LIONTRUST SUSTAINABLE FUTURE ICVC

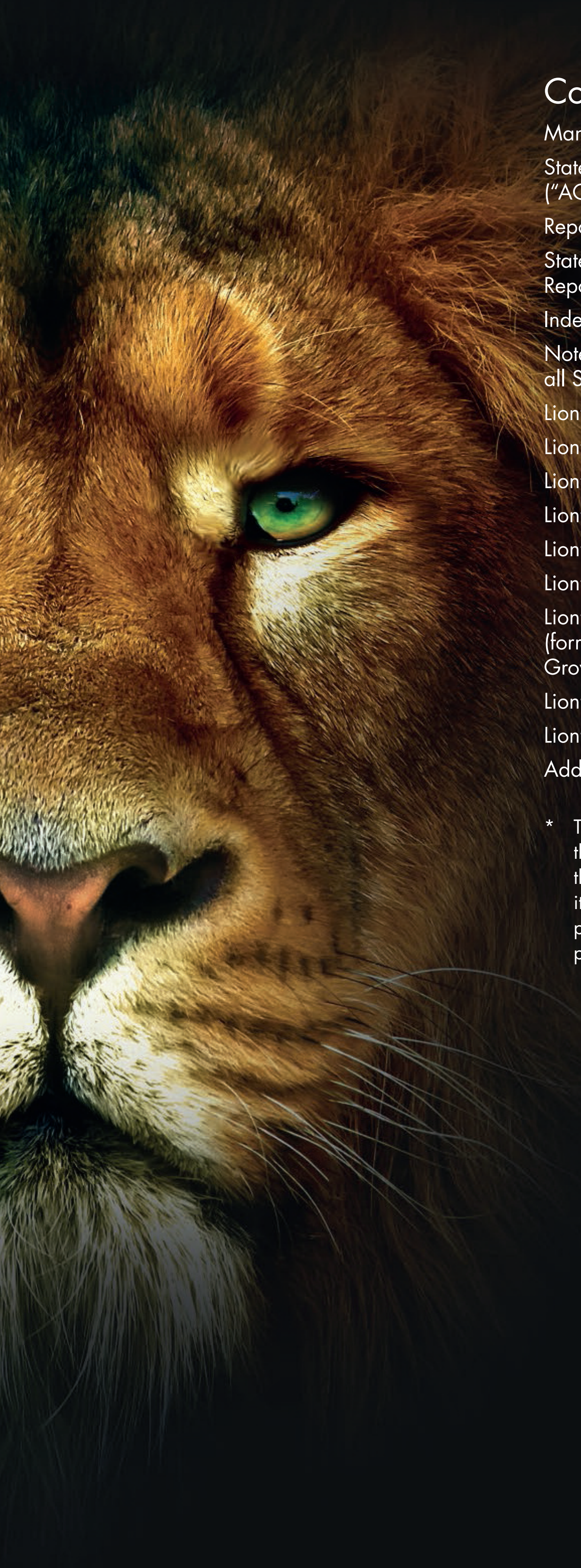
Annual Report &
Financial Statements

For the year:
1 February 2019
to
31 January 2020

Managed in accordance with
The Liontrust Sustainable Future Process

LIONTRUST FUND PARTNERS LLP

LIONTRUST



Contents

* The Authorised Corporate Director's Report in accordance with the Investment Management Association (IMA) SORP (2014) and the Collective Investment Schemes Sourcebook comprises those items denoted above along with the Investment objective and policy, Investment review, Portfolio Statement and Material portfolio changes of each sub-fund.

Management and Administration

Management and Administration

The Authorised Corporate Director ("ACD") of Liontrust Sustainable Future ICVC (the "Company") is:

Liontrust Fund Partners LLP

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

Liontrust Investment Partners LLP
2 Savoy Court
London WC2R 0EZ
Authorised and regulated by the FCA.

Depositary

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).

Auditor

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

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).

Management and Administration (continued)

Company Information

The Company is an open-ended investment company ("OEIC") with variable capital under regulation 12 of the Open-Ended Investment Company Regulations 2001, incorporated in England and Wales under registered number IC 89 and authorised by the Financial Conduct Authority on 29 January 2001. At the year end the Company offered nine Sub-funds, the Liontrust Sustainable Future Managed Growth Fund, the Liontrust Sustainable Future Cautious Managed Fund, the Liontrust Sustainable Future Corporate Bond Fund, the Liontrust Sustainable Future Defensive Managed Fund, the Liontrust Sustainable Future European Growth Fund, the Liontrust Sustainable Future Global Growth Fund, the Liontrust Sustainable Future Managed Fund, the Liontrust Sustainable Future UK Growth Fund and the Liontrust UK Ethical 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.

Remuneration policy (Unaudited)

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 by to all relevant UCITS code staff

	Headcount	Total Remuneration (£'000)
ACD UK Staff[1]	**42**	**4,814**
of which		
Fixed remuneration	42	3,283
Variable remuneration	42	1,531
UCITS Aggregate Remuneration Code Staff[1,2]	**6**	**2,211**
of which		
Senior Management	2	853
Other control functions:		
Other code staff/risk takers	4	1,358

[1] The ACD's UK staff costs have been incurred by another Group entity and allocated to the ACD. The most appropriate measure of staff costs are those staff who are members of Liontrust Investment Partners LLP or Group staff who are employed by LAM but have their costs apportioned to the LLP. The information has been disclosed on an annualized basis.

[2] UCITS Aggregate Remuneration Code Staff applies only in respect of the provision of services to UCITS funds rather than their total remuneration in the year. For senior management and control function staff, remuneration is apportioned on the basis of assets under management for UCITS funds versus the total Group 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 January 2020 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

Assessment for Value

The regulator the 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 and the first one will be available no later than 31 January 2021.

Changes to the Company

On 4 February 2020, the addition of Mandate Accumulation and Mandate Income share classes were launched, within Liontrust Sustainable Future UK Growth Fund.

On 10 February 2020 the Liontrust Sustainable Future Absolute Growth Fund was renamed Liontrust Sustainable Future Managed Growth Fund.

Changes to the Prospectus

On 1 April 2020 the Prospectus was updated to reflect that the minimum initial subscription increased from £10m to £200m and the minimum holding increased from £10m to £150m in share classes 3, 7 and Z.

Holdings in Other Funds of the Company

As at 31 January 2020, the following Liontrust Sustainable Future ICVC Funds held shares in the Liontrust Sustainable Future Corporate Bond Fund.

Fund	Holdings	Market value (£'000)
Liontrust Sustainable Future Cautious Managed Fund	7,647,358	9,019
Liontrust Sustainable Future Defensive Managed Fund	17,443,144	20,571

Management and Administration (continued)

Statement of the Authorised Corporate Director's Responsibilities

The ACD of the Company is responsible for preparing the Annual Report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the FCA's Collective Investment Schemes Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law") and the Statement of Recommended Practice: Financial Statements of Authorised Funds issued by the Investment Management Association (now known as the Investment Association) ("IMA SORP") in May 2014; and
- give a true and fair view of the financial position of the Company and its Sub-funds as at the end of that period and the net revenue and the net capital gains or losses on the property of the Company and its Sub-funds for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, applicable law and the IMA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the applicable IMA SORP and United Kingdom Accounting Standards and applicable law.

The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8R, the Annual Report and the audited financial statements were approved by the Members of the ACD of the Company and authorised for issue on 29 May 2020.

Report of the ACD to the Shareholders

The ACD, as sole director, presents its report and the audited financial statements of the Company for the year from 1 February 2019 to 31 January 2020.

The Company is a UCITS scheme which complies with the FCA's Collective Investment Schemes sourcebook. The shareholders are not liable for the debts of the Company.

The investment objectives and policies of each Sub-fund of the Company are covered in the section for each Sub-fund. The names and addresses of the ACD, the Depositary and the Auditor are detailed on page 3.

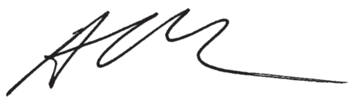
In the future there may be other Sub-funds of the Company.

The ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Sub-funds consist predominantly of securities that are readily realisable and, accordingly, the Sub-funds have adequate financial resources to continue in operational existence for the foreseeable future.

Management and Administration (continued)

Member's Statement

In accordance with COLL 4.5.8BR, we hereby certify the Annual report and the financial statements were approved by the management committee of members of the ACD and authorised for issue on 29 May 2020.



Antony Morrison

Member

29 May 2020

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

To the Shareholders of Liontrust Sustainable Future ICVC ("the Company") for the year ended 31 January 2020.

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) (the OEIC Regulations), 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[1] and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is 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 Corporate Director ("the ACD") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the 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, 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.

For and on behalf of The Bank of New York Mellon (International) Limited

29 May 2020

[1]This requirement on the Depositary applied from 18 March 2016.

Independent Auditors' Report to the Shareholders of Liontrust Sustainable Future ICVC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Liontrust Sustainable Future ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each of the Sub-funds as at 31 January 2020 and of the net revenue and the net capital gains on the scheme property of the Company and each of the Sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Liontrust Sustainable Future ICVC is an Open Ended Investment Company ("OEIC") with nine sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 31 January 2020; the statements of total return and the statements of changes in net assets attributable to shareholders for the year then ended; the distribution tables; and the notes applicable to the financial statements of all sub-funds, which include a description of the significant accounting policies and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's and its sub-funds' 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the Sub-funds' ability to continue as a going concern.

Independent Auditors' Report to the Shareholders of Liontrust Sustainable Future ICVC (continued)

Report on the audit of the financial statements (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report to the shareholders for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities set out on page 7, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine 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 Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds 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 Authorised Corporate Director either intends to wind up or terminate the company or individual Sub-fund, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent Auditors' Report to the Shareholders of Liontrust Sustainable Future ICVC (continued)

Responsibilities for the financial statements and the audit (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Edinburgh

29 May 2020

Notes applicable to the financial statements of all Sub-funds

for the year ended 31 January 2020

1 Accounting Policies

a) Basis of accounting

The financial statements of the Company comprise the financial statements of each of the Sub-funds and have been prepared on a going concern basis in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Statement of Recommended Practice "Financial Statements of UK Authorised Funds" issued by the IMA (now known as the Investment Association) in May 2014 (the "SORP") and updated in June 2017.

b) Valuation of investments

The valuation of the Sub-funds' listed investments is based on the bid-market prices, excluding any accrued interest in the case of debt securities, at the close of business on the last day of the accounting year on 31 January 2020, in accordance with the provisions of the Prospectus. Unquoted securities are valued by the ACD on a fair value basis taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

For Collective Investment Schemes managed by other management groups, investments are valued at the bid price for dual priced Funds and at the single price for single priced Funds. Valuations should take into account any agreed rate of redemption charge.

c) Revenue

Dividends on quoted ordinary shares, collective investment schemes and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared.

Interest on bank balances and deposits is recognised on an accruals basis.

Revenue arising on debt securities is accreted or amortised over the life of such securities and recognised at a consistent rate over the life of the instrument (effective yield basis). Future cash flow on all debt securities are considered when calculating revenue on an effective yield basis and where purchase costs are considered to reflect incurred credit losses, such losses are taken into account so that interest is recognised at a reasonably expected commercial rate.

Accrued interest purchased and sold on debt securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Sub-fund.

All revenue is recognised at a gross amount that includes any withholding taxes but excludes any other taxes, such as attributable tax credits.

Returns from derivative securities are taken to capital and/or revenue depending on the motive and circumstances surrounding the particular transaction. The net revenue/expense on derivative positions are recognised as revenue and form part of the Sub-funds' distribution.

Notes applicable to the financial statements of all Sub-funds (continued)

for the year ended 31 January 2020

1 Accounting Policies (continued)

d) Rebates of ACD fees

Rebates of ACD fees are recognised on an accrual basis. These rebates are treated as revenue or capital based on the underlying fund's treatment of the ACD fees.

e) Expenses

Expenses are recognised on an accruals basis. The operating expenses of the fund are paid out of the Fixed Rate Administration fee by the ACD.

f) Allocation of income and expenses to multiple share classes

The allocation of income and expenses to each share class is based on the proportion of the Sub-funds' assets attributable to each share class on the day the income is earned or the expense is incurred. The ACD's periodic charge is allocated at a fixed rate based on the net asset value of the respective Sub-funds.

g) Taxation

Corporation tax is charged at 20% of the income liable to corporation tax, less expenses. Deferred tax is provided for at the rate at which taxation is likely to become payable in respect of all timing differences between the accounting and taxation treatment of items.

h) Exchange rates

Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of the transaction. Investments and other assets and liabilities denominated in foreign currencies are translated into Sterling at the exchange rates applicable at the end of the accounting period.

i) Financial instruments

Where appropriate, certain permitted financial instruments such as derivative contracts or forward exchange contracts are used for the purpose of efficient portfolio management. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived there from are included in "Revenue" or "Expenses" in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the returns derived there from are included in "Net capital gains/(losses) on investments" in the Statement of Total Return. Any positions in respect of such instruments open at the year end are reflected in the portfolio statement at their market value. Where positions generate total returns, such returns are apportioned between capital and revenue to properly reflect the nature of the transaction. The amounts held at futures clearing houses in respect of these financial instruments are included in the cash and bank balances and detailed in the Notes to the Financial Statements. Transaction costs associated with derivatives are charged to revenue when incurred. All forward contracts outstanding at financial reporting dates are marked to market. Some of the Sub-funds may enter into permitted transactions such as derivative contracts or forward currency transactions as outlined in the relevant Investment Objective and Policy of the Sub-fund.

Derivative financial instruments are initially recorded at transaction value on the date on which the derivative contract is entered into. All contracts outstanding at the financial reporting date are carried at a value provided by independent pricing providers.

Notes applicable to the financial statements of all Sub-funds (continued)

for the year ended 31 January 2020

1.1 Distribution policies

j) Basis of distribution

The net revenue available for distribution at the end of each distribution period will be paid as a dividend or interest distribution. Should the expenses of a Sub-fund (including taxation) exceed the revenue of a Sub-fund, there will be no distribution and the shortfall will be set against the capital of a Sub-fund.

Any revenue attributable to accumulation shareholders is retained within a Sub-fund at the end of the distribution period and represents a reinvestment of income on behalf of the accumulation shareholders.

The Sustainable Future Corporate Bond Fund distributes on a coupon basis. The revenue within the financial statements is calculated on an effective yield basis.

The ACD's fees and expenses are charged against income in respect of all the Sub-funds except for Liontrust Sustainable Future Cautious Managed Fund and Liontrust Sustainable Future Defensive Managed Fund where the ACD's fees and expenses are charged against capital.

If a Class's expenses in any period exceed the income attributable to it, the ACD may take that excess from the capital property attributable to that Class.

k) Equalisation

Equalisation on distribution from collective investment scheme is deducted from cost of investment and does not form part of the Sub-fund's distribution.

l) Stock dividends

The ordinary element of a stock dividend is recognised as revenue to the extent that its market value is equivalent to the market value of the underlying shares on the date the shares are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash value of the dividend will be taken to the capital of a Sub-fund. The ordinary element of the stock dividend is treated as revenue and forms part of the distribution.

m) Special dividends and share buy backs

On investments held by the Sub-funds, special dividends and share buy backs are treated as repayments of capital except where there is sufficient evidence to indicate that they should be treated, in whole or in part, as revenue. Amounts recognised as revenue will form part of the distribution. The tax treatment will follow the accounting treatment of the receipt.

2 Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (prior year: £nil).

Sustainable Future Cautious Managed Fund

Report for the year from 1 February 2019 to 31 January 2020

Investment objective and policy

The Sub-fund aims to deliver capital growth over the long term (5 years or more).

The Sub-fund will invest globally. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:

Equity – 40-60 %

Fixed income – 20-50%

Cash – 0-20%

The Sub-fund may also invest in collective investment schemes including other Liontrust Funds (up to 10% of Fund assets), other transferable securities, money market instruments, warrants and deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Cautious Managed Fund (continued)

Investment review

Fund review

The SF Cautious Managed fund delivered 17.2% over the 12 months under review, compared with the IA Mixed Investment 40-85% Shares sector average of 11.8%*.

Over 2019, stock selection was once again the major contributor to performance although our asset allocation decisions also had a positive impact.

We started 2019 overweight cash and underweight UK and global equities and gradually added money back into the market over Q1, also increasing our overweight corporate bond allocation. We felt the sell-off in the final quarter of 2018 had discounted an overly negative outcome for both Brexit and the US/Chinese trade war and the reality was likely to be more moderate.

That said, we reduced our overweight equity position back to neutral over the second quarter and also brought our cash underweight back to neutral. We maintained our overweight credit/underweight Gilt position. While we still saw few signs of a recession, we felt the economic up-cycle was reaching its tenth year, with key risks emerging.

We maintained this neutral equity and overweight corporate bonds and cash positioning in the third quarter but took the decision mid-October to overweight equities and reduce cash to underweight. In our view, economic momentum, which had deteriorated over 2019, was set to improve. Again, we felt markets had moved to discount a negative outcome for Brexit and the trade war and equity markets offered decent valuation support for outperformance over cash over the remainder of 2019 and into 2020.

The portfolio continues to target companies that can grow as the global economy becomes more efficient, offer a higher quality of life and provide a more resilient global economy.

Spanish telecom firm Cellnex remains a consistent performer, having completed a capital increase of €1.2 billion in May to acquire further sites in France, Italy and Switzerland. Meanwhile, the company also displayed its sustainable credentials in January, upgraded to the Carbon Disclosure Project's list of the A-list of companies leading the way of combating climate change.

We believe telecoms infrastructure is the backbone of the digital economy and tower companies like Cellnex are poised to benefit from continued growth in communications. Cellnex is an important consolidator in the European market, as the telecommunication companies divest their tower assets to focus on their core business.

Elsewhere, we continue to see opportunities in the growing move towards digital payments and holdings such as Visa and Paypal feature among our stronger names.

Visa is an integral part of the global payments network, taking a very small percentage of the value of billions of transactions processed each year. The complex nature of this system, and the crucial role operational excellence plays within it, provides the company with enormous barriers to entry. This is the ultimate scale industry: cost per transaction falls steeply with growth, which results in successful companies becoming harder and harder to dislodge.

Kingspan remains a long-term contributor to returns, with the Irish insulation specialist announcing a major 10-year strategy to reduce carbon emissions by 2030. Its Planet Passionate strategy is made up of 12 targets, addressing the impact of Kingspan's business operations and manufacturing on the four key areas of energy, carbon, circularity and water. On energy for example, the target is to power 60% of all Kingspan operations directly from renewable sources, with a minimum of 20% of this generated on manufacturing sites (up from around 6% today).

During the year, the group announced a record first half, with revenue growth across all its business units. While acknowledging ongoing risks, the company continues to expand around the world, with new facilities under construction in the US, Brazil and Sweden.

Other top names included US software business Cadence Design Systems, which has continued to climb despite concerns around a cyclical slowdown in the semiconductor industry.

The company is broadening its chip design software offering to new customers, as the likes of Amazon, Google and even Tesla invest in chip design teams. Cadence's software offering is essential to this design and demand from these businesses, as well as more traditional chip manufacturing customers, will drive growth over the short and long term. This type of innovation delivers better efficiency, which is key to our *Improving the efficiency of energy usage* theme.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Fund review (continued)

London Stock Exchange was another strong contributor in what proved an eventful year for the company. In the latter months, LSE received shareholder approval for a $27bn acquisition of leading global provider of financial data Refinitiv as the group looks to broaden its trading business – and this deal has been well received by the market.

LSE is positively exposed to our *Increasing financial resilience* theme by providing valuable data to market participants as well as the infrastructure enabling financial markets to run smoothly.

Among the few stocks that detracted over the period, Norwegian metals producer Norsk Hydro continues to suffer after warning it would miss 2019 expectations due to restricted output in its Brazil facility where the company has taken action to address environmental damage and we sold the stock in October.

Cineworld has struggled despite the release of major blockbusters including Avengers: Endgame and Star Wars: The Rise of Skywalker over the year, warning on profits in December. The company continues with the integration of US cinema chain Regal and expects to extract further savings, also announcing plans to acquire Canada's cineplex in 2020.

UK commercialisation firm IP Group has been disappointing, with poor share price performance driven by the overhang of a large shareholder, which ended up as a forced seller. The company remains confident in its diverse portfolio of holdings and we continue to focus on the operational performance of the portfolio, which continues to be strong.

GW Pharmaceuticals had a weaker period despite the underlying business doing well and continuing to post solid quarterly results. Volatility in the much broader pool of cannabis-related investments appears to be dragging the company's share price down but we are not concerned by this. Most recently, we saw the news that NHS England has given the go-ahead for two of GW's cannabis-based medicines to be used for the first time, potentially providing relief for thousands of epilepsy and multiple sclerosis sufferers.

* *Source: Financial Express, primary share class, total return, net of fees and income & interest reinvested, 31.01.19-31.01.20.*

Market review

With trade wars and Brexit dominating news for the whole of 2019, it was encouraging to see long-awaited developments on both fronts in the final weeks of another year plagued by uncertainty. December's developments continued into the new year as we saw posited moves on trade and Brexit come to fruition but events in Iran and then news of a deadly respiratory illness in China both dented sentiment.

In the US, there was positive news on trade with China, with the announcement of a phase one deal stopping further tariffs due in December. Phase two discussion will be ongoing throughout 2020 and will clearly play a key role in President Trump's electioneering.

With Brexit, the supposedly iron-clad exit date of 29 March passed without resolution and we ultimately saw Theresa May give way to Boris Johnson as Prime Minister. In October, Johnson surprised markets by delivering on a Brexit deal but was unable to get this through Parliament and so called a General Election for December.

The resulting large majority for the Conservative party was well received by financial markets, with parliament passing the European Union Withdrawal Bill in the following days. The UK left the EU at the end of January but there remains much to be done during the transition period and with Johnson stating the UK would not seek an extension to the end 2020 deadline, the risk of a cliff-edge departure at the end of the year remains.

As we came into 2019, the Federal Reserve was still talking about rate hikes but economic weakness drove a turnaround in narrative. After growing signs pointing to monetary loosening, we ultimately saw the first cuts from the Fed in 11 years over the second half of the year, two in Q3 and a third in October, moving closer to a full reversal of 2018's four hikes in response to strengthening conditions.

In the UK, the Monetary Policy Committee kept interest rates on hold throughout the year, although members have voted in favour of a cut at more recent meetings. In Mark Carney's final meeting as governor at the end of January, the MPC voted 7-2 to keep rates unchanged, citing an improving global backdrop and reduction in uncertainty following Boris Johnson's election victory. This was despite markets pricing in a 50/50 chance of a rate cut and reflecting that, the MPC said it remains poised to cut rates if a post-election bounce fails to materialise.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Market review (continued)

As always, we continue to stress that whatever macro events are unfolding in the background, the underlying business fundamentals for the areas of the global market in which we invest remain strong.

Our themes are structural in nature and therefore less transient than cyclical drivers, which can change constantly. The key factor behind all our themes is the conviction that, over time, the global economy will become more sustainable.

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.

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

Past performance is not a guide to future performance.

Material portfolio changes by value

Purchases	Sales
Treasury 1.625% Gilts 22/10/2028	Rightmove
Liontrust Sustainable Future Corporate Bond Fund*	Informa
GlaxoSmithKline	Sophos
Prudential	Cellnex Telecom
3i	RELX
Kingspan	Aviva 6.125% Floating Rate Bonds 14/11/2036
Compass	Rabobank 4.625% Subordinated European Medium Term Notes 23/5/2029
London Stock Exchange	Santander 7.375% Perpetual Bonds
Abcam	Vodafone 4.875% Bonds 3/10/2078
Hargreaves Lansdown	Treasury 5% Gilts 7/3/2025

* Related party.

Sustainable Future Cautious Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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

- 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 Sub-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 Sub-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 Sub-fund or a representative fund or Index's value has moved up and down in the past.
- The Sub-fund is categorised 4 primarily because of its exposure to a diversified portfolio of equities and debt instruments.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Sub-fund. If long-term interest rates rise, the value of your shares is likely to fall.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currencies, credit and interests rates move or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions.
- The Sub-fund has holdings which are denominated in currencies other than Sterling and may be affected by movements in exchange rates. Consequently the value of an investment may rise or fall in line with the exchange rates.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability.
- 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.

