                 | 14.88                   |
| Distributions                            | (3.44)                  | (3.74)                  | (2.95)                  |
| <b>Closing net asset value per share</b> | <b>103.50</b>           | <b>90.06</b>            | <b>115.14</b>           |
| After direct transaction costs of:       | 0.71                    | 0.47                    | 0.84                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 18.74%                  | (18.53)%                | 14.42%                  |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£'000)          | 6,505                   | 26,085                  | 59,766                  |
| Closing number of shares                 | 6,285,106               | 28,962,188              | 51,908,999              |
| Operating Charge Figure                  | 0.90%                   | 0.79%                   | 0.82%                   |
| Direct transaction costs                 | 0.76%                   | 0.43%                   | 0.75%                   |
| OCF/TER cap                              | 0.95%                   | 0.93%                   | 0.90%                   |
| Research fee                             | —                       | 0.01%                   | —                       |
| Research fee rebate                      | —                       | (0.04)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | 106.10p                 | 115.40p                 | 120.10p                 |
| Lowest share price                       | 85.75p                  | 90.09p                  | 102.80p                 |

## Liontrust UK Mid Cap Fund (continued)

### Performance Record (continued)

for the year ended 31 December 2019

| <b>C Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 0.95%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 142.42                  | 175.36                  | 153.10                  |
| Return before operating charges               | 28.32                   | (31.63)                 | 23.63                   |
| Operating charges                             | (1.34)                  | (1.31)                  | (1.37)                  |
| Return after operating charges                | 26.98                   | (32.94)                 | 22.26                   |
| Distributions                                 | (4.17)                  | (4.45)                  | (3.05)                  |
| Retained distributions on accumulation shares | 4.17                    | 4.45                    | 3.05                    |
| <b>Closing net asset value per share</b>      | <b>169.40</b>           | <b>142.42</b>           | <b>175.36</b>           |
| After direct transaction costs of:            | 1.13                    | 0.72                    | 1.25                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 18.94%                  | (18.78)%                | 14.54%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 98,784                  | 170,447                 | 350,419                 |
| Closing number of shares                      | 58,315,252              | 119,677,547             | 199,828,855             |
| Operating Charge Figure                       | 0.90%                   | 0.79%                   | 0.82%                   |
| Direct transaction costs                      | 0.76%                   | 0.43%                   | 0.75%                   |
| OCF/TER cap                                   | 0.95%                   | 0.93%                   | 0.90%                   |
| Research fee                                  | —                       | 0.01%                   | —                       |
| Research fee rebate                           | —                       | (0.04)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 170.80p                 | 175.70p                 | 180.80p                 |
| Lowest share price                            | 138.00p                 | 139.40p                 | 152.60p                 |

| <b>D Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 0.85%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 128.19                  | 157.67                  | 137.52                  |
| Return before operating charges               | 25.50                   | (28.45)                 | 21.23                   |
| Operating charges                             | (1.07)                  | (1.03)                  | (1.08)                  |
| Return after operating charges                | 24.43                   | (29.48)                 | 20.15                   |
| Distributions                                 | (3.89)                  | (4.16)                  | (2.89)                  |
| Retained distributions on accumulation shares | 3.89                    | 4.16                    | 2.89                    |
| <b>Closing net asset value per share</b>      | <b>152.62</b>           | <b>128.19</b>           | <b>157.67</b>           |
| After direct transaction costs of:            | 1.02                    | 0.64                    | 1.12                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 19.06%                  | (18.70)%                | 14.65%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 40,015                  | 79,001                  | 130,295                 |
| Closing number of shares                      | 26,218,610              | 61,629,550              | 82,638,625              |
| Operating Charge Figure                       | 0.80%                   | 0.69%                   | 0.72%                   |
| Direct transaction costs                      | 0.76%                   | 0.43%                   | 0.75%                   |
| OCF/TER cap                                   | 0.85%                   | 0.83%                   | 0.80%                   |
| Research fee                                  | —                       | 0.01%                   | —                       |
| Research fee rebate                           | —                       | (0.04)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 153.80p                 | 158.00p                 | 162.50p                 |
| Lowest share price                            | 124.30p                 | 125.50p                 | 137.00p                 |

## Liontrust UK Mid Cap Fund (continued)

### Fund Performance

The performance of the Sub-fund is shown in the Investment Manager's report on page 198.

Details of the distribution per share for the year are shown in the distribution tables on page 211.

### Status

Liontrust UK Mid Cap Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

### Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust UK Mid Cap Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   |       | 31 December 2019 |               | 31 December 2018 |                 |
|---|-------|------------------|---------------|------------------|-----------------|
|   | Notes | (£'000)          | (£'000)       | (£'000)          | (£'000)         |
| Income  |       |                  |               |                  |                 |
| Net capital gains/(losses)  | 2     |                  | 24,352        |                  | (94,319)        |
| Revenue   | 3     | 7,631            |               | 15,788           |                 |
| Expenses  | 4     | (1,880)          |               | (3,678)          |                 |
| Interest payable and similar charges  |       | (2)              |               | (19)             |                 |
| Net revenue before taxation   |       | 5,749            |               | 12,091           |                 |
| Taxation  | 5     | (26)             |               | —                |                 |
| Net revenue after taxation  |       |                  | 5,723         |                  | 12,091          |
| <b>Total return before distributions</b>  |       |                  | <b>30,075</b> |                  | <b>(82,228)</b> |
| Distributions   | 6     |                  | (5,833)       |                  | (12,465)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>24,242</b> |                  | <b>(94,693)</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019 |                | 31 December 2018 |                |
|--|------------------|----------------|------------------|----------------|
|  | (£'000)          | (£'000)        | (£'000)          | (£'000)        |
| <b>Opening net assets attributable to shareholders</b>                       |                  | <b>292,448</b> |                  | <b>572,929</b> |
| Amounts received on issue of shares  | 3,339            |                | 10,948           |                |
| Amounts paid on cancellation of shares                                       | (166,406)        |                | (204,989)        |                |
|  |                  | (163,067)      |                  | (194,041)      |
| Dilution adjustment charged  |                  | 26             |                  | —              |
| Change in net assets attributable to shareholders from investment activities |                  | 24,242         |                  | (94,693)       |
| Retained distribution on accumulation shares                                 |                  | 3,657          |                  | 8,253          |
| <b>Closing net assets attributable to shareholders</b>                       |                  | <b>157,306</b> |                  | <b>292,448</b> |

## Liontrust UK Mid Cap Fund (continued)

### Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 158,466                     | 282,599                     |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 432                         | 1,862                       |
| Cash and bank balances                         | 8     | 2,112                       | 10,027                      |
| <b>Total current assets</b>                    |       | <b>2,544</b>                | <b>11,889</b>               |
| <b>Total assets</b>                            |       | <b>161,010</b>              | <b>294,488</b>              |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Distribution payable                           |       | (111)                       | (569)                       |
| Other creditors                                | 9     | (3,593)                     | (1,471)                     |
| <b>Total liabilities</b>                       |       | <b>(3,704)</b>              | <b>(2,040)</b>              |
| <b>Net assets attributable to shareholders</b> |       | <b>157,306</b>              | <b>292,448</b>              |

The accompanying notes are an integral part of these Financial Statements.

## Liontrust UK Mid Cap Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

**1 Accounting policies**

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| <b>2 Net capital gains/(losses)</b> | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Non-derivative securities           | 24,381                              | (94,304)                            |
| Currency gains                      | 1                                   | —                                   |
| Transaction charges                 | (30)                                | (15)                                |
| <b>Net capital gains/(losses)</b>   | <b>24,352</b>                       | <b>(94,319)</b>                     |

| <b>3 Revenue</b>     | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------------------|-------------------------------------|-------------------------------------|
| Bank interest        | 4                                   | 2                                   |
| Scrip dividends      | 139                                 | —                                   |
| UK dividends         | 7,163                               | 15,303                              |
| Overseas dividends   | 325                                 | 483                                 |
| <b>Total revenue</b> | <b>7,631</b>                        | <b>15,788</b>                       |

| <b>4 Expenses</b>  | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|--|-------------------------------------|-------------------------------------|
| <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                                     |                                     |
| ACD's periodic charge  | 1,594                               | 3,525                               |
| Distribution fees  | 32                                  | 8                                   |
| Printing costs   | 13                                  | 13                                  |
| Registration fees  | 9                                   | 10                                  |
| Transfer agent fees  | 40                                  | 73                                  |
|  | <b>1,688</b>                        | <b>3,629</b>                        |
| <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                                     |                                     |
| Depositary's fees  | 54                                  | 106                                 |
| Safe custody fees  | 16                                  | 37                                  |
|  | <b>70</b>                           | <b>143</b>                          |
| <b>Other expenses:</b>   |                                     |                                     |
| Audit fee  | 9                                   | 16                                  |
| Legal and professional fees  | 37                                  | 24                                  |
| Publication costs  | 12                                  | 8                                   |
| Research fees  | 64                                  | (142)                               |
|  | <b>122</b>                          | <b>(94)</b>                         |
| <b>Total expenses</b>  | <b>1,880</b>                        | <b>3,678</b>                        |

## Liontrust UK Mid Cap Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>   |                             |                             |
|   | Overseas withholding tax  | 26                          | —                           |
|   | <b>Total taxation for the year</b>  | <b>26</b>                   | <b>—</b>                    |
|   | <b>b) Factors affecting current tax charge for the year:</b>  |                             |                             |
|   | The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%).  |                             |                             |
|   | The differences are explained below:  |                             |                             |
|   |   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net revenue before taxation   | 5,749                       | 12,091                      |
|   | Corporation tax at 20% (2018: 20%)  | 1,150                       | 2,418                       |
|   | <b>Effects of:</b>  |                             |                             |
|   | Movement in excess management expenses  | 376                         | 739                         |
|   | Overseas withholding tax  | 26                          | —                           |
|   | Revenue not subject to taxation   | (1,526)                     | (3,157)                     |
|   | <b>Current tax charge for the year</b>  | <b>26</b>                   | <b>—</b>                    |
|   | <b>c) Deferred tax</b>  |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £5,233 (2018: £4,857) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:   |                             |                             |
|   | Interim   | 194                         | 842                         |
|   | Final   | 3,768                       | 8,822                       |
|   | Add: Amounts deducted on cancellation of shares   | 1,919                       | 2,914                       |
|   | Deduct: Amounts received on issue of shares   | (48)                        | (113)                       |
|   | <b>Net distributions for the year</b>   | <b>5,833</b>                | <b>12,465</b>               |
|   | Reconciliation of net revenue after taxation to distributions   |                             |                             |
|   | Net revenue after taxation  | 5,723                       | 12,091                      |
|   | Capital expenses  | 110                         | 374                         |
|   | <b>Net distributions for the year</b>   | <b>5,833</b>                | <b>12,465</b>               |

Details of the distribution per share are set out in the distribution table on page 211.



## Liontrust UK Mid Cap Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 7 | Debtors                                | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | Accrued revenue                        | 96                          | 1,369                       |
|   | Amounts receivable for issue of shares | 326                         | 10                          |
|   | Overseas tax recoverable               | 10                          | —                           |
|   | Sales awaiting settlement              | —                           | 483                         |
|   | <b>Total debtors</b>                   | <b>432</b>                  | <b>1,862</b>                |

| 8 | Cash and bank balances              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|-------------------------------------|-----------------------------|-----------------------------|
|   | Cash and bank balances              | 2,112                       | 10,027                      |
|   | <b>Total cash and bank balances</b> | <b>2,112</b>                | <b>10,027</b>               |

| 9 | Creditors                                 | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | ACD's periodic charge                     | 103                         | 199                         |
|   | Accrued expenses                          | 125                         | 84                          |
|   | Amounts payable on cancellation of shares | 398                         | 1,186                       |
|   | Interest payable                          | —                           | 1                           |
|   | Purchases awaiting settlement             | 2,967                       | 1                           |
|   | <b>Total creditors</b>                    | <b>3,593</b>                | <b>1,471</b>                |

### 10 Related party transactions

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 206. The balances due at the year end are shown in notes 7 and 9.

### 11 Shareholder funds

Details relating to the Fund are shown in the notes on pages 15 to 19.

### 12 Contingent liabilities, contingent assets and commitments

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### 13 Swing pricing

The ACD's swing pricing policy is disclosed in the notes on pages 15 to 19.

### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

#### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 9.9% (2018: 9.7%).

The Fund did not use derivatives for investment management purposes in the year and level of leverage employed by the Fund during the year is not considered to be significant.

# Liontrust UK Mid Cap Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 269,578          | 344,283          | 419,165          | 528,409          |
| <b>Trades in the year before transaction costs</b>          | <b>269,578</b>   | <b>344,283</b>   | <b>419,165</b>   | <b>528,409</b>   |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 137              | 164              | (217)            | (261)            |
| Total commissions   | 137              | 164              | (217)            | (261)            |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | 1,208            | 1,540            | (1)              | (1)              |
| Total taxes   | 1,208            | 1,540            | (1)              | (1)              |
| Total costs   | 1,345            | 1,704            | (218)            | (262)            |
| <b>Total net trades in the year after transaction costs</b> | <b>270,923</b>   | <b>345,987</b>   | <b>418,947</b>   | <b>528,147</b>   |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.38% (2018: 0.63%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.05             | 0.05             | (0.05)           | (0.05)           |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | 0.45             | 0.45             | —                | —                |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.17             | 0.09             |
| Taxes        | 0.59             | 0.34             |
| <b>Total</b> | <b>0.76</b>      | <b>0.43</b>      |

## Liontrust UK Mid Cap Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 16 Share reconciliation

Reconciliation of the share movements in the year

|                                | 31 December 2019 |                  |                   |                   |
|--------------------------------|------------------|------------------|-------------------|-------------------|
|                                | A Accumulation   | C Income         | C Accumulation    | D Accumulation    |
| Opening shares in issue        | 4,322,921        | 28,962,188       | 119,677,547       | 61,629,550        |
| Creations during the year      | 94,104           | 869,323          | 745,314           | 726,497           |
| Cancellations during the year  | (1,815,891)      | (23,546,405)     | (62,107,609)      | (36,137,437)      |
| <b>Closing shares in issue</b> | <b>2,601,134</b> | <b>6,285,106</b> | <b>58,315,252</b> | <b>26,218,610</b> |

#### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 158,466                               | —  | 282,599                               | —  |
|         | <b>158,466</b>                        | <b>—</b>                                   | <b>282,599</b>                        | <b>—</b>                                   |

The Fund has no Level 2 or Level 3 financial instruments.

#### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class    | Price at<br>31 December 2019 | Price at<br>3 June 2020 | % change |
|----------------|------------------------------|-------------------------|----------|
| A Accumulation | 461.44                       | 350.23                  | (24.10)  |
| C Income       | 103.50                       | 78.86                   | (23.81)  |
| C Accumulation | 169.40                       | 129.04                  | (23.83)  |
| D Accumulation | 152.62                       | 116.31                  | (23.79)  |

## Liontrust UK Mid Cap Fund (continued)

### Distribution tables

for the year ended 31 December 2019 – in pence per share

#### Interim distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 30 June 2019

|                        | Net<br>revenue | Equalisation | Paid<br>31 August 2019 | Paid<br>31 August 2018 |
|------------------------|----------------|--------------|------------------------|------------------------|
| <b>C Income shares</b> |                |              |                        |                        |
| Group 1                | 1.6805         | —            | 1.6805                 | 1.7803                 |
| Group 2                | 1.1868         | 0.4937       | 1.6805                 | 1.7803                 |

#### Final distribution

Group 1 – Shares purchased prior to 1 July 2019

Group 2 – Shares purchased on or after 1 July 2019 to 31 December 2019

|                        | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>C Income shares</b> |                |              |                             |                          |
| Group 1                | 1.7628         | —            | 1.7628                      | 1.9646                   |
| Group 2                | 0.6668         | 1.0960       | 1.7628                      | 1.9646                   |

#### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                              | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 7.9538         | —            | 7.9538                      | 8.3961                   |
| Group 2                      | 4.3171         | 3.6367       | 7.9538                      | 8.3961                   |
| <b>C Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 4.1684         | —            | 4.1684                      | 4.4528                   |
| Group 2                      | 2.0108         | 2.1576       | 4.1684                      | 4.4528                   |
| <b>D Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 3.8870         | —            | 3.8870                      | 4.1555                   |
| Group 2                      | 2.5999         | 1.2871       | 3.8870                      | 4.1555                   |

# Liontrust UK Opportunities Fund

## Investment Objective

The investment objective of Liontrust UK Opportunities Fund is to generate long term (five years or more) capital growth.

The Fund invests at least 80% in shares of UK companies. These are companies which, at the time of purchase, are incorporated, domiciled or conduct significant business in the UK.

The Fund may also invest up to 20% in companies outside of the UK, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

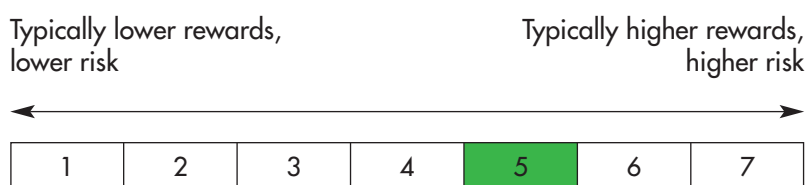
The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

The Fund invests in a concentrated portfolio of 20-40 companies that may provide growth opportunities, attractive valuations, or special situations. Special situations can exist where companies are out of favour, misunderstood or where management changes or takeovers are expected.

## Liontrust UK Opportunities Fund (continued)

### Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 primarily for its exposure to UK companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- As the Fund is primarily exposed to smaller companies there may be liquidity constraints from time to time, i.e. in certain circumstances, the fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the fund to defer or suspend redemptions of its shares. In addition the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings.
- The Fund may invest in companies listed on the Alternative Investment Market (AIM) which is primarily for emerging or smaller companies. The rules are less demanding than those of the official List of the London Stock Exchange and therefore companies listed on AIM may carry a greater risk than a company with a full listing.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust UK Opportunities Fund (continued)

### Investment Manager's Report

#### Market overview

The broad UK market, including the FTSE 250 Index, was firmly in positive territory for the year. This strong performance was accompanied, encouragingly, by strength in trade-weighted sterling. The primary catalyst for this strength was the conclusive victory for the Tory party in the General Election on 12 December. Whilst the relative performance of the Fund was poor, it was encouraging to see strong relative and absolute performance in the fourth quarter: I believe the election result stands the Fund in good stead going into 2020. Over the year, mid-caps outperformed, with small-caps underperforming the broad market.

#### Portfolio attribution

The Liontrust UK Opportunities Fund returned 31.0% over 2019. By comparison, the FTSE All-Share returned 19.2%, while the IA UK All Companies sector average return was 22.2%. This performance saw the Fund rank 25th out of 254 competitors for the quarter, placing it in the first quartile of the peer group.

Particularly strong performance over the year came from PureTech Health, the biopharmaceutical company, which announced a series of positive pipeline news. Despite world-leading intellectual property in its chosen niches, the stock continues to be notably overlooked and we continue to believe it is undervalued. Volution, the ventilation company, also benefited from resolution of a factory bottleneck and improved sentiment towards UK focused stocks. Morgan Advanced Materials was a strong performer as the benefits of reinvestment into the business began to be recognised.

On the other side of the coin, De La Rue continued to be a drag on performance for the Fund and the decision was taken to exit the position. Management churn and balance sheet pressure combined to override the attractions of the investment case. We regularly reassess all our holdings from a fresh perspective and inconsistent management messaging overrode otherwise appealing facets of the investment case. IP Group, the technology company, was also a poor performer over the year although in this case the Fund has maintained its position. Management have taken material steps to improve liquidity and the fundamental performance of the business has been strong. Poor performance of the stock was largely due to high profile, large, investors being forced sellers of the stock due to liquidity concerns. It is often attractive to buy from investors who are required to sell regardless of price – and this was certainly the case with IP Group.

#### Outlook

Our long-held concerns over the outlook for the UK consumer continued to be reflected in economic data and corporate updates. Whilst valuations in some domestic consumer cyclical companies are optically low, we remain underweight that area of the market. Where we do have exposure to UK-focused companies, we primarily target those with structural earnings drivers and highly visible earnings pipelines.

We remain confident in the prospects for selective UK mid- and small-cap companies, primarily because of attractive company-specific valuations but also due to the potential for further M&A activity. The Fund continues to make use of its ability to invest in large small-cap companies and we see exciting opportunities to invest in undervalued companies in this part of the market.

We continue to focus on maximising risk-adjusted performance over the business cycle by way of our style agnostic approach, structuring the Fund around the three silos of economic recovery, structural growth (or 'steady eddies') and corporate turnarounds (or 'hidden fruit'). While we are somewhat cautious of elevated valuations in the broad market, we believe that the current environment creates unusually large opportunities for alpha generation. We are excited by the investment opportunities in 2020 and believe there is significant potential for long-term outperformance in the coming months and years.

#### Mark Martin

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

# Liontrust UK Opportunities Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement

as at 31 December 2019

| Holding   | Portfolio of investments                           | Market value (£'000) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
|           | <b>UNITED KINGDOM 95.39% (2018 - 91.19%)</b>       |                      |                                    |
|           | <b>Basic Materials 8.76% (2018 - 4.67%)</b>        |                      |                                    |
|           | Chemicals 8.76%                                    |                      |                                    |
| 510,239   | Elementis  | 915                  | 5.37                               |
| 162,962   | Synthomer  | 578                  | 3.39                               |
|           | <b>Consumer Goods 7.65% (2018 - 15.00%)</b>        |                      |                                    |
|           | Food Producers 7.65%                               |                      |                                    |
| 150,000   | Bakkavor   | 208                  | 1.22                               |
| 622,956   | Devro  | 1,096                | 6.43                               |
|           | <b>Consumer Services 6.01% (2018 - 4.11%)</b>      |                      |                                    |
|           | Travel & Leisure 6.01%                             |                      |                                    |
| 75,000    | Domino's Pizza                                     | 241                  | 1.41                               |
| 48,644    | Gamesys  | 345                  | 2.02                               |
| 110,000   | Playtech   | 439                  | 2.58                               |
|           | <b>Financials 11.40% (2018 - 4.45%)</b>            |                      |                                    |
|           | Financial Services 7.69%                           |                      |                                    |
| 295,000   | IP   | 209                  | 1.23                               |
| 20,000    | Jupiter Fund Management                            | 82                   | 0.48                               |
| 35,000    | Rathbone Brothers                                  | 742                  | 4.35                               |
| 260,000   | Redde  | 277                  | 1.63                               |
|           | <b>Real Estate Investment &amp; Services 3.71%</b> |                      |                                    |
| 1,300,000 | Raven Property                                     | 632                  | 3.71                               |
|           | <b>Health Care 6.88% (2018 - 16.08%)</b>           |                      |                                    |
|           | Health Care Equipment & Services 3.55%             |                      |                                    |
| 59,000    | Consort Medical                                    | 605                  | 3.55                               |
|           | <b>Pharmaceuticals &amp; Biotechnology 3.33%</b>   |                      |                                    |
| 616,789   | Vectura  | 567                  | 3.33                               |
|           | <b>Industrials 51.03% (2018 - 32.45%)</b>          |                      |                                    |
|           | Aerospace & Defense 8.75%                          |                      |                                    |
| 185,106   | Chemring   | 444                  | 2.61                               |
| 603,825   | Senior   | 1,046                | 6.14                               |
|           | <b>Construction &amp; Materials 8.55%</b>          |                      |                                    |
| 350,000   | Breedon  | 291                  | 1.71                               |
| 258,820   | Tyman  | 692                  | 4.06                               |
| 185,000   | Volution   | 474                  | 2.78                               |
|           | <b>Electronic &amp; Electrical Equipment 5.97%</b> |                      |                                    |
| 318,892   | Morgan Advanced Materials                          | 1,017                | 5.97                               |
|           | <b>General Industrials 3.43%</b>                   |                      |                                    |
| 116,581   | Vesuvius   | 584                  | 3.43                               |



## Liontrust UK Opportunities Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding | Portfolio of investments                       | Market value (£'000) | Percentage of total net assets (%) |
|---------|--|----------------------|------------------------------------|
|         | <b>Industrial Engineering 8.57%</b>            |                      |                                    |
| 62,939  | Bodycote                                       | 600                  | 3.52                               |
| 198,753 | Flowtech Fluidpower                            | 244                  | 1.43                               |
| 15,939  | Rhi Magnesita                                  | 617                  | 3.62                               |
|         | <b>Support Services 15.76%</b>                 |                      |                                    |
| 25,000  | Northgate                                      | 78                   | 0.46                               |
| 92,500  | Pagegroup                                      | 485                  | 2.85                               |
| 253,021 | Renewi   | 92                   | 0.54                               |
| 76,421  | Ricardo  | 582                  | 3.42                               |
| 19,261  | Robert Walters                                 | 110                  | 0.64                               |
| 401,495 | RPS  | 691                  | 4.05                               |
| 473,570 | Speedy Hire                                    | 356                  | 2.09                               |
| 78,000  | SThree   | 292                  | 1.71                               |
|         | <b>Oil &amp; Gas 0.00% (2018 - 1.54%)</b>      |                      |                                    |
|         | <b>Technology 3.66% (2018 - 8.67%)</b>         |                      |                                    |
|         | <b>Software &amp; Computer Services 3.66%</b>  |                      |                                    |
| 274,415 | NCC  | 623                  | 3.66                               |
|         | <b>Telecommunications 0.00% (2018 - 4.22%)</b> |                      |                                    |
|         | <b>SWITZERLAND 0.00% (2018 - 1.14%)</b>        |                      |                                    |
|         | <b>UNITED STATES 3.20% (2018 - 7.01%)</b>      |                      |                                    |
| 170,426 | PureTech Health                                | 545                  | 3.20                               |
|         | <b>Portfolio of investments</b>                | <b>16,799</b>        | <b>98.59</b>                       |
|         | <b>Net other assets</b>                        | <b>240</b>           | <b>1.41</b>                        |
|         | <b>Net assets</b>                              | <b>17,039</b>        | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

## Liontrust UK Opportunities Fund (continued)

### Investment Manager's Report (continued)

#### The top five purchases and sales for the year

| Purchases                 | Cost<br>(£'000) |
|---------------------------|-----------------|
| Elementis                 | 1,438           |
| Senior                    | 1,067           |
| Morgan Advanced Materials | 905             |
| Rathbone Brothers         | 745             |
| Chemring                  | 711             |

| Sales                  | Proceeds<br>(£'000) |
|------------------------|---------------------|
| Chemring               | 1,642               |
| PureTech Health        | 990                 |
| Spirent Communications | 990                 |
| Devro                  | 758                 |
| Vectura                | 685                 |

## Liontrust UK Opportunities Fund (continued)

## Performance Record

for the year ended 31 December 2019

| <b>A Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.93%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 182.67                  | 222.80                  | 198.25                  |
| Return before operating charges               | 58.39                   | (36.31)                 | 28.51                   |
| Operating charges                             | (3.82)                  | (3.82)                  | (3.96)                  |
| Return after operating charges                | 54.57                   | (40.13)                 | 24.55                   |
| Distributions                                 | (2.10)                  | (3.18)                  | (2.77)                  |
| Retained distributions on accumulation shares | 2.10                    | 3.18                    | 2.77                    |
| <b>Closing net asset value per share</b>      | <b>237.24</b>           | <b>182.67</b>           | <b>222.80</b>           |
| After direct transaction costs of:            | 1.26                    | 0.95                    | 0.72                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 29.87%                  | (18.01)%                | 12.38%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 4,764                   | 3,065                   | 4,709                   |
| Closing number of shares                      | 2,007,981               | 1,677,876               | 2,113,536               |
| Operating Charge Figure                       | 1.90%                   | 1.80%                   | 1.85%                   |
| Direct transaction costs                      | 0.63%                   | 0.44%                   | 0.34%                   |
| OCF/TER cap                                   | 1.93%                   | 1.96%                   | 1.90%                   |
| Research fee                                  | —                       | 0.01%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 238.70p                 | 227.10p                 | 225.90p                 |
| Lowest share price                            | 181.90p                 | 179.70p                 | 197.30p                 |

**C Income** (Share class closed on 2 January 2019)

|   | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
|   | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>                |                         |                         |                         |
| Opening net asset value per share                   | 86.19                   | 107.93                  | 98.21                   |
| Return before operating charges                     | 0.55                    | (17.45)                 | 14.07                   |
| Operating charges                                   | —                       | (0.95)                  | (1.06)                  |
| Return after operating charges                      | 0.55                    | (18.40)                 | 13.01                   |
| Return to shareholders as a result of class closure | (86.74)                 | —                       | —                       |
| Distributions                                       | —                       | (3.34)                  | (3.29)                  |
| <b>Closing net asset value per share</b>            | <b>—</b>                | <b>86.19</b>            | <b>107.93</b>           |
| After direct transaction costs of:                  | 0.01                    | 0.45                    | 0.36                    |
| <b>Performance</b>                                  |                         |                         |                         |
| Return after operating charges                      | 0.64%                   | (17.05)%                | 13.25%                  |
| <b>Other information</b>                            |                         |                         |                         |
| Closing net asset value (£'000)                     | —                       | 44                      | 114                     |
| Closing number of shares                            | —                       | 51,299                  | 105,736                 |
| Operating Charge Figure                             | —                       | 0.93%                   | 1.01%                   |
| Direct transaction costs                            | —                       | 0.44%                   | 0.34%                   |
| OCF/TER cap   | —                       | 1.11%                   | 1.10%                   |
| Research fee  | —                       | 0.01%                   | —                       |
| Research fee rebate                                 | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                       |                         |                         |                         |
| Highest share price                                 | —                       | 110.20p                 | 110.80p                 |
| Lowest share price                                  | —                       | 86.33p                  | 97.81p                  |

