

# LIONTRUST SPECIAL SITUATIONS FUND

A close-up, high-contrast photograph of a lion's face. The lion's eye is a striking green color, and its fur is a mix of brown and orange tones. The background is dark, making the lion's features stand out.

Interim Report &  
Financial Statements (unaudited)

For the period:

**1 June 2019**

to

**30 November 2019**

Managed in accordance with  
**The Liontrust Economic Advantage**

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LIONTRUST FUND PARTNERS LLP

**LIONTRUST** 



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

# Management and Administration

### Authorised Fund Manager ("Manager")

Liontrust Fund Partners LLP  
2 Savoy Court  
London WC2R 0EZ

Administration and Dealing enquiries 0344 892 0349  
Administration and Dealing facsimile 0207 964 2562  
Email [Liontrustadmin@bnymellon.com](mailto:Liontrustadmin@bnymellon.com)  
Website [www.liontrust.co.uk](http://www.liontrust.co.uk)

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

### Investment Adviser

Liontrust Investment Partners LLP  
2 Savoy Court  
London WC2R 0EZ

Authorised and regulated by the FCA.

### Trustee

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

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

### Administrator and Registrar\*

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

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

### Independent Auditors

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

\* Please refer to page 17 for details of the change.

# Liontrust Special Situations Fund

## Investment profile

Liontrust Special Situations Fund (the "Fund") is managed in accordance with a proprietary, tried and tested investment process. The Liontrust Economic Advantage, researched and documented by the managers at Liontrust. The Fund only invests in UK companies with distinctive, intangible strengths that competitors struggle to reproduce. Based on the belief that in the modern economy today's barriers to competition are built through intangible assets, three have been identified as very powerful - intellectual property, distribution networks and repeat business. Companies are only selected for the Fund if they possess at least one of these intangible assets.

## Liontrust Asset Management PLC

Liontrust Asset Management PLC (the "Company") is a specialist fund management company with £17.9 billion in assets under management as at 18 November. The Company takes pride in having a distinct culture and approach to running money.

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

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

# Manager's Investment Report

### Investment objective and policy

The investment objective of Liontrust Special Situations Fund is to provide long-term (at least 5 years) capital growth.

To achieve this aim, the Fund will invest primarily in a concentrated portfolio of UK companies' shares. The Fund will invest where the fund manager believes there are the greatest opportunities to provide long-term capital growth. The Fund will not be restricted in choice of investment by either size or sector. The Fund may also invest in transferable securities, money market instruments, warrants, cash and near cash and deposits. The Fund may also invest up to 10% of its property in units or shares in collective investment schemes. The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

### Manager's Investment Report (continued)

#### Performance of the Fund

In the period to 30 November 2019 an investment in the Fund returned 3.8% (retail class) and 4.3% (institutional class). This compares with a 5.8% return from the FTSE All-Share Index, the benchmark index, and 6.8% from the IA UK All Companies sector.

From the Fund's launch on 10 November 2005 to 30 November 2019, an investment in the Fund rose by 407.0% (retail class) and 456.0% (primary class), compared to a rise of 148.2% in the FTSE All-Share Index, and 146.4% from the IA UK All Companies sector.

*Source: Financial Express, bid to bid basis, total return.*

*Note: The Primary Class Track Record is an amalgamation of two histories - performance returns prior to 28 January 2013 use the highest charging existing retail class and performance returns since this date use the Fund's institutional class.*

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

## Manager's Investment Report (continued)

### Risk and Reward profile

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



- The Synthetic Risk and Reward Indicator ("SRRI") is based upon historical data and may not be relied upon to gauge the future risk profile of the Fund.
- The SRRI shown is not guaranteed to remain the same and may shift over time.
- The lowest category (1) does not mean 'risk free'.
- The Fund's risk and reward category has been calculated using the methodology set by the European Commission. It is based upon the rate by which the Fund or a representative fund or Index's value has moved up and down in the past.
- The Fund is categorised 5 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.
- The Fund may encounter liquidity constraints from time to time. 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.
- The Fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

Further details may be found in the prospectus and information on the investment process may be found at [www.liontrust.co.uk](http://www.liontrust.co.uk).