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	DEBT SECURITIES (27.67%)	**50,505**	**24.10**
	UNITED KINGDOM GOVERNMENT BONDS (6.17%)	**12,375**	**5.91**
£9,600,000	Treasury 1.625% Gilts 22/10/2028	10,557	5.04
£1,730,000	Treasury 3.75% Gilts 7/9/2021	1,818	0.87
	STERLING DENOMINATED DEBT SECURITIES (18.31%)	**37,286**	**17.79**
£300,000	3i 5.75% European Medium Term Notes 3/12/2032	405	0.19
£510,000	Annington Funding 3.184% European Medium Term Notes 12/7/2029	558	0.27
£800,000	Argentum Netherlands 5.75% Bonds 15/8/2050	670	0.32
£700,000	Aroundtown 3.25% European Medium Term Notes 18/7/2027	754	0.36
£500,000	Assicurazioni Generali 6.269% Guaranteed Perpetual Subordinated Floating Rate Bonds	580	0.28
£600,000	AT&T 7% Guaranteed Senior European Medium Term Bonds 30/4/2040	973	0.46
£1,000,000	Aviva 5.125% European Medium Term Notes 4/6/2050	1,170	0.56
£200,000	AXA 5.453% Subordinated Perpetual Floating Rate Notes	229	0.11
£626,000	AXA 6.6862% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	763	0.36
£1,000,000	BNP Paribas 7.195% Guaranteed Perpetual Subordinated Floating Rate Bonds	855	0.41
£900,000	British Telecommunications 3.125% European Medium Term Notes 21/11/2031	987	0.47
£550,000	Bunzl Finance 2.25% Bonds 11/6/2025	569	0.27
£600,000	Cadent Finance 2.125% European Medium Term Notes 22/9/2028	627	0.30
£300,000	Compass 2% European Medium Term Notes 5/9/2025	315	0.15
£800,000	Coventry Building Society 6.875% Perpetual Bonds	903	0.43
£500,000	CPUK Finance 3.69% European Medium Term Notes 28/2/2047	548	0.26
£550,000	Deutsche Telekom International Finance 8.875% Guaranteed Bonds 27/11/2028	873	0.42
£260,000	Direct Line Insurance 4.75% Perpetual Bonds	254	0.12
£550,000	Dwr Cymru Financing 2.5% European Medium Term Notes 31/3/2036	617	0.30
£850,000	GlaxoSmithKline Capital 5.25% Guaranteed European Medium Term Bonds 19/12/2033	1,241	0.59
£1,600,000	HBOS Capital Funding 6.85% Perpetual Bonds	1,241	0.59
£400,000	HSBC 3% Bonds 22/7/2028	433	0.21
£600,000	HSBC 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	915	0.44
£550,000	InterContinental Hotels 3.75% European Medium Term Notes 14/8/2025	612	0.29
£1,150,000	Legal & General 5.125% Bonds 14/11/2048	1,327	0.63
£323,000	Liberty Living Finance 3.375% Bonds 28/11/2029	355	0.17

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	STERLING DENOMINATED DEBT SECURITIES (continued)		
£800,000	Logicor 2019-1 UK 1.875% Bonds 17/11/2026	819	0.39
£515,000	National Express 2.375% Bonds 20/11/2028	531	0.25
£800,000	Nationwide Building Society 5.875% Perpetual Bonds	874	0.42
£500,000	Next 3.625% Bonds 18/5/2028	551	0.26
£450,000	NGG Finance 5.625% Floating Rate Notes 18/6/2073	511	0.24
£800,000	Notting Hill Genesis 2.875% Bonds 31/1/2029	867	0.41
£650,000	Orange 8.125% Guaranteed Senior European Medium Term Bonds 20/11/2028	996	0.48
£800,000	Pension Insurance 5.625% Bonds 20/9/2030	932	0.45
£300,000	Places for People Homes 5.875% European Medium Term Notes 23/5/2031	404	0.19
£1,150,000	Prudential 5.625% Bonds 20/10/2051	1,357	0.65
£1,200,000	Rabobank 4.625% Subordinated European Medium Term Notes 23/5/2029	1,463	0.70
£400,000	Severn Trent Water Utilities 6.25% Guaranteed Bonds 7/6/2029	562	0.27
£600,000	SP Transmission 2% Bonds 13/11/2031	623	0.30
£600,000	SSE 3.875% Perpetual Bonds	606	0.29
£1,600,000	Standard Chartered 5.125% Subordinated European Medium Term Notes 6/6/2034	1,992	0.95
£900,000	Telefónica Emisiones 5.375% Guaranteed European Medium Term Bonds 2/2/2026	1,095	0.52
£800,000	Verizon Communications 3.375% Bonds 27/10/2036	947	0.45
£1,000,000	Vodafone 5.9% Guaranteed Senior European Medium Term Bonds 26/11/2032	1,453	0.69
£675,000	Western Power Distribution 3.5% Bonds 16/10/2026	733	0.35
£480,000	WM Morrison Supermarkets 4.75% European Medium Term Notes 4/7/2029	596	0.28
£450,000	Yorkshire Water Services Odsal Finance 6.454% Guaranteed Bonds 28/5/2027	600	0.29
	UNITED STATES DOLLAR DENOMINATED DEBT SECURITIES (3.19%)	**844**	**0.40**
$800,000	HSBC Bank 2.1875% Perpetual Floating Rate Note	499	0.24
$200,000	Lloyds Bank 12% Perpetual Bonds	186	0.09
$200,000	SCOR 5.25% Perpetual Bonds	159	0.07

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (64.17%)	**127,666**	**60.90**
	AUSTRALIA (0.89%)	**1,831**	**0.87**
11,554	CSL	1,831	0.87
	CHANNEL ISLANDS; GUERNSEY (0.93%)	**1,671**	**0.80**
1,267,854	Renewables Infrastructure	1,671	0.80
	DENMARK (0.59%)	**1,485**	**0.71**
26,446	Ringkjoebing Landbobank	1,485	0.71
	GERMANY (2.00%)	**2857**	**1.36**
20,445	Hella Hueck	731	0.35
48,789	Infineon Technologies	801	0.38
21,742	Puma	1,325	0.63
	HONG KONG (0.57%)		
	IRELAND; REPUBLIC OF (2.66%)	**6,556**	**3.13**
15,530	Kerry class 'A' shares	1,499	0.71
60,610	Kingspan	2,841	1.36
84,340	Smurfit Kappa	2,216	1.06
	ITALY (0.50%)	**1,677**	**0.80**
46,549	Banca Generali	1,124	0.54
58,594	Technogym	553	0.26
	JAPAN (2.66%)	**5,956**	**2.84**
1,859	Canadian Solar Infrastructure Fund	1,551	0.74
15,200	Daikin	1,662	0.79
4,000	Keyence	1,045	0.50
5,565	Shimano	656	0.31
20,200	TechnoPro	1,042	0.50

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	NETHERLANDS (0.92%)	**2,127**	**1.01**
5,500	ASML	1,176	0.56
14,400	InterXion	951	0.45
	NORWAY (0.91%)		
	SPAIN (0.95%)	**1,398**	**0.67**
37,017	Cellnex Telecom	1,398	0.67
	SWEDEN (0.55%)	**912**	**0.43**
122,536	Svenska Handelsbanken series 'A' shares	912	0.43
	SWITZERLAND (0.75%)	**1,341**	**0.64**
5,257	Roche Holding	1,341	0.64
	UNITED KINGDOM (30.90%)	**62,478**	**29.81**
224,942	3i	2,482	1.18
173,739	Abcam	2,422	1.16
1,191,203	Aquila European Renewables Income Fund	1,051	0.50
691,120	Cineworld	1,225	0.58
134,494	Compass	2,524	1.20
229,286	Countryside Properties	1,118	0.53
407,924	Crest Nicholson	2,038	0.97
41,823	Croda International	2,084	0.99
389,052	DFS Furniture	1,085	0.52
191,934	GB	1,363	0.65
782,442	GCP Infrastructure Investments Fund	1,001	0.48
211,149	GlaxoSmithKline	3,767	1.80
933,682	Greencoat UK Wind	1,326	0.63
12,520	GW Pharmaceuticals ADR (each representing 12 ordinary share)	1,097	0.52

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
434,094	Gym	1,283	0.61
112,148	Hargreaves Lansdown	1,934	0.92
36,832	Intertek	2,121	1.01
963,712	IP	663	0.32
1,203,044	John Laing Environmental Assets	1,414	0.68
651,134	Legal & General	1,989	0.95
7,647,358	Liontrust Sustainable Future Corporate Bond Fund*	9,019	4.30
38,180	London Stock Exchange	2,991	1.43
844,570	NextEnergy Solar Fund	1,001	0.48
106,407	Oxford Biomedica	638	0.31
263,896	Paragon	1,339	0.64
190,365	Porvair	1,496	0.71
971,094	PRS REIT	874	0.42
187,148	Prudential	2,530	1.21
1,606,907	SDCL Energy Efficiency Income Trust	1,751	0.84
70,702	Softcat	814	0.39
174,055	St. James's Place Capital	1,991	0.95
223,166	Trainline	1,050	0.50
43,301	Unilever	1,963	0.94
1,377,142	US Solar Fund	1,034	0.49
	UNITED STATES OF AMERICA (18.39%)	**37,377**	**17.83**
5,300	Adobe	1,411	0.67
7,600	Alexion Pharmaceuticals	573	0.27
300	Alphabet class 'A' shares	326	0.16
1,000	Alphabet class 'C' shares	1,088	0.52
11,200	American Tower class 'A' shares	1,969	0.94
11,000	Autodesk	1,642	0.78
19,000	Cadence Design Systems	1,039	0.50
30,306	Charles Schwab	1,047	0.50
15,100	DocuSign	899	0.43
14,800	Ecolab	2,202	1.05

Sustainable Future Cautious Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA (continued)		
16,000	Eli Lilly	1,695	0.81
3,528	Equinix	1,578	0.75
16,949	First Republic Bank	1,426	0.68
5,000	Intuit	1,063	0.51
13,300	IQVIA	1,566	0.75
13,800	Nasdaq	1,219	0.58
8,600	Palo Alto Networks	1,532	0.73
14,400	PayPal	1,244	0.59
15,800	PerkinElmer	1,108	0.53
5,800	Rockwell Automation	843	0.40
3,800	Roper Industries	1,100	0.52
12,000	Salesforce.com	1,659	0.79
6,700	Splunk	789	0.38
115,700	TerraForm Power	1,588	0.76
6,175	Thermo Fisher Scientific	1,466	0.70
30,500	Trimble Navigation	984	0.47
49,400	Trupanion	1,197	0.57
11,400	Visa	1,720	0.82
19,200	Waste Connections	1,404	0.67
	Portfolio of investments	**178,171**	**85.00**
	Net other assets	**31,450**	**15.00**
	Total net assets	**209,621**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Note: comparative figures in brackets show percentages for each category of holding at 31 January 2019.

Stocks shown as ADRs represent American Depositary Receipts.

* Related party investment.

† Real Estate Investment Trust (REIT).

Sustainable Future Cautious Managed Fund (continued)

Credit Quality
as at 31 January 2020

Summary of Credit ratings

	31.1.2020 (£'000)	31.1.2019 (£'000)
Investment grade	46,438	13,858
Below Investment grade	3,135	1,069
Not Rated	932	320
Total	**50,505**	**15,247**

Sustainable Future Cautious Managed Fund (continued)

Comparative tables
for the year ended 31 January 2020

Class 2 Net Income	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	127.03	128.32	116.49
Return before operating charges	22.34	2.80	15.67
Operating charges	(1.28)	(1.19)	(1.21)
Return after operating charges	21.06	1.61	14.46
Distributions	(2.87)	(2.90)	(2.63)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**145.22**	**127.03**	**128.32**
After transaction costs of	(0.31)	(0.27)	(0.20)
Performance			
Return after charges	16.58%	1.25%	12.41%
Other information			
Closing net asset value (£'000)	188,415	46,752	18,157
Closing number of shares	129,748,163	36,804,399	14,150,236
Operating charges**	0.92%	0.92%	0.96%
Direct transaction costs*	0.22%	0.21%	0.16%
Prices			
Highest share price	149.1	133.9	131.6
Lowest share price	127.6	123.3	116.4

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Cautious Managed Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 3 Net Income	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	128.84	129.74	117.38
Return before operating charges	22.58	2.73	15.67
Operating charges	(0.80)	(0.69)	(0.66)
Return after operating charges	21.78	2.04	15.01
Distributions	(2.92)	(2.94)	(2.65)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**147.70**	**128.84**	**129.74**
After transaction costs of	(0.32)	(0.27)	(0.21)
Performance			
Return after charges	16.90%	1.57%	12.79%
Other information			
Closing net asset value (£'000)	21,206	8,383	3,762
Closing number of shares	14,357,468	6,506,361	2,899,991
Operating charges**	0.57%	0.53%	0.52%
Direct transaction costs*	0.22%	0.21%	0.16%
Prices			
Highest share price	151.6	135.6	133.0
Lowest share price	129.4	124.8	117.3

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Cautious Managed Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class Z Net Income	22 May 2019*** per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	130.45	130.83	118.11
Return before operating charges	11.71	2.42	15.68
Operating charges	(0.19)	(0.22)	(0.29)
Return after operating charges	11.52	2.20	15.39
Distributions	–	(2.58)	(2.67)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**141.97**	**130.45**	**130.83**
After transaction costs of	(0.09)	(0.27)	(0.21)
Performance			
Return after charges	8.83%	1.68%	13.03%
Other information			
Closing net asset value (£'000)	–	1	13,085
Closing number of shares	–	1,000	10,001,000
Operating charges**	0.46%	0.17%	0.23%
Direct transaction costs*	0.22%	0.21%	0.16%
Prices			
Highest share price	142.0	137.1	134.2
Lowest share price	131.0	125.9	118.0

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

*** Figures as at 22 May 2019, which was the final valuation date of the share class.

Sustainable Future Cautious Managed Fund (continued)

Statement of Total Return

for the year ended 31 January 2020

	Notes	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Income					
Net capital gains/(losses)	2		14,969		(643)
Revenue	3	2,598		906	
Expenses	4	(1,058)		(289)	
Interest payable and similar charges	6	(1)		(1)	
Net revenue before taxation		1,539		616	
Taxation	5	(74)		(52)	
Net revenue after taxation			1,465		564
Total return before distributions			**16,434**		**(79)**
Distributions	7		(2,313)		(798)
Change in net assets attributable to shareholders from investment activities			**14,121**		**(877)**

Statement of change in net assets attributable to shareholders

for the year ended 31 January 2020

	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Opening net assets attributable to shareholders		**55,136**		**35,004**
Movement due to issue and cancellation of shares:				
Amounts received on issue of shares	141,902		34,880	
Amounts paid on cancellation of shares	(1,538)		(13,880)	
		140,364		21,000
Dilution adjustment		–		9
Change in net assets attributable to shareholders from investment activities		14,121		(877)
Closing net assets attributable to shareholders		**209,621**		**55,136**

Sustainable Future Cautious Managed Fund (continued)

Balance Sheet

as at 31 January 2020

	Notes	31.1.2020 (£'000)	31.1.2019 (£'000)
Assets			
Fixed Assets			
Investments		178,171	50,637
Current assets:			
Debtors	8	3,750	661
Cash and bank balances	9	29,756	4,753
Total assets		**211,677**	**56,051**
Liabilities			
Creditors:			
Distribution payable		(1,883)	(604)
Other creditors	10	(173)	(311)
Total liabilities		**(2,056)**	**(915)**
Net assets attributable to shareholders		**209,621**	**55,136**

The notes on pages 33 to 45 form an integral part of these financial statements. The distribution per share is set out in the table on page 46.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2020

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 13 to 14.

2 Net capital gains/(losses)

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Non derivative securities	15,005	(587)
Foreign currency losses	(36)	(51)
Transaction costs	–	(5)
Net capital gains/(losses)	**14,969**	**(643)**

3 Revenue

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Bank Interest	1	2
Interest from overseas fixed income securities	197	73
Interest from UK fixed income securities	679	252
Management fee rebates on CIS	22	10
Non-taxable overseas dividends	507	176
Revenue from Liontrust Sustainable Future Corporate Bond Fund*	247	135
Revenue from other Collective Investment Schemes	15	–
Stock dividends	–	3
Taxable non-US overseas REIT	74	19
UK dividends	809	223
UK REIT dividends	8	2
US REIT dividends	39	11
Total revenue	**2,598**	**906**

* Related party

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

4 Expenses

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's fees	856	234
Fixed rate administration fees	203	33
Registration fee	–	15
	1,059	**282**
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	–	2
	–	**2**
Other expenses		
Audit fees*	–	5
Accounts printing and postage	–	(2)
Professional service fees	–	1
Other expenses/Sundry expenses	–	1
	–	**5**
Total expenses	**1,059**	**289**

* The audit fee for the year, excluding VAT, was £8,083 (2019: £7,700).

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

5 Taxation

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
a) Analysis of charge in year		
Corporation tax	37	42
Less: Double taxation relief	(17)	(4)
Overseas tax	52	13
Tax charge	**72**	**51**
Deferred tax (see Note 5c)	2	1
Total tax charge for the year (see note 5(b))	**74**	**52**

b) Factors affecting tax charge for the year

The taxation assessed for the year is lower (2019 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Net revenue before taxation	1,539	616
Corporation tax at 20% (2019 – 20%)	308	123
Effects of:		
Double taxation relief	(19)	(4)
Non-taxable overseas dividends	(267)	(80)
Overseas tax	52	13
Total tax charge for year (see note 5(a))	**74**	**52**

c) Deferred tax		
Opening deferred tax balance	1	–
Deferred tax movement for the year (see Note 5a)	2	1
Closing deferred tax	**3**	**1**

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

6 Interest payable and similar charges

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interest	1	1
Total interest payable and similar charges	**1**	**1**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 January 2020

7 Distributions

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interim distribution	1,288	363
Final distribution	1,883	604
	3,171	**967**
Amounts received on issue of shares	(869)	(237)
Amounts deducted on cancellation of shares	11	68
Net distribution	**2,313**	**798**
The distribution amount has been calculated as follows:		
Net revenue after taxation for the year	1,465	564
Expenses taken to capital	1,059	289
Tax relief on expenses taken to capital	(211)	(55)
Net distribution	**2,313**	**798**

The distribution per share is set out in the table on page 46.

8 Debtors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Accrued revenue	819	277
Amounts receivable on issue of shares	2,848	274
Foreign currency contracts awaiting settlement	–	82
Overseas withholding tax	29	18
Sales awaiting settlement	54	10
Total debtors	**3,750**	**661**

9 Cash and bank balances

	31.1.2020 (£'000)	31.1.2019 (£'000)
Cash and bank balances	29,756	4,753
Total cash and bank balances	**29,756**	**4,753**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

10 Creditors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Other creditors		
Accrued expenses	150	45
Amounts payable on cancellation of shares	–	37
Corporation tax	20	38
Deferred taxation	3	1
Foreign currency contracts awaiting settlement	–	82
Purchases awaiting settlement	–	108
Total creditors	**173**	**311**

11 Contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (prior year: £Nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD*, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The revenue received from Liontrust Sustainable Future Corporate Bond Fund is shown in note 3.

The ACD's periodic charge and registration fees paid to Liontrust Fund Partners LLP and its associates are shown in note 4, and details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £150,000 (prior year: £39,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £1,062,000 (prior year: £282,000).

As at 31 January 2020 the Sub-fund held 2.6% (7,647,358 shares with a market value of £9,019,000) of the Class 3 Gross Income shares of the Liontrust Sustainable Future Corporate Bond Sub-fund, a sub fund of the Company. (Prior year: 1.0% (3,090,808 shares with a market value of £3,374,000) of the Class 3 Gross Income shares). This investment is individually identified in the portfolio statement and the revenue is included in note 3.

13 Derivatives and other financial instruments

The risks inherent in the Sub-fund's investment portfolio are as follows:

In pursuing its investment objective and investment policy, the Sub-fund holds a number of financial instruments. These may comprise:

- Investment grade corporate bonds and government bonds (both sterling and non-sterling). These are held in accordance with the Sub-fund's investment policies;
- Sub-investment grade bonds, covered bonds and preference shares;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operation;
- Shareholders' funds, which represent investors' monies that are invested on their behalf;
- Derivative transactions which the Sub-fund may enter into, the purpose of which is to manage certain aspects of the risks arising from the Sub-fund's investment activities. Currently the Sub-fund utilises interest rate swaps and bond futures to manage interest rate risk, credit default swaps to manage credit exposure and foreign exchange positions to manage currency exposure;

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

- Short-term borrowings used to finance operational cash flows;
- Derivatives are also used for investment purposes not just to manage risk/exposures.

The main risks arising from the financial instruments are market price (including "emerging markets price risk"), foreign currency, interest rate, liquidity and counterparty credit risk. The ACD reviews the policies for managing each of these risks and they are summarised below.

These policies have remained unchanged since the beginning of the period to which these financial statements relate.

It should be noted that the ACD has a detailed risk management policy which is reviewed and updated, if necessary, periodically. An independent risk function is also present which monitors all relevant risks appropriately.

Market price risk

Market price risk is the risk that the 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. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

The 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 January 2020 and 31 January 2019 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives and short positions where the exposure could be greater. The Sub-fund is 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-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 15%. 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.

As at 31 January 2020, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.8%.

As at 31 January 2019, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 7.4%.

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;
- 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-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Market price risk (continued)

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 the 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.

The Sub-fund did not use derivatives in the year and level of leverage employed by the Sub-fund during the year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments can 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 the 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 currency risk being identified.

The 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-fund may receive income in currencies other than sterling, and the sterling values of this income can be affected by movements in exchange rates.

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile

Currency	Net Foreign Currency Assets Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	1,831	1,831
Danish Krone	–	1,488	1,488
Euro	–	12,508	12,508
Japanese Yen	–	6,008	6,008
Norwegian Krone	–	10	10
Swedish Krona	–	911	911
Swiss Franc	–	1,341	1,341
US Dollar	1	44,119	44,120
	1	**68,216**	**68,217**

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

At 31 January 2019 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	488	488
Danish Krone	–	330	330
Euro	–	3,263	3,263
Hong Kong Dollar	–	314	314
Japanese Yen	–	1,479	1,479
Norwegian Krone	–	506	506
Swedish Krona	–	304	304
Swiss Franc	–	418	418
US Dollar	–	12,534	12,534
	–	**19,636**	**19,636**

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £7,580,000/£(6,202,000) respectively.

If the exchange rate at 31 January 2019 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £2,182,000/£(1,785,000) respectively.

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.

Between 15% and 60% (typically 40%) of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The Investment Adviser may from time to time enter into contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

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.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Interest rate risk (continued)

The interest rate risk profile of financial assets and liabilities at 31 January 2020 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total £'000)
Investment assets	3,437	47,068	127,666	178,171
Investment liabilities	–	–	–	–

The interest rate risk profile of financial assets and liabilities at 31 January 2019 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total £'000)
Investment assets	1,662	13,585	35,390	50,637
Investment liabilities	–	–	–	–

The Investment Adviser monitors the Sub-fund's interest rate exposure on a daily basis as an integral part of the investment process. In particular the Investment Adviser uses the effective duration of the portfolio to provide a sensitivity analysis of the Sub-fund to the fluctuation in market interest rates.

At 31 January 2020, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 7.8%.

At 31 January 2019, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 6.42%.

Liquidity risk

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

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 the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it 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 analysis on page 27 summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2020 and 31 January 2019.

The Sub-fund 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.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Counterparty credit risk (continued)

The Sub-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The 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.

At the balance sheet date, there were no counterparties to open derivative contracts. At the year end collateral of Nil (prior year: Nil) was received; collateral pledged was Nil (prior year: Nil) and none (prior year: none) of the Sub-funds' financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") 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 January 2020 was A (Standard & Poor's rating).

BNYMSA, 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 BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the 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.

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 as shown in the table below.

Valuation of financial investments

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	118,647	–
Level 2: Observable market data	59,524	–
Level 3: Unobservable data	–	–
	178,171	**–**

31.1.2019	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	32,016	–
Level 2: Observable market data	18,621	–
Level 3: Unobservable data	–	–
	50,637	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

14 Share movement

For the year ending 31 January 2020

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	36,804,399	92,968,465	(24,701)	–	129,748,163
Class 3 Net Income	6,506,361	8,899,344	(1,048,237)	–	14,357,468
Class Z Net Income	1,000	–	(1,000)	–	–

15 Portfolio transaction costs

For the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	84,861	30	0.04	221	0.26
Debt instruments (direct)	42,547	–	–	–	–
Collective investment schemes	11,313	3	0.03	11	0.10
Total purchases	**138,721**	**33**		**232**	
Total purchases including transaction costs	**138,986**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	16,430	7	0.04	1	0.01
Debt instruments (direct)	9,755	–	–	–	–
Collective investment schemes	33	–	–	–	–
Total sales	**26,218**	**7**		**1**	
Total sales net of transaction costs	**26,210**				

		Commissions		Taxes	
Total transaction costs		**40**		**233**	
Total transaction costs as a % of average net assets		**0.03%**		**0.19%**	

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

15 Portfolio transaction costs (continued)

For the year ending 31 January 2019

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	24,680	9	0.04	58	0.24
Debt instruments (direct)	13,509	–	–	–	–
Collective investment schemes	1,978	1	0.05	2	0.10
Total purchases	**40,167**	**10**		**60**	
Total purchases including transaction costs	**40,237**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	12,664	5	0.04	1	0.01
Debt instruments (direct)	6,212	–	–	–	–
Collective investment schemes	384	–	–	–	–
Total sales	**19,260**	**5**		**1**	
Total sales net of transaction costs	**19,254**				
Total transaction costs		**15**		**61**	
Total transaction costs as a % of average net assets		**0.04%**		**0.17%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.27% (2019: 0.26%).

Sustainable Future Cautious Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

16 Post Balance sheet events

As indicated in the Accounting Policies in the Notes to the financial statements on page 13, the investments have been valued at close of business on 31 January 2020. Since that date the Sub-fund's quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 31 January 2020 and at close of business on 21 May 2020.

	Price at 31.1.2020 (pence per share)	Price at 21.5.2020 (pence per share)	% change
Class 2 Net Income	145.22	143.18	(1.40)%
Class 3 Net Income	147.70	145.76	(1.31)%

The following table summarises the total NAV movement since the balance sheet date:

	NAV at 31.1.2020 (£'000)	NAV at 21.5.2020 (£'000)	% change
Class 2 Net Income	188,415	255,604	35.66%
Class 3 Net Income	21,206	22,420	5.72%

Sustainable Future Cautious Managed Fund (continued)

Distribution tables

for the year ended 31 January 2020

Final distribution payable in pence per share

Group 1 - Shares purchased prior to 1 August 2019
Group 2 - Shares purchased 1 August 2019 to 31 January 2020

Income shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Payable 31.3.2020	Distribution Paid 31.3.2019
Class 2 - Group 1	1.3042	–	1.3042	1.3919
Class 2 - Group 2	0.5235	0.7807	1.3042	1.3919
Class 3 - Group 1	1.3255	–	1.3255	1.4111
Class 3 - Group 2	0.5186	0.8069	1.3255	1.4111
Class Z - Group 1†	–	–	–	1.3830
Class Z - Group 2†	–	–	–	1.3830

Interim distribution payable in pence per share

Group 1 - Shares purchased prior to 1 February 2019
Group 2 - Shares purchased 1 February 2019 to 31 July 2019

Income shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 30.9.2019	Distribution Paid 30.9.2018
Class 2 - Group 1	1.5668	–	1.5668	1.5096
Class 2 - Group 2	0.5974	0.9694	1.5668	1.5096
Class 3 - Group 1	1.5904	–	1.5904	1.5273
Class 3 - Group 2	0.6099	0.9805	1.5904	1.5273
Class Z - Group 1†	–	–	–	1.2000
Class Z - Group 2†	–	–	–	1.2000

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all 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 shares for capital gains tax purposes.

† Class Z shares closed 22 May 2019.

Sustainable Future Corporate Bond Fund

Report for the year from 1 February 2019 to 31 January 2020

Investment objective and policy

The Sub-fund aims to deliver income with capital growth over the long term (5 years or more).