## Liontrust UK Opportunities Fund (continued)

### Performance Record (continued)

for the year ended 31 December 2019

| <b>C Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
|   | (p)                     | (p)                     | (p)                     |
| OCF/TER cap from 1 January 2020: 1.06%        |                         |                         |                         |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 144.32                  | 174.53                  | 153.98                  |
| Return before operating charges               | 46.41                   | (28.64)                 | 22.22                   |
| Operating charges                             | (1.68)                  | (1.57)                  | (1.67)                  |
| Return after operating charges                | 44.73                   | (30.21)                 | 20.55                   |
| Distributions                                 | (3.01)                  | (3.93)                  | (3.57)                  |
| Retained distributions on accumulation shares | 3.01                    | 3.93                    | 3.57                    |
| <b>Closing net asset value per share</b>      | <b>189.05</b>           | <b>144.32</b>           | <b>174.53</b>           |
| After direct transaction costs of:            | 0.99                    | 0.74                    | 0.56                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 30.99%                  | (17.31)%                | 13.35%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 11,564                  | 9,049                   | 13,243                  |
| Closing number of shares                      | 6,116,977               | 6,269,977               | 7,587,743               |
| Operating Charge Figure                       | 1.06%                   | 0.94%                   | 1.00%                   |
| Direct transaction costs                      | 0.63%                   | 0.44%                   | 0.34%                   |
| OCF/TER cap                                   | 1.06%                   | 1.11%                   | 1.10%                   |
| Research fee                                  | —                       | 0.01%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 190.20p                 | 178.20p                 | 176.70p                 |
| Lowest share price                            | 143.80p                 | 141.90p                 | 153.30p                 |

| <b>D Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
|   | (p)                     | (p)                     | (p)                     |
| OCF/TER cap from 1 January 2020: 1.96%        |                         |                         |                         |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 101.85                  | 123.06                  | 108.46                  |
| Return before operating charges               | 32.75                   | (20.22)                 | 15.66                   |
| Operating charges                             | (1.05)                  | (0.99)                  | (1.06)                  |
| Return after operating charges                | 31.70                   | (21.21)                 | 14.60                   |
| Distributions                                 | (2.24)                  | (2.89)                  | (2.63)                  |
| Retained distributions on accumulation shares | 2.24                    | 2.89                    | 2.63                    |
| <b>Closing net asset value per share</b>      | <b>133.55</b>           | <b>101.85</b>           | <b>123.06</b>           |
| After direct transaction costs of:            | 0.70                    | 0.52                    | 0.40                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 31.12%                  | (17.24)%                | 13.46%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 711                     | 700                     | 1,119                   |
| Closing number of shares                      | 532,362                 | 687,120                 | 909,854                 |
| Operating Charge Figure                       | 0.94%                   | 0.84%                   | 0.90%                   |
| Direct transaction costs                      | 0.63%                   | 0.44%                   | 0.34%                   |
| OCF/TER cap                                   | 0.96%                   | 1.01%                   | 1.00%                   |
| Research fee                                  | —                       | 0.01%                   | —                       |
| Research fee rebate                           | —                       | (0.01)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 134.40p                 | 125.70p                 | 124.60p                 |
| Lowest share price                            | 101.50p                 | 100.20p                 | 108.00p                 |

### Liontrust UK Opportunities Fund (continued)

#### **Fund Performance**

The performance of the Sub-fund is shown in the Investment Manager's report on page 214.

Details of the distribution per share for the year are shown in the distribution tables on page 228.

#### **Status**

Liontrust UK Opportunities Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

#### **Risk Warning**

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust UK Opportunities Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019 |              | 31 December 2018 |                |
|---|-------|------------------|--------------|------------------|----------------|
|   |       | (£'000)          | (£'000)      | (£'000)          | (£'000)        |
| Income  |       |                  |              |                  |                |
| Net capital gains/(losses)  | 2     |                  | 3,295        |                  | (3,258)        |
| Revenue   | 3     | 388              |              | 546              |                |
| Expenses  | 4     | (170)            |              | (186)            |                |
| Interest payable and similar charges  |       | (1)              |              | (1)              |                |
| Net revenue before taxation   |       | 217              |              | 359              |                |
| Taxation  | 5     | (1)              |              | —                |                |
| Net revenue after taxation  |       |                  | 216          |                  | 359            |
| <b>Total return before distributions</b>  |       |                  | <b>3,511</b> |                  | <b>(2,899)</b> |
| Distributions   | 6     |                  | (216)        |                  | (360)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>3,295</b> |                  | <b>(3,259)</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019 |               | 31 December 2018 |               |
|--|------------------|---------------|------------------|---------------|
|  | (£'000)          | (£'000)       | (£'000)          | (£'000)       |
| <b>Opening net assets attributable to shareholders</b>                       |                  | <b>12,858</b> |                  | <b>19,185</b> |
| Amounts received on issue of shares  | 3,916            |               | 584              |               |
| Amounts paid on cancellation of shares                                       | (3,282)          |               | (3,972)          |               |
|  |                  | 634           |                  | (3,388)       |
| Dilution adjustment charged  |                  | 13            |                  | —             |
| Change in net assets attributable to shareholders from investment activities |                  | 3,295         |                  | (3,259)       |
| Retained distribution on accumulation shares                                 |                  | 239           |                  | 320           |
| <b>Closing net assets attributable to shareholders</b>                       |                  | <b>17,039</b> |                  | <b>12,858</b> |

## Liontrust UK Opportunities Fund (continued)

## Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 16,799                      | 12,773                      |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 119                         | 52                          |
| Cash and bank balances                         | 8     | 947                         | 152                         |
| <b>Total current assets</b>                    |       | <b>1,066</b>                | <b>204</b>                  |
| <b>Total assets</b>                            |       | <b>17,865</b>               | <b>12,977</b>               |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Distribution payable                           |       | —                           | (1)                         |
| Other creditors                                | 9     | (826)                       | (118)                       |
| <b>Total liabilities</b>                       |       | <b>(826)</b>                | <b>(119)</b>                |
| <b>Net assets attributable to shareholders</b> |       | <b>17,039</b>               | <b>12,858</b>               |

The accompanying notes are an integral part of these Financial Statements.

# Liontrust UK Opportunities Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1 Accounting policies

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| 2 | Net capital gains/(losses)        | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|-----------------------------------|-----------------------------|-----------------------------|
|   | Non-derivative securities         | 3,297                       | (3,254)                     |
|   | Transaction charges               | (2)                         | (4)                         |
|   | <b>Net capital gains/(losses)</b> | <b>3,295</b>                | <b>(3,258)</b>              |

| 3 | Revenue              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------|-----------------------------|-----------------------------|
|   | UK dividends         | 381                         | 536                         |
|   | Overseas dividends   | 7                           | 10                          |
|   | <b>Total revenue</b> | <b>388</b>                  | <b>546</b>                  |

| 4 | Expenses   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                             |                             |
|   | ACD's periodic charge  | 120                         | 159                         |
|   | Distribution fees  | 24                          | 8                           |
|   | Printing costs   | 1                           | (3)                         |
|   | Registration fees  | 3                           | 4                           |
|   | Transfer agent fees  | 3                           | 3                           |
|   |  | <b>151</b>                  | <b>171</b>                  |
|   | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                             |                             |
|   | Depositary's fees  | 4                           | 5                           |
|   | Safe custody fees  | 1                           | 1                           |
|   |  | <b>5</b>                    | <b>6</b>                    |
|   | <b>Other expenses:</b>   |                             |                             |
|   | Audit fee  | 5                           | 5                           |
|   | Legal and professional fees  | 2                           | 1                           |
|   | Publication costs  | 4                           | 3                           |
|   | Research fees  | 3                           | —                           |
|   |  | <b>14</b>                   | <b>9</b>                    |
|   | <b>Total expenses</b>  | <b>170</b>                  | <b>186</b>                  |



## Liontrust UK Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>   |                             |                             |
|   | Overseas withholding tax  | 1                           | —                           |
|   | <b>Total taxation for the year</b>  | <b>1</b>                    | <b>—</b>                    |
|   | <b>b) Factors affecting current tax charge for the year:</b>  |                             |                             |
|   | The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%).  |                             |                             |
|   | The differences are explained below:  |                             |                             |
|   |   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net revenue before taxation   | 217                         | 359                         |
|   | Corporation tax at 20% (2018: 20%)  | 43                          | 72                          |
|   | <b>Effects of:</b>  |                             |                             |
|   | Movement in excess management expenses  | 34                          | 37                          |
|   | Revenue not subject to taxation   | (77)                        | (109)                       |
|   | Overseas withholding tax  | 1                           | —                           |
|   | <b>Current tax charge for the year</b>  | <b>1</b>                    | <b>—</b>                    |
|   | <b>c) Deferred tax</b>  |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £738 (2018: £704) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:   |                             |                             |
|   | Interim   | —                           | 2                           |
|   | Final   | 239                         | 320                         |
|   | Add: Amounts deducted on cancellation of shares   | 29                          | 44                          |
|   | Deduct: Amounts received on issue of shares   | (52)                        | (6)                         |
|   | <b>Net distributions for the year</b>   | <b>216</b>                  | <b>360</b>                  |
|   | Reconciliation of net revenue after taxation to distributions   |                             |                             |
|   | Net revenue after taxation  | 216                         | 359                         |
|   | Expenses charged to capital   | —                           | 1                           |
|   | <b>Net distributions for the year</b>   | <b>216</b>                  | <b>360</b>                  |

Details of the distribution per share are set out in the distribution table on page 228.

## Liontrust UK Opportunities Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 7 | Debtors                                | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | Accrued revenue                        | 12                          | 32                          |
|   | Amounts receivable for issue of shares | 107                         | 1                           |
|   | Sales awaiting settlement              | —                           | 19                          |
|   | <b>Total debtors</b>                   | <b>119</b>                  | <b>52</b>                   |

| 8 | Cash and bank balances              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|-------------------------------------|-----------------------------|-----------------------------|
|   | Cash and bank balances              | 947                         | 152                         |
|   | <b>Total cash and bank balances</b> | <b>947</b>                  | <b>152</b>                  |

| 9 | Creditors                                 | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | ACD's periodic charge                     | 12                          | 11                          |
|   | Rebate borne by ACD                       | 2                           | 2                           |
|   | Accrued expenses                          | 25                          | 12                          |
|   | Amounts payable on cancellation of shares | 42                          | 93                          |
|   | Purchases awaiting settlement             | 745                         | —                           |
|   | <b>Total creditors</b>                    | <b>826</b>                  | <b>118</b>                  |

### 10 Related party transactions

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 223. The balances due at the year end are shown in notes 7 and 9.

### 11 Shareholder funds

Details relating to the Fund are shown in the notes on pages 15 to 19.

### 12 Contingent liabilities, contingent assets and commitments

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### 13 Swing pricing

The ACD's swing pricing policy is disclosed in the notes on pages 15 to 19.

### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

#### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.2% (2018: 10.6%).

The Fund did not use derivatives for investment management purposes in the year and level of leverage employed by the Fund during the year is not considered to be significant.

## Liontrust UK Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

## 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 15,028           | 13,160           | 14,326           | 16,117           |
| <b>Trades in the year before transaction costs</b>          | <b>15,028</b>    | <b>13,160</b>    | <b>14,326</b>    | <b>16,117</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 8                | 6                | (7)              | (8)              |
| Total commissions   | 8                | 6                | (7)              | (8)              |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | 65               | 60               | —                | —                |
| Total taxes   | 65               | 60               | —                | —                |
| Total costs   | 73               | 66               | (7)              | (8)              |
| <b>Total net trades in the year after transaction costs</b> | <b>15,101</b>    | <b>13,226</b>    | <b>14,319</b>    | <b>16,109</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.73% (2018: 0.69%).

Total transaction cost expressed as a percentage of asset class:

|  | Purchases        |                  | Sales            |                  |
|--|------------------|------------------|------------------|------------------|
|  | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|  | %                | %                | %                | %                |
| <b>Commissions</b>   |                  |                  |                  |                  |
| Equities   | 0.05             | 0.05             | (0.05)           | (0.05)           |
| <b>Taxes</b>   |                  |                  |                  |                  |
| Equities   | 0.43             | 0.46             | —                | —                |
| Total transaction cost expressed as a percentage of average NAV: |                  |                  |                  |                  |
| For the year ended   |                  |                  |                  |                  |
|  |                  |                  | 31 December 2019 | 31 December 2018 |
|  |                  |                  | %                | %                |
| Commissions  |                  |                  | 0.12             | 0.08             |
| Taxes  |                  |                  | 0.51             | 0.36             |
| <b>Total</b>   |                  |                  | <b>0.63</b>      | <b>0.44</b>      |

## Liontrust UK Opportunities Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 16 Share reconciliation

Reconciliation of the share movements in the year

|                                | 31 December 2019 |          |                  |                |
|--------------------------------|------------------|----------|------------------|----------------|
|                                | A Accumulation   | C Income | C Accumulation   | D Accumulation |
| Opening shares in issue        | 1,677,876        | 51,299   | 6,269,977        | 687,120        |
| Creations during the year      | 754,462          | —        | 1,256,967        | 51,695         |
| Cancellations during the year  | (424,357)        | (51,299) | (1,409,967)      | (206,453)      |
| <b>Closing shares in issue</b> | <b>2,007,981</b> | <b>—</b> | <b>6,116,977</b> | <b>532,362</b> |

#### 17 Fair value hierarchy

Valuation technique

|         | Assets           | Liabilities      | Assets           | Liabilities      |
|---------|------------------|------------------|------------------|------------------|
|         | 31 December 2019 | 31 December 2019 | 31 December 2018 | 31 December 2018 |
|         | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Level 1 | 16,799           | —                | 12,773           | —                |
|         | <b>16,799</b>    | <b>—</b>         | <b>12,773</b>    | <b>—</b>         |

The Fund has no Level 2 or Level 3 financial instruments.

#### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class    | Price at<br>31 December 2019 | Price at<br>3 June 2020 | % change |
|----------------|------------------------------|-------------------------|----------|
| A Accumulation | 237.24                       | 176.03                  | (25.80)  |
| C Accumulation | 189.05                       | 140.81                  | (25.52)  |
| D Accumulation | 133.55                       | 99.50                   | (25.50)  |

## Liontrust UK Opportunities Fund (continued)

### Distribution tables

for the year ended 31 December 2019 – in pence per share

### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                              | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 2.1025         | —            | 2.1025                      | 3.1819                   |
| Group 2                      | —              | 2.1025       | 2.1025                      | 3.1819                   |
| <b>C Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 3.0143         | —            | 3.0143                      | 3.9274                   |
| Group 2                      | 0.3747         | 2.6396       | 3.0143                      | 3.9274                   |
| <b>D Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 2.2352         | —            | 2.2352                      | 2.8886                   |
| Group 2                      | 0.1916         | 2.0436       | 2.2352                      | 2.8886                   |

# Liontrust US Income Fund

## Investment Objective

The investment objective of the Liontrust US Income Fund is to generate income with the potential for long term (five years or more) capital growth.