## Manager's Investment Report (continued)

### The Market

The FTSE All-Share Index returned 5.8% in the six months to 30 November 2019.

Despite signs of a softer economic backdrop, global equity markets were able to register gains across the six months, helped by key central banks' resumption of expansionary monetary policies. Having raised interest rates four times in 2018, the US Federal Reserve cut interest rates three times between August and October. The European Central Bank also announced an interest rate cut and the revival of quantitative easing as Mario Draghi ended his term as president and Christine Lagarde took over at the helm.

The trade war between the US and China has been a contributory factor to the economic slowdown. This was a dominant feature of the review period, with the two countries levying additional tariffs, before later engaging in negotiations in an attempt to de-escalate the dispute.

In the UK, Brexit uncertainty persisted. The pound fluctuated as investors tried to determine the chances of a 'no deal' Brexit. In October, Boris Johnson secured parliament's approval for his deal, but failed in attempts to have it implemented by the 31 October deadline – instead being forced to request a three-month extension from the EU. In response, Johnson called a general election for 12 December.

### The Fund

The Fund returned 4.3% (institutional class) in the six months to 30 November 2019, compared to the FTSE All-Share Index's 5.8% return and the 6.8% average return from funds in the IA UK All Companies sector.

The key geopolitical issues during the period – the US/China trade war and Brexit – generated a substantial amount of noise for investors to digest, but uncertainty surrounding these issues did not prevent the UK stockmarket from rising over the six months. Developments in the Brexit saga did however lead to some notable market trends in September and October. The prospect of some form of resolution prompted a rally in domestically exposed cyclical companies at the expense of stocks perceived as possessing more defensive growth appeal. Some of the portfolio's large-cap holdings, such as **Diageo** (-3.6%), **Unilever** (-3.9%) and **Reckitt Benckiser** (-3.3%) were caught up in this rotation and contributed to the Fund slightly lagging the index over the six-month period.

The strongest stock-specific contributions to Fund performance included: **GlobalData** (+65.1%), **TP ICAP** (+43.0%), **Domino's Pizza** (+34.1%), **AstraZeneca** (+29.2%) and **TI Fluid Systems** (+26.0%).

**GlobalData's** share price shot higher in June and October without any specific catalyst. The data analytics and consulting company did release interim results in July showing that it swung to a £5.2m pre-tax profit, compared to a £4.2m loss last year. Recurring revenue also rose to 76% of group revenues, which, as a whole, grew 18%.

Interdealer broker **TP ICAP** stated in November that it recorded a 17% year-on-year jump in revenue during the three months ended 30 September, which reflected favourable market conditions. Revenue growth was particularly strong in the company's Energy & Commodities and Institutional Services divisions. Despite the strong results, TP ICAP stopped short of upgrading its full-year guidance of low single-digit revenue growth due to ongoing geopolitical uncertainties.

A Q3 trading statement, which included the announcement of an orderly exit from its international operations, helped lift shares in **Domino's Pizza**. The underwhelming performance of its international division has weighed on the outlook for the business for some time. During Q3, the division registered a sales drop of 2.7%, although growth of 3.9% in its much larger UK and Republic of Ireland store network drove a solid overall total sales increase of 3.4%.

Interim results from **AstraZeneca** gave investors plenty of cause for optimism, with the pharma giant upgrading its 2019 sales growth guidance from a "high single digit" to "low double digit" percentage. During the six months, sales rose 17% in constant currency terms to US\$11.2bn while gross margin improved by two percentage points to 80%. The company commented that the sales acceleration was attributable to new medicines, five of which it anticipates to reach blockbuster status (sales > US\$1bn) this year.