The Sub-fund will invest a minimum of 80% in investment grade corporate bonds that are sterling denominated or hedged back to sterling. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

The Sub-fund may also invest in government bonds, collective investment schemes (up to 10% of Fund assets), sub-investment grade bonds, other fixed income securities, money market instruments, warrants, cash and deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Corporate Bond Fund (continued)

Investment review

Market review

On the macro front, Brexit and US/China trade wars were key drivers of sentiment throughout 2019 and we finally saw positive movement on both as the year ended. December's developments continued into the new year but events in Iran and then news of a deadly respiratory illness in China both dented sentiment.

In the US, there was positive news on trade with China, with the announcement of a phase one deal stopping further tariffs due in December. Phase two discussion will be ongoing throughout 2020 and will clearly play a key role in President Trump's electioneering.

With Brexit, the supposedly iron-clad exit date of 29 March passed without resolution and we ultimately saw Theresa May give way to Boris Johnson as prime minister. In October, Johnson surprised markets by delivering on a Brexit deal but was forced to extend the deadline until the end of January 2020, after being unable to get the deal through Parliament. The government managed to pass a bill for a General Election for December with the Prime Minister hoping to gain a majority in order to progress further with his Brexit deal.

The resulting large majority for the Conservative party was well received by financial markets, with parliament passing the European Union Withdrawal Bill in the following days. UK assets responded positively to these developments, particularly domestic banks and utility companies given Labour's stated policy of nationalisation for the latter.

We finally saw the UK leave the European Union on 31 January, with Boris Johnson claiming the country could now put "years of rancour and division behind it". From 1 February, the UK enters an 11-month transition period during which it will continue to follow EU rules but without representation in the bloc's institutions – and there remains risk of a no deal if the government is unable to reach agreement on a range of areas.

As we came into 2019, the Federal Reserve was still talking about rate hikes but economic weakness drove a turnaround in narrative. After growing signs pointing to monetary loosening, we ultimately saw the first cuts from the Fed in 11 years over the second half of the year, two in Q3 and a third in October, moving closer to a full reversal of 2018's four hikes in response to strengthening conditions.

Commenting at the time of the October cut, Fed chair Jerome Powell signalled the Bank had finished its monetary easing, subject to economic data developments – and the Bank ultimately kept rates on hold in December.

Towards the end of the period, economic surveys improved and coupled with the positive trade developments, this resulted in a steepening of the US government bond yield curve. This has helped alleviate the fears over a US recession, which increased earlier in 2019 due to the inversion in the yield curve.

In the UK, the Monetary Policy Committee kept interest rates on hold throughout the period. In Mark Carney's final meeting as governor at the end of January, the MPC voted 7-2 to keep rates unchanged, citing an improving global backdrop and reduction in uncertainty following Boris Johnson's election victory. This was despite markets pricing in a 50/50 chance of a rate cut and reflecting that, the MPC said it remains poised to cut rates if a post-election bounce fails to materialise.

Meanwhile, the European Central Bank opted not to cut rates in July but announced a stimulus package to come in September. This dovish stance was reinforced by the nomination of Christine Lagarde to take over the presidency from Mario Draghi in November.

As widely predicted, the ECB cut its deposit rate to a record low -0.5% from -0.4% in September and pledged to restart bond purchases of 20 billion euros a month from November. Lagarde has echoed what her predecessor advocated, that fiscal spending is required further to stimulate the economy, and called for an increase in government spending across the eurozone.

Looking back on the 12 months under review, it has been a strong period for returns across financial markets in general, with corporate bonds delivering double-digit performance. Credit spreads have tightened, driven by supportive central bank action and positive geopolitical developments in the UK, Europe and the US.

We still believe the macroeconomic and technical backdrop for credit markets remains supportive. Global economic growth has slowed but remains positive. Clearly the US/China trade situation and uncertainty surrounding Brexit have been an economic headwind and time will tell if recent developments on both fronts lead to improving economic data.

Central banks also continue to be supportive and corporate credit fundamentals remain relatively strong, particularly within investment grade, typified by high interest coverage ratios, stable net leverage ratios and low levels of default.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Market review (continued)

We continue to believe government bonds are overvalued and expect yields to rise as macro concerns recede, although Brexit and trade will continue to be generate volatility. As such, we retain an underweight position to interest rate risk and will continue to actively manage this allocation.

Fund review

The SF Corporate Bond Fund returned 12.1% over the period under review compared with the IA Sterling Corporate Bond sector average of 10.3% and the iBoxx Sterling Corporate Index's 11.9%*.

The Fund's overweight position to credit beta was the primary driver behind this performance amid a solid year for corporate bonds. This saw the Fund benefit from stock and sector selection, particularly within our largest weightings to banks, insurance, telecommunications and utilities.

More specifically, we benefitted from being overweight subordinated bonds within these core sectors, particularly in banks and insurance names, while also seeing a strong contribution from higher spread duration holdings within telecommunications and utilities.

This far outweighed the negative contribution from our short duration position, which detracted from performance for the first three quarters of the year as German Bund, US Treasury and UK Gilt yields all fell. The severity of yield moves saw German 10-year Bund yields drop into negative territory for the first time since 2016 and the US yield curve invert at one point, although it had steepened again by the end of the year.

Our duration short was a positive in the final three months of 2019, driven by a rise in government bond yields across developed markets, but the position was a detractor again in January as yields fell back amid global concerns over the outbreak of the Coronavirus. Over the month, the 10-year gilt yield fell 29 basis points, the German 10-year yield 25bps and the US 10-year 41bps.

On the credit side, sector allocation and stock selection both contributed positively over the first half of the year, particularly core overweights in insurance and telecommunications through some higher beta subordinated bond holdings in names such as Axa and Prudential. Higher spread duration holdings such as Verizon and AT&T also benefited from the risk-on tone in markets.

A buoyant start to the year came to an abrupt halt in May, as trade tensions drove a flight to safe haven assets. Summer saw a significant sell-off in bonds, as a combination of escalating US-China tensions, deteriorating global economic growth, and heightened Brexit uncertainty saw markets adopt a risk-off tone.

The changing seasons brought a change in investor attitudes however and further monetary stimulus from central banks boosted investor confidence in September, with risk assets rebounding strongly. We saw a positive contribution from longer spread duration holdings over Q3, as names such as AT&T and Yorkshire Water benefitted from falling government bond yields. Also positive were higher beta subordinated positions, in names including Standard Chartered and SCOR, as credit spreads tightened further over the period.

Our overweight in the Mortgage Backed Security (MBS) sector was a detractor, specifically Intu. The company reported disappointing results and a worse-than-expected deterioration in the valuation of its shopping centres, which, combined with more retailers filing for CVAs and anticipated pressure on future rental agreements, has created a challenging backdrop. The company needs to refinance its near-term debt maturities but the lack of retail property transactions and difficult market conditions means this will be challenging. Given these factors, we elected to dispose of our holding.

In the final three months of 2019, the underweight interest rate and overweight credit positioning both contributed to strong relative performance, as trade developments between the US and China, ongoing support from central banks and the Conservative victory in the UK General Election provided a favourable backdrop.

Again, we benefitted from subordinated bond holdings as their credit spreads tightened in the risk-on environment while domestically focused banks and building societies, such as Coventry Building Society and Nationwide, also performed strongly on the back of the election result. The underweight positioning to utilities was a detractor, however, as the sector rallied on reduced nationalisation worries.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Fund review (continued)

Credit was broadly flat over January, with spreads only marginally tighter after a strong start to the year was offset by the return of risk-off sentiment as a result of the Coronavirus. This overshadowed initial signs that the global growth outlook was becoming more positive. Against this backdrop, our exposure to telecoms and insurance had the largest negative impact, although this was offset by a positive contribution from our bank positions.

* *Source: Financial Express, primary share class, total return, net of fees and interest reinvested, 31.01.19-31.01.20.*

Portfolio activity

In terms of interest rate risk, we remained underweight versus the index over the year but continued to actively manage the position. In the first quarter, we reduced the short to one year, closing positions to both the US and German markets as commentary from both central banks became increasingly dovish.

Meanwhile, we re-established a one-year short position to the UK, as we continued to believe the Bank of England was keen to raise rates in the event of an orderly Brexit.

In Q2, we increased the position to 2.25 years short, re-establishing a short to the German market, where yields reached all-time lows, as well as to the US following a significant repricing in Treasury yields over the period.

Against this, we reduced our short to the UK, where we had reduced conviction amid heightened political uncertainty, although we continued to believe a no-deal Brexit scenario was unlikely.

In August, we closed our 0.5 year short to the UK, given the volatility in the wake of Boris Johnson's appointment as Prime Minister. This was rotated to increase the short to the US following the inversion in the yield curve, as two-year Treasury yields rose above 10-year.

Following a spike higher in US Treasury yields in September and Brexit developments that we felt moved the UK further away from a no-deal, we opted to rotate 0.25 years of the short back into the UK.

In the last part of the year, we reduced the short position from -2.25 to -1.5 years. Given the progress on Brexit and the Conservative election victory, we increased the UK position, ending the period at -1.0 years short, but reduced the US to neutral and European exposure to -0.5 years on relative valuation grounds.

On the credit side, corporates took advantage of favourable market conditions in the early part of 2019: new issuance was relatively high and better absorbed by the market than initially anticipated, with premiums narrowing significantly as a result. We also took advantage, participating in some of these new issues gaining exposure to high-quality names, whilst capturing the new issue premiums on offer.

We established a position in Swiss Re, which provides reinsurance and insurance services. The company is industry leading in terms of integrating sustainability research and analysis, not only into its investment process but also underwriting practices. The issue offered an attractive opportunity to gain exposure to a high-quality issuer, rated AA- at the senior level, with high levels of solvency.

This was part funded by disposing of our holding in Allianz, where we believe the bonds we held are now fully valued. We also reduced our exposure to Legal & General in order to fund the addition on relative value grounds.

We also participated in a new issue from Vodafone, switching out of some of our existing holding in the sterling hybrids in order to capture the attractive relative value on offer in the new US dollar hybrids. The issuance was the last part of the funding required for the acquisition of Liberty Global's central and eastern European assets.

Later in the period, we initiated a position in Orsted via a new issue that came at an attractive valuation level: the company is one of the largest green energy developers in the world, having made significant progress in its transition from fossil-based to green energy. It has achieved this by converting power stations from coal and gas to sustainable biomass. The investment was funded by the disposal of TC Dudgeon bonds, which had performed well since issue.

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Portfolio activity (continued)

We also established a position in Telefonica, as the bonds were trading at an attractive discount relative to comparable telecommunication peers. The company's credit profile is supported by its well-diversified business profile, strong positioning in its core markets, prominent infrastructure assets with the leading fibre footprint in Europe and Latin America, and management's ongoing commitment to deleveraging.

Following increased uncertainty over the short-term outlook for the business, we decided to dispose of our holding in Dignity. The uncertainty is principally due to the ongoing Competition and Markets Authority (CMA) in-depth review of the funerals sector, as well as the slowdown in the UK death rate, both of which are likely to prevent any near-term recovery for the business.

We also exited our position in Society of Lloyds during the period following a review of its sustainability criteria. This resulted in a downgrade to a matrix rating of B5, making the name no longer investable. The downgrade stemmed from an ongoing internal investigation into various claims of sexual misconduct.

There were also a number of relative value switches in the latter months of 2019. Following a generous liability management exercise conducted by Prudential, we exited the position and rotated proceeds into Assicurazioni Generali bonds, which offered greater value. We also switched out of BNP Paribas, which had performed very strongly, into similarly highly rated Coventry Building Society where we see better value at current levels. We completed a cross currency switch within both Zurich and Swiss Re bonds, with the US dollar bonds trading at an attractive discount and offering yield and spread pick-ups relative to euro equivalents.

Bringing things up to date, we did another relative value switch in Aviva and a top-up in Lloyds during January and also initiated a currency position, moving short sterling and long US dollar to reflect near-term expectations of Brexit-related volatility.

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.

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested. Past performance is not a guide to future performance.

Material portfolio changes by value

Purchases	Sales
Treasury 8% Stock 7/6/2021	Treasury 8% Stock 7/6/2021
Treasury 1.5% Bonds 22/7/2026	Treasury 1.5% Bonds 22/7/2026
Vodafone 5.9% Guaranteed Senior European Medium Term Bonds 26/11/2032	Vodafone 4.875% Bonds 3/10/2078
Aviva 5.125% European Medium Term Notes 4/6/2050	Aviva 6.125% Floating Rate Bonds 14/11/2036
Argentum Netherlands 5.75% Bonds 15/8/2050	Nationwide Building Society 4.302% Senior Notes 8/3/2029
Nationwide Building Society 5.875% Perpetual Bonds	Argentum Netherlands 3.5% European Medium Term Notes 1/10/2046
Legal & General 5.125% Bonds 14/11/2048	Allianz 5.5% Perpetual
Coventry Building Society 6.875% Perpetual Bonds	AXA 5.453% Subordinated Perpetual Floating Rate Notes
Cloverie for Zurich Insurance 5.625% Bonds 24/6/2046	AXA 3.25% Subordinated Perpetual Floating Rate Notes
AXA 3.25% Subordinated Perpetual Floating Rate Notes	Nationwide Building Society 5.875% Perpetual Bonds

Sustainable Future Corporate Bond Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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 Sub-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 Sub-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 Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 3 primarily for its exposure to a diversified portfolio of debt instruments along with a number of derivative positions.
- The SRRI may not fully take into account the following risks:
  - Bonds are affected by changes in interest rates and their value and the income they generate can rise or fall as a result.
  - The creditworthiness of a bond issuer may also affect that bond's value. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in paying their debts. The value of a bond would be significantly affected if the issuer either refused to pay or was unable to pay.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- The Sub-fund can invest in derivatives. Derivatives are used to protect against currencies, credit and interests rates move or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions.
- The value of these securities will fall if the issuer is unable to repay their debt or has their credit rating reduced. Generally, the higher perceived credit risk of the issuer, the higher the rate of interest.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Sub-fund. If long-term interest rates rise, the value of your shares is likely to fall.
- For full details of the Sub-fund's risks, please see the prospectus which may be obtained from Liontrust (address page 3) or online at www.liontrust.co.uk.

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	CAYMAN ISLANDS (3.73%)	**19,907**	**3.26**
£5,500,000	Dwr Cymru Financing 2.5% European Medium Term Notes 31/3/2036	6,170	1.01
£3,000,000	Thames Water Utilities Cayman Finance 2.875% European Medium Term Notes 3/5/2027	3,080	0.51
£2,889,000	Thames Water Utilities Cayman Finance 4% Senior Notes 19/6/2025	3,251	0.53
£5,552,000	Yorkshire Water Services Odsal Finance 6.454% Guaranteed Bonds 28/5/2027	7,406	1.21
	CHANNEL ISLANDS; JERSEY (2.85%)	**17,141**	**2.81**
£5,750,000	CPUK Finance 3.588% Notes 28/2/2042	6,228	1.02
$9,300,000	HBOS Capital Funding 6.85% Perpetual Bonds	7,214	1.18
£3,100,000	Porterbrook Rail Finance 4.625% Senior European Medium Term Notes 4/4/2029	3,699	0.61
	DENMARK (0.00%)	**3,695**	**0.60**
£3,500,000	Orsted 2.125% European Medium Term Notes 17/5/2027	3,695	0.60
	FRANCE (9.85%)	**50,540**	**8.27**
£13,600,000	AXA 5.453% Subordinated Perpetual Floating Rate Notes	15,590	2.55
$6,500,000	BNP Paribas 7.195% Guaranteed Perpetual Subordinated Floating Rate Bonds	5,560	0.91
£7,900,000	BPCE 5.25% Subordinated Notes 16/4/2029	9,963	1.63
£10,500,000	Orange 8.125% Guaranteed Senior European Medium Term Bonds 20/11/2028	16,094	2.63
$4,200,000	SCOR 5.25% Perpetual Bonds	3,333	0.55
	GERMANY (1.51%)		
	IRELAND; REPUBLIC OF (0.98%)	**10,751**	**1.76**
$9,000,000	Cloverie for Zurich Insurance 5.625% Bonds 24/6/2046	7,704	1.26
£1,500,000	Lambay Capital Securities 6.25% Perpetual Subordinated European Medium Term Notes†	12	0.00
£3,000,000	Student Finance 2.6663% Senior Notes 30/9/2029	3,035	0.50
	ITALY (0.95%)	**10,084**	**1.65**
£8,700,000	Assicurazioni Generali 6.269% Guaranteed Perpetual Subordinated Floating Rate Bonds	10,084	1.65

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	LUXEMBOURG (1.82%)	**10,382**	**1.70**
£5,769,000	Aroundtown 3.25% European Medium Term Notes 18/7/2027	6,218	1.02
€1,500,000	Hellas Telecommunications II 0% Floating Rate Notes 15/1/2015†	1	0.00
€1,500,000	Telecom Italia Finance 7.75% European Medium Term Notes 24/1/2033	4,163	0.68
	NETHERLANDS (7.98%)	**50,516**	**8.27**
£5,550,000	Aegon 6.625% Guaranteed Senior European Medium Term Bonds 16/12/2039	9,507	1.56
$14,700,000	Argentum Netherlands 5.75% Bonds 15/8/2050	12,309	2.01
£4,300,000	Deutsche Telekom International Finance 8.875% Guaranteed Bonds 27/11/2028	6,823	1.12
$8,400,000	Deutsche Telekom International Finance 9.25% Bonds 1/6/2032	10,354	1.69
£9,450,000	Rabobank 4.625% Subordinated European Medium Term Notes 23/5/2029	11,523	1.89
	SPAIN (0.00%)	**5,351**	**0.88**
£4,400,000	Telefónica Emisiones 5.375% Guaranteed European Medium Term Bonds 2/2/2026	5,351	0.88
	UNITED KINGDOM (62.75%)	**392,902**	**64.32**
£4,600,000	3i 5.75% European Medium Term Notes 3/12/2032	6,215	1.02
£6,333,000	Annington Funding 3.184% European Medium Term Notes 12/7/2029	6,932	1.13
£11,000,000	Aviva 5.125% European Medium Term Notes 4/6/2050	12,869	2.11
£8,005,000	British Telecommunications 3.125% European Medium Term Notes 21/11/2031	8,782	1.44
£2,933,000	British Telecommunications 5.75% Guaranteed Senior Bonds 7/12/2028	3,829	0.63
£5,000,000	Bunzl Finance 2.25% Bonds 11/6/2025	5,168	0.85
£5,000,000	Cadent Finance 2.125% European Medium Term Notes 22/9/2028	5,224	0.86
£4,000,000	Cardiff University 3% Bonds 7/12/2055	5,504	0.90
£4,500,000	Close Brothers 4.25% Bonds 24/1/2027	4,710	0.77
£4,100,000	Compass 3.85% Senior European Medium Term Notes 26/6/2026	4,801	0.79
£5,300,000	Coventry Building Society 6.875% Perpetual Bonds	5,982	0.98
£6,500,000	Direct Line Insurance 4.75% Perpetual Bonds	6,337	1.04
£5,250,000	Eversholt Funding 3.529% European Medium Term Notes 7/8/2042	5,834	0.95
£2,750,000	GlaxoSmithKline Capital 4.25% European Medium Term Bonds 18/12/2045	4,054	0.66

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
£2,350,000	GlaxoSmithKline Capital 5.25% Guaranteed European Medium Term Bonds 19/12/2033	3,432	0.56
£6,811,778	Greater Gabbard 4.137% Senior Notes 29/11/2032	8,059	1.32
£3,500,000	Hammerson 3.5% Bonds 27/10/2025	3,694	0.60
£3,000,000	HSBC Bank 3% Bonds 22/7/2028	3,243	0.53
£2,500,000	HSBC Bank 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	3,812	0.62
$9,420,000	HSBC Bank 2.1875% Perpetual Floating Rate Note	5,878	0.96
£4,850,000	InterContinental Hotels 3.75% European Medium Term Notes 14/8/2025	5,396	0.88
£4,706,000	Investec Bank 4.25% European Medium Term Notes 24/7/2028	4,920	0.81
£8,400,000	Legal & General 5.125% Bonds 14/11/2048	9,691	1.59
£5,745,000	Liberty Living Finance 3.375% Bonds 28/11/2029	6,320	1.03
$3,000,000	Lloyds Bank 12% Perpetual Bonds	2,790	0.46
£2,000,000	Lloyds Bank 13% Perpetual Floating Rate Subordinated Bonds	3,618	0.59
£6,000,000	Logicor 2019-1 UK 1.875% Bonds 17/11/2026	6,142	1.00
£4,500,000	London & Quadrant Housing Trust 2.625% Bonds 28/2/2028	4,822	0.79
£3,000,000	Mitchells & Butlers Finance 6.469% Guaranteed Asset Backed Bonds 15/9/2032	3,503	0.57
£2,500,000	Motability Operations 3.625% European Medium Term Notes 10/3/2036	3,144	0.51
£5,000,000	Motability Operations 3.75% European Medium Term Notes 16/7/2026	5,815	0.95
£6,583,000	National Express 2.375% Bonds 20/11/2028	6,787	1.11
£5,000,000	National Express 2.5% European Medium Term Notes 11/11/2023	5,198	0.85
£5,300,000	Nationwide Building Society 5.875% Perpetual Bonds	5,790	0.95
$9,400,000	NatWest Markets 6.1% Bonds 10/6/2023	7,921	1.30
£3,500,000	Next 3.625% Bonds 18/5/2028	3,859	0.63
£6,650,000	NGG Finance 5.625% Floating Rate Notes 18/6/2073	7,552	1.24
£5,000,000	Notting Hill Genesis 2.875% Bonds 31/1/2029	5,420	0.89
£4,800,000	Notting Hill Housing Trust 3.75% Bonds 20/12/2032	5,719	0.94
£4,800,000	Places for People Homes 5.875% European Medium Term Notes 23/5/2031	6,459	1.06
£16,000,000	Prudential 5.625% Bonds 20/10/2051	18,872	3.09
£5,000,000	Royal Bank of Scotland 3.125% European Medium Term Notes 28/3/2027	5,338	0.87
£5,500,000	Segro 2.375% Bonds 11/10/2029	5,924	0.97
£4,240,000	Severn Trent Water Utilities 6.25% Guaranteed Bonds 7/6/2029	5,958	0.97
£3,643,000	South Eastern Power Networks 6.375% Guaranteed Senior European Medium Term Bonds 12/11/2031	5,474	0.90

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
£6,000,000	Southern Gas Networks 3.1% European Medium Term Notes 15/9/2036	6,974	1.14
£6,056,000	SP Transmission 2% Bonds 13/11/2031	6,292	1.03
£4,000,000	Spirit Issuer 5.472% Guaranteed Senior Floating Rate Bonds 28/12/2034	4,186	0.69
£4,250,000	SSE 8.375% Guaranteed Senior Bonds 20/11/2028	6,473	1.06
£4,400,000	Stagecoach 4% Bonds 29/9/2025	4,761	0.78
£13,700,000	Standard Chartered 5.125% Subordinated European Medium Term Notes 6/6/2034	17,058	2.79
£5,659,000	Transport for London 2.125% Bonds 24/4/2025	5,989	0.98
£4,400,000	Travis Perkins 4.5% Bonds 7/9/2023	4,641	0.76
£15,000,000	Treasury 1.5% Bonds 22/7/2026	16,064	2.63
£7,800,000	Treasury 8% Stock 7/6/2021	8,572	1.40
£3,850,000	University of Liverpool 3.375% Bonds 25/6/2055	5,863	0.96
£11,000,000	Vodafone 5.9% Guaranteed Senior European Medium Term Bonds 26/11/2032	15,979	2.62
£6,000,000	Western Power Distribution 6% European Medium Term Notes 9/5/2025	7,387	1.21
£6,294,000	WM Morrison Supermarkets 4.75% European Medium Term Notes 4/7/2029	7,813	1.28
£4,500,000	Yorkshire Building Society 3.375% European Medium Term Notes 13/9/2028	4,727	0.77
£3,000,000	Yorkshire Water Finance 2.75% European Medium Term Notes 18/4/2041	3,332	0.55
	UNITED STATES OF AMERICA (6.27%)	**27,994**	**4.58**
£10,400,000	AT&T 7% Guaranteed Senior European Medium Term Bonds 30/4/2040	16,864	2.76
£9,400,000	Verizon Communications 3.375% Bonds 27/10/2036	11,130	1.82
	FORWARD CURRENCY CONTRACTS (0.34%)	**(41)**	**(0.01)**
	STERLING (0.34%)	**373**	**0.06**
£4,391,504	Buy Sterling 29/05/2020 , Sell €5,200,000	3	0.00
£61,855,670	Buy Sterling 29/05/2020 , Sell $81,300,000	370	0.06
	US DOLLAR (0.00%)	**(414)**	**(0.07)**
$38,000,000	Buy US Dollar 22/04/2020 , Sell £29,180,960	(414)	(0.07)

Sustainable Future Corporate Bond Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	FUTURES ((0.69)%)	**(1,024)**	**(0.16)**
(90)	Euro Buxl 30 Year Bond Future March 2020	(507)	(0.08)
(33)	Euro-Bund Future March 2020	(79)	(0.01)
190	Long Gilt Future March 2020	365	0.06
(290)	US 10 Year Ultra Future March 2020	(744)	(0.12)
(55)	US 5 Year Note (CBT) Future March 2020	(59)	(0.01)
	Portfolio of Investments	**598,198**	**97.93**
	Net other assets	**12,629**	**2.07**
	Total net assets	**610,827**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Note: comparative figures in brackets show percentages for each category of holding at 31 January 2019.