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. Stocks are selected with a focus on income and the potential for capital growth.

The Fund may also invest up to 20% in companies outside of the US, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

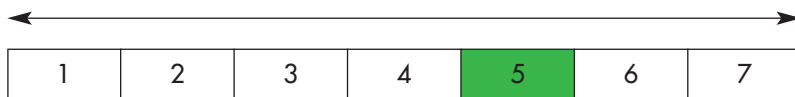
The Fund invests in a mix of companies that may provide growth opportunities or attractive valuations.

## Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.

Typically lower rewards,  
lower risk

Typically higher rewards,  
higher risk



|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 primarily for its exposure to US companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).

## Liontrust US Income Fund (continued)

### Investment Manager's Report

#### Market overview

US equity markets enjoyed a year of stellar returns albeit being reduced by around 4% for sterling-based investors due to the strength of the currency, which surged in anticipation of a Conservative general election victory in December. While 2019 was strong, with the S&P 500 returning 30.5% in local currency on a total return basis, we would urge investors to look at 2018 and 2019 as a whole. In the last quarter of 2018, we experienced a sharp decline in equity markets as a result of global central banks continuing to tighten monetary policy despite a slowing global economy and not helped by sentiment towards the evolving US-China trade war. Central banks have significantly reversed course during 2019 and indeed the US Fed cut rates three times during 2019, exactly reversing the three hikes they made in 2018.

Markets had a significant so-called 'wall of worry' to climb in 2020. In addition to concerns over a policy mistake from the US Fed, investors were concerned about the US-China trade war and the global economy trajectory. These fears perhaps peaked in the summer with the well documented US yield curve inversion, an event which is typically a precursor for impending recessions in the US economy. These fears combined with the US economy slowing back towards its normal rate of around 2% helped bond yields to fall with the 10-year yield finishing the year at 1.91% having opened its 2019 account at 2.68%. However, by the end of the year many of these fears had dissipated to some extent. In addition to the announcement of a 'Phase 1' US-China trade deal in the final quarter, global PMIs indicated improving macro momentum. This, coupled with clear communication from global central banks that policy was likely to stay easy, provided a strong backdrop for equity markets.

#### Portfolio attribution

The Liontrust US Income Fund rose by 21.3% over the year, compared to the S&P 500 Index return of 25.7% and the IA North America sector average return of 24.4%. The Fund ended the period with a yield of 1.95%†.

At a sector level, 2019 will be remembered as another year of exceptionally strong returns from the technology sector and weak returns from the energy sector. Outside of technology, for much of the year the more defensive sectors outperformed thanks to lower bond yields, but the strong cyclical rally in the later part of the year helped to make the cyclical/defensive divide fairly negligible. The other notable sector was healthcare which underperformed for much of the year in the face of increased rhetoric on Medicare for All, a NHS-type system, proposed by some Democrat presidential candidates. This risk dissipated in the 4th quarter as Elizabeth Warren, one of the main proponents lost some momentum in the polls.

More notable than sector trends was the bifurcation of the US market in terms of growth and value factors. Growth once again has dominated value and has led to a situation of wide valuation disparity in the US market. The top quintile now trades at nearer 28x earnings versus its long-term average of 20x. While the bottom quintile trades at close to 11x earnings versus its long-term average of 10x. This gap is as wide as it has been since the tech bubble in the early 2000s. The silver lining of this disparity is that it should provide a conducive backdrop for bottom-up stock pickers such as ourselves. The other point of interest here is that we understand the growth/value divide as franking our views that technology disruption is the most important driver of relative returns in the US market. To some degree the underperformance of value reflects the slowing US economy meaning that those companies which are demonstrating decent and sustainable levels of growth (particularly at the revenue level) are rewarded with higher valuations but we also see this cheaper end of the market as particularly susceptible to becoming disrupted.

The ever-evolving global economic backdrop and heightened level of geopolitical uncertainty continues, in our view, to support our strategy of not being aggressively overweight or underweight individual sectors. Instead, we look to deliver outperformance by finding companies within sectors that we feel can sustainably grow dividends ahead of the market and where we feel the market underappreciates this.

The Liontrust US Income Fund had a somewhat frustrating year from our point of view. The market's preference for growth once again saw the so-called FAANGs outperform. The strength of these typically non-dividend paying companies, which are an increasingly larger part of the S&P 500, has meant most income-focused strategies have struggled to keep up with the wider market. More frustration stems from our underperformance of around 1.5% against the US Income peer group that we track within the IA North America sector.

The majority of this underperformance stems from two individual stocks. The first being Medifast, the weight loss food company, which had contributed strongly in 2018. Here, the market unfairly in our view, has de-rated the company due to its direct selling business model. China clamped down on direct sellers last year which caused all direct selling related companies listed in the US to be marked down whether they had China exposure or not, Medifast does not. Despite this, they delivered another strong year of growth and are executing against their revamped strategy from 2017.

## Liontrust US Income Fund (continued)

### Investment Manager's Report (continued)

#### Portfolio attribution (continued)

The other stock that held back performance was Luxfer, an advanced materials company, that we see as undergoing a value creative turnaround under a new management team. Here the combination of a sizeable acquisition (that has since been aborted) and some select end market slowdown has meant 2019 was a challenging year. We see these issues as temporary and believe the transformation remains on track.

In general, our best performing holdings benefited from multiple appreciation as a result of their consistent and attractive growth rate. Companies here include American Tower, NextEra Energy, Motorola Solutions, Visa and Marsh & McLennan amongst others. The Fund also benefited from its housing-related companies such as Simpson Manufacturing particularly in the second half of the year as evidence of a housing market recovery became clearer. The US housing market had paused earlier in the year in the face of higher mortgage rates, but interest rate cuts has helped improve affordability.

#### Outlook

The Fund's turnover remained contained and was a little below its 5-year average. New positions have tended to be in the mid-cap space where we are currently finding dividend stocks with more latency potential and where we believe the outlook for dividend growth has room to improve in the medium term.

†Yield quoted on C Income share class. The yield on other share classes may differ.

#### George Boyd-Bowman

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**



## Liontrust US Income Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement

as at 31 December 2019

| Holding | Portfolio of investments                       | Market value (£'000) | Percentage of total net assets (%) |
|---------|--|----------------------|------------------------------------|
|         | <b>UNITED STATES 94.37% (2018 - 89.60%)</b>    |                      |                                    |
|         | <b>Basic Materials 5.26% (2018 - 5.15%)</b>    |                      |                                    |
|         | Chemicals 5.26%                                |                      |                                    |
| 4,666   | Dow  | 192                  | 0.55                               |
| 4,666   | DuPont de Nemours                              | 220                  | 0.63                               |
| 7,800   | LyondellBasell Industries 'A'                  | 556                  | 1.60                               |
| 15,000  | RPM International                              | 865                  | 2.48                               |
|         | <b>Consumer Goods 8.13% (2018 - 9.73%)</b>     |                      |                                    |
|         | Beverages 1.78%                                |                      |                                    |
| 5,990   | PepsiCo  | 621                  | 1.78                               |
|         | Food Producers 4.53%                           |                      |                                    |
| 14,082  | Lamb Weston                                    | 911                  | 2.62                               |
| 8,100   | Medifast                                       | 666                  | 1.91                               |
|         | Household Goods & Home Constructions 1.82%     |                      |                                    |
| 5,051   | Stanley Black & Decker                         | 633                  | 1.82                               |
|         | <b>Consumer Services 10.92% (2018 - 8.66%)</b> |                      |                                    |
|         | General Retailers 7.26%                        |                      |                                    |
| 4,200   | Home Depot                                     | 691                  | 1.98                               |
| 21,400  | Service Corporation International              | 748                  | 2.15                               |
| 16,000  | TJX  | 741                  | 2.13                               |
| 3,863   | Walmart  | 349                  | 1.00                               |
|         | Media 2.05%                                    |                      |                                    |
| 20,800  | Comcast 'A'                                    | 712                  | 2.05                               |
|         | Travel & Leisure 1.61%                         |                      |                                    |
| 10,700  | Las Vegas Sands                                | 561                  | 1.61                               |
|         | <b>Financials 15.42% (2018 - 15.37%)</b>       |                      |                                    |
|         | Banks 4.90%                                    |                      |                                    |
| 22,649  | Atlantic Union Bankshares                      | 648                  | 1.86                               |
| 24,000  | Fifth Third Bancorp                            | 555                  | 1.59                               |
| 11,849  | Truist Financial                               | 506                  | 1.45                               |
|         | Financial Services 4.16%                       |                      |                                    |
| 1,570   | BlackRock                                      | 596                  | 1.71                               |
| 6,000   | Visa 'A'                                       | 853                  | 2.45                               |
|         | Nonlife Insurance 4.10%                        |                      |                                    |
| 17,019  | American International                         | 657                  | 1.89                               |
| 9,100   | Marsh & McLennan                               | 770                  | 2.21                               |
|         | Real Estate Investment Trusts 2.26%            |                      |                                    |
| 4,536   | American Tower                                 | 786                  | 2.26                               |
|         | <b>Health Care 13.17% (2018 - 12.34%)</b>      |                      |                                    |
|         | Health Care Equipment & Services 4.61%         |                      |                                    |
| 9,650   | Medtronic                                      | 825                  | 2.37                               |
| 3,500   | UnitedHealth                                   | 778                  | 2.24                               |

# Liontrust US Income Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement (continued)

as at 31 December 2019

| Holding | Portfolio of investments                           | Market value (£'000) | Percentage of total net assets (%) |
|---------|--|----------------------|------------------------------------|
|         | <b>Pharmaceuticals &amp; Biotechnology 8.56%</b>   |                      |                                    |
| 12,400  | Abbott Laboratories                                | 815                  | 2.34                               |
| 13,300  | Bristol-Myers Squibb                               | 642                  | 1.84                               |
| 12,940  | Merck & Co   | 892                  | 2.56                               |
| 21,550  | Pfizer   | 635                  | 1.82                               |
|         | <b>Industrials 17.52% (2018 - 16.25%)</b>          |                      |                                    |
|         | <b>Aerospace &amp; Defence 1.17%</b>               |                      |                                    |
| 3,050   | General Dynamics                                   | 406                  | 1.17                               |
|         | <b>Construction &amp; Materials 1.40%</b>          |                      |                                    |
| 8,042   | Simpson Manufacturing                              | 489                  | 1.40                               |
|         | <b>Electronic &amp; Electrical Equipment 1.12%</b> |                      |                                    |
| 12,200  | National Instruments                               | 391                  | 1.12                               |
|         | <b>General Industrials 2.05%</b>                   |                      |                                    |
| 5,350   | Honeywell International                            | 715                  | 2.05                               |
|         | <b>Industrial Engineering 4.08%</b>                |                      |                                    |
| 8,050   | MSA Safety   | 774                  | 2.22                               |
| 4,223   | Rockwell Automation                                | 649                  | 1.86                               |
|         | <b>Support Services 7.70%</b>                      |                      |                                    |
| 6,150   | Automatic Data Processing                          | 790                  | 2.27                               |
| 12,583  | Brink's  | 862                  | 2.48                               |
| 6,750   | Broadridge Financial Solutions                     | 627                  | 1.80                               |
| 32,500  | Resources Connection                               | 401                  | 1.15                               |
|         | <b>Oil &amp; Gas 0.88% (2018 - 2.05%)</b>          |                      |                                    |
|         | <b>Oil &amp; Gas Producers 0.88%</b>               |                      |                                    |
| 9,900   | Occidental Petroleum                               | 305                  | 0.88                               |
|         | <b>Technology 18.87% (2018 - 16.20%)</b>           |                      |                                    |
|         | <b>Software &amp; Computer Services 8.37%</b>      |                      |                                    |
| 57,500  | Hackett  | 691                  | 1.98                               |
| 13,437  | Microsoft  | 1,604                | 4.60                               |
| 6,187   | SAP ADR  | 625                  | 1.79                               |
|         | <b>Technology Hardware &amp; Equipment 10.50%</b>  |                      |                                    |
| 6,109   | Apple  | 1,349                | 3.87                               |
| 2,314   | Broadcom   | 549                  | 1.58                               |
| 5,794   | Motorola Solutions                                 | 706                  | 2.03                               |
| 6,526   | Texas Instruments                                  | 631                  | 1.81                               |
| 5,726   | Xilinx   | 423                  | 1.21                               |
|         | <b>Utilities 4.20% (2018 - 3.85%)</b>              |                      |                                    |
|         | <b>Electricity 4.20%</b>                           |                      |                                    |
| 15,482  | CMS Energy   | 733                  | 2.10                               |
| 4,000   | NextEra Energy                                     | 731                  | 2.10                               |

## Liontrust US Income Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding | Portfolio of investments                   | Market value (£'000) | Percentage of total net assets (%) |
|---------|--|----------------------|------------------------------------|
|         | <b>BERMUDA 3.96% (2018 - 3.98%)</b>        |                      |                                    |
| 31,600  | Golar LNG                                  | 327                  | 0.94                               |
| 21,000  | James River                                | 652                  | 1.87                               |
| 13,372  | Lazard 'A'                                 | 400                  | 1.15                               |
|         | <b>SWITZERLAND 0.00% (2018 - 0.90%)</b>    |                      |                                    |
|         | <b>UNITED KINGDOM 2.21% (2018 - 1.87%)</b> |                      |                                    |
| 54,500  | Luxfer                                     | 769                  | 2.21                               |
|         | <b>Portfolio of investments</b>            | <b>35,023</b>        | <b>100.54</b>                      |
|         | <b>Net other liabilities</b>               | <b>(187)</b>         | <b>(0.54)</b>                      |
|         | <b>Net assets</b>                          | <b>34,836</b>        | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

Stocks shown as ADRs represent American Depositary Receipts.