**TI Fluid System's** third quarter earnings showed the group was outperforming a weak global light vehicle market. The company, which makes automotive fluid systems in light vehicles, said group revenue during the three months to 30 September 2019 rose 0.9% year-on-year, compared to a 2.2% drop in global light vehicle production. The group maintained its full-year outlook.

The biggest detractors from the Fund's performance included: **ECO Animal Health** (-38.5%), **Craneware** (-17.0%), **Hargreaves Lansdown** (-16.9%), **EMIS** (-9.6%) and **Royal Dutch Shell** (-8.6%).



## Manager's Investment Report (continued)

### The Fund (continued)

**ECO Animal Health's** shares dropped after it warned that the outbreak of African Swine Fever had significantly weighed on its operations in China. The producer of animal pharmaceuticals issued a trading update in November which stated that interim results were expected to be below last year's level. China-US trade tensions exacerbated the situation as US swine producers had limited ability to increase exports to capitalise on the pork shortage in China. Eco Animal Health's sales to China fell 60% year-on-year. Eco Animal Health also commented that the appointment of new auditors had helped uncover accounting issues which would likely require the restatement of its last two set of results.

**Craneware** issued a trading statement highlighting sluggish sales growth in the second half of the year. The US healthcare-focused software provider stated new product launches on its Trisus platform had seen a slower than anticipated uptake by clients in the second half of the company's financial year and, as a result, full-year revenue growth was expected to be around 6%. The company met this guidance when it issued full-year results in September, causing a brief rebound in shares.

Shares in **Hargreaves Lansdown** came under pressure following the suspension of the Woodford Equity Income Fund, which was a constituent of the Hargreaves Wealth 50 list and a holding in some of its Multi-Manager funds. While this has caused some reputational damage to Hargreaves Lansdown, a trading update released in October showed that underlying trading had been solid. In the quarter to 30 September, it recorded net new business of £1.7bn as its client base rose by 35,000. Although it recognises that new business was suppressed by Brexit and political uncertainty, its total assets under administration still rose 2.5% to £102bn over the quarter.

**EMIS** shares briefly hit an all time high during the review period before sliding. The healthcare software and systems company reported a marginal decline in operating profit during the first half of 2019, declining 4% as revenue growth was offset by investment in EMIS-X software platform and one-off reorganisation costs.

**Royal Dutch Shell's** share price was hit by underwhelming interim results. The company cited "challenging macroeconomic conditions in refining and chemicals as well as lower gas prices". Current cost of supply earnings attributable to shareholders excluding identified items were down 26% year-on-year to US\$3.46bn in the second quarter. This was despite a 4% rise in total production. Identified items included impairments and write-offs in Trinidad and Tobago and Australia as well as some one-off gains.

### Portfolio Activity

The only stock to exit the portfolio was **StatPro**, which delisted on completion of Confluence Technologies' 230p a share acquisition.

The Fund added a number of positions in smaller companies during the review period: **IG Design**, **JTC**, **Keywords Studios**, **Learning Technologies** and **Robert Walters**.

**IG Design** is one of the world's largest suppliers of gifting materials such as wrapping paper and crackers. Its Economic Advantage is derived from its distribution network, which enables it to handle the logistics of supplying large customers such as Walmart.

Jersey-headquartered fund administrator **JTC** has assets under administration of over US\$110bn. The company possesses an Economic Advantage core intangible asset in the form of its high level of recurring income.

**Keywords Studios** provides support services such as artwork and localisation services (e.g. translation) to video games publishers. It has a very good distribution network with offices around the globe, allowing it to capture a large share of the market.

**Learning Technologies** is a specialist e-learning company which we believe possesses substantial intellectual property. It plans to consolidate the sector through acquisition and recently completed a reverse acquisition of PeopleFluent (a provider of cloud-based recruitment and HR solutions) that more than doubled its revenues and boosted its presence in the US.