†Delisted securities

Credit Quality

Summary of Credit ratings

	31.1.2020 (£'000)	31.1.2019 (£'000)
Investment grade	533,079	376,912
Below Investment grade	60,247	48,364
Not Rated	5,937	68,125
Total	**599,263**	**493,401**

Sustainable Future Corporate Bond Fund (continued)

Comparative tables

for the year ended 31 January 2020

Class 2 Gross Income	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	80.84	85.08	81.86
Return before operating charges	10.12	(0.61)	6.81
Operating charges	(0.53)	(0.51)	(0.51)
Return after operating charges	9.59	(1.12)	6.30
Distributions	(3.06)	(3.12)	(3.08)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**87.37**	**80.84**	**85.08**
After transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	11.86%	(1.32)%	7.70%
Other information			
Closing net asset value (£'000)	199,448	150,365	126,454
Closing number of shares	228,289,358	185,999,417	148,632,756
Operating charges**	0.63%	0.62%	0.60%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	88.68	84.54	86.75
Lowest share price	81.06	79.30	82.03

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Corporate Bond Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 3 Gross Income	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	107.75	113.40	109.12
Return before operating charges	13.50	(0.81)	9.06
Operating charges	(0.40)	(0.36)	(0.36)
Return after operating charges	13.10	(1.17)	8.70
Distributions	(4.40)	(4.48)	(4.42)
Retained distributions on accumulation shares	—	—	—
Closing net asset value per share	**116.45**	**107.75**	**113.40**
After transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	12.16%	(1.03)%	7.97%
Other information			
Closing net asset value (£'000)	343,561	344,634	343,457
Closing number of shares	295,023,518	319,841,382	302,873,111
Operating charges**	0.35%	0.33%	0.32%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	118.3	112.7	115.7
Lowest share price	108.1	105.7	109.3

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Corporate Bond Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 6 Gross Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	132.12	133.87	124.25
Return before operating charges	16.73	(0.93)	10.41
Operating charges	(0.87)	(0.82)	(0.79)
Return after operating charges	15.86	(1.75)	9.62
Distributions	(5.08)	(4.99)	(4.75)
Retained distributions on accumulation shares	5.08	4.99	4.75
Closing net asset value per share	**147.98**	**132.12**	**133.87**
After transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges	12.00%	(1.31)%	7.74%
Other information			
Closing net asset value (£'000)	67,818	4,942	3,235
Closing number of shares	45,829,721	3,740,594	2,416,777
Operating charges**	0.62%	0.62%	0.60%
Direct transaction costs*	0.01%	0.01%	0.01%
Prices			
Highest share price	149.0	133.0	135.3
Lowest share price	132.5	128.4	124.5

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Corporate Bond Fund (continued)

Statement of Total Return

for the year ended 31 January 2020

	Notes	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Income					
Net capital gains/(losses)	2		46,628		(22,236)
Revenue	3	20,650		19,997	
Expenses	4	(2,482)		(2,032)	
Interest payable and similar charges	6	(194)		(760)	
Net revenue before taxation		17,974		17,205	
Taxation	5	–		(60)	
Net revenue after taxation			17,974		17,145
Total return before distributions			**64,602**		**(5,091)**
Distributions	7		(21,239)		(19,512)
Change in net assets attributable to shareholders from investment activities			**43,363**		**(24,603)**

Statement of change in net assets attributable to shareholders

for the year ended 31 January 2020

	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Opening net assets attributable to shareholders		**499,941**		**473,146**
Movement due to issue and cancellation of shares:				
Amounts received on issue of shares	167,028		67,885	
Amounts paid on cancellation of shares	(100,283)		(16,654)	
		66,745		51,231
Dilution Adjustment		1		–
Change in net assets attributable to shareholders from investment activities		43,363		(24,603)
Retained distribution on accumulation shares		775		167
Unclaimed distributions		2		–
Closing net assets attributable to shareholders		**610,827**		**499,941**

Sustainable Future Corporate Bond Fund (continued)

Balance Sheet

as at 31 January 2020

	Notes	31.1.2020 (£'000)	31.1.2019 (£'000)
Assets			
Fixed Assets			
Investments		600,001	495,081
Current assets:			
Debtors	8	9,708	10,418
Cash and bank balances	9	8,714	4,821
Total assets		**618,423**	**510,320**
Liabilities			
Investment liabilities		(1,803)	(3,428)
Creditors:			
Amounts due to futures clearing houses and brokers		(325)	–
Bank overdrafts		–	(207)
Distribution Payable		(4,824)	(4,985)
Other creditors	10	(644)	(1,759)
Total liabilities		**(7,596)**	**(10,379)**
Net assets attributable to shareholders		**610,827**	**499,941**

The notes on pages 63 to 75 form an integral part of these financial statements. The distribution per share is set out in the table on pages 76 to 77.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements
for the year ended 31 January 2020

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 13 to 14.

2 Net capital gains/(losses)

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Non-derivative contracts	53,286	(11,087)
Derivative contracts	(5,986)	(3,696)
Forward currency contracts	(930)	(6,151)
Foreign currency gains/(losses)	258	(1,297)
Rebate of expenses*	–	2
Transaction costs	–	(7)
Net capital gains/(losses)	**46,628**	**(22,236)**

3 Revenue

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Bank interest	33	6
Income on bond futures	233	181
Interest from overseas fixed income securities	6,268	5,812
Interest from UK fixed income securities	14,116	13,998
Total revenue	**20,650**	**19,997**

* Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

4 Expenses

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's fees	2,056	1,751
Fixed rate administration fees	426	167
Registration fee	–	80
	2,482	**1,998**
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	–	26
Safe custody fee	–	17
	–	**43**
Other expenses		
Audit fees*	–	7
Accounts printing and postage	–	(2)
Rebate of expenses**	–	(14)
	–	**(9)**
Total expenses	**2,482**	**2,032**

* The audit fee for the year, excluding VAT, was £9,083 (2019: £8,650).

** Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

5 Taxation

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
a) Analysis of charge in year		
Overseas tax	–	60
Total tax charge for the year (see note 5(b))	**–**	**60**

b) Factors affecting tax charge for the year

The taxation assessed for the year is lower (2019 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Net revenue before taxation	17,974	17,205
Corporation tax at 20% (2019 – 20%)	3,595	3,441
Effects of:		
Overseas tax	–	60
Tax deductible interest distributions	(4,248)	(3,914)
Add: transfer to capital re amortisation/accretion	653	473
Total tax charge for year (see note 5(a))	**–**	**60**

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

6 Interest payable and similar charges

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interest	146	60
Return from bond futures	48	700
Total interest payable and similar charges	**194**	**760**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

7 Distributions

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
1st interim distribution	4,890	4,649
2nd interim distribution	5,709	5,089
3rd interim distribution	5,458	4,980
Final distribution	5,396	5,032
	21,453	**19,750**
Amounts received on issue of shares	(562)	(310)
Amounts deducted on cancellation of shares	348	72
Net distribution	**21,239**	**19,512**
The distribution amount has been calculated as follows:		
Net revenue after taxation for the year	17,974	17,145
Effective Interest	3,265	2,367
Net distribution	**21,239**	**19,512**

The distribution per share is set out in the table on pages 76 to 77.

8 Debtors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Accrued revenue	8,903	7,996
Amounts receivable on issue of shares	805	868
Rebate of expenses	–	37
Sales awaiting settlement	–	1,517
Total debtors	**9,708**	**10,418**

9 Cash and bank balances

	31.1.2020 (£'000)	31.1.2019 (£'000)
Amount held at futures clearing houses and brokers	1,154	2,909
Cash and bank balances	7,560	1,912
Total cash and bank balances	**8,714**	**4,821**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

10 Creditors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Other creditors		
Accrued expenses	239	194
Amounts payable on cancellation of shares	405	69
Purchases awaiting settlement	–	1,496
Total creditors	**644**	**1,759**

11 Contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (prior year: £Nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The ACDs periodic charge and registration fees paid to Liontrust Fund Partners LLP and its associates are shown in note 4, and details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £239,000 (prior year: £187,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £2,056,000 (prior year: £1,997,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and it associates for the year was £nil (prior year: £16,000).

The Liontrust Sustainable Future Cautious Managed Fund held 2.6% of the Class 3 Gross Income shares in the Liontrust Sustainable Future Corporate Bond Fund (prior year: 1.0% of the Class 3 Gross Income shares).

The Liontrust Sustainable Future Defensive Managed Fund held 5.9% of the Class 3 Gross Income shares in the Liontrust Sustainable Future Corporate Bond Fund (prior year: 1.1% of the Class 3 Gross Income shares).

The Liontrust Sustainable Future Managed Fund held Nil% of the Class 3 Gross Income shares in the Liontrust Sustainable Future Corporate Bond Fund (prior year: 13.9% of the Class 3 Gross Income shares).

13 Derivatives and other financial instruments

The risks inherent in the Sub-fund's investment portfolio are as follows:

In pursuing its investment objective and investment policy, the Sub-fund holds a number of financial instruments. These may comprise:

- Equity shares, equity related shares, non-equity shares and debt securities. These are held in accordance with the Sub-fund's investment policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operation;
- Shareholders' funds, which represent investors' monies that are invested on their behalf;
- Derivative transactions which the Sub-fund may enter into, the purpose of which is to manage certain aspects of the risks arising from the Sub-fund's investment activities.
- Short-term borrowings used to finance operational cash flows;
- Derivatives are also used for investment purposes not just to manage risk/exposures.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

The main risks arising from the financial instruments are market price (including "emerging markets price risk"), foreign currency, interest rate, liquidity and counterparty credit risk. The ACD reviews the policies for managing each of these risks and they are summarised below.

These policies have remained unchanged since the beginning of the period to which these financial statements relate.

It should be noted that the ACD has a detailed risk management policy which is reviewed and updated, if necessary, periodically. An independent risk function is also present which monitors all relevant risks appropriately.

Market price risk

Market price risk is the risk that the 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. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

The 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 January 2020 and 31 January 2019 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives and short positions where the exposure could be greater. The Sub-fund is 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-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 15%. 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.

As at 31 January 2020, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.6%.

As at 31 January 2019, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 14.3%.

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;
- 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-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

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 the forwards and futures contracts.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Market price risk (continued)

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.

The Sub-fund did use derivatives in the year including a number of bond futures. The level of Market Exposure in the fund as at year end as measured by the Commitment Approach described above was 9.1% (prior year: 24.6%).

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments can 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 the 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 currency risk being identified.

The 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-fund may receive income in currencies other than sterling, and the sterling values of this income can be affected by movements in exchange rates.

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile

	Net Foreign Currency Assets/(Liabilities)		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Euro	1,135	(807)	328
US Dollar	1,374	30,426	31,800
	2,509	**29,619**	**32,128**

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

At 31 January 2019 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets/(Liabilities)		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Euro	1,674	(595)	1,079
US Dollar	2,938	(1,283)	1,655
	4,612	**(1,878)**	**2,734**

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £3,570,000/£(2,921,000) respectively.

If the exchange rate at 31 January 2019 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £304,000/£(249,000) respectively.

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-fund's financial assets are interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The Investment Adviser may from time to time enter into contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

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.

The interest rate risk profile of financial assets and liabilities at 31 January 2020 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total £'000)
Investment assets	52,469	546,794	738	600,001
Investment liabilities	–	–	(1,803)	(1,803)

The interest rate risk profile of financial assets and liabilities at 31 January 2019 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total £'000)
Investment assets	54,164	439,237	1,680	495,081
Investment liabilities	–	–	(3,428)	(3,428)

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Interest rate risk (continued)

The Investment Adviser monitors the Sub-funds interest rate exposure on a daily basis as an integral part of the investment process. In particular the Investment Adviser uses the effective duration of the portfolio to provide a sensitivity analysis of the Sub-fund to the fluctuation in market interest rates.

At 31 January 2020, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 6.7%.

At 31 January 2019, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 5.88%.

Liquidity risk

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

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 the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it 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 analysis on page *57* summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2020 and 31 January 2019.

The Sub-fund 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-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The 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.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") 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 January 2020 was A (Standard & Poor's rating).

BNYMSA, 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 BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Counterparty credit risk (continued)

Insolvency of BNYM and or one of its agents or affiliates may cause the 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.

Counterparty exposures

The counterparty exposure of financial derivative transactions is shown below:

Counterparty details Financial Derivative Transactions	Forward Foreign Exchange Contracts (£'000)	Futures (£'000)	Total Exposure (£'000)
Bank of New York Mellon	(41)	–	(41)
UBS	–	(1,024)	(1,024)

At the balance sheet date, there were two counterparties to open derivative contracts at the balance sheet date which was Bank of New York Mellon and UBS Limited. At the year-end collateral of Nil (prior year: Nil) was received; collateral pledged was £3,598,358 (prior year: £2,840,252) and none (prior year: none) of the Sub-funds' financial assets were past due or impaired.

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 as shown in the table below.

Valuation of financial investments

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	365	(1,389)
Level 2: Observable market data	599,623	(414)
Level 3: Unobservable data	13	–
	600,001	**(1,803)**

31.1.2019	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	–	(3,428)
Level 2: Observable market data	495,050	–
Level 3: Unobservable data	31	–
	495,081	**(3,428)**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

14 Share movement

For the year ending 31 January 2020

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Gross Income	185,999,417	46,918,494	(4,627,811)	(742)	228,289,358
Class 3 Gross Income	319,841,382	59,197,931	(84,015,795)	–	295,023,518
Class 6 Gross Accumulation	3,740,594	42,860,719	(772,042)	450	45,829,721

15 Portfolio transaction costs

For the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	343,881	–	–	–	–
Total purchases	**343,881**	**–**		**–**	
Total purchases including transaction costs	**343,881**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	288,055	–	–	–	–
Total sales	**288,055**	**–**		**–**	
Total sales net of transaction costs	**288,055**				
Derivative transaction costs		**34**		**–**	
Total transaction costs		**34**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

15 Portfolio transaction costs (continued)

For the year ending 31 January 2019

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	208,878	–	–	–	–
Total purchases	**208,878**	**–**		**–**	
Total purchases including transaction costs	**208,878**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Debt instruments (direct)	164,774	–	–	–	–
Total sales	**164,774**	**–**		**–**	
Total sales net of transaction costs	**164,774**				
Derivative transaction costs		**50**		**–**	
Total transaction costs		**50**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

During the year the Sub-fund utilised derivative instruments including credit default swaps and futures covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.66% (2019: 0.75%).

Sustainable Future Corporate Bond Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

16 Post Balance sheet events

As indicated in the Accounting Policies in the Notes to the financial statements on page 13, the investments have been valued at close of business on 31 January 2020. Since that date the Sub-fund's quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business 31 January 2020 and at close of business on 21 May 2020.

	Price at 31.1.2020 (pence per share)	Price at 21.5.2020 (pence per share)	% change
Class 2 Gross Income	87.37	83.30	(4.66)%
Class 3 Gross Income	116.45	111.05	(4.64)%
Class 6 Gross Accumulation	147.98	142.31	(3.83)%

The following table summarises the total NAV movement since the balance sheet date:

	NAV at 31.1.2020 (£'000)	NAV at 21.5.2020 (£'000)	% change
Class 2 Gross Income	199,448	207,278	3.93%
Class 3 Gross Income	343,561	324,961	(5.41)%
Class 6 Gross Accumulation	67,818	75,792	11.76%

Sustainable Future Corporate Bond Fund (continued)

Distribution tables
for the year ended 31 January 2020

Final distribution payable in pence per share
Group 1 - Shares purchased prior to 1 November 2019
Group 2 - Shares purchased 1 November 2019 to 31 January 2020

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Payable 31.3.2020	Distribution Paid 31.3.2019
Class 6 - Group 1	1.2489	–	1.2489	1.2464
Class 6 - Group 2	1.0288	0.2201	1.2489	1.2464
Income Shares				
Class 2 - Group 1	0.7403	–	0.7403	0.7724
Class 2 - Group 2	0.3574	0.3829	0.7403	0.7724
Class 3 - Group 1	1.0623	–	1.0623	1.1093
Class 3 - Group 2	0.5945	0.4678	1.0623	1.1093

Third Interim distribution payable in pence per share
Group 1 - Shares purchased prior to 1 August 2019
Group 2 - Shares purchased 1 August 2019 to 31 October 2019

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 31.12.2019	Distribution Paid 31.12.2018
Class 6 - Group 1	1.3025	–	1.3025	1.2527
Class 6 - Group 2	0.6063	0.6962	1.3025	1.2527
Income Shares				
Class 2 - Group 1	0.7817	–	0.7817	0.7780
Class 2 - Group 2	0.3937	0.3880	0.7817	0.7780
Class 3 - Group 1	1.1224	–	1.1224	1.1206
Class 3 - Group 2	0.5542	0.5682	1.1224	1.1206

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all 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 shares for capital gains tax purposes.

Sustainable Future Corporate Bond Fund (continued)

Distribution tables (continued)
for the year ended 31 January 2020

Second Interim distribution payable in pence per share
Group 1 - Shares purchased prior to 1 May 2019
Group 2 - Shares purchased 1 May 2019 to 31 July 2019

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 30.9.2019	Distribution Paid 30.9.2018
Class 6 - Group 1	1.3186	–	1.3186	1.2919
Class 6 - Group 2	0.6100	0.7086	1.3186	1.2919
Income Shares				
Class 2 - Group 1	0.7995	–	0.7995	0.8113
Class 2 - Group 2	0.3584	0.4411	0.7995	0.8113
Class 3 - Group 1	1.1477	–	1.1477	1.1596
Class 3 - Group 2	0.7639	0.3838	1.1477	1.1596

First Interim distribution payable in pence per share
Group 1 - Shares purchased prior to 1 February 2019
Group 2 - Shares purchased 1 February 2019 to 30 April 2019

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 30.6.2019	Distribution Paid 30.6.2018
Class 6 - Group 1	1.2080	–	1.2080	1.2017
Class 6 - Group 2	0.4498	0.7582	1.2080	1.2017
Income Shares				
Class 2 - Group 1	0.7392	–	0.7392	0.7609
Class 2 - Group 2	0.3360	0.4032	0.7392	0.7609
Class 3 - Group 1	1.0631	–	1.0631	1.0906
Class 3 - Group 2	0.4637	0.5994	1.0631	1.0906

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all 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 shares for capital gains tax purposes.

Sustainable Future Defensive Managed Fund

Report for the year from 1 February 2019 to 31 January 2020

Investment objective and policy

The Sub-fund aims to deliver income and capital growth over the long term (5 years or more).

The Sub-fund will invest globally. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:

Equity - 20-50%

Fixed Income - 10-60%

Cash - 0-20%

The Sub-fund may invest in collective investment schemes including other Liontrust Funds (up to 10% Sub-fund assets), other transferable securities, money market instruments, warrants, and deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Defensive Managed Fund (continued)

Investment review

Fund review

The SF Defensive Managed fund delivered 15.3% over the 12 months under review, compared with the IA Mixed Investment 20-60% Shares sector average of 8.9%*.

Over 2019, stock selection was once again the major contributor to performance although our asset allocation decisions also had a positive impact.

We started 2019 overweight cash and underweight UK and global equities and gradually added money back into the market over Q1, also increasing our overweight corporate bond allocation. We felt the sell-off in the final quarter of 2018 had discounted an overly negative outcome for both Brexit and the US/Chinese trade war and the reality was likely to be more moderate.

That said, we reduced our overweight equity position back to neutral over the second quarter and also brought our cash underweight back to neutral. We maintained our overweight credit/underweight Gilt position. While we still saw few signs of a recession, we felt the economic up-cycle was reaching its tenth year, with key risks emerging.

We maintained this neutral equity and overweight corporate bonds and cash positioning in the third quarter but took the decision mid-October to overweight equities and reduce cash to underweight. In our view, economic momentum, which had deteriorated over 2019, was set to improve. Again, we felt markets had moved to discount a negative outcome for Brexit and the trade war and equity markets offered decent valuation support for outperformance over cash over the remainder of 2019 and into 2020.

The portfolio continues to target companies that can grow as the global economy becomes more efficient, offer a higher quality of life and provide a more resilient global economy.

Spanish telecom firm Cellnex remains a consistent performer, having completed a capital increase of €1.2 billion in May to acquire further sites in France, Italy and Switzerland. Meanwhile, the company also displayed its sustainable credentials in January, upgraded to the Carbon Disclosure Project's list of the A-list of companies leading the way of combating climate change.

We believe telecoms infrastructure is the backbone of the digital economy and tower companies like Cellnex are poised to benefit from continued growth in communications. Cellnex is an important consolidator in the European market, as the telecommunication companies divest their tower assets to focus on their core business.

Elsewhere, we continue to see opportunities in the growing move towards digital payments and holdings such as Visa and Paypal feature among our stronger names.

Visa is an integral part of the global payments network, taking a very small percentage of the value of billions of transactions processed each year. The complex nature of this system, and the crucial role operational excellence plays within it, provides the company with enormous barriers to entry. This is the ultimate scale industry: cost per transaction falls steeply with growth, which results in successful companies becoming harder and harder to dislodge.

Kingspan remains a long-term contributor to returns, with the Irish insulation specialist announcing a major 10-year strategy to reduce carbon emissions by 2030. Its Planet Passionate strategy is made up of 12 targets, addressing the impact of Kingspan's business operations and manufacturing on the four key areas of energy, carbon, circularity and water. On energy for example, the target is to power 60% of all Kingspan operations directly from renewable sources, with a minimum of 20% of this generated on manufacturing sites (up from around 6% today).

During the year, the group announced a record first half, with revenue growth across all its business units. While acknowledging ongoing risks, the company continues to expand around the world, with new facilities under construction in the US, Brazil and Sweden.

Other top names included US software business Cadence Design Systems, which has continued to climb despite concerns around a cyclical slowdown in the semiconductor industry.

The company is broadening its chip design software offering to new customers, as the likes of Amazon, Google and even Tesla invest in chip design teams. Cadence's software offering is essential to this design and demand from these businesses, as well as more traditional chip manufacturing customers, will drive growth over the short and long term. This type of innovation delivers better efficiency, which is key to our *Improving the efficiency of energy usage* theme.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Fund review (continued)

London Stock Exchange was another strong contributor in what proved an eventful year for the company. In the latter months, LSE received shareholder approval for a $27bn acquisition of leading global provider of financial data Refinitiv as the group looks to broaden its trading business – and this deal has been well received by the market.

LSE is positively exposed to our *Increasing financial resilience* theme by providing valuable data to market participants as well as the infrastructure enabling financial markets to run smoothly.

Among the few stocks that detracted over the period, Norwegian metals producer Norsk Hydro continues to suffer after warning it would miss 2019 expectations due to restricted output in its Brazil facility where the company has taken action to address environmental damage and we sold the stock in October.

Cineworld has struggled despite the release of major blockbusters including Avengers: Endgame and Star Wars: The Rise of Skywalker over the year, warning on profits in December. The company continues with the integration of US cinema chain Regal and expects to extract further savings, also announcing plans to acquire Canada's cineplex in 2020.

UK commercialisation firm IP Group has been disappointing, with poor share price performance driven by the overhang of a large shareholder, which ended up as a forced seller. The company remains confident in its diverse portfolio of holdings and we continue to focus on the operational performance of the portfolio, which continues to be strong.

GW Pharmaceuticals had a weaker period despite the underlying business doing well and continuing to post solid quarterly results. Volatility in the much broader pool of cannabis-related investments appears to be dragging the company's share price down but we are not concerned by this. Most recently, we saw the news that NHS England has given the go-ahead for two of GW's cannabis-based medicines to be used for the first time, potentially providing relief for thousands of epilepsy and multiple sclerosis sufferers.

* *Source: Financial Express, primary share class, total return, net of fees and income & interest reinvested, 31.01.19-31.01.20.*

Market review

With trade wars and Brexit dominating news for the whole of 2019, it was encouraging to see long-awaited developments on both fronts in the final weeks of another year plagued by uncertainty. December's developments continued into the new year as we saw posited moves on trade and Brexit come to fruition but events in Iran and then news of a deadly respiratory illness in China both dented sentiment.

In the US, there was positive news on trade with China, with the announcement of a phase one deal stopping further tariffs due in December. Phase two discussion will be ongoing throughout 2020 and will clearly play a key role in President Trump's electioneering.

With Brexit, the supposedly iron-clad exit date of 29 March passed without resolution and we ultimately saw Theresa May give way to Boris Johnson as Prime Minister. In October, Johnson surprised markets by delivering on a Brexit deal but was unable to get this through Parliament and so called a General Election for December.

The resulting large majority for the Conservative party was well received by financial markets, with parliament passing the European Union Withdrawal Bill in the following days. The UK left the EU at the end of January but there remains much to be done during the transition period and with Johnson stating the UK would not seek an extension to the end 2020 deadline, the risk of a cliff-edge departure at the end of the year remains.

As we came into 2019, the Federal Reserve was still talking about rate hikes but economic weakness drove a turnaround in narrative. After growing signs pointing to monetary loosening, we ultimately saw the first cuts from the Fed in 11 years over the second half of the year, two in Q3 and a third in October, moving closer to a full reversal of 2018's four hikes in response to strengthening conditions.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Market review (continued)

In the UK, the Monetary Policy Committee kept interest rates on hold throughout the year, although members have voted in favour of a cut at more recent meetings. In Mark Carney's final meeting as governor at the end of January, the MPC voted 7-2 to keep rates unchanged, citing an improving global backdrop and reduction in uncertainty following Boris Johnson's election victory. This was despite markets pricing in a 50/50 chance of a rate cut and reflecting that, the MPC said it remains poised to cut rates if a post-election bounce fails to materialise.

As always, we continue to stress that whatever macro events are unfolding in the background, the underlying business fundamentals for the areas of the global market in which we invest remain strong.

Our themes are structural in nature and therefore less transient than cyclical drivers, which can change constantly. The key factor behind all our themes is the conviction that, over time, the global economy will become more sustainable.

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.

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested. Past performance is not a guide to future performance.

Material portfolio changes by value

Purchases	Sales
Treasury 1.625% Gilts 22/10/2028	Aviva 6.125% Floating Rate Bonds 14/11/2036
Liontrust Sustainable Future Corporate Bond Fund*	Treasury 5% Stock 7/3/2025
Treasury 3.75% Gilts 7/9/2021	Rightmove
GlaxoSmithKline	Treasury 4.25% Loan Stock 7/12/2055
HBOS Capital Funding 6.85% Perpetual Bonds	Treasury 4.5% Stock 7/12/2042
Aviva 5.125% European Medium Term Notes 4/6/2050	Informa
Prudential	Treasury 3.75% Gilts 7/9/2019
HSBC 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	Sophos
TerraForm Power	Santander 7.375% Perpetual Bonds
Rabobank 4.625% Subordinated European Medium Term Notes 23/5/2029	Vodafone 4.875% Bonds 3/10/2078

*Related party investment.

Sustainable Future Defensive Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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 Sub-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 Sub-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 Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 4 because funds of this type have experienced medium to high rises and falls in value in the past.
- 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.
- The sub-fund can invest in derivatives. Derivatives are used to protect against currencies, credit and interests rates move or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions.
- The Sub-fund has holdings which are denominated in currencies other than Sterling and may be affected by movements in exchange rates. Consequently the value of an investment may rise or fall in line with the exchange rates.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability.