## The top five purchases and sales for the year

| Purchases              | Cost (£'000) |
|------------------------|--------------|
| American International | 764          |
| Occidental Petroleum   | 384          |
| Walmart                | 363          |
| UnitedHealth           | 363          |
| Abbott Laboratories    | 337          |

| Sales                        | Proceeds (£'000) |
|------------------------------|------------------|
| Enterprise Products Partners | 622              |
| Blackstone                   | 570              |
| AbbVie                       | 453              |
| Umpqua                       | 391              |
| Simpson Manufacturing        | 388              |

## Liontrust US Income Fund (continued)

### Performance Record

for the year ended 31 December 2019

| <b>C Income</b>                          | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|--|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.11%   | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>     |                         |                         |                         |
| Opening net asset value per share        | 167.49                  | 171.64                  | 161.96                  |
| Return before operating charges          | 37.43                   | 1.40                    | 14.97                   |
| Operating charges                        | (1.94)                  | (1.74)                  | (1.55)                  |
| Return after operating charges           | 35.49                   | (0.34)                  | 13.42                   |
| Distributions                            | (3.94)                  | (3.81)                  | (3.74)                  |
| <b>Closing net asset value per share</b> | <b>199.04</b>           | <b>167.49</b>           | <b>171.64</b>           |
| After direct transaction costs of:       | 0.02                    | 0.03                    | 0.09                    |
| <b>Performance</b>                       |                         |                         |                         |
| Return after operating charges           | 21.19%                  | (0.20)%                 | 8.29%                   |
| <b>Other information</b>                 |                         |                         |                         |
| Closing net asset value (£)              | 13,776                  | 14,077                  | 12,575                  |
| Closing number of shares                 | 6,920,981               | 8,404,378               | 7,326,732               |
| Operating Charge Figure                  | 1.02%                   | 0.98%                   | 0.93%                   |
| Direct transaction costs                 | 0.01%                   | 0.02%                   | 0.05%                   |
| OCF/TER cap                              | 1.11%                   | 1.09%                   | 1.10%                   |
| Research fee                             | —                       | 0.06%                   | —                       |
| Research fee rebate                      | —                       | (0.00)%                 | —                       |
| <b>Prices</b>                            |                         |                         |                         |
| Highest share price                      | 206.90p                 | 197.00p                 | 174.30p                 |
| Lowest share price                       | 166.30p                 | 157.30p                 | 157.90p                 |

| <b>C Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.11%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 192.34                  | 192.83                  | 177.91                  |
| Return before operating charges               | 43.15                   | 1.49                    | 16.64                   |
| Operating charges                             | (2.24)                  | (1.98)                  | (1.72)                  |
| Return after operating charges                | 40.91                   | (0.49)                  | 14.92                   |
| Distributions                                 | (4.56)                  | (4.31)                  | (4.15)                  |
| Retained distributions on accumulation shares | 4.56                    | 4.31                    | 4.15                    |
| <b>Closing net asset value per share</b>      | <b>233.25</b>           | <b>192.34</b>           | <b>192.83</b>           |
| After direct transaction costs of:            | 0.02                    | 0.04                    | 0.10                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 21.27%                  | (0.25)%                 | 8.39%                   |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£)                   | 21,060                  | 18,408                  | 17,652                  |
| Closing number of shares                      | 9,029,222               | 9,570,337               | 9,153,825               |
| Operating Charge Figure                       | 1.02%                   | 0.98%                   | 0.94%                   |
| Direct transaction costs                      | 0.01%                   | 0.02%                   | 0.05%                   |
| OCF/TER cap                                   | 1.11%                   | 1.10%                   | 1.10%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.00)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 240.20p                 | 223.90p                 | 194.70p                 |
| Lowest share price                            | 191.00p                 | 176.80p                 | 173.50p                 |

### Liontrust US Income Fund (continued)

#### **Fund Performance**

The performance of the Sub-fund is shown in the Investment Manager's report on page 230.

Details of the distribution per share for the year are shown in the distribution tables on pages 240 and 241.

#### **Status**

Liontrust US Income Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

#### **Risk Warning**

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust US Income Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|-------|-----------------------------|-----------------------------|
| Income  |       |                             |                             |
| Net capital gains/(losses)  | 2     | 6,417                       | (565)                       |
| Revenue   | 3     | 856                         | 808                         |
| Expenses  | 4     | (362)                       | (315)                       |
| Interest payable and similar charges  |       | —                           | —                           |
| Net revenue before taxation   |       | 494                         | 493                         |
| Taxation  | 5     | (111)                       | (102)                       |
| Net revenue after taxation  |       | 383                         | 391                         |
| <b>Total return before distributions</b>  |       | <b>6,800</b>                | <b>(174)</b>                |
| Distributions   | 6     | (737)                       | (691)                       |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       | <b>6,063</b>                | <b>(865)</b>                |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-----------------------------|-----------------------------|
| <b>Opening net assets attributable to shareholders</b>                       | <b>32,485</b>               | <b>30,227</b>               |
| Amounts received on issue of shares  | 7,538                       | 7,639                       |
| Amounts paid on cancellation of shares                                       | (11,662)                    | (4,925)                     |
|  | (4,124)                     | 2,714                       |
| Dilution adjustment charged  | 1                           | —                           |
| Change in net assets attributable to shareholders from investment activities | 6,063                       | (865)                       |
| Retained distribution on accumulation shares                                 | 411                         | 409                         |
| <b>Closing net assets attributable to shareholders</b>                       | <b>34,836</b>               | <b>32,485</b>               |

## Liontrust US Income Fund (continued)

## Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 35,023                      | 31,299                      |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 68                          | 356                         |
| Cash and bank balances                         | 8     | 46                          | 990                         |
| <b>Total current assets</b>                    |       | <b>114</b>                  | <b>1,346</b>                |
| <b>Total assets</b>                            |       | <b>35,137</b>               | <b>32,645</b>               |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Bank overdrafts                                | 8     | (127)                       | —                           |
| Distribution payable                           |       | (64)                        | (78)                        |
| Other creditors                                | 9     | (110)                       | (82)                        |
| <b>Total liabilities</b>                       |       | <b>(301)</b>                | <b>(160)</b>                |
| <b>Net assets attributable to shareholders</b> |       | <b>34,836</b>               | <b>32,485</b>               |

The accompanying notes are an integral part of these Financial Statements.

# Liontrust US Income Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1 Accounting policies

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| 2 | Net capital gains/(losses)        | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|-----------------------------------|-----------------------------|-----------------------------|
|   | Non-derivative securities         | 6,367                       | (595)                       |
|   | Forward currency contracts        | —                           | 4                           |
|   | Currency gains                    | 50                          | 28                          |
|   | Transaction charges               | —                           | (2)                         |
|   | <b>Net capital gains/(losses)</b> | <b>6,417</b>                | <b>(565)</b>                |

| 3 | Revenue              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------|-----------------------------|-----------------------------|
|   | Bank interest        | 3                           | 1                           |
|   | UK dividends         | 19                          | 6                           |
|   | Overseas dividends   | 834                         | 801                         |
|   | <b>Total revenue</b> | <b>856</b>                  | <b>808</b>                  |

| 4 | Expenses   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                             |                             |
|   | ACD's periodic charge  | 268                         | 244                         |
|   | Distribution fees  | 15                          | 18                          |
|   | Printing costs   | 2                           | (3)                         |
|   | Registration fees  | 2                           | 2                           |
|   | Transfer agent fees  | 7                           | 6                           |
|   |  | <b>294</b>                  | <b>267</b>                  |
|   | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                             |                             |
|   | Depositary's fees  | 11                          | 10                          |
|   | Safe custody fees  | 3                           | 3                           |
|   |  | <b>14</b>                   | <b>13</b>                   |
|   | <b>Other expenses:</b>   |                             |                             |
|   | Audit fee  | 6                           | 5                           |
|   | Legal and professional fees  | 19                          | 9                           |
|   | Publication costs  | 2                           | 2                           |
|   | Research fees  | 27                          | 19                          |
|   |  | <b>54</b>                   | <b>35</b>                   |
|   | <b>Total expenses</b>  | <b>362</b>                  | <b>315</b>                  |



## Liontrust US Income Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|---|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>   |                             |                             |
|   | Overseas withholding tax  | 111                         | 102                         |
|   | <b>Total taxation for the year</b>  | <b>111</b>                  | <b>102</b>                  |
|   | <b>b) Factors affecting current tax charge for the year:</b>  |                             |                             |
|   | The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised OEIC (20%).   |                             |                             |
|   | The differences are explained below:  |                             |                             |
|   |   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net revenue before taxation   | 494                         | 493                         |
|   | Corporation tax at 20% (2018: 20%)  | 99                          | 99                          |
|   | <b>Effects of:</b>  |                             |                             |
|   | Movement in excess management expenses  | 61                          | 40                          |
|   | Overseas tax expensed   | (1)                         | (2)                         |
|   | Overseas withholding tax  | 111                         | 102                         |
|   | Revenue not subject to corporation tax  | (159)                       | (137)                       |
|   | <b>Current tax charge for the year</b>  | <b>111</b>                  | <b>102</b>                  |
|   | <b>c) Deferred tax</b>  |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £400m (2018: £339m) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Distributions   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:   |                             |                             |
|   | 1st Quarter   | 87                          | 177                         |
|   | Interim   | 82                          | 71                          |
|   | 3rd Quarter   | 76                          | 77                          |
|   | Final   | 476                         | 384                         |
|   | Add: Amounts deducted on cancellation of shares   | 49                          | 23                          |
|   | Deduct: Amounts received on issue of shares   | (33)                        | (41)                        |
|   | <b>Net distributions for the year</b>   | <b>737</b>                  | <b>691</b>                  |
|   | Reconciliation of net revenue after taxation to distributions   |                             |                             |
|   | Net revenue after taxation  | 383                         | 391                         |
|   | Expenses charged to capital   | 362                         | 315                         |
|   | Tax relief due to capital   | (8)                         | (15)                        |
|   | <b>Net distributions for the year</b>   | <b>737</b>                  | <b>691</b>                  |

Details of the distribution per share are set out in the distribution table on pages 240 and 241.

## Liontrust US Income Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| <b>7</b> | <b>Debtors</b>                         | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|--|-------------------------------------|-------------------------------------|
|          | Accrued revenue                        | 47                                  | 46                                  |
|          | Amounts receivable for issue of shares | 20                                  | 310                                 |
|          | Overseas tax recoverable               | 1                                   | —                                   |
|          | <b>Total debtors</b>                   | <b>68</b>                           | <b>356</b>                          |

| <b>8</b> | <b>Cash and bank balances</b>       | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|-------------------------------------|-------------------------------------|-------------------------------------|
|          | Cash and bank balances              | 46                                  | 990                                 |
|          | Bank overdrafts                     | (127)                               | —                                   |
|          | <b>Total cash and bank balances</b> | <b>(81)</b>                         | <b>990</b>                          |

| <b>9</b> | <b>Creditors</b>                          | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|---|-------------------------------------|-------------------------------------|
|          | ACD's periodic charge                     | 22                                  | 22                                  |
|          | Accrued expenses                          | 35                                  | 23                                  |
|          | Amounts payable on cancellation of shares | 53                                  | 37                                  |
|          | <b>Total creditors</b>                    | <b>110</b>                          | <b>82</b>                           |

### **10 Related party transactions**

General details on related parties are shown in the notes on pages 15 to 19.

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 239. The balances due at the year end are shown in notes 7 and 9.

### **11 Shareholder funds**

Details relating to the Fund are shown in the notes on pages 15 to 19.

### **12 Contingent liabilities, contingent assets and commitments**

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### **13 Swing pricing**

The ACD's swing pricing policy is disclosed in the notes on pages 15 to 19.

## Liontrust US Income Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

##### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.6% (2018: 10.5%).

The Fund did not use derivatives for investment management purposes in the year and level of leverage employed by the Fund during the year is not considered to be significant.

##### Foreign currency risk

The Portfolio Statement shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency     | Net foreign currency assets |                             |
|--------------|-----------------------------|-----------------------------|
|              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
| US dollar    | 34,944                      | 32,272                      |
| <b>Total</b> | <b>34,944</b>               | <b>32,272</b>               |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £349m (2018: £323m).

## Liontrust US Income Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 3,218            | 9,379            | 5,859            | 7,679            |
| <b>Trades in the year before transaction costs</b>          | <b>3,218</b>     | <b>9,379</b>     | <b>5,859</b>     | <b>7,679</b>     |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 1                | 3                | (2)              | (3)              |
| Total commissions   | 1                | 3                | (2)              | (3)              |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | —                | —                | —                | —                |
| Total costs   | 1                | 3                | (2)              | (3)              |
| <b>Total net trades in the year after transaction costs</b> | <b>3,219</b>     | <b>9,382</b>     | <b>5,857</b>     | <b>7,676</b>     |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.04% (2018: 0.04%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.03             | 0.03             | (0.03)           | (0.04)           |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | —                | —                | —                | —                |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.01             | 0.02             |
| <b>Total</b> | <b>0.01</b>      | <b>0.02</b>      |

## Liontrust US Income Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 16 Share reconciliation

Reconciliation of the share movements in the year

| 31 December 2019               | C Income         | C Accumulation   |
|--------------------------------|------------------|------------------|
| Opening                        | 8,404,378        | 9,570,337        |
| Creations during the year      | 2,165,181        | 1,670,824        |
| Cancellations during the year  | (3,648,578)      | (2,211,939)      |
| <b>Closing shares in issue</b> | <b>6,920,981</b> | <b>9,029,222</b> |

#### 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 35,023                                | —  | 31,299                                | —  |
|         | <b>35,023</b>                         | <b>—</b>                                   | <b>31,299</b>                         | <b>—</b>                                   |

The Fund has no Level 2 or Level 3 financial instruments.

#### 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class    | Price at<br>31 December 2019 | Price at<br>3 June 2020 | % change |
|----------------|------------------------------|-------------------------|----------|
| C Income       | 199.04                       | 187.55                  | (5.77)   |
| C Accumulation | 233.25                       | 221.10                  | (5.21)   |

## Liontrust US Income Fund (continued)

### Distribution tables

for the year ended 31 December 2019 – in pence per share

#### 1st quarter distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 March 2019

|                               | Net<br>revenue | Equalisation | Paid<br>31 May 2019 | Paid<br>31 May 2018 |
|-------------------------------|----------------|--------------|---------------------|---------------------|
| <b>C Income shares</b>        |                |              |                     |                     |
| Group 1                       | 0.9794         | —            | 0.9794              | 0.9938              |
| Group 2                       | 0.4206         | 0.5588       | 0.9794              | 0.9938              |
| <b>C Accumulation shares)</b> |                |              |                     |                     |
| Group 1                       | —              | —            | —                   | 1.1167              |
| Group 2                       | —              | —            | —                   | 1.1167              |

#### Interim distribution

Group 1 – Shares purchased prior to 1 April 2019

Group 2 – Shares purchased on or after 1 April 2019 to 30 June 2019

|                        | Net<br>revenue | Equalisation | Paid<br>31 August 2019 | Paid<br>31 August 2018 |
|------------------------|----------------|--------------|------------------------|------------------------|
| <b>C Income shares</b> |                |              |                        |                        |
| Group 1                | 1.0005         | —            | 1.0005                 | 0.8922                 |
| Group 2                | 0.3643         | 0.6362       | 1.0005                 | 0.8922                 |

#### 3rd quarter distribution

Group 1 – Shares purchased prior to 1 July 2019

Group 2 – Shares purchased on or after 1 July 2019 to 30 September 2019

|                        | Net<br>revenue | Equalisation | Paid<br>30 November 2019 | Paid<br>30 November 2018 |
|------------------------|----------------|--------------|--------------------------|--------------------------|
| <b>C Income shares</b> |                |              |                          |                          |
| Group 1                | 1.0440         | —            | 1.0440                   | 0.9900                   |
| Group 2                | 0.7458         | 0.2982       | 1.0440                   | 0.9900                   |

## Liontrust US Income Fund (continued)

### Distribution tables (continued)

for the year ended 31 December 2019 – in pence per share

#### Final distribution

Group 1 – Shares purchased prior to 1 October 2019

Group 2 – Shares purchased on or after 1 October 2019 to 31 December 2019

|                        | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>C Income shares</b> |                |              |                             |                          |
| Group 1                | 0.9184         | —            | 0.9184                      | 0.9329                   |
| Group 2                | 0.4843         | 0.4341       | 0.9184                      | 0.9329                   |

#### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                              | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>C Accumulation shares</b> |                |              |                             |                          |
| Group 1                      | 4.5627         | —            | 4.5627                      | 3.1972                   |
| Group 2                      | 3.2927         | 1.2700       | 4.5627                      | 3.1972                   |

# Liontrust US Opportunities Fund

## Investment Objective

The investment objective of Liontrust US Opportunities Fund is to generate long term (five years or more) capital growth.