International recruitment company **Robert Walters** has a very strong distribution network covering 31 countries and generates almost three quarters of net fee income outside of the UK.

### Manager's Investment Report (continued)

#### Outlook

While we make no attempt to forecast the macroeconomic outlook, we are attentive to the current landscape via day-to-day company news flow. Regardless of the outcome of Brexit – one of the factors that has driven investor sentiment on the UK market recently – the global economic backdrop is one beset by uncertainty. The Trade Wars are, of course, the highest profile of these global risk factors. Given the current macroeconomic state of play, we think that the characteristics of the investment process – identifying dependable companies with barriers to competition and pricing power – are likely to be as valuable as ever.

During periods of market or economic uncertainty, it is more important than ever to concentrate on company fundamentals rather than macro noise. The Economic Advantage investment process is unashamedly bottom-up, focusing on the identification of long-term compounders which generate profits, have solid balance sheets and positive cash flow to underpin their market valuation. While some of these companies will of course be affected by the economic backdrop, we expect them to perform well over the long term.

#### Anthony Cross & Julian Fosh

Fund Managers

December 2019


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

## Authorised Status

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

## Certification of Financial Statements by Partners of the Manager

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



**John Ions**

Chief Executive



**Antony Morrison**

Partner, Head of Finance

Liontrust Fund Partners LLP  
16th January 2020

## Performance Tables (unaudited)

as at 30 November 2019

### Net Asset Value

Advised Income	30.11.2019	31.5.2019	31.5.2018	31.5.2017
Closing net asset value (£'000)	9,500	9,410	7,765	6,354
Closing number of units	2,143,105	2,211,460	1,864,411	1,679,485
Closing net asset value per unit (p)	443.30	425.50	416.47	378.33

### Institutional Accumulation\*

Closing net asset value (£'000)	328,695	158,345	n/a	n/a
Closing number of units	303,726,990	152,853,779	n/a	n/a
Closing net asset value per unit (p)	108.22	103.59	n/a	n/a

### Institutional Income

Closing net asset value (£'000)	4,451,403	4,150,486	3,369,169	2,542,824
Closing number of units	998,783,180	971,492,218	805,787,842	669,606,993
Closing net asset value per unit (p)	445.68	427.23	418.12	379.75

### Mandate Income\*\*

Closing net asset value (£'000)	387,186	324,802	n/a	n/a
Closing number of units	364,958,686	319,860,000	n/a	n/a
Closing net asset value per unit (p)	106.09	101.55	n/a	n/a

### Retail Income

Closing net asset value (£'000)	202,957	198,992	210,235	216,855
Closing number of units	46,169,236	46,981,035	50,695,703	57,530,075
Closing net asset value per unit (p)	439.59	423.56	414.70	376.94

\* The Institutional Accumulation unit class was launched on 5 July 2018.

\*\* The Mandate Income unit class was launched on 4 June 2018.



## Portfolio Statement (unaudited)

as at 30 November 2019

Holding	Stock description	Market value (£'000)	Percentage of total net assets (%)
<b>UNITED KINGDOM (92.34%)</b>			
<b>CONSUMER GOODS (15.72%)</b>		<b>780,714</b>	<b>14.51</b>
5,970,193	Diageo	190,151	3.53
2,455,217	IG Design	16,106	0.30
3,104,511	Reckitt Benckiser	189,717	3.52
19,941,237	Rightmove	125,111	2.33
31,554,313	TI Fluid Systems	70,997	1.32
4,118,595	Unilever	188,632	3.51
<b>Consumer Services (12.58%)</b>		<b>674,296</b>	<b>12.53</b>
9,706,191	Compass	185,388	3.45
35,463,927	Domino's Pizza	110,718	2.05
9,435,417	GlobalData	99,072	1.84
5,766,610	Next Fifteen Communications	27,218	0.51
10,319,074	RELX	194,257	3.61
10,077,424	YouGov	57,643	1.07
<b>Financials (8.35%)</b>		<b>488,616</b>	<b>9.08</b>
9,331,515	AJ Bell	37,746	0.70
1,423,426	Brooks MacDonald	27,116	0.50
6,127,221	Hargreaves Lansdown	115,130	2.14
11,533,160	IntegraFin	46,075	0.86
2,072,389	JTC	7,274	0.14
4,504,020	Mortgage Advice Bureau	30,267	0.56
6,173,260	Savills	61,547	1.14
42,096,561	TP ICAP	163,461	3.04
<b>Health Care (6.78%)</b>		<b>365,691</b>	<b>6.80</b>
1,355,783	AstraZeneca	101,575	1.89
10,247,233	CareTech	38,632	0.72
5,400,081	ECO Animal Health	11,664	0.22
12,172,402	GlaxoSmithKline	213,820	3.97