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	DEBT SECURITIES (39.52%)	**102,801**	**34.95**
	UNITED KINGDOM GOVERNMENT BONDS (13.58%)	**38,019**	**12.93**
£29,700,000	Treasury 1.625% Gilts 22/10/2028	32,660	11.11
£5,100,000	Treasury 3.75% Gilts 7/9/2021	5,359	1.82
	STERLING DENOMINATED DEBT SECURITIES (23.08%)	**57,817**	**19.65**
£400,000	3i 5.75% Guaranteed Senior European Medium Term Bonds 3/12/2032	540	0.18
£600,000	Annington Funding 3.184% European Medium Term Notes 12/7/2029	657	0.22
£1,500,000	Aroundtown 3.25% European Medium Term Notes 18/7/2027	1,617	0.55
£800,000	Assicurazioni Generali 6.269% Guaranteed Perpetual Subordinated Floating Rate Bonds	927	0.31
£1,000,000	AT&T 4.375% Bonds 14/9/2029	1,207	0.41
£300,000	AT&T 7% Guaranteed Senior European Medium Term Bonds 30/4/2040	486	0.17
£2,000,000	Aviva 5.125% European Medium Term Notes 4/6/2050	2,340	0.80
£800,000	AXA 5.453% Subordinated Perpetual Floating Rate Notes	917	0.31
£862,000	AXA 6.6862% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	1,051	0.36
£1,400,000	British Telecommunications 5.75% Guaranteed Senior Bonds 7/12/2028	1,828	0.62
£950,000	Bunzl Finance 2.25% Bonds 11/6/2025	982	0.33
£1,050,000	Cadent Finance 2.125% European Medium Term Notes 22/9/2028	1,097	0.37
£400,000	Compass 2% European Medium Term Notes 5/9/2025	420	0.14
£800,000	Coventry Building Society 6.875% Perpetual Bonds	903	0.31
£500,000	CPUK Finance 3.69% European Medium Term Notes 28/2/2047	548	0.19
£500,000	Crédit Agricole 7.5% Perpetual Subordinated Floating Rate Notes	611	0.21
£900,000	Deutsche Telekom International Finance 8.875% Guaranteed Bonds 27/11/2028	1,428	0.49
£690,000	Direct Line Insurance 4.75% Perpetual Bonds	673	0.23
£900,000	Dwr Cymru Financing 2.5% European Medium Term Notes 31/3/2036	1,010	0.34
£750,000	GlaxoSmithKline Capital 5.25% Guaranteed European Medium	1,095	0.37
£400,000	HSBC 3% Senior Floating Rate Notes 22/7/2028	432	0.15
£1,500,000	HSBC 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	2,287	0.78
£850,000	InterContinental Hotels 3.75% European Medium Term Notes 14/8/2025	946	0.32
£2,000,000	Legal & General 5.125% Bonds 14/11/2048	2,307	0.78
£575,000	Liberty Living Finance 3.375% Bonds 28/11/2029	633	0.22
£1,100,000	Logicor 2019-1 UK 1.875% Bonds 17/11/2026	1,126	0.38
£515,000	National Express 2.375% Bonds 20/11/2028	531	0.18
£1,000,000	Nationwide Building Society 5.875% Perpetual Bonds	1,093	0.37
£700,000	Next 3.625% Bonds 18/5/2028	772	0.26

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	STERLING DENOMINATED DEBT SECURITIES (continued)		
£900,000	NGG Finance 5.625% Floating Rate Notes 18/6/2073	1,022	0.35
£600,000	Notting Hill Housing Trust 2.875% Bonds 31/1/2029	650	0.22
£800,000	Orange 8.125% Guaranteed Senior European Medium Term Bonds 20/11/2028	1,226	0.42
£950,000	Orsted 2.125% European Medium Term Notes 17/5/2027	1,003	0.34
£1,500,000	Pension Insurance 5.625% Bonds 20/9/2030	1,747	0.59
£700,000	Places for People Homes 5.875% European Medium Term Notes 23/5/2031	942	0.32
£2,050,000	Prudential 5.625% Bonds 20/10/2051	2,418	0.82
£2,500,000	Rabobank 4.625% Subordinated European Medium Term Notes 23/5/2029	3,048	1.04
£800,000	Severn Trent Water Utilities 6.25% Guaranteed Bonds 7/6/2029	1,124	0.38
£900,000	SP Transmission 2% Bonds 13/11/2031	935	0.32
£1,000,000	SSE 3.875% Perpetual Bonds	1,010	0.34
£2,500,000	Standard Chartered 5.125% Subordinated European Medium Term Notes 6/6/2034	3,113	1.06
£1,300,000	Telefónica Emisiones 5.375% Guaranteed European Medium Term Bonds 2/2/2026	1,581	0.54
£1,500,000	Verizon Communications 3.375% Bonds 27/10/2036	1,776	0.60
£1,100,000	Vodafone 5.9% Guaranteed Senior European Medium Term Bonds 26/11/2032	1,598	0.54
£950,000	Western Power Distribution 3.5% Bonds 16/10/2026	1,032	0.35
£710,000	WM Morrison Supermarkets 4.75% European Medium Term Notes 4/7/2029	881	0.30
£1,250,000	Yorkshire Building Society 3.375% European Medium Term Notes 13/9/2028	1,313	0.45
£700,000	Yorkshire Water Services Odsal Finance 6.454% Guaranteed Bonds 28/5/2027	934	0.32
	EURO DENOMINATED DEBT SECURITIES (0.26%)	**252**	**0.09**
€200,000	Telecom Italia Finance 7.75% European Medium Term Notes 24/1/2033	252	0.09
	UNITED STATES DOLLAR DENOMINATED DEBT SECURITIES (2.60%)	**6,713**	**2.28**
$1,700,000	Argentum Netherlands 5.75% Bonds 15/8/2050	1,423	0.48
$2,000,000	BNP Paribas 7.195% Guaranteed Perpetual Subordinated Floating Rate Bonds	1,711	0.58
$3,100,000	HBOS Capital Funding 6.85% Perpetual Bonds	2,405	0.82
$1,000,000	HSBC Bank 2.1875% Perpetual Floating Rate Notes	624	0.21
$250,000	Lloyds Bank 12% Perpetual Bonds	233	0.08
$400,000	SCOR 5.25% Perpetual Bonds	317	0.11

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	EQUITIES (52.81%)	**149,628**	**50.86**
	AUSTRALIA (0.64%)	**1,716**	**0.58**
10,826	CSL	1,716	0.58
	CHANNEL ISLANDS; GUERNSEY (2.51%)	**5,955**	**2.03**
1,706,485	John Laing Environmental Assets	2,005	0.68
1,426,214	NextEnergy Solar Fund	1,690	0.58
1,714,932	Renewables Infrastructure	2,260	0.77
	CHANNEL ISLANDS; JERSEY (0.55%)	**1,182**	**0.40**
923,785	GCP Infrastructure Investments Fund	1,182	0.40
	DENMARK (0.52%)	**1,725**	**0.59**
30,732	Ringkjoebing Landbobank	1,725	0.59
	GERMANY (1.43%)	**2,745**	**0.93**
21,150	Hella Hueck	756	0.26
51,129	Infineon Technologies	839	0.28
18,867	Puma	1,150	0.39
	HONG KONG (0.41%)		
	IRELAND; REPUBLIC OF (2.23%)	**6,825**	**2.32**
15,860	Kerry class 'A' shares	1,531	0.52
63,156	Kingspan	2,960	1.01
88,837	Smurfit Kappa	2,334	0.79
	ITALY (0.38%)	**1,473**	**0.50**
38,509	Banca Generali	930	0.32
57,485	Technogym	543	0.18
	JAPAN (2.34%)	**6,763**	**2.30**
2,511	Canadian Solar Infrastructure Fund	2,095	0.71
14,300	Daikin	1,564	0.53
4,600	Keyence	1,202	0.41
6,025	Shimano	710	0.24
23,100	TechnoPro	1,192	0.41

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	LUXEMBOURG (0.26%)		
	NETHERLANDS (0.74%)	**2280**	**0.78**
5,602	ASML	1197	0.41
16,400	InterXion	1083	0.37
	NORWAY (0.62%)		
	SPAIN (0.61%)	**1,829**	**0.62**
48,425	Cellnex Telecom	1,829	0.62
	SWEDEN (0.55%)	**1,180**	**0.40**
158,570	Svenska Handelsbanken series 'A' shares	1,180	0.40
	SWITZERLAND (0.54%)	**1,247**	**0.42**
4,890	Roche Holding	1,247	0.42
	UNITED KINGDOM (24.25%)	**74,576**	**25.35**
225,498	3i	2,488	0.84
178,084	Abcam	2,483	0.84
1,795,755	Aquila European Renewables Income Fund	1,585	0.54
708,344	Cineworld	1,256	0.43
139,782	Compass	2,624	0.89
212,504	Countryside Properties	1,037	0.35
392,329	Crest Nicholson	1,960	0.67
42,371	Croda International	2,112	0.72
407,946	DFS Furniture	1,138	0.39
202,682	GB	1,439	0.49
219,168	GlaxoSmithKline	3,910	1.33
1,667,805	Greencoat UK Wind	2,368	0.80
12,146	GW Pharmaceuticals ADR (each representing 12 ordinary share)	1,064	0.36
454,175	Gym	1,342	0.46
113,618	Hargreaves Lansdown	1,959	0.67
38,559	Intertek	2,220	0.75
907,719	IP	625	0.21
665,983	Legal & General	2,034	0.69
17,443,144	Liontrust Sustainable Future Corporate Bond Fund*	20,571	6.99

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (continued)		
39,936	London Stock Exchange	3,129	1.06
95,180	Oxford Biomedica	571	0.19
290,292	Paragon	1,473	0.50
185,709	Porvair	1,460	0.50
1,167,125	PRS REIT	1,050	0.36
200,243	Prudential	2,707	0.92
2,321,014	SDCL Energy Efficiency Income Trust	2,530	0.86
73,612	Softcat	848	0.29
182,293	St. James's Place Capital	2,085	0.71
229,372	Trainline	1,079	0.37
43,866	Unilever	1,989	0.68
1,917,873	US Solar Fund	1,440	0.49
	UNITED STATES OF AMERICA (14.49%)	**40,132**	**13.64**
5,500	Adobe Systems	1,465	0.50
10,600	Alexion Pharmaceuticals	799	0.27
1,900	Alphabet class 'A' shares	2,064	0.70
11,200	American Tower class 'A' shares	1,969	0.67
11,500	Autodesk	1,717	0.58
24,600	Cadence Design Systems	1,345	0.46
39,536	Charles Schwab	1,366	0.46
14,600	DocuSign	869	0.29
13,600	Ecolab	2,023	0.69
14,300	Eli Lilly	1,515	0.51
3,521	Equinix	1,575	0.54
17,914	First Republic Bank	1,507	0.51
4,300	Intuit	915	0.31
16,000	IQVIA	1,884	0.64
13,500	Nasdaq	1,193	0.41
7,900	Palo Alto Networks	1,407	0.48
17,700	PayPal	1,529	0.52
16,800	PerkinElmer	1,178	0.40
7,300	Rockwell Automation	1,061	0.36
4,300	Roper Industries	1,244	0.42
12,300	Salesforce.com	1,700	0.58
8,300	Splunk	977	0.33

Sustainable Future Defensive Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA (continued)		
167,900	TerraForm Power	2,304	0.78
6,277	Thermo Fisher Scientific	1,490	0.51
31,500	Trimble Navigation	1,016	0.35
38,500	Trupanion	933	0.32
11,300	Visa	1,705	0.58
18,900	Waste Connections	1,382	0.47
	Portfolio of investments	**252,429**	**85.81**
	Net other assets	**41,747**	**14.19**
	Total net assets	**294,176**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Note: comparative figures show percentages for each category of holding at 31 January 2019.

* Related party investment.

Credit Quality

Summary of Credit ratings

	31.1.2020 (£'000)	31.1.2019 (£'000)
Investment grade	94,860	30,380
Below Investment grade	5,583	1,982
Not Rated	2,358	–
Total	**102,801**	**32,362**

Sustainable Future Defensive Managed Fund (continued)

Comparative tables
for the year ended 31 January 2020

Class 2 Net Income	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	123.03	124.65	114.68
Return before operating charges	19.46	2.26	13.67
Operating charges	(1.23)	(1.15)	(1.18)
Return after operating charges	18.23	1.11	12.49
Distributions	(2.70)	(2.73)	(2.52)
Closing net asset value per share	**138.56**	**123.03**	**124.65**
After transaction costs of	(0.23)	(0.25)	(0.17)
Performance			
Return after charges	14.82%	0.89%	10.89%
Other information			
Closing net asset value (£'000)	260,225	69,858	22,685
Closing number of shares	187,801,666	56,781,521	18,198,379
Operating charges**	0.92%	0.92%	0.96%
Direct transaction costs*	0.18%	0.20%	0.14%
Prices			
Highest share price	141.8	129.1	127.7
Lowest share price	123.5	120.4	114.6

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Defensive Managed Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 3 Net Income	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	124.81	126.06	115.57
Return before operating charges	19.66	2.19	13.66
Operating charges	(0.77)	(0.67)	(0.63)
Return after operating charges	18.89	1.52	13.03
Distributions	(2.74)	(2.77)	(2.54)
Closing net asset value per share	**140.96**	**124.81**	**126.06**
After transaction costs of	(0.24)	(0.26)	(0.17)
Performance			
Return after charges	15.14%	1.21%	11.27%
Other information			
Closing net asset value (£'000)	33,951	12,068	3,834
Closing number of shares	24,085,661	9,668,796	3,041,649
Operating charges**	0.57%	0.53%	0.51%
Direct transaction costs*	0.18%	0.20%	0.14%
Prices			
Highest share price	144.2	130.8	129.2
Lowest share price	125.3	121.9	115.5

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Defensive Managed Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class Z Net Income	22 May 2019+ per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	126.40	127.08	116.25
Return before operating charges	9.79	1.91	13.66
Operating charges	(0.17)	(0.20)	(0.27)
Return after operating charges	9.62	1.71	13.39
Distributions	–	(2.39)	(2.56)
Closing net asset value per share	**136.02**	**126.40**	**127.08**
After transaction costs of	(0.07)	(0.26)	(0.17)
Performance			
Return after charges	7.61%	1.35%	11.52%
Other information			
Closing net asset value (£'000)	–	1	12,709
Closing number of shares	–	1,000	10,001,000
Operating charges**	0.43%	0.16%	0.22%
Direct transaction costs*	0.18%	0.20%	0.14%
Prices			
Highest share price	136.0	132.0	130.2
Lowest share price	126.9	122.9	116.1

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

\+ Figures as at 22 May 2019, which was the final valuation date of the share class.

Sustainable Future Defensive Managed Fund (continued)

Statement of Total Return

for the year ended 31 January 2020

	Notes	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Income					
Net capital gains/(losses)	2		18,949		(822)
Revenue	3	3,744		1,224	
Expenses	4	(1,497)		(405)	
Interest payable and similar charges	6	(2)		(4)	
Net revenue before taxation		2,245		815	
Taxation	5	(187)		(77)	
Net revenue after taxation			2,058		738
Total return before distributions			**21,007**		**(84)**
Distributions	7		(3,258)		(1,065)
Change in net assets attributable to shareholders from investment activities			**17,749**		**(1,149)**

Statement of change in net assets attributable to shareholders

for the year ended 31 January 2020

	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Opening net assets attributable to shareholders		**81,927**		**39,228**
Movement due to creation and cancellation of shares:				
Amounts received on creation of shares	197,272		57,126	
Amounts paid on cancellation of shares	(2,799)		(13,297)	
		194,473		43,829
Dilution adjustment		27		19
Change in net assets attributable to shareholders from investment activities		17,749		(1,149)
Closing net assets attributable to shareholders		**294,176**		**81,927**

Sustainable Future Defensive Managed Fund (continued)

Balance Sheet
as at 31 January 2020

	Notes	31.1.2020 (£'000)	31.1.2019 (£'000)
Assets			
Fixed Assets			
Investments		252,429	75,645
Current assets:			
Debtors	8	5,682	1,338
Cash and bank balances	9	39,138	6,129
Total assets		**297,249**	**83,112**
Liabilities			
Creditors:			
Distribution payable		(2,728)	(880)
Other creditors	10	(345)	(305)
Total liabilities		**(3,073)**	**(1,185)**
Net assets attributable to shareholders		**294,176**	**81,927**

The notes on pages 94 to 107 form an integral part of these financial statements. The distribution per share is set out in the table on page 108.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2020

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 13 to 14.

2 Net capital gains/(losses)

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Non-derivative securities	18,985	(760)
Foreign currency losses	(36)	(56)
Transaction costs	—	(6)
Net capital gains/(losses)	**18,949**	**(822)**

3 Revenue

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Bank interest	—	3
Interest from overseas fixed income securities	392	106
Interest from UK fixed income securities	1,166	435
Management fee rebates on CIS	45	11
Non-taxable overseas dividends	604	198
Revenue from Liontrust Sustainable Future Corporate Bond Fund	478	149
Revenue from other Collective Investment Schemes	21	—
Stock dividends	—	3
Taxable overseas dividends	100	26
UK dividends	889	277
UK REIT dividends	10	3
US REIT dividends	39	13
Total revenue	**3,744**	**1,224**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

4 Expenses

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's fees	1,209	329
Fixed rate administration fees	288	49
Registration fee	–	19
	1,497	**397**
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	–	3
Safe custody fee	–	1
	–	**4**
Other expenses		
Audit fees*	–	5
Other expenses/Sundry expenses	–	(1)
	–	**4**
Total expenses	**1,497**	**405**

* The audit fee for the year, excluding VAT, was £8,085 (2019: £7,700).

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

5 Taxation

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
a) Analysis of charge in year		
Corporation tax	148	66
Less: Double taxation relief	(14)	(4)
Overseas tax	54	14
Tax charge	**188**	**76**
Deferred tax (see Note 5c)	(1)	1
Total tax charge for the year (see note 5(b))	**187**	**77**

b) Factors affecting tax charge for the year

The taxation assessed for the year is lower (2019 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Net revenue before taxation	2,245	815
Corporation tax at 20% (2019 – 20%)	449	163
Effects of:		
Double taxation relief	(14)	(4)
Overseas tax	54	14
Revenue not subject to tax	(302)	(96)
Total tax charge for year (see note 5(a))	**187**	**77**

c) Deferred tax		
Opening deferred tax balance	1	–
Deferred tax movement for the year (see Note 5a)	(1)	1
Closing deferred tax balance	**–**	**1**

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

6 Interest payable and similar charges

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interest	2	4
Total interest payable and similar charges	**2**	**4**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 January 2020

7 Distributions

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interim distribution	1,717	496
Final distribution	2,728	880
	4,445	**1,376**
Amounts received on creation of shares	(1,206)	(372)
Amounts deducted on cancellation of shares	19	61
Net distribution	**3,258**	**1,065**
The distribution amount has been calculated as follows:		
Net revenue after taxation for the year	2,058	738
Expenses taken to capital	1,500	405
Tax relief on expenses taken to capital	(300)	(78)
Net distribution	**3,258**	**1,065**

The distribution per share is set out in the table on page 108.

8 Debtors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Accrued revenue	1,452	495
Amounts receivable on creation of shares	4,138	728
Foreign currency contracts awaiting settlement	–	88
Overseas withholding tax	25	14
Sales awaiting settlement	67	13
Total debtors	**5,682**	**1,338**

9 Cash and bank balances

	31.1.2020 (£'000)	31.1.2019 (£'000)
Cash and bank balances	39,138	6,129
Total cash and bank balances	**39,138**	**6,129**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

10 Creditors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Accrued expenses	211	65
Corporation tax	134	62
Deferred tax	–	1
Foreign currency contracts awaiting settlement	–	89
Purchases awaiting settlement	–	88
Total creditors	**345**	**305**

11 Contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (prior year: £Nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The revenue received from Liontrust Sustainable Future Corporate Bond Fund is shown in note 3.

The ACD's periodic charge and registration fees paid to Liontrust Fund Partners LLP and its associates are shown in note 4, and details of shares created and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £211,000 (prior year: £58,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £1,501,000 (prior year: £397,000).

As at 31 January 2020 the Sub-fund held 5.9% (17,443,144 shares with a market value of £20,571,000) of the Class 3 Gross Income shares of the Liontrust Sustainable Future Corporate Bond Fund, a sub fund of the Company. (prior year: 1.1% (3,446,803 shares with a market value of £3,762,000) of the Class 3 Gross Income shares).

13 Derivatives and other financial instruments

The risks inherent in the Sub-fund's investment portfolio are as follows:

In pursuing its investment objective and investment policy, the Sub-fund holds a number of financial instruments. These may comprise:

- Equity shares, equity related shares, non-equity shares and debt securities. These are held in accordance with the Sub-fund's investment policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operation;
- Shareholders' funds, which represent investors' monies that are invested on their behalf;
- Derivative transactions which the Sub-fund may enter into, the purpose of which is to manage certain aspects of the risks arising from the Sub-fund's investment activities and generate additional capital and revenue;
- Short-term borrowings used to finance operational cash flows;
- Derivatives are also used for investment purposes not just to manage risk/exposures.

The main risks arising from the financial instruments are market price (including "emerging markets price risk"), foreign currency, interest rate, liquidity and counterparty credit risk. The ACD reviews the policies for managing each of these risks and they are summarised below.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

These policies have remained unchanged since the beginning of the period to which these financial statements relate.

It should be noted that the ACD has a detailed risk management policy which is reviewed and updated, if necessary, periodically. An independent risk function is also present which monitors all relevant risks appropriately.

Market price risk

Market price risk is the risk that the 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. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

The 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 January 2020 and 31 January 2019 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives and short positions where the exposure could be greater. The Sub-fund is 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-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 15%. 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.

As at 31 January 2020, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 15.5%.

As at 31 January 2019, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 6.6%.

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;
- 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-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

The Sub-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

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 the forwards and futures contracts.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Market price risk (continued)

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.

The Sub-fund did not use derivatives in the year and level of leverage employed by the Sub-fund during the year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments can 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 the 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 currency risk being identified.

The 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-fund may receive income in currencies other than sterling, and the sterling values of this income can be affected by movements in exchange rates.

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	1,715	1,715
Danish Krone	–	1,729	1,729
Euro	–	13,583	13,583
Japanese Yen	–	6,831	6,831
Norwegian Krone	–	9	9
Swedish Krona	–	1,180	1,180
Swiss Franc	–	1,247	1,247
US Dollar	–	50,516	50,516
	–	**76,810**	**76,810**

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

At 31 January 2019 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	522	522
Danish Krone	–	427	427
Euro	1	3,839	3,840
Hong Kong Dollar	–	340	340
Japanese Yen	–	1,941	1,941
Norwegian Krone	–	515	515
Swedish Krona	–	452	452
Swiss Franc	–	445	445
US Dollar	–	14,744	14,744
	1	**23,225**	**23,226**

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £8,534,000/£6,983,000) respectively.

If the exchange rate at 31 January 2019 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £2,581,000/£2,111,000) respectively.

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.

Typically the majority of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The Investment Adviser may from time to time enter into contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

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.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Interest rate risk (continued)

The interest rate risk profile of financial assets and liabilities at 31 January 2020 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total (£'000)
Investment assets	7,295	95,506	149,628	252,429
Investment liabilities	–	–	–	–

The interest rate risk profile of financial assets and liabilities at 31 January 2019 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total £'000)
Investment assets	3,214	29,148	43,283	75,645
Investment liabilities	–	–	–	–

The Investment Adviser monitors the Sub-fund's interest rate exposure on a daily basis as an integral part of the investment process. In particular the Investment Adviser uses the effective duration of the portfolio to provide a sensitivity analysis of the Sub-fund to the fluctuation in market interest rates.

At 31 January 2020, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 7.60%.

At 31 January 2019, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 7.08%.

Liquidity risk

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

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

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 the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it 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 analysis on page 88 summarises the credit quality of the Sub-fund debt portfolio as at 31 January 2020 and 31 January 2019.

The Sub-fund 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-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The 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.

At the balance sheet date, there were no counterparties to open derivative contracts. At the year end collateral of nil (prior year: Nil) was received; collateral pledged was nil (prior year: Nil) and none (prior year: none) of the Sub-funds' financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") 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 January 2020 was A (Standard & Poor's rating).

BNYMSA, 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 BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the 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.

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 as shown in the table below.

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Valuation of financial investments

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	129,057	–
Level 2: Observable market data	123,372	–
Level 3: Unobservable data	–	–
	252,429	**–**

31.1.2019	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	39,521	–
Level 2: Observable market data	36,124	–
Level 3: Unobservable data	–	–
	75,645	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

14 Share movement

For the year ending 31 January 2020

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	56,781,521	131,222,757	(202,612)	–	187,801,666
Class 3 Net Income	9,668,796	16,291,440	(1,874,575)	–	24,085,661
Class Z Net Income	1,000	–	(1,000)	–	–

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

15 Portfolio transaction costs

For the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	90,741	33	0.04	234	0.26
Debt instruments (direct)	84,825	–	–	–	–
Collective investment schemes	24,678	4	0.02	17	0.07
Total purchases	**200,244**	**37**		**251**	
Total purchases including transaction costs	**200,532**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	23,293	10	0.04	1	–
Debt instruments (direct)	18,883	–	–	–	–
Collective investment schemes	78	–	–	–	–
Total sales	**42,254**	**10**		1	
Total sales net of transaction costs	**42,243**				

Total transaction costs		**47**		**252**	
Total transaction costs as a % of average net assets		**0.03%**		**0.15%**	

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

15 Portfolio transaction costs (continued)

For the year ending 31 January 2019

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	32,537	12	0.04	79	0.24
Debt instruments (direct)	30,951	–	–	–	–
Collective investment schemes	2,884	2	0.07	4	0.14
Total purchases	**66,372**	**14**		**83**	
Total purchases including transaction costs	**66,469**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	12,904	5	0.04	–	–
Debt instruments (direct)	10,338	–	–	–	–
Collective investment schemes	374	–	–	–	–
Total sales	**23,616**	**5**		**–**	
Total sales net of transaction costs	**23,611**				

Total transaction costs		**19**		**83**	
Total transaction costs as a % of average net assets		**0.04%**		**0.16%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.29% (2019: 0.28%).