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.

The Fund may also invest up to 20% in companies outside of the US, as well as in other eligible asset classes.

Other eligible asset classes are collective investment schemes (which may include Liontrust managed funds), other transferable securities, cash or near cash, deposits and money market instruments.

Derivatives and forward transactions may be used by the ACD for efficient portfolio management.

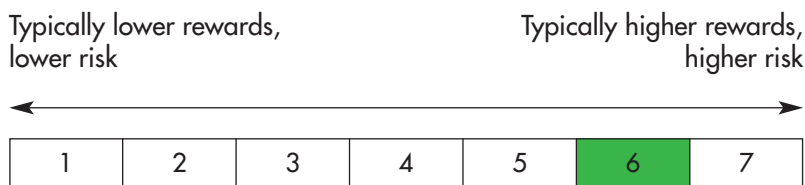
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash, and to use efficient portfolio management, should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify for, and to be included in, an Individual Savings Account.

The Fund invests in a mix of companies that may provide growth opportunities or attractive valuations.

## Risk and Reward profile

The risk and reward indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the risk and reward indicator.



- This Synthetic Risk and Reward Indicator (SRRI) is based on 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 6 primarily for its exposure to US companies.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Fund;
  - any company which has high overseas earnings may carry a higher currency risk;
  - any overseas investments may carry a higher currency risk. They are valued by reference to their local currency which may move up or down when compared to the currency of the Fund.
- This Fund may have a concentrated portfolio, i.e. hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust (address on page 3 or online at [www.liontrust.co.uk](http://www.liontrust.co.uk)).



## Liontrust US Opportunities Fund (continued)

### Investment Manager's Report

#### Portfolio attribution

The Liontrust US Opportunities Fund returned 28.2% over 2019, outperforming both the S&P 500 Index's gain of 25.7% and the IA North America sector average of 24.4%.

2019 was both a good year for the US equity market as a whole and good year for the Fund in terms of relative performance. Returns for UK investors were reduced by c.4% due to the strength of sterling, which surged in anticipation of a Conservative general election victory in December. Importantly, we have continued with the investment process that was introduced to the Fund in mid-2016, one which we believe will allow us to outperform the Index and the peer group over the long-term. At the heart of this process is a willingness to screen widely for ideas and then dig deeply into them in an efficient manner. Stopping unproductive work streams early has proven as important as diving deep when we find something we might like. For every idea in the Fund, there are many more that we have discarded. The other side of the process requires a rigorous and ongoing assessment of each position's risk and opportunity – and then sizing positions accordingly.

Strong stock selection accounted for the vast majority of the Fund's outperformance with strength in the healthcare, financials and IT sectors. These are three key sectors where we believe the Fund's focus on technology disruption as a pervading theme is particularly relevant. We believe that dissecting the market into four categories, namely disruptors and the disrupted and the embracers and enablers of disruption will help to deliver outperformance. Healthcare struggled as a sector this year as it faced an increase in rhetoric surrounding the proposal of Medicare for All, an NHS-type system. Despite this, Horizon Therapeutics, a biopharma company, was our top performing holding over the year as it reported continued strong take-up of Krystexxa, its gout treatment drug and increased optimism towards its future drug pipeline including teprotumumab (tepro), a treatment for thyroid eye disease.

Markets had a significant so-called 'wall of worry' to climb in 2020. Entering the year, in addition to the US-China trade war, the market was concerned that the US Fed would continue to tighten in the face of a deteriorating global economic outlook. These fears peaked in the summer with the well documented US yield curve inversion, an event which is typically a precursor for impending recessions in the US economy. However, by the end of the year many of these fears had dissipated to some extent. In addition to the announcement of a 'Phase 1' US-China trade deal in the final quarter, global PMIs indicated improving macro momentum. This, coupled with clear communication from global central banks that policy was likely to stay easy, provided a strong backdrop for equity markets.

While technology was a key driver of market returns last year, more notable in our view, was the bifurcation of the US market in terms of growth and value factors and the subsequent, potentially interesting, opportunities it creates. Growth has again dominated value, leading to a situation of wide valuation disparity in the US market. The top quintile now trades at nearer 28x earnings versus its long-term average of 20x. While the bottom quintile trades at close to 11x earnings versus its long-term average of 10x. This gap is as wide as it has been since the tech bubble in the early 2000s. The silver lining of this disparity is that it should provide a conducive backdrop for bottom-up stock pickers such as ourselves. The other point of interest here is that we understand the growth/value divide as franking our views that technology disruption is the most important driver of relative returns in the US market. To some degree, the underperformance of value reflects the slowing US economy and the not unrelated lower bond yields (10 year yields fell from 2.68% to 1.91% by year end) meaning that those companies which are demonstrating decent and sustainable levels of growth (particularly at the revenue level) are rewarded with higher valuations, but we also see this cheaper end of the market as particularly susceptible to becoming disrupted.

#### Outlook

Our deepest-held conviction is that the US will – at some point – see a sustained and meaningful increase in productivity owing to innovation and the application of new technologies to less-productive industries. We have spent a lot of time investigating this issue as we agree with Paul Krugman that "productivity isn't everything, but in the long run it is almost everything". This ultimately underpins our optimistic outlook on the US economy over the long-term.

#### George Boyd-Bowman

Fund Manager

January 2020

*Following the spread of COVID-19, the world economy and global financial markets have entered a period of significant uncertainty and we are seeing volatility in all major markets. The global pandemic is expected to result in prolonged uncertainty regarding most aspects of the global economy including lowering credit ratings, damaging customers' and investors' confidence as well as reducing investments' valuations and lowering future growth expectations. It could have a material adverse effect on the financial condition, results of operations and prospects of the Funds and the Investment Adviser. Please refer to note 16 for further details.*

**Past performance is not a guide to future performance. Investment in the Fund carries the risk of potential total loss of capital.**

# Liontrust US Opportunities Fund (continued)

## Investment Manager's Report (continued)

### Portfolio Statement

as at 31 December 2019

| Holding | Portfolio of investments                      | Market value (£'000) | Percentage of total net assets (%) |
|---------|---|----------------------|------------------------------------|
|         | <b>UNITED STATES 90.74% (2018 - 90.34%)</b>   |                      |                                    |
|         | <b>Basic Materials 2.08% (2018 - 2.64%)</b>   |                      |                                    |
|         | Chemicals 1.67%                               |                      |                                    |
| 44,717  | Dow   | 1,839                | 0.78                               |
| 44,717  | DuPont de Nemours                             | 2,109                | 0.89                               |
|         | Mining 0.41%                                  |                      |                                    |
| 44,717  | Corteva                                       | 977                  | 0.41                               |
|         | <b>Consumer Goods 6.44% (2018 - 3.87%)</b>    |                      |                                    |
|         | Food Producers 3.06%                          |                      |                                    |
| 174,194 | Mondelez International 'A'                    | 7,253                | 3.06                               |
|         | General Retailers 2.31%                       |                      |                                    |
| 60,472  | Lowe's  | 5,496                | 2.31                               |
|         | Personal Goods 1.07%                          |                      |                                    |
| 302,947 | Coty 'A'                                      | 2,539                | 1.07                               |
|         | <b>Consumer Services 7.04% (2018 - 8.40%)</b> |                      |                                    |
|         | General Retailers 3.54%                       |                      |                                    |
| 6,012   | Amazon.com                                    | 8,407                | 3.54                               |
|         | Media 2.79%                                   |                      |                                    |
| 193,538 | Comcast 'A'                                   | 6,621                | 2.79                               |
|         | Travel & Leisure 0.71%                        |                      |                                    |
| 31,000  | Live Nation Entertainment                     | 1,671                | 0.71                               |
|         | <b>Financials 16.50% (2018 - 18.49%)</b>      |                      |                                    |
|         | Banks 3.45%                                   |                      |                                    |
| 172,862 | Citizens Financial                            | 5,290                | 2.23                               |
| 15,264  | SVB Financial                                 | 2,887                | 1.22                               |
|         | Financial Services 13.05%                     |                      |                                    |
| 84,217  | Bank of New York Mellon                       | 3,199                | 1.35                               |
| 48,993  | Cboe Global Markets                           | 4,418                | 1.86                               |
| 40,382  | Equifax                                       | 4,247                | 1.79                               |
| 75,499  | Intercontinental Exchange                     | 5,283                | 2.23                               |
| 39,889  | Mastercard 'A'                                | 8,991                | 3.79                               |
| 23,461  | S&P Global                                    | 4,830                | 2.03                               |
|         | <b>Health Care 16.98% (2018 - 16.15%)</b>     |                      |                                    |
|         | Health Care Equipment & Services 10.66%       |                      |                                    |
| 60,658  | Baxter International                          | 3,831                | 1.61                               |
| 121,499 | Envista                                       | 2,692                | 1.14                               |
| 37,460  | HCA Healthcare                                | 4,185                | 1.76                               |
| 191,640 | Natus Medical                                 | 4,765                | 2.01                               |
| 44,168  | UnitedHealth                                  | 9,826                | 4.14                               |
|         | Pharmaceuticals & Biotechnology 6.32%         |                      |                                    |
| 277,242 | Horizon Therapeutics                          | 7,558                | 3.19                               |
| 63,927  | IQVIA   | 7,427                | 3.13                               |

## Liontrust US Opportunities Fund (continued)

## Investment Manager's Report (continued)

## Portfolio Statement (continued)

as at 31 December 2019

| Holding | Portfolio of investments                       | Market value (£'000) | Percentage of total net assets (%) |
|---------|--|----------------------|------------------------------------|
|         | <b>Industrials 10.80% (2018 - 11.04%)</b>      |                      |                                    |
|         | Aerospace & Defense 1.56%                      |                      |                                    |
| 27,689  | General Dynamics                               | 3,690                | 1.56                               |
|         | Electronic & Electrical Equipment 1.96%        |                      |                                    |
| 440,940 | Verra Mobility                                 | 4,650                | 1.96                               |
|         | General Industrials 3.70%                      |                      |                                    |
| 65,795  | Fortive  | 3,798                | 1.60                               |
| 37,330  | Honeywell International                        | 4,986                | 2.10                               |
|         | Support Services 3.58%                         |                      |                                    |
| 123,858 | Brink's  | 8,485                | 3.58                               |
|         | <b>Oil &amp; Gas 0.97% (2018 - 3.50%)</b>      |                      |                                    |
|         | Oil Equipment, Services & Distribution 0.97%   |                      |                                    |
| 123,458 | Halliburton                                    | 2,296                | 0.97                               |
|         | <b>Technology 25.71% (2018 - 23.22%)</b>       |                      |                                    |
|         | Software & Computer Services 19.85%            |                      |                                    |
| 19,917  | Adobe  | 4,952                | 2.09                               |
| 11,202  | Alphabet 'A'                                   | 11,366               | 4.79                               |
| 96,563  | Black Knight                                   | 4,688                | 1.98                               |
| 54,320  | Electronic Arts                                | 4,397                | 1.85                               |
| 31,345  | Everbridge                                     | 1,880                | 0.79                               |
| 25,357  | Facebook 'A'                                   | 3,924                | 1.66                               |
| 103,108 | Microsoft                                      | 12,305               | 5.19                               |
| 48,188  | Twilio 'A'                                     | 3,567                | 1.50                               |
|         | Support Services 1.82%                         |                      |                                    |
| 337,308 | Clarivate Analytics                            | 4,311                | 1.82                               |
|         | Technology Hardware & Equipment 4.04%          |                      |                                    |
| 43,444  | Apple  | 9,592                | 4.04                               |
|         | <b>Telecommunications 1.59% (2018 - 0.00%)</b> |                      |                                    |
|         | Fixed Line Telecommunications 1.59%            |                      |                                    |
| 273,906 | 8x8  | 3,782                | 1.59                               |
|         | <b>Utilities 2.63% (2018 - 3.03%)</b>          |                      |                                    |
|         | Electricity 2.63%                              |                      |                                    |
| 34,200  | NextEra Energy                                 | 6,247                | 2.63                               |
|         | <b>UNITED KINGDOM 8.14% (2018 - 9.49%)</b>     |                      |                                    |
| 124,159 | LivaNova                                       | 7,060                | 2.98                               |
| 210,300 | Luxfer   | 2,969                | 1.25                               |
| 60,803  | Willis Towers Watson                           | 9,279                | 3.91                               |
|         | <b>Portfolio of investments</b>                | <b>234,565</b>       | <b>98.88</b>                       |
|         | <b>Net other assets</b>                        | <b>2,652</b>         | <b>1.12</b>                        |
|         | <b>Net assets</b>                              | <b>237,217</b>       | <b>100.00</b>                      |

All holdings are ordinary shares or stock units unless otherwise stated.