# Portfolio Statement (unaudited) (continued)

as at 30 November 2019

Holding	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>Industrials (26.95%)</b>	<b>1,515,030</b>	<b>28.16</b>
37,498,099	AA	16,529	0.31
15,455,082	Aggreko	129,143	2.40
9,852,776	Clipper Logistics	29,411	0.55
107,849,274	Coats	78,191	1.45
2,564,039	Intertek	141,535	2.63
1,864,592	Keywords Studios	26,514	0.49
19,291,769	Learning Technologies	23,266	0.43
24,858,420	PageGroup	120,166	2.23
6,718,131	PayPoint	69,197	1.29
3,060,329	Renishaw	121,801	2.26
2,863,309	Robert Walters	14,288	0.27
40,773,349	Rotork	135,164	2.51
22,750,916	RWVS	148,336	2.76
9,307,626	Smart Metering Systems	49,191	0.91
4,788,203	Spectris	135,410	2.52
1,892,258	Spirax-Sarco Engineering	169,546	3.15
7,572,647	Weir	107,342	2.00
	<b>Oil &amp; Gas (9.39%)</b>	<b>463,044</b>	<b>8.61</b>
40,075,136	BP	193,904	3.61
9,316,226	Plexus	2,329	0.04
8,801,614	Royal Dutch Shell 'B'	195,132	3.63
19,531,097	Wood (John)	71,679	1.33
	<b>Technology (10.33%)</b>	<b>501,278</b>	<b>9.32</b>
981,442	Accesso Technology	5,103	0.10
5,891,009	Bango	7,482	0.14
3,327,918	Bond International Software*	0	0.00
2,479,057	Craneware	59,745	1.11
28,300,642	Dotdigital	25,471	0.47
6,079,455	EMIS	63,470	1.18
20,163,962	Ideagen	36,093	0.67
7,016,746	IMImobile	22,454	0.42
10,392,281	iomart	36,269	0.67
8,930,903	Kainos	53,050	0.99
25,221,989	Sage	192,141	3.57

## Portfolio Statement (unaudited) (continued)

as at 30 November 2019

Holding	Stock description	Market value (£'000)	Percentage of total net assets (%)
	<b>Telecommunications (2.24%)</b>	<b>115,646</b>	<b>2.15</b>
9,288,812	<i>Gamma Communications</i>	115,646	2.15
	<b>Portfolio of investments</b>	<b>4,904,315</b>	<b>91.16</b>
	<b>Net other assets</b>	<b>475,426</b>	<b>8.84</b>
		<b>5,379,741</b>	<b>100.00</b>

All securities are approved securities traded on eligible securities markets, as defined by the Collective Investment Scheme sourcebook, except those stocks in italics which are listed on the Alternative Investment Market.

Comparative figures shown in brackets relate to 31 May 2019.

\* Delisted securities.