Sustainable Future Defensive Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

16 Post Balance sheet events

As indicated in the Accounting Policies in the Notes to the financial statements on page 13, the investments have been valued at close of business on 31 January 2020. Since that date the Sub-fund's quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 31 January 2020 and at close of business on 21 May 2020.

	Price at 31.1.2020 (pence per share)	Price at 21.5.2020 (pence per share)	% change
Class 2 Net Income	138.56	137.36	(0.87)%
Class 3 Net Income	140.96	139.85	(0.79)%

The following table summarises the total NAV movement since the balance sheet date:

	NAV at 31.1.2020 (£'000)	NAV at 21.5.2020 (£'000)	% change
Class 2 Net Income	260,225	349,534	34.32%
Class 3 Net Income	33,951	36,708	8.12%

Sustainable Future Defensive Managed Fund (continued)

Distribution tables

for the year ended 31 January 2020

Final distribution payable in pence per share

Group 1 - Shares purchased prior to 1 August 2019
Group 2 - Shares purchased 1 August 2019 to 31 January 2020

Income shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Payable 31.3.2020	Distribution Paid 31.3.2019
Class 2 - Group 1	1.2851	–	1.2851	1.3219
Class 2 - Group 2	0.5087	0.7764	1.2851	1.3219
Class 3 - Group 1	1.3064	–	1.3064	1.3396
Class 3 - Group 2	0.4948	0.8116	1.3064	1.3396
Class Z - Group 1†	–	–	–	1.3440
Class Z - Group 2†	–	–	–	1.3440

Interim distribution paid in pence per share

Group 1 - Shares purchased prior to 1 February 2019
Group 2 - Shares purchased 1 February 2019 to 31 July 2019

Income shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 30.9.2019	Distribution Paid 30.9.2018
Class 2 - Group 1	1.4111	–	1.4111	1.4108
Class 2 - Group 2	0.5316	0.8795	1.4111	1.4108
Class 3 - Group 1	1.4325	–	1.4325	1.4278
Class 3 - Group 2	0.5448	0.8877	1.4325	1.4278
Class Z - Group 1†	–	–	–	1.0470
Class Z - Group 2†	–	–	–	1.0470

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all 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 shares for capital gains tax purposes.

† Class Z shares closed 22 May 2019.

Sustainable Future European Growth Fund

Report for the year from 1 February 2019 to 31 January 2020

Investment objective and policy

The Sub-fund aims to deliver capital growth over the long-term (5 years or more).

The Sub-fund will invest in companies which are incorporated, domiciled, listed or conduct significant business in the EEA or Switzerland. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

The Sub-fund may also invest a maximum of 5% in UK listed securities.

The Sub-fund will typically invest 95% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future European Growth Fund (continued)

Investment review

Fund review

The SF European Growth Fund returned 22.4% over the 12 months under review, outperforming the MSCI Europe ex-UK Index's 14.6% and the IA Europe ex-UK sector's 14.0%*.

As ever, the majority of our performance came from stock selection, with a broad selection of holdings contributing to returns.

Semiconductor business ASML features among the top contributors once again, posting strong results throughout the year. We believe commercialisation of this technology will deliver a wide range of significant positive impacts and financial value for ASML and supporting this, the company has confirmed its view, first stated at an Investor day in 2014, of an annual revenue opportunity of 10 billion euros in 2020.

While acknowledging short-term volume demand uncertainties due to macroeconomic developments, the company remains confident on the longer-term outlook based on a positive view on technology drivers such as 5G communications, automotive, artificial intelligence and data centers.

Spanish telecom firm Cellnex is another consistent performer, having completed a capital increase of €1.2 billion in May to acquire further sites in France, Italy and Switzerland. We believe telecoms infrastructure is the backbone of the digital economy and tower companies like Cellnex are poised to benefit from continued growth in communications.

Cellnex is an important consolidator in the European market, as the telecommunication companies divest their tower assets to focus on their core business. Meanwhile, the company also displayed its sustainable credentials in January 2020, upgraded to the Carbon Disclosure Project's A-list of companies leading the way on combating climate change.

Roche also remains among our top names, with the company finally able to announce unconditional clearance from the UK's Competition and Markets Authority for its acquisition of Spark Therapeutics. Spark is committed to discovering, developing and delivering gene therapies 'challenging the inevitability' of genetic diseases including blindness, haemophilia, lysosomal storage disorders and neurodegenerative diseases.

Roche is a long-term beneficiary of our *Enabling Innovation in healthcare* theme and reinforcing that, the company has the highest number of Breakthrough Therapy designations in the industry. Such progress continues to help alleviate market concerns about pressure from potential erosion to its core oncology franchises.

Long-term holding Kingspan also sits among our best contributors over the period, continuing to post growth despite concerns around global demand. In recent months, the Irish insulation specialist announced a major 10-year strategy to reduce carbon emissions by 2030. Its Planet Passionate strategy is made up of 12 targets, addressing the impact of Kingspan's business operations and manufacturing on the four key areas of energy, carbon, circularity and water.

On energy for example, the target is to power 60% of all Kingspan operations directly from renewable energy with a minimum of 20% of this generated on manufacturing sites (up from 5.9% today).

Improving the efficiency of energy use is a key theme across our portfolios, and we think this business is well placed to profit from increased demand for its products. The company produces thermal insulation, which helps to cut the amount of energy needed to heat the buildings in which we live and work.

Another name reporting strong performance over the period was Puma, increasing its guidance for FY 2019 upwards on a couple of occasions. After registering its best every quarter in terms of sales in Q3, the company expects currency adjusted sales will increase around 15% over the full year, up from its previous guidance of 13%.

Over the year, Puma also highlighted the early success of its tie-up with Manchester City, with kit sales higher than expected.

Several of our financial names were also strong performers, with Danish bank Ringkjoebing Landbobank (Rilba) continuing to benefit from what it called highly satisfactory financial results as it reported a 6% increase in core income accompanied by an 8% fall in total expenses for the first three quarters of 2019. Rilba continues to buck the trend in European banks by delivering sustainable and profitable growth driven by a relentless focus on customer service.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Fund review (continued)

Banca Generali also posted another solid year and we see this as a unique asset gathering business in Italy. The company also reinforced its sustainable credentials over the period, winning the Leone D'Oro 2019 Award for Best Italian Bank for ESG Strategy.

Of the few stocks in negative territory over the 12 months, Aquafil has continued to see its share price slide but we see a strong future for this Italian textile manufacturer and its innovative Econyl material.

Norwegian metals producer Norsk Hydro also continues to suffer after warning it would miss 2019 expectations due to restricted output in its Brazil facility where the company has taken action to address environmental damage and we sold the stock in October.

Meanwhile, we also exited our position in Italian cable maker Prysmian in Q2. We had previously liked the company for its leadership position in connectivity, which includes highly technical deep-sea projects, but problems at one of these in the UK drove a profit warning in June 2018. More recently, the company announced the protection system on the cable had tripped during the commissioning phase and also cancelled the shareholder meeting to allow the board to re-review the Annual Report and Accounts set to be agreed at that meeting.

Our process looks for companies that can turn thematic drivers into high-quality earnings and while we have every faith in the *Increasing electricity generation from renewable sources* theme, we no longer had visibility on this company's earnings and therefore exited the position.

In terms of other activity, additions to the portfolio over the year included Danish utility services company Ørsted, which focuses on off- and onshore wind development. Ørsted has changed to become a green energy company, a strategy that started in 2017 with the divestment of its oil and gas business. This saw the company change its previous name of DONG (Danish Oil and Natural Gas) and take the name of Danish scientist Hans Christian Ørsted, who discovered electromagnetism.

Later in the year, we participated in the IPO for German software company TeamViewer. This was Europe's largest IPO in 2019, with the market positive on the company's remote desktop software offering as working patterns continue to shift.

* *Source: Financial Express, primary share class, total return, net of fees and income reinvested, 31.01.19-31.01.20.*

Market review

With trade wars and Brexit dominating news for the whole of 2019, it was encouraging to see long-awaited movement on both fronts in the final weeks of another year plagued by uncertainty. December's developments continued into the new year as we saw posited moves on trade and Brexit come to fruition but events in Iran and then news of a deadly respiratory illness in China dented both dented sentiment.

On the trade side, we saw a phase one deal between the US and China, in which the US pledged to cut back some of the existing tariffs on Chinese goods and cancel a further round of charges that were due to be implemented on 15 December. In return, China has committed to buying more US agriculture products and strengthen laws protecting foreign companies operating there.

President Trump said phase two discussions would begin immediately rather than waiting for the 2020 election and gives him a significant positive to take into campaigning.

2019 was also a busy period in terms of policy, with three rate cuts from the Federal Reserve in the second half of the year plus a cut and restarting of quantitative easing by the European Central Bank (ECB).

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Market review (continued)

October saw Mario Draghi's swansong at the ECB, leaving his post as the first president not to raise rates during his tenure. His successor Christine Lagarde chaired her first monetary policy meeting in December, at which she promised to be a wise owl rather than a hawk or dove and echoed what her predecessor has advocated, that fiscal spending is required to stimulate the economy.

Elsewhere on the Continent, we saw European Parliamentary election results mid-year and while populist parties gained seats, it was not nearly as many as expected. The notable exception to this trend was Italy, sparking fresh fears over the future of its own fractious relationship with the EU. Tensions remain elevated after the country slipped into technical recession, following two consecutive quarters of economic contraction.

An attempt by Matteo Salvini to become prime minister by triggering elections failed, with a coalition formed uniting the Five Star Movement with the centre-left Democratic Party that kept 'lawyer of the people' Giuseppe Conte as Prime Minister. Conte spent the last weeks of August putting together his team of ministers and this coalition across the political divide is holding for now.

Political risks have eased across Europe in the short term although looming elections in Germany, France, Italy and Spain are all likely to gain increasing focus through 2020: regional elections during this period will draw attention as signals of vote intentions for future years. The economic backdrop remains key here with Germany delivering its worst GDP figures since 2013 but avoiding recession. Meanwhile, the UK has entered an 11-month transition period after it finally left the EU on 31 January and this is also likely to draw attention as trade deal newsflow is closely monitored for indications about the likely shape of a future arrangement.

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.

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested. Past performance is not a guide to future performance.

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Material portfolio changes by value

Purchases	Sales
Kerry class 'A' shares	RELX
Edenred	KBC
Lonza	Fresenius Medical Care
Partners	Banca Generali
Knorr-Bremse	Prysmian
TeamViewer	Kerry class 'A' shares
Cellnex Telecom	ASML
Ørsted	Michelin
Technogym	Essilor International
Unilever	Cellnex Telecom

Sustainable Future European Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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

- 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 Sub-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 Sub-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 Sub-fund or a representative fund or Index's value has moved up and down in the past.
- The Sub-fund is categorised 5 primarily for its exposure to European (ex UK) equities.
- The SRRI may not fully take into account the following risks:
  - That a company may fail thus reducing its value within the Sub-fund;
  - Any overseas investments 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 Sub-fund.
  - Any company which has high overseas earnings may carry a higher currency risk.
- The Sub-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.

Sustainable Future European Growth Fund (continued)

Portfolio Statement
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	AUSTRIA (1.56%)	**3,426**	**1.44**
85,008	Verbund class 'A' shares	3,426	1.44
	BELGIUM (5.19%)	**2,830**	**1.19**
80,968	Umicore	2,830	1.19
	DENMARK (6.72%)	**18,896**	**7.96**
39,814	Christian Hansen	2,248	0.95
89,547	Novozymes class 'B' shares	3,535	1.49
76,599	Ørsted	6,315	2.66
121,106	Ringkjoebing Landbobank	6,798	2.86
	FINLAND (2.06%)	**3,631**	**1.53**
74,447	KONE class 'B' shares	3,631	1.53
	FRANCE (12.39%)	**29,345**	**12.35**
72,442	Air Liquide	7,963	3.35
355,544	AXA	7,195	3.03
134,714	Edenred	5,511	2.32
52,603	Legrand	3,202	1.35
71,955	Schneider Electric	5,474	2.30
	GERMANY (16.46%)	**33,459**	**14.08**
89,068	Hella Hueck	3,185	1.34
37,526	Henkel non-voting preference shares	2,897	1.22
330,477	Infineon Technologies	5,424	2.28
47,821	Knorr-Bremse	3,970	1.67
84,593	Puma	5,156	2.17
95,857	SAP	9,514	4.01
121,528	TeamViewer	3,313	1.39

Sustainable Future European Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	IRELAND; REPUBLIC OF (6.74%)	**19,821**	**8.35**
78,387	Kerry class 'A' shares	7,565	3.19
169,480	Kingspan	7,929	3.34
164,869	Smurfit Kappa	4,327	1.82
	ITALY (6.74%)	**7,277**	**3.06**
499,892	Aquafil	2,538	1.07
88,971	Banca Generali	2,148	0.90
274,438	Technogym	2,591	1.09
	LUXEMBOURG (0.98%)	**3,353**	**1.41**
113,960	Befesa	3,353	1.41
	NETHERLANDS (10.37%)	**31,698**	**13.34**
51,501	ASML	11,008	4.63
88,142	Basic-Fit	2,471	1.04
110,732	Corbion	2,884	1.21
71,400	InterXion	4,714	1.99
239,810	Unilever	10,621	4.47
	NORWAY (5.75%)	**8,530**	**3.59**
640,354	DNB	8,530	3.59
	SPAIN (7.17%)	**21,232**	**8.94**
302,593	Cellnex Telecom	11,427	4.81
290,342	Grifols	7,393	3.11
199,204	Siemens Gamesa	2,412	1.02
	SWEDEN (5.61%)	**13,538**	**5.70**
356,159	Assa Abloy	6,436	2.71
954,651	Svenska Handelsbanken series 'A' shares	7,102	2.99

Sustainable Future European Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	SWITZERLAND (6.66%)	**30,808**	**12.97**
23,280	Lonza	7,251	3.05
8,188	Partners	5,698	2.40
70,022	Roche Holding	17,859	7.52
	UNITED KINGDOM (3.07%)		
	Portfolio of investments	**227,844**	**95.91**
	Net other assets	**9,712**	**4.09**
	Total net assets	**237,556**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Note: comparative figures in brackets show percentages for each category of holding at 31 January 2019.

Sustainable Future European Growth Fund (continued)

Comparative tables

for the year ended 31 January 2020

Class 2 Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	202.39	232.94	196.42
Return before operating charges	47.34	(28.61)	38.42
Operating charges	(2.13)	(1.94)	(1.90)
Return after operating charges	45.21	(30.55)	36.52
Distributions	(3.00)	(3.53)	–
Retained distributions on accumulation shares	3.00	3.53	–
Closing net asset value per share	**247.60**	**202.39**	**232.94**
After transaction costs of	(0.10)	(0.13)	(0.10)
Performance			
Return after charges	22.34%	(13.11)%	18.59%
Other information			
Closing net asset value (£'000)	111,994	77,400	67,553
Closing number of shares	45,231,993	38,242,053	29,000,054
Operating charges**	0.92%	0.88%	0.85%
Direct transaction costs*	0.04%	0.05%	0.05%
Prices			
Highest share price	255.0	235.5	238.7
Lowest share price	204.1	195.2	197.2

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future European Growth Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 3 Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	286.88	328.73	276.07
Return before operating charges	67.22	(40.48)	54.01
Operating charges	(1.48)	(1.37)	(1.35)
Return after operating charges	65.74	(41.85)	52.66
Distributions	(5.01)	(6.07)	–
Retained distributions on accumulation shares	5.01	6.07	–
Closing net asset value per share	**352.62**	**286.88**	**328.73**
After transaction costs of	(0.14)	(0.18)	(0.15)
Performance			
Return after charges	22.92%	(12.73)%	19.07%
Other information			
Closing net asset value (£'000)	125,562	116,290	138,005
Closing number of shares	35,608,209	40,536,108	41,981,008
Operating charges**	0.45%	0.44%	0.43%
Direct transaction costs*	0.04%	0.05%	0.05%
Prices			
Highest share price	363.1	332.9	336.9
Lowest share price	289.4	276.5	277.2

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future European Growth Fund (continued)

Statement of Total Return

for the year ended 31 January 2020

	Notes	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Income					
Net capital gains/(losses)	2		39,613		(31,561)
Revenue	3	4,750		4,954	
Expenses	4	(1,384)		(1,228)	
Interest payable and similar charges	6	(33)		(25)	
Net revenue before taxation		3,333		3,701	
Taxation	5	(682)		(62)	
Net revenue after taxation			2,651		3,639
Total return before distributions			**42,264**		**(27,922)**
Distributions	7		(2,976)		(3,711)
Change in net assets attributable to shareholders from investment activities			**39,288**		**(31,633)**

Statement of change in net assets attributable to shareholders

for the year ended 31 January 2020

	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Opening net assets attributable to shareholders		**193,690**		**205,558**
Movement due to creation and cancellation of shares:				
Amounts received on creation of shares	29,316		31,173	
Amounts paid on cancellation of shares	(27,722)		(15,181)	
		1,594		15,992
Dilution adjustment		8		–
Change in net assets attributable to shareholders from investment activities		39,288		(31,633)
Retained distribution on accumulation shares		2,976		3,773
Closing net assets attributable to shareholders		**237,556**		**193,690**

Sustainable Future European Growth Fund (continued)

Balance Sheet

as at 31 January 2020

	Notes	31.1.2020 (£'000)	31.1.2019 (£'000)
Assets			
Fixed Assets			
Investments		227,844	188,797
Current assets:			
Debtors	8	2,038	1,344
Cash and bank balances	9	7,844	3,754
Total assets		**237,726**	**193,895**
Liabilities			
Creditors:			
Other creditors	10	(170)	(205)
Total liabilities		(170)	**(205)**
Net assets attributable to shareholders		**237,556**	**193,690**

The notes on pages 122 to 133 form an integral part of these financial statements. The distribution per share is set out in the table on page 134.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements

for the year ended 31 January 2020

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 13 to 14.

2 Net capital gains/(losses)

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Non-derivative securities	39,686	(31,327)
Foreign currency losses	(73)	(231)
Transaction costs	–	(4)
Rebate of expenses*	–	1
Net capital gains/(losses)	**39,613**	**(31,561)**

3 Revenue

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Bank interest	4	2
Non-taxable overseas dividends	4,659	4,952
UK dividends	87	–
Total revenue	**4,750**	**4,954**

* Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

4 Expenses

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's fees	1,167	1,084
Fixed rate administration fees	218	84
Registration fee	–	43
	1,385	**1,211**
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	–	13
Safe custody fee	–	9
	–	**22**
Other expenses		
Audit fees*	–	5
FCA fees	(1)	–
Printing and postage fees	–	(1)
Rebate of expenses**	–	(10)
Professional service fees	–	1
	(1)	**(5)**
Total expenses	**1,384**	**1,228**

* The audit fee for the year, excluding VAT, was £8,085 (2019: £7,700).

** Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

5 Taxation

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
a) Analysis of charge in year		
Overseas tax	682	62
Total tax charge for the year (see note 5(b))	**682**	**62**

b) Factors affecting tax charge for the year

The taxation assessed for the year is higher (2019 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Net revenue before taxation	3,333	3,701
Corporation tax at 20% (2019 – 20%)	667	740
Effects of:		
Non-taxable overseas dividends	(949)	(990)
Overseas tax	682	62
Movement in excess management expenses	282	250
Total tax charge for year (see note 5(a))	**682**	**62**

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax asset

At 31 January 2020 the Sub-fund had surplus management expenses of £9,940,000 (prior year: £8,527,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore, a deferred tax asset of £1,988,000 (prior year: £1,705,000) has not been recognised.

6 Interest payable and similar charges

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interest	33	25
Total interest payable and similar charges	**33**	**25**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

7 Distributions

	1.2.2019 to 31.1.2020 (£'000)	1.2.2019 to 31.1.2019 (£'000)
Interim distribution	2,976	3,595
Final distribution	–	178
	2,976	**3,773**
Amounts received on issue of shares	–	(124)
Amounts deducted on cancellation of shares	–	62
Net distribution	**2,976**	**3,711**
The distribution amount has been calculated as follows:		
Net revenue after taxation for the year	2,651	3,639
Shortfall of income taken to capital	325	72
Net distribution	**2,976**	**3,711**

The distribution per share is set out in the table on page 134.

8 Debtors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Amounts receivable on creation of shares	1,029	260
Overseas withholding tax	1,009	1,058
Rebate of expenses	–	26
Total debtors	**2,038**	**1,344**

9 Cash and bank balances

	31.1.2020 (£'000)	31.1.2019 (£'000)
Cash and bank balances	7,844	3,754
Total cash and bank balances	**7,844**	**3,754**

10 Creditors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Other creditors		
Accrued expenses	130	110
Amounts payable on cancellation of shares	5	60
Corporation tax	35	35
Total creditors	**170**	**205**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

11 Contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (prior year: £Nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The ACD's periodic charge and registration fees paid to Liontrust Fund Partners LLP and its associates are shown in note 4, and details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £130,000 (prior year: £104,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £1,385,000 (prior year: £1,211,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and it associates for the year was nil (prior year: £11,000).

13 Derivatives and other financial instruments

The risks inherent in the Sub-fund's investment portfolio are as follows:

In pursuing its investment objective and investment policy, the Sub-fund holds a number of financial instruments. These may comprise:

- Equity shares, equity related shares, non-equity shares and debt securities. These are held in accordance with the Sub-fund's investment policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operation;
- Shareholders' funds, which represent investors' monies that are invested on their behalf;
- Derivative transactions which the Sub-fund may enter into, the purpose of which is to manage certain aspects of the risks arising from the Sub-fund's investment activities and generate additional capital and revenue;
- Short-term borrowings used to finance operational cash flows;
- Derivatives are also used for investment purposes not just to manage risk/exposures.

The main risks arising from the financial instruments are market price (including "emerging markets price risk"), foreign currency, interest rate, liquidity and counterparty credit risk. The ACD reviews the policies for managing each of these risks and they are summarised below.

These policies have remained unchanged since the beginning of the period to which these financial statements relate.

It should be noted that the ACD has a detailed risk management policy which is reviewed and updated, if necessary, periodically. An independent risk function is also present which monitors all relevant risks appropriately.

Market price risk

Market price risk is the risk that the 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. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

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

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Market price risk (continued)

As at 31 January 2020 and 31 January 2019 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives and short positions where the exposure could be greater. The Sub-fund is 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-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 15%. 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.

As at 31 January 2020, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 14.7%.

As at 31 January 2019, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 13.5%.

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;
- 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-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

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 the 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.

The Sub-fund did not use derivatives in the year and level of leverage employed by the Sub-fund during the year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments can 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.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk

The ACD has identified three principal areas where foreign currency risk could impact the 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 currency risk being identified.

The 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-fund may receive income in currencies other than sterling, and the sterling values of this income can be affected by movements in exchange rates.

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Danish Krone	–	19,098	19,098
Euro	162	151,865	152,027
Norwegian Krone	–	8,830	8,830
Swedish Krona	–	13,538	13,538
Swiss Franc	–	30,808	30,808
US Dollar	–	4,714	4,714
	162	**228,853**	**229,015**

At 31 January 2019 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Danish Krone	–	13,243	13,243
Euro	811	139,351	140,162
Norwegian Krone	–	11,359	11,359
Swedish Krona	–	10,868	10,868
Swiss Franc	–	13,067	13,067
US Dollar	–	1,967	1,967
	811	**189,855**	**190,666**

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £25,446,000/£20,820,000 respectively.

If the exchange rate at 31 January 2019 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £21,185,000/£17,333,000 respectively.

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-fund's 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 Sub-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.

Liquidity risk

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

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 the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it 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-fund 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-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The 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.

At the balance sheet date, there were no counterparties to open derivative contracts. At the year end collateral of Nil (prior year: Nil) was received; collateral pledged was Nil (prior year: Nil) and none (prior year: none) of the Sub-funds' financial assets were past due or impaired.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Counterparty credit risk (continued)

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") 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 January 2020 was AA- (Standard & Poor's rating).

BNYMSA, 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 BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the 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.

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 as shown in the table below.

Valuation of financial investments

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	227,844	–
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
	227,844	**–**

31.1.2019	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	188,797	–
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
	188,797	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

14 Share movement

For the year ending 31 January 2020

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	38,242,053	10,211,849	(3,221,909)	–	45,231,993
Class 3 Net Accumulation	40,536,108	1,425,081	(6,352,980)	–	35,608,209

15 Portfolio transaction costs

For the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	59,435	16	0.03	52	0.09
Total purchases	**59,435**	**16**		**52**	
Total purchases including transaction costs	**59,503**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	60,025	20	0.03	–	–
Total sales	**60,025**	**20**		**–**	
Total sales net of transaction costs	**60,005**				

Total transaction costs		**36**		**52**	
Total transaction costs as a % of average net assets		**0.02%**		**0.02%**	

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

15 Portfolio transaction costs (continued)

For the year ending 31 January 2019

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	83,958	27	0.03	69	0.08
Total purchases	**83,958**	**27**		**69**	
Total purchases including transaction costs	**84,054**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	62,638	22	0.04	–	–
Total sales	**62,638**	**22**		**–**	
Total sales net of transaction costs	**62,616**				
Total transaction costs		**49**		**69**	
Total transaction costs as a % of average net assets		**0.02%**		**0.03%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.11% (2019: 0.11%).

Sustainable Future European Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

16 Post Balance sheet events

As indicated in the Accounting Policies in the Notes to the financial statements on page 13, the investments have been valued at close of business on 31 January 2020. Since that date the Sub-fund's quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 31 January 2020 and at close of business on 21 May 2020.

	Price at 31.1.2020 (pence per share)	Price at 21.5.2020 (pence per share)	% change
Class 2 Net Accumulation	247.60	246.58	(0.41)%
Class 3 Net Accumulation	352.62	351.66	(0.27)%

The following table summarises the total NAV movement since the balance sheet date:

	NAV at 31.1.2020 (£'000)	NAV at 21.5.2020 (£'000)	% change
Class 2 Net Accumulation	111,994	117,860	5.24%
Class 3 Net Accumulation	125,562	127,408	1.47%

Sustainable Future European Growth Fund (continued)

Distribution tables

for the year ended 31 January 2020

Final distribution payable in pence per share

Group 1 - Shares purchased prior to 1 August 2019
Group 2 - Shares purchased 1 August 2019 to 31 January 2020

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Payable 31.3.2020	Distribution Paid 31.3.2019
Class 2 - Group 1	0.0000	—	0.0000	0.0000
Class 2 - Group 2	0.0000	0.0000	0.0000	0.0000
Class 3 - Group 1	0.0000	—	0.0000	0.4393
Class 3 - Group 2	0.0000	0.0000	0.0000	0.4393

Interim distribution paid in pence per share

Group 1 - Shares purchased prior to 1 February 2019
Group 2 - Shares purchased 1 February 2019 to 31 July 2019

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 30.9.2019	Distribution Paid 30.9.2018
Class 2 - Group 1	3.0030	—	3.0030	3.5260
Class 2 - Group 2	0.9735	2.0295	3.0030	3.5260
Class 3 - Group 1	5.0068	—	5.0068	5.6306
Class 3 - Group 2	2.3573	2.6495	5.0068	5.6306

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all 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 shares for capital gains tax purposes.