## Liontrust US Opportunities Fund (continued)

### Investment Manager's Report (continued)

#### The top five purchases and sales for the year

| Purchases                    | Cost<br>(£'000)     |
|------------------------------|---------------------|
| Lowe's                       | 5,307               |
| 8x8                          | 5,143               |
| Black Knight                 | 4,935               |
| Natus Medical                | 4,903               |
| Verra Mobility               | 4,790               |
|                              |                     |
| Sales                        | Proceeds<br>(£'000) |
| Enterprise Products Partners | 6,069               |
| DXC Technology               | 4,882               |
| Home Depot                   | 4,268               |
| Horizon Therapeutics         | 4,095               |
| Microsoft                    | 4,079               |

## Liontrust US Opportunities Fund (continued)

## Performance Record

for the year ended 31 December 2019

| <b>A Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.90%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 452.33                  | 451.14                  | 387.54                  |
| Return before operating charges               | 132.22                  | 9.73                    | 70.76                   |
| Operating charges                             | (9.70)                  | (8.54)                  | (7.16)                  |
| Return after operating charges                | 122.52                  | 1.19                    | 63.60                   |
| Distributions                                 | -                       | -                       | -                       |
| Retained distributions on accumulation shares | -                       | -                       | -                       |
| <b>Closing net asset value per share</b>      | <b>574.85</b>           | <b>452.33</b>           | <b>451.14</b>           |
| After direct transaction costs of:            | 0.09                    | 0.10                    | 0.58                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 27.09%                  | 0.26%                   | 16.41%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 53,366                  | 51,777                  | 59,221                  |
| Closing number of shares                      | 9,283,383               | 11,446,687              | 13,126,879              |
| Operating Charge Figure                       | 1.79%                   | 1.76%                   | 1.70%                   |
| Direct transaction costs                      | 0.02%                   | 0.02%                   | 0.14%                   |
| OCF/TER cap                                   | 1.90%                   | 1.86%                   | 1.80%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.00)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 599.00p                 | 546.40p                 | 457.40p                 |
| Lowest share price                            | 450.40p                 | 427.30p                 | 386.40p                 |

| <b>B Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.40%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 486.70                  | 483.03                  | 412.87                  |
| Return before operating charges               | 142.50                  | 10.24                   | 75.57                   |
| Operating charges                             | (7.56)                  | (6.57)                  | (5.41)                  |
| Return after operating charges                | 134.94                  | 3.67                    | 70.16                   |
| Distributions                                 | —                       | —                       | (0.23)                  |
| Retained distributions on accumulation shares | —                       | —                       | 0.23                    |
| <b>Closing net asset value per share</b>      | <b>621.64</b>           | <b>486.70</b>           | <b>483.03</b>           |
| After direct transaction costs of:            | 0.10                    | 0.10                    | 0.62                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 27.73%                  | 0.76%                   | 16.99%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 6,445                   | 6,840                   | 11,548                  |
| Closing number of shares                      | 1,036,724               | 1,405,473               | 2,390,708               |
| Operating Charge Figure                       | 1.29%                   | 1.26%                   | 1.20%                   |
| Direct transaction costs                      | 0.02%                   | 0.02%                   | 0.14%                   |
| OCF/TER cap                                   | 1.40%                   | 1.36%                   | 1.30%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.00)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 646.30p                 | 587.00p                 | 489.70p                 |
| Lowest share price                            | 484.60p                 | 457.80p                 | 411.60p                 |

## Liontrust US Opportunities Fund (continued)

### Performance Record (continued)

for the year ended 31 December 2019

| <b>C Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.04%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 212.97                  | 210.60                  | 179.39                  |
| Return before operating charges               | 62.41                   | 4.44                    | 32.88                   |
| Operating charges                             | (2.41)                  | (2.07)                  | (1.67)                  |
| Return after operating charges                | 60.00                   | 2.37                    | 31.21                   |
| Distributions                                 | —                       | (0.38)                  | (0.73)                  |
| Retained distributions on accumulation shares | —                       | 0.38                    | 0.73                    |
| <b>Closing net asset value per share</b>      | <b>272.97</b>           | <b>212.97</b>           | <b>210.60</b>           |
| After direct transaction costs of:            | 0.04                    | 0.04                    | 0.27                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 28.17%                  | 1.13%                   | 17.40%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 125,875                 | 103,833                 | 113,981                 |
| Closing number of shares                      | 46,113,073              | 48,754,676              | 54,122,039              |
| Operating Charge Figure                       | 0.94%                   | 0.91%                   | 0.85%                   |
| Direct transaction costs                      | 0.02%                   | 0.02%                   | 0.14%                   |
| OCF/TER cap                                   | 1.04%                   | 1.01%                   | 0.90%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.00)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 283.40p                 | 256.60p                 | 213.50p                 |
| Lowest share price                            | 212.10p                 | 199.70p                 | 178.90p                 |

| <b>D Accumulation</b>                         | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 0.94%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 164.87                  | 162.87                  | 138.59                  |
| Return before operating charges               | 48.32                   | 3.42                    | 25.42                   |
| Operating charges                             | (1.67)                  | (1.42)                  | (1.14)                  |
| Return after operating charges                | 46.65                   | 2.00                    | 24.28                   |
| Distributions                                 | (0.18)                  | (0.47)                  | (0.71)                  |
| Retained distributions on accumulation shares | 0.18                    | 0.47                    | 0.71                    |
| <b>Closing net asset value per share</b>      | <b>211.52</b>           | <b>164.87</b>           | <b>162.87</b>           |
| After direct transaction costs of:            | 0.03                    | 0.03                    | 0.21                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 28.30%                  | 1.23%                   | 17.52%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 42,727                  | 38,303                  | 44,034                  |
| Closing number of shares                      | 20,199,612              | 23,232,977              | 27,036,526              |
| Operating Charge Figure                       | 0.84%                   | 0.81%                   | 0.75%                   |
| Direct transaction costs                      | 0.02%                   | 0.02%                   | 0.14%                   |
| OCF/TER cap                                   | 0.94%                   | 0.91%                   | 0.80%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.00)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 219.50p                 | 198.60p                 | 165.10p                 |
| Lowest share price                            | 164.20p                 | 154.40p                 | 138.20p                 |

## Liontrust US Opportunities Fund (continued)

## Performance Record (continued)

for the year ended 31 December 2019

| <b>B Accumulation EUR</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.40%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 234.39                  | 232.61                  | 198.84                  |
| Return before operating charges               | 68.60                   | 4.94                    | 36.35                   |
| Operating charges                             | (3.62)                  | (3.16)                  | (2.58)                  |
| Return after operating charges                | 64.98                   | 1.78                    | 33.77                   |
| Distributions                                 | —                       | —                       | (0.10)                  |
| Retained distributions on accumulation shares | —                       | —                       | 0.10                    |
| <b>Closing net asset value per share</b>      | <b>299.37</b>           | <b>234.39</b>           | <b>232.61</b>           |
| After direct transaction costs of:            | 0.05                    | 0.05                    | 0.30                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 27.72%                  | 0.77%                   | 16.98%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 7,492                   | 8,771                   | 9,017                   |
| Closing number of shares                      | 2,502,587               | 3,742,021               | 3,876,522               |
| Operating Charge Figure                       | 1.29%                   | 1.26%                   | 1.20%                   |
| Direct transaction costs                      | 0.02%                   | 0.02%                   | 0.14%                   |
| OCF/TER cap                                   | 1.40%                   | 1.36%                   | 1.30%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.00)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 357.50¢                 | 313.90¢                 | 267.00¢                 |
| Lowest share price                            | 259.10¢                 | 249.10¢                 | 231.80¢                 |

**C Accumulation EUR** (Share class name changed from A Accumulation EUR to C Accumulation EUR on 1 January 2019)

|   | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.90%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 213.66                  | 213.14                  | 183.03                  |
| Return before operating charges               | 63.13                   | 4.55                    | 33.46                   |
| Operating charges                             | (2.43)                  | (4.03)                  | (3.35)                  |
| Return after operating charges                | 60.70                   | 0.52                    | 30.11                   |
| Distributions                                 | —                       | —                       | —                       |
| Retained distributions on accumulation shares | —                       | —                       | —                       |
| <b>Closing net asset value per share</b>      | <b>274.36</b>           | <b>213.66</b>           | <b>213.14</b>           |
| After direct transaction costs of:            | 0.04                    | 0.04                    | 0.27                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 28.41%                  | 0.24%                   | 16.45%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 132                     | 155                     | 184                     |
| Closing number of shares                      | 48,270                  | 72,555                  | 86,278                  |
| Operating Charge Figure                       | 0.94%                   | 1.77%                   | 1.70%                   |
| Direct transaction costs                      | 0.02%                   | 0.02%                   | 0.14%                   |
| OCF/TER cap                                   | 1.90%                   | 1.86%                   | 1.80%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.00)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 327.60¢                 | 286.70¢                 | 244.70¢                 |
| Lowest share price                            | 236.20¢                 | 228.10¢                 | 213.30¢                 |

## Liontrust US Opportunities Fund (continued)

### Performance Record (continued)

for the year ended 31 December 2019

| <b>A Accumulation USD</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|---|-------------------------|-------------------------|-------------------------|
| OCF/TER cap from 1 January 2020: 1.90%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 164.01                  | 163.60                  | 140.52                  |
| Return before operating charges               | 47.94                   | 3.53                    | 25.67                   |
| Operating charges                             | (3.52)                  | (3.12)                  | (2.59)                  |
| Return after operating charges                | 44.42                   | 0.41                    | 23.08                   |
| Distributions                                 | —                       | —                       | —                       |
| Retained distributions on accumulation shares | —                       | —                       | —                       |
| <b>Closing net asset value per share</b>      | <b>208.43</b>           | <b>164.01</b>           | <b>163.60</b>           |
| After direct transaction costs of:            | 0.03                    | 0.03                    | 0.21                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 27.08%                  | 0.25%                   | 16.42%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 1,025                   | 1,093                   | 843                     |
| Closing number of shares                      | 491,735                 | 666,636                 | 515,217                 |
| Operating Charge Figure                       | 1.79%                   | 1.76%                   | 1.70%                   |
| Direct transaction costs                      | 0.02%                   | 0.02%                   | 0.14%                   |
| OCF/TER cap                                   | 1.90%                   | 1.86%                   | 1.80%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.00)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 277.10¢                 | 254.90¢                 | 221.80¢                 |
| Lowest share price                            | 206.80¢                 | 202.40¢                 | 172.20¢                 |
| <b>C Accumulation USD</b>                     | <b>31 December 2019</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
| OCF/TER cap from 1 January 2020: 1.04%        | (p)                     | (p)                     | (p)                     |
| <b>Change in net asset per share</b>          |                         |                         |                         |
| Opening net asset value per share             | 173.70                  | 171.76                  | 146.28                  |
| Return before operating charges               | 50.91                   | 3.62                    | 26.84                   |
| Operating charges                             | (1.97)                  | (1.68)                  | (1.36)                  |
| Return after operating charges                | 48.94                   | 1.94                    | 25.48                   |
| Distributions                                 | —                       | (0.31)                  | (0.60)                  |
| Retained distributions on accumulation shares | —                       | 0.31                    | 0.60                    |
| <b>Closing net asset value per share</b>      | <b>222.64</b>           | <b>173.70</b>           | <b>171.76</b>           |
| After direct transaction costs of:            | 0.03                    | 0.04                    | 0.22                    |
| <b>Performance</b>                            |                         |                         |                         |
| Return after operating charges                | 28.18%                  | 1.13%                   | 17.42%                  |
| <b>Other information</b>                      |                         |                         |                         |
| Closing net asset value (£'000)               | 155                     | 111                     | 122                     |
| Closing number of shares                      | 69,827                  | 63,728                  | 71,193                  |
| Operating Charge Figure                       | 0.94%                   | 0.91%                   | 0.85%                   |
| Direct transaction costs                      | 0.02%                   | 0.02%                   | 0.14%                   |
| OCF/TER cap                                   | 1.04%                   | 1.01%                   | 0.90%                   |
| Research fee                                  | —                       | 0.06%                   | —                       |
| Research fee rebate                           | —                       | (0.00)%                 | —                       |
| <b>Prices</b>                                 |                         |                         |                         |
| Highest share price                           | 296.00¢                 | 269.20¢                 | 232.90¢                 |
| Lowest share price                            | 219.10¢                 | 214.30¢                 | 179.20¢                 |



### Liontrust US Opportunities Fund (continued)

#### **Fund Performance**

The performance of the Sub-fund is shown in the Investment Manager's report on page 248.

Details of the distribution per share for the year are shown in the distribution tables on page 265.

#### **Status**

Liontrust US Opportunities Fund is a sub-fund of Liontrust Investment Funds I which is a UCITS scheme.

#### **Risk Warning**

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

## Liontrust US Opportunities Fund (continued)

### Statement of Total Return

for the year ended 31 December 2019

|   | Notes | 31 December 2019 |               | 31 December 2018 |              |
|---|-------|------------------|---------------|------------------|--------------|
|   |       | (£'000)          | (£'000)       | (£'000)          | (£'000)      |
| Income  |       |                  |               |                  |              |
| Net capital gains   | 2     |                  | 58,631        |                  | 3,836        |
| Revenue   | 3     | 2,594            |               | 3,022            |              |
| Expenses  | 4     | (2,763)          |               | (2,720)          |              |
| Interest payable and similar charges  |       | (2)              |               | —                |              |
| Net (expense)/revenue before taxation   |       | (171)            |               | 302              |              |
| Taxation  | 5     | (358)            |               | (459)            |              |
| Net expense after taxation  |       |                  | (529)         |                  | (157)        |
| <b>Total return before distributions</b>  |       |                  | <b>58,102</b> |                  | <b>3,679</b> |
| Distributions   | 6     |                  | 24            |                  | (267)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |       |                  | <b>58,126</b> |                  | <b>3,412</b> |

### Statement of Change In Net Assets Attributable to Shareholders

for the year ended 31 December 2019

|  | 31 December 2019 |                | 31 December 2018 |                |
|--|------------------|----------------|------------------|----------------|
|  | (£'000)          | (£'000)        | (£'000)          | (£'000)        |
| <b>Opening net assets attributable to shareholders</b>                       |                  | <b>210,883</b> |                  | <b>238,950</b> |
| Amounts received on issue of shares  | 70,164           |                | 42,512           |                |
| Amounts paid on cancellation of shares                                       | (102,012)        |                | (74,285)         |                |
|  |                  | (31,848)       |                  | (31,773)       |
| Dilution adjustment charged  |                  | 21             |                  | 2              |
| Change in net assets attributable to shareholders from investment activities |                  | 58,126         |                  | 3,412          |
| Retained distribution on accumulation shares                                 |                  | 35             |                  | 292            |
| <b>Closing net assets attributable to shareholders</b>                       |                  | <b>237,217</b> |                  | <b>210,883</b> |

## Liontrust US Opportunities Fund (continued)

### Balance Sheet

for the year ended 31 December 2019

|  | Notes | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|--|-------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |       |                             |                             |
| <b>Fixed assets</b>                            |       |                             |                             |
| Investments                                    |       | 234,565                     | 210,517                     |
| <b>Current assets</b>                          |       |                             |                             |
| Debtors  | 7     | 184                         | 2,952                       |
| Cash and bank balances                         | 8     | 3,326                       | 1,009                       |
| <b>Total current assets</b>                    |       | <b>3,510</b>                | <b>3,961</b>                |
| <b>Total assets</b>                            |       | <b>238,075</b>              | <b>214,478</b>              |
| <b>Liabilities</b>                             |       |                             |                             |
| <b>Creditors</b>                               |       |                             |                             |
| Bank overdrafts                                | 8     | (279)                       | —                           |
| Other creditors                                | 9     | (579)                       | (3,595)                     |
| <b>Total liabilities</b>                       |       | <b>(858)</b>                | <b>(3,595)</b>              |
| <b>Net assets attributable to shareholders</b> |       | <b>237,217</b>              | <b>210,883</b>              |

The accompanying notes are an integral part of these Financial Statements.