# Financial Statements (unaudited)

## Statement of Total Return

for the period ended 30 November 2019

		1.6.2019 to 30.11.2019		1.6.2018 to 30.11.2018
	(£'000)	(£'000)	(£'000)	(£'000)
Income				
Net capital gains/(losses)		172,724		(181,862)
Revenue	60,932		43,931	
Expenses	(22,291)		(17,141)	
Interest payable and similar charges	(15)		—	
Net revenue before taxation	38,626		26,790	
Taxation	—		—	
Net revenue after taxation		38,626		26,790
<b>Total return before distributions</b>		<b>211,350</b>		<b>(155,072)</b>
Distributions		—		—
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>211,350</b>		<b>(155,072)</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the period ended 30 November 2019

		1.6.2019 to 30.11.2019		1.6.2018 to 30.11.2018
	(£'000)	(£'000)	(£'000)	(£'000)
<b>Opening net assets attributable to unitholders</b>		<b>4,842,035</b>		<b>3,587,169</b>
Amounts received on issue of units	902,885		698,806	
Amounts paid on cancellation of units	(576,529)		(54,387)	
		326,356		644,419
Dilution adjustment		—		2,699
Change in net assets attributable to unitholders from investment activities (see above)		211,350		(155,072)
<b>Closing net assets attributable to unitholders</b>		<b>5,379,741</b>		<b>4,079,215</b>

The opening net assets attributable to unitholders for the current period do not equal the closing net assets attributable to unitholders for the comparative period as they are not consecutive periods.



## Financial Statements (unaudited) (continued)

## Balance sheet

as at 30 November 2019

	30.11.2019 (£'000)	31.5.2019 (£'000)
<b>Assets</b>		
<b>Fixed Assets</b>		
Investments	4,904,315	4,471,052
<b>Current assets:</b>		
Debtors	50,537	86,109
Cash and cash equivalents	446,062	402,348
<b>Total other assets</b>	<b>496,599</b>	<b>488,457</b>
<b>Total assets</b>	<b>5,400,914</b>	<b>4,959,509</b>
<b>Liabilities</b>		
Distribution payable	—	(85,496)
Other creditors	(21,173)	(31,978)
<b>Total other liabilities</b>	<b>(21,173)</b>	<b>(117,474)</b>
<b>Total liabilities</b>	<b>(21,173)</b>	<b>(117,474)</b>
<b>Net assets attributable to unitholders</b>	<b>5,379,741</b>	<b>4,842,035</b>

## Accounting Policies

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

## Additional Information

**Trust Deed:** The Fund was established by a Trust Deed made between the Manager and the Trustee dated 5 September 2005.

**Prospectus:** Copies of the Fund's Prospectus are available free of charge from the Manager upon request, and from our website, [www.liontrust.co.uk](http://www.liontrust.co.uk).

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

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

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

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

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

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

Initial charge	%	Ongoing charges figure*	%	Included within the OCF is the Annual Management Charge**	%
Advised Income	up to 2	Advised Income	1.12	Advised Income	1.00
Institutional Accumulation	Nil	Institutional Accumulation	0.87	Institutional Accumulation	0.75
Institutional Income	Nil	Institutional Income	0.87	Institutional Income	0.75
Mandate class	Nil	Mandate class	0.81	Mandate class	0.65
Retail Income	up to 5	Retail Income	1.87	Retail Income	1.75

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

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

\*\* These are the annual costs of running and managing the Fund.

## Additional Information (continued)

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

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

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

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

**Securities Financing Transactions Regulation:** The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions ("SFTs") or total return swaps will be required on all reports & accounts published after 13 January 2017. During the period to 30 November 2019 and at the balance sheet date, the fund did not use SFTs or total return swaps, as such no disclosure is required.

**Changes to the Company:** There have been no changes to the Company throughout the financial period.

**Important information:** It is important to remember that the price of units, and the income from them, can fall as well as rise and is not guaranteed and that investors may not get back the amount originally invested. Past performance is not a guide to future performance. The issue of units may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard unit trust investment as long term.



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Liontrust Fund Partners LLP is authorised and regulated by the Financial Conduct Authority.