Sustainable Future Global Growth Fund

Report for the year from 1 February 2019 to 31 January 2020

Investment objective and policy

The Sub-fund aims to deliver capital growth over the long term (5 years or more).

The Sub-fund will invest in companies globally. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

The Sub-fund will typically invest 95% (minimum 90%) in equities or equity related derivatives, but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

Investments in emerging market securities will be limited to 20%.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Global Growth Fund (continued)

Investment review

Fund review

The SF Global Growth fund returned 26.6% over the 12 months under review compared with the IA Global sector average of 16.8% and the MSCI World Index's 17.5%*.

Our process targets businesses that can grow structurally, driven by the shift towards a global economy that is more efficient, provides a higher quality of life and is more resilient.

Spanish telecom firm Cellnex remains a consistent performer, having completed a capital increase of €1.2 billion in May to acquire further sites in France, Italy and Switzerland. Meanwhile, the company also displayed its sustainable credentials in January, upgraded to the Carbon Disclosure Project's list of the A-list of companies leading the way of combating climate change.

We believe telecoms infrastructure is the backbone of the digital economy and tower companies like Cellnex are poised to benefit from continued growth in communications. Cellnex is an important consolidator in the European market, as the telecommunication companies divest their tower assets to focus on their core business.

American Tower is another long-term holding in this space, continuing to see demand for wireless telecommunication capacity in the US, as well as Brazil and India. In the modern digital economy, customers demand greater and greater connectivity on mobile devices. American Tower is a beneficiary of our theme of *Connecting People*: this demand is secular, not cyclical, and the company has performed well in difficult market conditions.

Elsewhere, we continue to see opportunities in the growing move towards digital payments and holdings such as Visa and Paypal feature among our stronger names.

Visa is an integral part of the global payments network, taking a very small percentage of the value of billions of transactions processed each year. The complex nature of this system, and the crucial role operational excellence plays within it, provides the company with enormous barriers to entry. This is the ultimate scale industry: cost per transaction falls steeply with growth, which results in successful companies becoming harder and harder to dislodge.

Kingspan remains a long-term contributor to returns, with the Irish insulation specialist announcing a major 10-year strategy to reduce carbon emissions by 2030. Its Planet Passionate strategy is made up of 12 targets, addressing the impact of Kingspan's business operations and manufacturing on the four key areas of energy, carbon, circularity and water. On energy for example, the target is to power 60% of all Kingspan operations directly from renewable sources, with a minimum of 20% of this generated on manufacturing sites (up from around 6% today).

During the year, the group announced a record first half, with revenue growth across all its business units. While acknowledging ongoing risks, the company continues to expand around the world, with new facilities under construction in the US, Brazil and Sweden.

Other top names included US software business Cadence Design Systems, which has continued to climb despite concerns around a cyclical slowdown in the semiconductor industry.

The company is broadening its chip design software offering to new customers, as the likes of Amazon, Google and even Tesla invest in chip design teams. Cadence's software offering is essential to this design and demand from these businesses, as well as more traditional chip manufacturing customers, will drive growth over the short and long term. This type of innovation delivers better efficiency, which is key to our *Improving the efficiency of energy usage* theme.

Industrial software company Autodesk featured among our best performers despite growing fears that demand for its technology is vulnerable to a slowing global economy and construction market. The company reported 28% growth in revenue and more than 50% growth in free cashflow over Q3, which calmed fears of a slowdown.

Autodesk's software brings technology to the construction sector, which had previously relied on paper and sketches. It reduces errors in construction, saving time and vital resources, and makes the overall construction industry more efficient – and is therefore a strong fit for our *Improving industrial and agricultural process* theme.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Fund review (continued)

While the construction industry remains a cyclical end market, the secular nature of the growth in technology adoption, related to Building Information Management (BIM) and Autodesk's cutting-edge solutions, should ensure strong compound growth over many years to come.

Australian healthcare business CSL is another consistent performer, with the company continuing to develop its R&D pipeline to deliver a highly differentiated product portfolio mix, addressing a broader range of patients' unmet needs. With a long-term commitment to serving patients and protecting public health, the company fits in our *Providing affordable healthcare* theme.

Looking at the handful of stocks that detracted over the period, Alexion Pharmaceuticals has struggled despite decent results, with a number of setbacks in relation to the patents on its first-generation product Soliris hitting the share price.

In contrast to the market however, we believe the company's second-generation product – called Ultomiris – provides a significant benefit to patients versus Soliris. A key holding under our *Enabling innovation in healthcare* theme, the company is making good progress in the transition from one to another and we expect this to continue.

Norwegian metals producer Norsk Hydro also continues to suffer after warning it would miss 2019 expectations due to restricted output in its Brazil facility where the company has taken action to address environmental damage and we sold the stock in October.

Terraform Power was another weaker name after its Q3 results disappointed, with the management team indicating their M&A pipeline was more bolt-on than large scale; there had been some expectation that a large deal was imminent.

The company also reported some curtailment issues in Texas relating to wind assets. We see the pipeline of solar and wind assets available to a downstream, best-in-class operator such as Terraform as robust over the next decade, however, as the US transforms its energy system away from coal in favour of wind and solar. Curtailment remains an important issue but one that can be solved as the cost of storage drops over time.

* *Source: Financial Express, primary share class, total return, net of fees and income reinvested, 31.01.19-31.01.20.*

Market review

With trade wars and Brexit dominating news for the whole of 2019, it was encouraging to see long-awaited developments on both fronts in the final weeks of another year plagued by uncertainty. December's developments continued into the new year as we saw posited moves on trade and Brexit come to fruition but events in Iran and then news of a deadly respiratory illness in China both dented sentiment.

In the US, there was positive news on trade with China, with the announcement of a phase one deal stopping further tariffs due in December. Phase two discussion will be ongoing throughout 2020 and will clearly play a key role in President Trump's electioneering.

With Brexit, the supposedly iron-clad exit date of 29 March passed without resolution and we ultimately saw Theresa May give way to Boris Johnson as Prime Minister. In October, Johnson surprised markets by delivering on a Brexit deal but was unable to get this through Parliament and so called a General Election for December.

The resulting large majority for the Conservative party was well received by financial markets, with parliament passing the European Union Withdrawal Bill in the following days. The UK left the EU at the end of January but there remains much to be done during the transition period and with Johnson stating the UK would not seek an extension to the end 2020 deadline, the risk of a cliff-edge departure at the end of the year remains.

As we came into 2019, the Federal Reserve was still talking about rate hikes but economic weakness drove a turnaround in narrative. After growing signs pointing to monetary loosening, we ultimately saw the first cuts from the Fed in 11 years over the second half of the year, two in Q3 and a third in October, moving closer to a full reversal of 2018's four hikes in response to strengthening conditions.

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Market review (continued)

In the UK, the Monetary Policy Committee kept interest rates on hold throughout the year, although members have voted in favour of a cut at more recent meetings. In Mark Carney's final meeting as governor at the end of January, the MPC voted 7-2 to keep rates unchanged, citing an improving global backdrop and reduction in uncertainty following Boris Johnson's election victory. This was despite markets pricing in a 50/50 chance of a rate cut and reflecting that, the MPC said it remains poised to cut rates if a post-election bounce ails to materialise.

As always, we continue to stress that whatever macro events are unfolding in the background, the underlying business fundamentals for the areas of the global market in which we invest remain strong.

Our themes are structural in nature and therefore less transient than cyclical drivers, which can change constantly. The key factor behind all our themes is the conviction that, over time, the global economy will become more sustainable.

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.

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested. Past performance is not a guide to future performance.

Material portfolio changes by value

Purchases	Sales
Kerry class 'A' shares	Kerry class 'A' shares
Trupanion	RELX
Puma	SS&C Technologies
Autodesk	Cellnex Telecom
Salesforce.com	Nike class 'B' shares
Trimble Navigation	DNB
TerraForm Power	Cadence Design Systems
PerkinElmer	Henkel non-voting preference shares
Alphabet class 'A' shares	Norsk Hydro
Cellnex Telecom	China Everbright International

Sustainable Future Global Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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 due to its exposure to global equities.
- 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.
- 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.
- For full details of the Fund's risks, please see the prospectus which may be obtained from Liontrust or online at www.liontrust.co.uk.

Sustainable Future Global Growth Fund (continued)

Portfolio Statement
as at 31 January 2020

Holding	Stock description	Market value (£'000)	Percentage of total net assets (%)
	AUSTRALIA (2.08%)	**14,005**	**2.61**
88,381	CSL	14,005	2.61
	CANADA (1.99%)	**9,638**	**1.80**
131,800	Waste Connections	9,638	1.80
	DENMARK (1.89%)	**10,804**	**2.01**
192,464	Ringkjoebing Landbobank	10,804	2.01
	GERMANY (4.67%)	**21,656**	**4.03**
141,646	Hella	5,066	0.94
472,617	Infineon Technologies	7,757	1.44
144,931	Puma	8,833	1.65
	HONG KONG (1.19%)		
	IRELAND; REPUBLIC OF (3.94%)	**21,527**	**4.01**
117,532	Kerry class 'A' shares	11,343	2.11
217,283	Kingspan	10,184	1.90
	ITALY (1.27%)	**12,407**	**2.31**
310,502	Banca Generali	7,497	1.40
520,050	Technogym	4,910	0.91
	JAPAN (6.53%)	**39,076**	**7.28**
109,400	Daikin	11,965	2.23
37,200	Keyence	9,722	1.81
60,712	Shimano	7,160	1.33
198,300	TechnoPro	10,229	1.91
	NETHERLANDS (2.69%)	**15,020**	**2.80**
33,577	ASML	7,177	1.34
118,800	InterXion	7,843	1.46

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding	Stock description	Market value (£'000)	Percentage of total net assets (%)
	NORWAY (2.90%)		
	SPAIN (2.20%)	**14,483**	**2.70**
383,528	Cellnex Telecom	14,483	2.70
	SWEDEN (1.66%)	**8,696**	**1.62**
1,168,971	Svenska Handelsbanken series 'A' shares	8,696	1.62
	SWITZERLAND (2.85%)	**12,489**	**2.33**
48,967	Roche Holding	12,489	2.33
	UNITED KINGDOM (9.48%)	**34,768**	**6.48**
685,681	Abcam	9,558	1.78
394,575	Compass	7,406	1.38
563,421	Prudential	7,618	1.42
890,417	St. James's Place Capital	10,186	1.90
	UNITED STATES OF AMERICA (53.93%)	**294,340**	**54.81**
51,700	Adobe Systems	13,767	2.56
113,700	Alexion Pharmaceuticals	8,571	1.60
16,700	Alphabet class 'A' shares	18,139	3.38
63,300	American Tower class 'A' shares	11,126	2.07
123,100	Autodesk	18,375	3.42
115,800	Cadence Design Systems	6,334	1.18
297,422	Charles Schwab	10,273	1.91
114,800	DocuSign	6,836	1.27
90,069	Ecolab	13,400	2.50
111,700	Eli Lilly	11,831	2.20
19,290	Equinix	8,630	1.61
129,841	First Republic Bank	10,922	2.03
29,600	Intuit	6,296	1.17
113,900	IQVIA	13,410	2.50
102,976	Nasdaq	9,098	1.69
68,200	Palo Alto Networks	12,147	2.26
149,200	PayPal	12,888	2.40
177,926	PerkinElmer	12,477	2.32

Sustainable Future Global Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA (continued)		
39,600	Rockwell Automation	5,757	1.07
25,452	Roper Industries	7,365	1.37
91,842	Salesforce.com	12,697	2.37
40,900	Splunk	4,816	0.90
552,300	TerraForm Power	7,579	1.41
61,471	Thermo Fisher Scientific	14,591	2.72
387,600	Trimble Navigation	12,503	2.33
380,800	Trupanion	9,227	1.72
101,300	Visa	15,285	2.85
	Portfolio of investments	**508,909**	**94.79**
	Net other assets	**27,981**	**5.21**
	Total net assets	**536,890**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Note: comparative figures in brackets show percentages for each category of holding at 31 January 2019.

Sustainable Future Global Growth Fund (continued)

Comparative tables

for the year ended 31 January 2020

Class 2 Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	161.93	152.76	129.63
Return before operating charges	41.63	10.59	24.36
Operating charges	(1.72)	(1.42)	(1.23)
Return after operating charges	39.91	9.17	23.13
Distributions	(0.55)	(0.61)	(0.71)
Retained distributions on accumulation shares	0.55	0.61	0.71
Closing net asset value per share	**201.84**	**161.93**	**152.76**
After transaction costs of	(0.10)	(0.12)	(0.13)
Performance			
Return after charges	24.65%	6.00%	17.84%
Other information			
Closing net asset value (£'000)	276,242	100,582	69,279
Closing number of shares	136,860,395	62,114,529	45,350,733
Operating charges**	0.92%	0.89%	0.85%
Direct transaction costs*	0.05%	0.07%	0.09%
Prices			
Highest share price	208.8	173.1	157.2
Lowest share price	163.2	144.7	129.2

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Global Growth Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 3 Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	229.69	215.72	182.30
Return before operating charges	59.18	14.94	34.30
Operating charges	(1.20)	(0.97)	(0.88)
Return after operating charges	57.98	13.97	33.42
Distributions	(1.69)	(1.81)	(1.69)
Retained distributions on accumulation shares	1.69	1.81	1.69
Closing net asset value per share	**287.67**	**229.69**	**215.72**
After transaction costs of	(0.14)	(0.17)	(0.18)
Performance			
Return after charges	25.24%	6.48%	18.33%
Other information			
Closing net asset value (£'000)	245,504	164,556	133,482
Closing number of shares	85,343,218	71,641,195	61,876,409
Operating charges**	0.45%	0.43%	0.43%
Direct transaction costs*	0.05%	0.07%	0.09%
Prices			
Highest share price	297.5	245.0	222.0
Lowest share price	231.4	204.4	181.6

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Global Growth Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class Z Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	111.12	103.99	100.00
Return before operating charges	28.65	7.30	3.99
Operating charges	(0.22)	(0.17)	0.00
Return after operating charges	28.43	7.13	3.99
Distributions	(1.17)	(1.26)	(0.14)
Retained distributions on accumulation shares	1.17	1.26	0.14
Closing net asset value per share	**139.55**	**111.12**	**103.99**
After transaction costs of	(0.07)	(0.08)	(0.09)
Performance			
Return after charges	25.58%	6.86%	3.99%
Other information			
Closing net asset value (£'000)	15,144	7,900	1
Closing number of shares	10,852,511	7,109,847	1,000
Operating charges**	0.17%	0.16%	0.00%
Direct transaction costs*	0.05%	0.07%	0.09%
Prices			
Highest share price	144.3	118.4	107.0
Lowest share price	112.0	98.53	100.8

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Global Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2020

	Notes	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Income					
Net capital gains	2		79,142		11,879
Revenue	3	4,430		2,902	
Expenses	4	(2,643)		(1,384)	
Interest payable and similar charges	6	(7)		(4)	
Net revenue before taxation		1,780		1,514	
Taxation	5	(379)		(57)	
Net revenue after taxation			1,401		1,457
Total return before distributions			**80,543**		**13,336**
Distributions	7		(1,706)		(1,482)
Change in net assets attributable to shareholders from investment activities			**78,837**		**11,854**

Statement of change in net assets attributable to shareholders
for the year ended 31 January 2020

	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Opening net assets attributable to shareholders		**273,038**		**202,762**
Movement due to creation and cancellation of shares:				
Amounts received on creation of shares	199,497		67,476	
Amounts paid on cancellation of shares	(16,505)		(10,609)	
		182,992		56,867
Dilution adjustment		–		1
Change in net assets attributable to shareholders from investment activities		78,837		11,854
Retained distribution on accumulation shares		2,023		1,554
Closing net assets attributable to shareholders		**536,890**		**273,038**

Sustainable Future Global Growth Fund (continued)

Balance Sheet

as at 31 January 2020

	Notes	31.1.2020 (£'000)	31.1.2019 (£'000)
Assets			
Fixed Assets			
Investments		508,909	271,053
Current assets:			
Debtors	8	5,701	3,693
Cash and bank balances	9	22,581	3,895
Total assets		**537,191**	**278,641**
Liabilities			
Creditors:			
Other creditors	10	(301)	(5,603)
Total liabilities		**(301)**	**(5,603)**
Net assets attributable to shareholders		**536,890**	**273,038**

The notes on pages 148 to 159 form an integral part of these financial statements. The distribution per share is set out in the table on page 160.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2020

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 13 to 14.

2 Net capital gains

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Non-derivative securities	79,249	12,200
Foreign currency losses	(107)	(319)
Transaction costs	–	(2)
Net capital gains	**79,142**	**11,879**

3 Revenue

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Bank interest	1	2
Non-taxable overseas dividends	3,328	2,320
UK dividends	806	376
US REIT dividends	295	204
Total revenue	**4,430**	**2,902**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

4 Expenses

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's fees	2,208	1,217
Fixed rate administration fees	436	108
Registration fee	–	45
	2,644	**1,370**
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	–	13
Safe custody fee	–	4
	–	**17**
Other expenses		
Audit fees*	–	5
FCA fees	(1)	–
Printing and postage fees	–	(1)
Rebate of expenses**	–	(8)
Other expenses/Sundry expenses	–	1
	(1)	**(3)**
Total expenses	**2,643**	**1,384**

* The audit fee for the year, excluding VAT, was £8,085 (2019: £7,700).

** Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

5 Taxation

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
a) Analysis of charge in year		
Overseas tax	379	57
Total tax charge for the year (see note 5(b))	**379**	**57**

b) Factors affecting tax charge for the year

The taxation assessed for the year is higher (2019 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Net revenue before taxation	1,780	1,514
Corporation tax at 20% (2018 – 20%)	356	303
Effects of:		
Overseas tax	379	57
Overseas dividends not subject to corporation tax	(827)	(539)
Movement in excess management expenses	475	242
Relief on overseas tax expensed	(4)	(6)
Total tax charge for year (see note 5(a))	**379**	**57**

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax asset

At 31 January 2020 the Sub-fund had surplus management expenses of £8,254,000 (prior year: £5,880,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore, a deferred tax asset of £1,651,000 (prior year: £1,176,000) has not been recognised.

6 Interest payable and similar charges

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interest	7	4
Total interest payable and similar charges	**7**	**4**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

7 Distributions

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interim distribution	1,735	1,177
Final distribution	288	377
	2,023	**1,554**
Amounts received on issue of shares	(330)	(94)
Amounts deducted on cancellation of shares	13	22
Net distribution	**1,706**	**1,482**
The distribution amount has been calculated as follows:		
Net revenue after taxation for the year	1,401	1,457
Deficit of share classes taken to capital	305	25
Net distribution	**1,706**	**1,482**

The distribution per share is set out in the table on page 160.

8 Debtors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Accrued revenue	219	135
Amounts receivable on creation of shares	5,186	408
Foreign currency contracts awaiting settlement	–	2,724
Overseas withholding tax	296	403
Rebate of expense	–	23
Total debtors	**5,701**	**3,693**

9 Cash and bank balances

	31.1.2020 (£'000)	31.1.2019 (£'000)
Cash and bank balances	22,581	3,895
Total cash and bank balances	**22,581**	**3,895**

10 Creditors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Other creditors		
Accrued expenses	301	145
Foreign currency contracts awaiting settlement	–	2,734
Purchases awaiting settlement	–	2,724
Total other creditors	**301**	**5,603**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

11 Contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (prior year: £Nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The ACD's periodic charge and registration fees paid to Liontrust Fund Partners LLP and its associates are shown in note 4, and details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £301,000 (prior year: £139,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £2,644,000 (prior year: £1,370,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and it associates for the year was £nil (prior year: £9,000).

13 Derivatives and other financial instruments

The risks inherent in the Sub-fund's investment portfolio are as follows:

In pursuing its investment objective and investment policy, the Sub-fund holds a number of financial instruments. These may comprise:

- Equity shares, equity related shares, non-equity shares and debt securities. These are held in accordance with the Sub-fund's investment policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operation;
- Shareholders' funds, which represent investors' monies that are invested on their behalf;
- Derivative transactions which the Sub-fund may enter into, the purpose of which is to manage certain aspects of the risks arising from the Sub-fund's investment activities and generate additional capital and revenue;
- Short-term borrowings used to finance operational cash flows;
- Derivatives are also used for investment purposes not just to manage risk/exposures.

The main risks arising from the financial instruments are market price (including "emerging markets price risk"), foreign currency, interest rate, liquidity and counterparty credit risk. The ACD reviews the policies for managing each of these risks and they are summarised below.

These policies have remained unchanged since the beginning of the period to which these financial statements relate.

It should be noted that the ACD has a detailed risk management policy which is reviewed and updated, if necessary, periodically. An independent risk function is also present which monitors all relevant risks appropriately.

Market price risk

Market price risk is the risk that the 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. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

The 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 January 2020 and 31 January 2019 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives and short positions where the exposure could be greater. The Sub-fund is 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

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments

Market price risk (continued)

up and down that would result in an appreciation or depreciation in the fair value of that asset. The sensitivity of the Sub-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 15%. 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.

As at 31 January 2020, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 15.0%.

As at 31 January 2019, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 13.7%.

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;
- 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-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

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 the 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.

The Sub-fund did not use derivatives in the year and level of leverage employed by the Sub-fund during the year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments can 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 the 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.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

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 currency risk being identified.

The 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-fund may receive income in currencies other than sterling, and the sterling values of this income can be affected by movements in exchange rates.

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile — **Net Foreign Currency Assets**

Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	14,005	14,005
Danish Krone	–	10,867	10,867
Euro	153	77,299	77,452
Japanese Yen	–	39,169	39,169
Norwegian Krone	–	148	148
Swedish Krona	–	8,696	8,696
Swiss Franc	–	12,489	12,489
US Dollar	–	311,877	311,877
	153	**474,550**	**474,703**

At 31 January 2019 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile — **Net Foreign Currency Assets**

Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	5,668	5,668
Danish Krone	–	5,206	5,206
Euro	180	36,563	36,743
Hong Kong Dollar	–	3,258	3,258
Japanese Yen	–	17,858	17,858
Norwegian Krone	–	8,030	8,030
Swedish Krona	–	4,526	4,526
Swiss Franc	–	7,862	7,862
US Dollar	–	156,610	156,610
	180	**245,581**	**245,761**

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £52,745,000/£(43,155,000) respectively.

If the exchange rate at 31 January 2019 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £27,307,000/£(22,342,000) respectively.

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-fund's 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 Sub-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.

Liquidity risk

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

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 the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it 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-fund 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-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The 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.

At the balance sheet date, there were no counterparties to open derivative contracts. At the year end collateral of Nil (prior year: Nil) was received; collateral pledged was Nil (prior year: Nil) and none (prior year: none) of the Sub-funds' financial assets were past due or impaired.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Counterparty credit risk (continued)

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") 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 January 2020 was AA- (Standard & Poor's rating).

BNYMSA, 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 BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the 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.

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 as shown in the table below.

Valuation of financial investments

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	508,909	–
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
	508,909	**–**

31.1.2019	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	271,053	–
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
	271,053	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

14 Share movement

For the year ending 31 January 2020

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	62,114,529	80,020,745	(5,274,879)	–	136,860,395
Class 3 Net Accumulation	71,641,195	16,125,623	(2,423,600)	–	85,343,218
Class Z Net Accumulation	7,109,847	3,743,664	(1,000)	–	10,852,511

15 Portfolio transaction costs

For the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	213,958	67	0.03	122	0.06
Total purchases	**213,958**	**67**		**122**	
Total purchases including transaction costs	**214,147**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	55,332	18	0.03	4	0.01
Total sales	**55,332**	**18**		**4**	
Total sales net of transaction costs	**55,310**				
Total transaction costs		**85**		**126**	
Total transaction costs as a % of average net assets		**0.02%**		**0.03%**	

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

15 Portfolio transaction costs (continued)

For the year ending 31 January 2019

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	120,871	45	0.04	104	0.09
Total purchases	**120,871**	**45**		**104**	
Total purchases including transaction costs	**121,020**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	59,690	23	0.04	4	0.01
Total sales	**59,690**	**23**		**4**	
Total sales net of transaction costs	**59,663**				
Total transaction costs		**68**		**108**	
Total transaction costs as a % of average net assets		**0.03%**		**0.04%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.07% (2019: 0.06%).

Sustainable Future Global Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

16 Post Balance sheet events

As indicated in the Accounting Policies in the Notes to the financial statements on page 13, the investments have been valued at close of business on 31 January 2020. Since that date the Sub-fund's quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 31 January 2020 and at close of business on 21 May 2020.

	Price at 31.1.2020 (pence per share)	Price at 21.5.2020 (pence per share)	% change
Class 2 Net Accumulation	201.84	214.79	6.42%
Class 3 Net Accumulation	287.67	306.54	6.56%
Class Z Net Accumulation*	139.55	–	–

The following table summarises the total NAV movement since the balance sheet date:

	NAV at 31.1.2020 (£'000)	NAV at 21.5.2020 (£'000)	% change
Class 2 Net Accumulation	276,242	364,679	32.01%
Class 3 Net Accumulation	245,504	271,426	10.56%
Class Z Net Accumulation*	15,144	–	–

* Share class closed on 21 February 2020.