# Liontrust US Opportunities Fund (continued)

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1 Accounting policies

For accounting policies relating to this Fund please refer to the notes on pages 15 to 19.

| 2 | Net capital gains          | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------------|-----------------------------|-----------------------------|
|   | Non-derivative securities  | 58,489                      | 3,306                       |
|   | Forward currency contracts | —                           | 47                          |
|   | Currency gains             | 143                         | 483                         |
|   | Transaction charges        | (1)                         | —                           |
|   | <b>Net capital gains</b>   | <b>58,631</b>               | <b>3,836</b>                |

| 3 | Revenue              | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|----------------------|-----------------------------|-----------------------------|
|   | Bank interest        | 9                           | 17                          |
|   | UK dividends         | 72                          | 14                          |
|   | Overseas dividends   | 2,513                       | 2,991                       |
|   | <b>Total revenue</b> | <b>2,594</b>                | <b>3,022</b>                |

| 4 | Expenses   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | <b>Payable to the ACD, associates of the ACD and agents of either of them:</b>               |                             |                             |
|   | ACD's periodic charge  | 2,309                       | 2,347                       |
|   | Distribution fees  | 31                          | 34                          |
|   | Printing costs   | 10                          | 3                           |
|   | Registration fees  | 9                           | 9                           |
|   | Transfer agent fees  | 48                          | 40                          |
|   |  | <b>2,407</b>                | <b>2,433</b>                |
|   | <b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b> |                             |                             |
|   | Depositary's fees  | 63                          | 62                          |
|   | Safe custody fees  | 23                          | 23                          |
|   |  | <b>86</b>                   | <b>85</b>                   |
|   | <b>Other expenses:</b>   |                             |                             |
|   | Audit fee  | 13                          | 10                          |
|   | Legal and professional fees  | 65                          | 17                          |
|   | Publication costs  | 14                          | 37                          |
|   | Research fees  | 178                         | 138                         |
|   |  | <b>270</b>                  | <b>202</b>                  |
|   | <b>Total expenses</b>  | <b>2,763</b>                | <b>2,720</b>                |

## Liontrust US Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| 5 | Taxation   | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|---|--|-----------------------------|-----------------------------|
|   | <b>a) Analysis of charge in the year:</b>  |                             |                             |
|   | Overseas withholding tax   | 358                         | 459                         |
|   | <b>Total taxation for the year</b>   | <b>358</b>                  | <b>459</b>                  |
|   | <b>b) Factors affecting current tax charge for the year:</b>   |                             |                             |
|   | The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised OEIC (20%).  |                             |                             |
|   | The differences are explained below:   |                             |                             |
|   |  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | Net (expense)/revenue before taxation  | (171)                       | 302                         |
|   | Corporation tax at 20% (2018: 20%)   | (34)                        | 60                          |
|   | <b>Effects of:</b>   |                             |                             |
|   | Movement in excess management expenses   | 533                         | 474                         |
|   | Overseas tax expensed  | (3)                         | (12)                        |
|   | Overseas withholding tax   | 358                         | 459                         |
|   | Revenue not subject to corporation tax   | (496)                       | (522)                       |
|   | <b>Current tax charge for the year</b>   | <b>358</b>                  | <b>459</b>                  |
|   | <b>c) Deferred tax</b>   |                             |                             |
|   | At the year end, there is a potential deferred tax asset of £10,56 (2018: £10,033) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised in the current or prior year. |                             |                             |
| 6 | Distributions  | 31 December 2019<br>(£'000) | 31 December 2018<br>(£'000) |
|   | The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:  |                             |                             |
|   | Final  | 35                          | 292                         |
|   | Deduct: Amounts deducted on cancellation of shares   | (153)                       | (81)                        |
|   | Add: Amounts received on issue of shares   | 94                          | 56                          |
|   | <b>Net distributions for the year</b>  | <b>(24)</b>                 | <b>267</b>                  |
|   | Reconciliation of net expense after taxation to distributions  |                             |                             |
|   | Net expense after taxation   | (529)                       | (157)                       |
|   | Revenue deficit transferred to capital   | 505                         | 424                         |
|   | <b>Net distributions for the year</b>  | <b>(24)</b>                 | <b>267</b>                  |

Details of the distribution per share are set out in the distribution table on page 265.

## Liontrust US Opportunities Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

| <b>7</b> | <b>Debtors</b>                         | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|--|-------------------------------------|-------------------------------------|
|          | Accrued revenue                        | 71                                  | 127                                 |
|          | Amounts receivable for issue of shares | 113                                 | 341                                 |
|          | Sales awaiting settlement              | —                                   | 2,484                               |
|          | <b>Total debtors</b>                   | <b>184</b>                          | <b>2,952</b>                        |

| <b>8</b> | <b>Cash and bank balances</b>       | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|-------------------------------------|-------------------------------------|-------------------------------------|
|          | Cash and bank balances              | 3,326                               | 1,009                               |
|          | Bank overdrafts                     | (279)                               | —                                   |
|          | <b>Total cash and bank balances</b> | <b>3,047</b>                        | <b>1,009</b>                        |

| <b>9</b> | <b>Creditors</b>                          | <b>31 December 2019<br/>(£'000)</b> | <b>31 December 2018<br/>(£'000)</b> |
|----------|---|-------------------------------------|-------------------------------------|
|          | ACD's periodic charge                     | 190                                 | 188                                 |
|          | Accrued expenses                          | 154                                 | 109                                 |
|          | Amounts payable on cancellation of shares | 235                                 | 3,284                               |
|          | Purchases awaiting settlement             | —                                   | 14                                  |
|          | <b>Total creditors</b>                    | <b>579</b>                          | <b>3,595</b>                        |

### **10 Related party transactions**

General details on related parties are shown in the notes on pages 15 to 19

Amounts paid to/from the ACD and Depositary are shown in note 4 on page 259. The balances due at the year end are shown in notes 7 and 9.

### **11 Shareholder funds**

Details relating to the Fund are shown in the notes on pages 15 to 19.

### **12 Contingent liabilities, contingent assets and commitments**

There were no contingent liabilities, contingent assets or outstanding commitments at the balance sheet date (2018: nil).

### **13 Swing pricing**

The ACD's swing pricing policy is disclosed in the notes on pages 15 to 19.

## Liontrust US Opportunities Fund (continued)

### Notes to the Financial Statements (continued)

for the year ended 31 December 2019

#### 14 Risk management policies

The main risk from the Fund's holdings of financial instruments together with the ACD's policy for managing these risks are disclosed in the notes on pages 15 to 19.

##### Market risk

As at 31 December 2019, had the representative market index increased/decreased by 10.0% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 11.1% (2018: 11.8%).

The Fund did not use derivatives for investment management purposes in the year and level of leverage employed by the Fund during the year is not considered to be significant.

##### Foreign currency risk

The Portfolio Statement shows the countries in which the Fund is invested. The securities in the portfolio are priced in local currency. An analysis of monetary assets and liabilities in foreign currencies at the period end (including cash and outstanding income) is shown below:

| Currency     | Net foreign currency assets/(liabilities) |                             |
|--------------|---|-----------------------------|
|              | 31 December 2019<br>(£'000)               | 31 December 2018<br>(£'000) |
| Euro         | (12)                                      | (2)                         |
| US dollar    | 237,962                                   | 212,383                     |
| <b>Total</b> | <b>237,950</b>                            | <b>212,381</b>              |

As at 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £2,380 (2018: £2,124).

# Liontrust US Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 15 Portfolio transaction costs

Analysis of total trade costs

|   | Purchases        |                  | Sales            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|   | (£'000)          | (£'000)          | (£'000)          | (£'000)          |
| Equities  | 37,711           | 50,402           | 72,154           | 79,605           |
| <b>Trades in the year before transaction costs</b>          | <b>37,711</b>    | <b>50,402</b>    | <b>72,154</b>    | <b>79,605</b>    |
| <b>Commissions</b>  |                  |                  |                  |                  |
| Equities  | 13               | 18               | (25)             | (28)             |
| Total commissions   | 13               | 18               | (25)             | (28)             |
| <b>Taxes</b>  |                  |                  |                  |                  |
| Equities  | —                | —                | (1)              | (2)              |
| Total taxes   | —                | —                | (1)              | (2)              |
| Total costs   | 13               | 18               | (26)             | (30)             |
| <b>Total net trades in the year after transaction costs</b> | <b>37,724</b>    | <b>50,420</b>    | <b>72,128</b>    | <b>79,575</b>    |

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments and derivatives) have no separately identifiable transaction costs: these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.04% (2018: 0.03%).

Total transaction cost expressed as a percentage of asset class:

|                    | Purchases        |                  | Sales            |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
|                    | %                | %                | %                | %                |
| <b>Commissions</b> |                  |                  |                  |                  |
| Equities           | 0.03             | 0.04             | (0.03)           | (0.04)           |
| <b>Taxes</b>       |                  |                  |                  |                  |
| Equities           | —                | —                | —                | —                |

Total transaction cost expressed as a percentage of average NAV:

For the year ended

|              | 31 December 2019 | 31 December 2018 |
|--------------|------------------|------------------|
|              | %                | %                |
| Commissions  | 0.02             | 0.02             |
| Taxes        | —                | —                |
| <b>Total</b> | <b>0.02</b>      | <b>0.02</b>      |



## Liontrust US Opportunities Fund (continued)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

## 16 Share reconciliation

Reconciliation of the share movements in the year

|                                | 31 December 2019 |                  |                   |                   |
|--------------------------------|------------------|------------------|-------------------|-------------------|
|                                | A Accumulation   | B Accumulation   | C Accumulation    | D Accumulation    |
| Opening shares in issue        | 11,446,687       | 1,405,473        | 48,754,676        | 23,232,977        |
| Creations during the year      | 3,871,261        | 2,783,570        | 9,320,162         | 390,108           |
| Cancellations during the year  | (6,034,565)      | (3,152,319)      | (11,961,765)      | (3,423,473)       |
| <b>Closing shares in issue</b> | <b>9,283,383</b> | <b>1,036,724</b> | <b>46,113,073</b> | <b>20,199,612</b> |

|                                | B Accumulation<br>EUR | C Accumulation<br>EUR | A Accumulation<br>USD | C Accumulation<br>USD |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Opening shares in issue        | 3,742,021             | 72,555                | 666,636               | 63,728                |
| Creations during the year      | 462,269               | 3,020,535             | 50,785                | 7,099                 |
| Cancellations during the year  | (1,701,703)           | (3,044,820)           | (225,686)             | (1,000)               |
| <b>Closing shares in issue</b> | <b>2,502,587</b>      | <b>48,270</b>         | <b>491,735</b>        | <b>69,827</b>         |

## 17 Fair value hierarchy

Valuation technique

|         | Assets<br>31 December 2019<br>(£'000) | Liabilities<br>31 December 2019<br>(£'000) | Assets<br>31 December 2018<br>(£'000) | Liabilities<br>31 December 2018<br>(£'000) |
|---------|---------------------------------------|--|---------------------------------------|--|
| Level 1 | 234,565                               | —  | 210,517                               | —  |
|         | <b>234,565</b>                        | <b>—</b>                                   | <b>210,517</b>                        | <b>—</b>                                   |

The Fund has no Level 2 or Level 3 financial instruments.

## 18 Post balance sheet events

The outbreak of the Coronavirus (COVID-19), declared by The World Health Organisation as a global health emergency on 30 January 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The ACD is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice. The emergence and spread of COVID-19 is considered to be a non-adjusting post balance sheet event.

Subsequent to the year end, the Fund's NAV has suffered as a result of a decline in global stock markets and the latest NAV as at the close of business on 3 June 2020 had declined across the individual share classes compared to the NAV at the year end as follows:

| Share class        | Price at<br>31 December 2019 | Price at<br>3 June 2020            | % change |
|--------------------|------------------------------|------------------------------------|----------|
| A Accumulation     | 574.85                       | 597.91                             | 4.01     |
| B Accumulation     | 621.64                       | 647.91                             | 4.23     |
| C Accumulation     | 272.97                       | 284.95                             | 4.39     |
| D Accumulation     | 211.52                       | 220.90                             | 4.43     |
| B Accumulation EUR | 299.37                       | n/a Share class closed in May 2020 | n/a      |
| C Accumulation EUR | 274.36                       | n/a Share class closed in May 2020 | n/a      |
| A Accumulation USD | 208.43                       | n/a Share class closed in May 2020 | n/a      |
| C Accumulation USD | 222.64                       | n/a Share class closed in May 2020 | n/a      |

## Liontrust US Opportunities Fund (continued)

### Distribution tables

for the year ended 31 December 2019 – in pence/cents per share

#### Final distribution

Group 1 – Shares purchased prior to 1 January 2019

Group 2 – Shares purchased on or after 1 January 2019 to 31 December 2019

|                                      | Net<br>revenue | Equalisation | Payable<br>28 February 2020 | Paid<br>28 February 2019 |
|--------------------------------------|----------------|--------------|-----------------------------|--------------------------|
| <b>A Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | —              | —            | —                           | —                        |
| Group 2                              | —              | —            | —                           | —                        |
| <b>B Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | —              | —            | —                           | —                        |
| Group 2                              | —              | —            | —                           | —                        |
| <b>C Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | —              | —            | —                           | 0.3751                   |
| Group 2                              | —              | —            | —                           | 0.3751                   |
| <b>D Accumulation shares (p)</b>     |                |              |                             |                          |
| Group 1                              | 0.1751         | —            | 0.1751                      | 0.4668                   |
| Group 2                              | 0.0766         | 0.0985       | 0.1751                      | 0.4668                   |
| <b>B Accumulation EUR shares (¢)</b> |                |              |                             |                          |
| Group 1                              | —              | —            | —                           | —                        |
| Group 2                              | —              | —            | —                           | —                        |
| <b>C Accumulation EUR shares (¢)</b> |                |              |                             |                          |
| Group 1                              | —              | —            | —                           | —                        |
| Group 2                              | —              | —            | —                           | —                        |
| <b>A Accumulation USD shares (¢)</b> |                |              |                             |                          |
| Group 1                              | —              | —            | —                           | —                        |
| Group 2                              | —              | —            | —                           | —                        |
| <b>C Accumulation USD shares (¢)</b> |                |              |                             |                          |
| Group 1                              | —              | —            | —                           | 0.3942                   |
| Group 2                              | —              | —            | —                           | 0.3942                   |

### Additional Information (unaudited)

#### Important information


It is important to remember that the price of shares, 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 shares 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 investment in Funds as long term. The annual management fees of the Liontrust Global Dividend Fund, Liontrust Income Fund and Liontrust US Income Fund are charged against 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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