Sustainable Future Global Growth Fund (continued)

Distribution tables

for the year ended 31 January 2020

Final distribution payable in pence per share

Group 1 - Shares purchased prior to 1 August 2019
Group 2 - Shares purchased 1 August 2019 to 31 January 2020

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Payable 31.3.2020	Distribution Paid 31.3.2019
Class 2 - Group 1	0.0000	–	0.0000	0.0000
Class 2 - Group 2	0.0000	0.0000	0.0000	0.0000
Class 3 - Group 1	0.2946	–	0.2946	0.4870
Class 3 - Group 2	0.0615	0.2331	0.2946	0.4870
Class Z - Group 1	0.3348	–	0.3348	0.4004
Class Z - Group 2	0.1420	0.1928	0.3348	0.4004

Interim distribution payable in pence per share

Group 1 - Shares purchased prior to 1 February 2019
Group 2 - Shares purchased 1 February 2019 to 31 July 2019

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 30.9.2019	Distribution Paid 30.9.2018
Class 2 - Group 1	0.5546	–	0.5546	0.6120
Class 2 - Group 2	0.0283	0.5263	0.5546	0.6120
Class 3 - Group 1	1.3906	–	1.3906	1.3218
Class 3 - Group 2	0.5524	0.8382	1.3906	1.3218
Class Z - Group 1	0.8391	–	0.8391	0.8570
Class Z - Group 2	0.2819	0.5572	0.8391	0.8570

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all 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 shares for capital gains tax purposes.

Sustainable Future Managed Fund

Report for the year from 1 February 2019 to 31 January 2020

Investment objective and policy

The Sub-fund aims to deliver income and capital growth over the long term (5 years or more).

The Sub-fund will invest globally. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:

Equity – 60-85%

Fixed income – 10-40%

Cash – 0-10%

The Sub-fund may invest in collective investment schemes including other Liontrust Funds (up to 10% of Fund assets), other transferable securities, money market instruments, warrants and deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Managed Fund (continued)

Investment review

Fund review

The SF Managed fund returned 22.2% over the 12 months under review, compared with the IA Mixed Investment 40-85% Shares sector average of 11.8%*.

Over 2019, stock selection was once again the major contributor to performance although our asset allocation decisions also had a positive impact.

We started 2019 overweight cash and underweight UK and global equities and gradually added money back into the market over Q1, also increasing our overweight corporate bond allocation. We felt the sell-off in the final quarter of 2018 had discounted an overly negative outcome for both Brexit and the US/Chinese trade war and the reality was likely to be more moderate.

That said, we reduced our overweight equity position back to neutral over the second quarter and also brought our cash underweight back to neutral. We maintained our overweight credit/underweight Gilt position. While we still saw few signs of a recession, we felt the economic up-cycle was reaching its tenth year, with key risks emerging.

We maintained this neutral equity and overweight corporate bonds and cash positioning in the third quarter but took the decision mid-October to overweight equities and reduce cash to underweight. In our view, economic momentum, which had deteriorated over 2019, was set to improve. Again, we felt markets had moved to discount a negative outcome for Brexit and the trade war and equity markets offered decent valuation support for outperformance over cash over the remainder of 2019 and into 2020.

The portfolio continues to target companies that can grow as the global economy becomes more efficient, offer a higher quality of life and provide a more resilient global economy.

Spanish telecom firm Cellnex remains a consistent performer, having completed a capital increase of €1.2 billion in May to acquire further sites in France, Italy and Switzerland. Meanwhile, the company also displayed its sustainable credentials in January, upgraded to the Carbon Disclosure Project's list of the A-list of companies leading the way of combating climate change.

We believe telecoms infrastructure is the backbone of the digital economy and tower companies like Cellnex are poised to benefit from continued growth in communications. Cellnex is an important consolidator in the European market, as the telecommunication companies divest their tower assets to focus on their core business.

Elsewhere, we continue to see opportunities in the growing move towards digital payments and holdings such as Visa and Paypal feature among our stronger names.

Visa is an integral part of the global payments network, taking a very small percentage of the value of billions of transactions processed each year. The complex nature of this system, and the crucial role operational excellence plays within it, provides the company with enormous barriers to entry. This is the ultimate scale industry: cost per transaction falls steeply with growth, which results in successful companies becoming harder and harder to dislodge.

Kingspan remains a long-term contributor to returns, with the Irish insulation specialist announcing a major 10-year strategy to reduce carbon emissions by 2030. Its Planet Passionate strategy is made up of 12 targets, addressing the impact of Kingspan's business operations and manufacturing on the four key areas of energy, carbon, circularity and water. On energy for example, the target is to power 60% of all Kingspan operations directly from renewable sources, with a minimum of 20% of this generated on manufacturing sites (up from around 6% today).

During the year, the group announced a record first half, with revenue growth across all its business units. While acknowledging ongoing risks, the company continues to expand around the world, with new facilities under construction in the US, Brazil and Sweden.

Other top names included US software business Cadence Design Systems, which has continued to climb despite concerns around a cyclical slowdown in the semiconductor industry.

The company is broadening its chip design software offering to new customers, as the likes of Amazon, Google and even Tesla invest in chip design teams. Cadence's software offering is essential to this design and demand from these businesses, as well as more traditional chip manufacturing customers, will drive growth over the short and long term. This type of innovation delivers better efficiency, which is key to our *Improving the efficiency of energy usage* theme.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Fund review (continued)

London Stock Exchange was another strong contributor in what proved an eventful year for the company. In the latter months if 2019, LSE received shareholder approval for a $27bn acquisition of leading global provider of financial data Refinitiv as the group looks to broaden its trading business – and this deal has been well received by the market.

LSE is positively exposed to our *Increasing financial resilience* theme by providing valuable data to market participants as well as the infrastructure enabling financial markets to run smoothly.

Among the few stocks that detracted over the period, Norwegian metals producer Norsk Hydro continues to suffer after warning it would miss 2019 expectations due to restricted output in its Brazil facility where the company has taken action to address environmental damage and we sold the stock in October.

Cineworld has struggled despite the release of major blockbusters including Avengers: Endgame and Star Wars: The Rise of Skywalker over the year, warning on profits in December. The company continues with the integration of US cinema chain Regal and expects to extract further savings, also announcing plans to acquire Canada's cineplex in 2020.

UK commercialisation firm IP Group has been disappointing, with poor share price performance driven by the overhang of a large shareholder, which ended up as a forced seller. The company remains confident in its diverse portfolio of holdings and we continue to focus on the operational performance of the portfolio, which continues to be strong.

GW Pharmaceuticals had a weaker period despite the underlying business doing well and continuing to post solid quarterly results. Volatility in the much broader pool of cannabis-related investments appears to be dragging the company's share price down but we are not concerned by this. Most recently, we saw the news that NHS England has given the go-ahead for two of GW's cannabis-based medicines to be used for the first time, potentially providing relief for thousands of epilepsy and multiple sclerosis sufferers.

* *Source: Financial Express, primary share class, total return, net of fees and income & interest reinvested, 31.01.19-31.01.20.*

Market review

With trade wars and Brexit dominating news for the whole of 2019, it was encouraging to see long-awaited developments on both fronts in the final weeks of another year plagued by uncertainty. December's developments continued into the new year as we saw posited moves on trade and Brexit come to fruition but events in Iran and then news of a deadly respiratory illness in China both dented sentiment.

In the US, there was positive news on trade with China, with the announcement of a phase one deal stopping further tariffs due in December. Phase two discussion will be ongoing throughout 2020 and will clearly play a key role in President Trump's electioneering.

With Brexit, the supposedly iron-clad exit date of 29 March passed without resolution and we ultimately saw Theresa May give way to Boris Johnson as Prime Minister. In October, Johnson surprised markets by delivering on a Brexit deal but was unable to get this through Parliament and so called a General Election for December.

The resulting large majority for the Conservative party was well received by financial markets, with parliament passing the European Union Withdrawal Bill in the following days. The UK left the EU at the end of January but there remains much to be done during the transition period and with Johnson stating the UK would not seek an extension to the end 2020 deadline, the risk of a cliff-edge departure at the end of the year remains.

As we came into 2019, the Federal Reserve was still talking about rate hikes but economic weakness drove a turnaround in narrative. After growing signs pointing to monetary loosening, we ultimately saw the first cuts from the Fed in 11 years over the second half of the year, two in Q3 and a third in October, moving closer to a full reversal of 2018's four hikes in response to strengthening conditions.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Market review (continued)

In the UK, the Monetary Policy Committee kept interest rates on hold throughout the year, although members have voted in favour of a cut at more recent meetings. In Mark Carney's final meeting as governor at the end of January, the MPC voted 7-2 to keep rates unchanged, citing an improving global backdrop and reduction in uncertainty following Boris Johnson's election victory. This was despite markets pricing in a 50/50 chance of a rate cut and reflecting that, the MPC said it remains poised to cut rates if a post-election bounce fails to materialise.

As always, we continue to stress that whatever macro events are unfolding in the background, the underlying business fundamentals for the areas of the global market in which we invest remain strong.

Our themes are structural in nature and therefore less transient than cyclical drivers, which can change constantly. The key factor behind all our themes is the conviction that, over time, the global economy will become more sustainable.

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.

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested. Past performance is not a guide to future performance.

Material portfolio changes by value

Purchases	Sales
Liontrust GF Sustainable Future Global Growth Fund*	Liontrust Sustainable Future Corporate Bond Fund*
Treasury 1.5% Stock 22/7/2026	Treasury 1.5% Stock 22/7/2026
Treasury 8% Stock 7/6/2021	Treasury 8% Stock 7/6/2021
Liontrust Sustainable Future Corporate Bond Fund*	Treasury 6% Stock 7/12/2028
Trupanion	Sophos
TerraForm Power	Cadence Design Systems
Cineworld	RELX
PerkinElmer	Rightmove
Puma	DNB
Salesforce.com	Nike class 'B' shares

* Related party.

Sustainable Future Managed Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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

The Sub-fund is ranked at 4 because Sub-funds of this type have experienced average rises and falls in value in the past.

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

- that a company may fail thus reducing its value within the Sub-fund.
- any company which has high overseas earnings may carry a higher currency risk.
- The Sub-fund has holdings which are denominated in currencies other than sterling and may be affected by movements in exchange rates. Consequently the value of an investment may rise or fall in line with the exchange rates.
- 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 Sub-fund.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Sub- fund. If long-term interest rates rise, the value of your shares is likely to fall.
- The Sub- fund can invest in derivatives. Derivatives are used to protect against currencies, credit and interests rates move or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions.
- Investments in emerging markets may involve a higher element of risk due to less well regulated markets and political and economic instability.

Sustainable Future Managed Fund (continued)

Portfolio Statement
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	DEBT SECURITIES (11.99%)	**226,792**	**16.57**
	UNITED KINGDOM GOVERNMENT BONDS (1.17%)		
	STERLING DENOMINATED DEBT SECURITIES (7.88%)	**189,809**	**13.87**
£2,500,000	Annington Funding 3.184% European Medium Term Notes 12/7/2029	2,736	0.20
£4,400,000	Assicurazioni Generali 6.269% Guaranteed Perpetual Subordinated Floating Rate Bonds	5,100	0.37
£1,600,000	AT&T 7% Guaranteed Senior European Medium Term Bonds 30/4/2040	2,595	0.19
£8,000,000	Aviva 5.125% European Medium Term Notes 4/6/2050	9,359	0.68
£3,900,000	AXA 5.453% Subordinated Perpetual Floating Rate Notes	4,471	0.33
£5,600,000	British Telecommunications 3.125% European Medium Term Notes 21/11/2031	6,144	0.45
£6,600,000	Cadent Finance 2.25% European Medium Term Notes 10/10/2035	6,871	0.50
£3,000,000	Compass 2% European Medium Term Notes 5/9/2025	3,152	0.23
£3,000,000	Coventry Building Society 6.875% Perpetual Bonds	3,386	0.25
£3,000,000	CPUK Finance 3.69% European Medium Term Notes 28/2/2047	3,290	0.24
£2,900,000	Direct Line Insurance 4.75% Perpetual Bonds	2,827	0.21
£4,536,000	Dwr Cymru Financing 2.5% European Medium Term Notes 31/3/2036	5,089	0.37
£3,800,000	GlaxoSmithKline Capital 5.25% Guaranteed European Medium Term Bonds 19/12/2033	5,549	0.41
£6,000,000	HSBC 3% Senior Floating Rate Notes 22/7/2028	6,486	0.47
£2,500,000	HSBC 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	3,812	0.28
£6,800,000	Legal & General 5.125% Bonds 14/11/2048	7,845	0.57
£2,838,000	Liberty Living Finance 3.375% Bonds 28/11/2029	3,122	0.23
£4,800,000	Logicor 2019-1 UK 1.875% Bonds 17/11/2026	4,913	0.36
£4,000,000	Motability Operations 1.75% European Medium Term Notes 3/7/2029	4,122	0.30
£4,127,000	National Express 2.375% Bonds 20/11/2028	4,255	0.31
£8,000,000	Nationwide Building Society 5.875% Perpetual Bonds	8,740	0.64
£1,785,000	Next 3.625% Bonds 18/5/2028	1,968	0.14
£4,900,000	NGG Finance 5.625% Floating Rate Notes 18/6/2073	5,565	0.41
£3,000,000	Notting Hill Housing Trust 2.875% Bonds 31/1/2029	3,252	0.24
£3,500,000	Orange 8.125% Guaranteed Senior European Medium Term Bonds 20/11/2028	5,365	0.39
£3,000,000	Pension Insurance 8% Bonds 23/11/2026	3,854	0.28
£5,500,000	Prudential 5.625% Bonds 20/10/2051	6,487	0.48
£4,000,000	Royal Bank of Scotland 3.125% European Medium Term Notes 28/3/2027	4,270	0.31
£3,750,000	Severn Trent Water Utilities 6.25% Guaranteed Bonds 7/6/2029	5,269	0.39
£4,800,000	SP Transmission 2% Bonds 13/11/2031	4,987	0.36
£5,500,000	Standard Chartered 5.125% Subordinated European Medium Term Notes 6/6/2034	6,848	0.50
£2,700,000	Stagecoach 4% Bonds 29/9/2025	2,922	0.21

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	STERLING DENOMINATED DEBT SECURITIES (continued)		
£5,500,000	Telefónica Emisiones 5.375% Guaranteed European Medium Term Bonds 2/2/2026	6,689	0.49
£2,400,000	Travis Perkins 4.5% Bonds 7/9/2023	2,532	0.19
£5,500,000	Vodafone 5.9% Guaranteed Senior European Medium Term Bonds 26/11/2032	7,989	0.59
£8,000,000	Verizon Communications 1.875% Bonds 19/9/2030	8,109	0.58
£5,000,000	Western Power Distribution 3.5% Bonds 16/10/2026	5,432	0.40
£3,550,000	WM Morrison Supermarkets 4.75% European Medium Term Notes 4/7/2029	4,407	0.32
	UNITED STATES DOLLAR DENOMINATED DEBT SECURITIES (2.94%)	**36,983**	**2.70**
$4,000,000	AXA 5.5% Perpetual European Medium Term Notes	3,095	0.23
$7,500,000	BNP Paribas 7.195% Guaranteed Perpetual Subordinated Floating Rate Bonds	6,415	0.47
$5,600,000	Cloverie for Zurich Insurance 5.625% Bonds 24/6/2046	4,793	0.35
$9,200,000	Demeter Investments 5.75% Bonds 15/8/2050	7,703	0.56
$9,250,000	HBOS Capital Funding 6.85% Perpetual Bonds	7,175	0.52
$6,000,000	Lloyds Bank 12% Perpetual Bonds	5,580	0.41
$2,800,000	SCOR 5.25% Perpetual Bonds	2,222	0.16
	EQUITIES (84.86%)	**1,069,200**	**78.15**
	AUSTRALIA (1.47%)	**19,425**	**1.42**
122,583	CSL	19,425	1.42
	CANADA (1.33%)	**13,885**	**1.01**
189,884	Waste Connections	13,885	1.01
	CHANNEL ISLANDS; GUERNSEY (0.68%)	**7,817**	**0.57**
5,931,116	Renewables Infrastructure	7,817	0.57
	DENMARK (1.02%)	**18,426**	**1.35**
328,244	Ringkjoebing Landbobank	18,426	1.35
	GERMANY (2.70%)	**27,275**	**1.99**
235,648	Hella Hueck	8,427	0.61
575,818	Infineon Technologies	9,450	0.69
154,191	Puma	9,398	0.69

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	HONG KONG (0.89%)		
	IRELAND; REPUBLIC OF (6.08%)	**147,493**	**10.78**
77,530	Kerry class 'A' shares	7,482	0.55
360,815	Kingspan	16,911	1.24
3,000,000	Liontrust GF Sustainable Future European Corporate Bond Fund**	26,877	1.96
9,837,558	Liontrust GF Sustainable Future Global Growth Fund**	81,595	5.96
556,607	Smurfit Kappa	14,628	1.07
	ITALY (0.78%)	**16,653**	**1.22**
458,352	Banca Generali	11,067	0.81
591,698	Technogym	5,586	0.41
	JAPAN (3.35%)	**45,332**	**3.31**
145,651	Daikin	15,929	1.16
33,310	Keyence	8,706	0.64
65,303	Shimano	7,702	0.56
251,923	TechnoPro	12,995	0.95
	NETHERLANDS (1.81%)	**26,592**	**1.94**
54,387	ASML	11,625	0.85
226,697	InterXion	14,967	1.09
	NORWAY (1.72%)		
	SPAIN (1.20%)	**18,784**	**1.37**
497,407	Cellnex Telecom	18,784	1.37
	SWEDEN (0.92%)	**11,286**	**0.83**
1,517,145	Svenska Handelsbanken series 'A' shares	11,286	0.83
	SWITZERLAND (1.55%)	**17,750**	**1.30**
69,594	Roche Holding	17,750	1.30

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED KINGDOM (28.29%)	**278,055**	**20.33**
1,370,360	3i	15,122	1.11
1,068,084	Abcam	14,889	1.09
4,266,065	Cineworld	7,562	0.55
768,456	Compass	14,424	1.05
1,294,498	Countryside Properties	6,314	0.46
2,552,329	Crest Nicholson	12,751	0.93
259,467	Croda International	12,932	0.95
1,291,264	DFS Furniture	3,603	0.26
427,000	Ethical Property*	353	0.03
957,478	GB	6,798	0.50
1,394,702	GlaxoSmithKline	24,881	1.82
1,426,640	Greencoat UK Wind	2,026	0.15
87,994	GW Pharmaceuticals ADR (each representing 12 ordinary share)	7,708	0.56
695,700	Hargreaves Lansdown	11,997	0.88
242,228	Intertek	13,947	1.02
7,497,261	IP	5,158	0.38
5,822,011	Legal & General	17,780	1.30
250,953	London Stock Exchange	19,660	1.44
1,724,646	Paragon	8,753	0.64
1,607,461	Porvair	12,635	0.92
1,140,504	Prudential	15,420	1.13
3,635,549	SDCL Energy Efficiency Income Trust	3,963	0.29
634,953	Softcat	7,315	0.53
992,828	St. James's Place Capital	11,358	0.83
1,398,934	Trainline	6,582	0.48
311,538	Unilever	14,124	1.03
	UNITED STATES OF AMERICA (31.07%)	**420,427**	**30.73**
65,733	Adobe	17,504	1.28
135,203	Alexion Pharmaceuticals	10,192	0.75
15,699	Alphabet class 'A' shares	17,052	1.25
7,818	Alphabet class 'C' shares	8,504	0.62
106,986	American Tower class 'A' shares	18,805	1.37
156,996	Autodesk	23,435	1.71
153,660	Cadence Design Systems	8,405	0.61
381,695	Charles Schwab	13,184	0.96

Sustainable Future Managed Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA (continued)		
137,699	DocuSign	8,200	0.60
151,348	Ecolab	22,516	1.65
176,161	Eli Lilly	18,658	1.36
34,470	Equinix	15,421	1.13
186,325	First Republic Bank	15,673	1.15
45,003	Intuit	9,572	0.70
224,073	IQVIA	26,382	1.93
162,556	Nasdaq	14,361	1.05
87,627	Palo Alto Networks	15,607	1.14
202,505	PayPal	17,493	1.28
252,575	PerkinElmer	17,712	1.29
43,471	Rockwell Automation	6,320	0.46
42,912	Roper Industries	12,417	0.91
118,102	Salesforce.com	16,327	1.19
63,987	Splunk	7,534	0.55
894,746	TerraForm Power	12,279	0.90
87,173	Thermo Fisher Scientific	20,692	1.51
333,740	Trimble Navigation	10,765	0.79
517,692	Trupanion	12,544	0.92
151,588	Visa	22,873	1.67
	Portfolio of investments	**1,295,992**	**94.72**
	Net other assets	**72,276**	**5.28**
	Total net assets	**1,368,268**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Note: comparative figures in brackets show percentages for each category of holding at 31 January 2019.

* Unquoted security.

** Related party investment.

Sustainable Future Managed Fund (continued)

Comparative tables
for the year ended 31 January 2020

Class 2 Net Income	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	136.85	134.00	118.00
Return before operating charges	30.13	5.78	18.85
Operating charges	(1.39)	(1.21)	(1.10)
Return after operating charges	28.74	4.57	17.75
Distributions	(1.69)	(1.72)	(1.75)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**163.90**	**136.85**	**134.00**
After transaction costs of	(0.13)	(0.13)	(0.10)
Performance			
Return after charges	21.00%	3.41%	15.04%
Other information			
Closing net asset value (£'000)	285,482	137,834	70,658
Closing number of shares	174,183,008	100,721,355	52,729,110
Operating charges**	0.90%	0.88%	0.85%
Direct transaction costs*	0.09%	0.09%	0.08%
Prices			
Highest share price	168.5	144.8	137.6
Lowest share price	137.6	127.4	117.8

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 3 Net Income	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	182.92	179.11	157.71
Return before operating charges	40.15	7.55	25.04
Operating charges	(0.93)	(0.79)	(0.71)
Return after operating charges	39.22	6.76	24.33
Distributions	(3.01)	(2.95)	(2.93)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**219.13**	**182.92**	**179.11**
After transaction costs of	(0.18)	(0.17)	(0.13)
Performance			
Return after charges	21.44%	3.77%	15.43%
Other information			
Closing net asset value (£'000)	871,433	659,400	612,585
Closing number of shares	397,682,903	360,484,066	342,014,376
Operating charges**	0.45%	0.43%	0.41%
Direct transaction costs*	0.09%	0.09%	0.08%
Prices			
Highest share price	225.6	193.7	184.2
Lowest share price	184.0	170.4	157.5

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 6 Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	173.45	167.77	145.74
Return before operating charges	38.24	7.20	23.39
Operating charges	(1.76)	(1.52)	(1.36)
Return after operating charges	36.48	5.68	22.03
Distributions	(2.15)	(2.16)	(2.20)
Retained distributions on accumulation shares	2.15	2.16	2.20
Closing net asset value per share	**209.93**	**173.45**	**167.77**
After transaction costs of	(0.17)	(0.16)	(0.12)
Performance			
Return after charges	21.03%	3.39%	15.12%
Other information			
Closing net asset value (£'000)	207,259	63,938	30,583
Closing number of shares	98,726,159	36,862,906	18,229,194
Operating charges**	0.90%	0.88%	0.85%
Direct transaction costs*	0.09%	0.09%	0.08%
Prices			
Highest share price	215.0	182.8	171.4
Lowest share price	174.5	159.5	145.5

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 7 Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	177.19	170.79	147.89
Return before operating charges	38.95	7.16	23.57
Operating charges	(0.90)	(0.76)	(0.67)
Return after operating charges	38.05	6.40	22.90
Distributions	(2.93)	(2.82)	(2.76)
Retained distributions on accumulation shares	2.93	2.82	2.76
Closing net asset value per share	**215.24**	**177.19**	**170.79**
After transaction costs of	(0.17)	(0.17)	(0.13)
Performance			
Return after charges	21.47%	3.75%	15.48%
Other information			
Closing net asset value (£'000)	4,094	1,509	1,476
Closing number of shares	1,902,134	851,358	864,349
Operating charges**	0.45%	0.43%	0.41%
Direct transaction costs*	0.09%	0.09%	0.08%
Prices			
Highest share price	220.4	186.4	174.5
Lowest share price	178.2	162.5	147.7

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Fund (continued)

Statement of Total Return
for the year ended 31 January 2020

	Notes	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Income					
Net capital gains	2		189,696		15,336
Revenue	3	22,202		16,720	
Expenses	4	(6,560)		(4,008)	
Interest payable and similar charges	6	(6)		(5)	
Net revenue before taxation		15,636		12,707	
Taxation	5	(1,044)		(778)	
Net revenue after taxation			14,592		11,929
Total return before distributions			**204,288**		**27,265**
Distributions	7		(14,592)		(11,929)
Change in net assets attributable to shareholders from investment activities			**189,696**		**15,336**

Statement of change in net assets attributable to shareholders
for the year ended 31 January 2020

	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Opening net assets attributable to shareholders		**862,681**		**715,302**
Movement due to issue and cancellation of shares:				
Amounts received on issue of shares	320,924		146,047	
Amounts paid on cancellation of shares	(6,754)		(14,667)	
		314,170		131,380
Dilution Adjustment		–		1
Change in net assets attributable to shareholders from investment activities		189,696		15,336
Retained distribution on accumulation shares		1,721		662
Closing net assets attributable to shareholders		**1,368,268**		**862,681**

Sustainable Future Managed Fund (continued)

Balance Sheet

as at 31 January 2020

	Notes	31.1.2020 (£'000)	31.1.2019 (£'000)
Assets			
Fixed Assets			
Investments		1,295,992	835,492
Current assets:			
Debtors	8	13,294	16,784
Cash and bank balances	9	65,635	34,159
Total assets		**1,374,921**	**886,435**
Liabilities			
Creditors:			
Distribution Payable		(5,664)	(4,798)
Other creditors	10	(989)	(18,956)
Total liabilities		**(6,653)**	**(23,754)**
Net assets attributable to shareholders		**1,368,268**	**862,681**

The notes on pages 177 to 189 form an integral part of these financial statements. The distribution per share is set out in the table on page 190.

Sustainable Future Managed Fund (continued)

Notes to the financial statements
for the year ended 31 January 2020

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 13 to 14.

2 Net capital gains

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Non-derivative securities	189,725	16,030
Foreign currency losses	(29)	(689)
Forward currency contracts	–	1
Rebate of expenses*	–	1
Transaction costs	–	(7)
Net capital gains	**189,696**	**15,336**

3 Revenue

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Bank interest	3	18
Interest from overseas fixed income securities	1,410	724
Interest from UK fixed income securities	4,239	3,197
Management fee rebates on CIS	294	147
Non-taxable overseas dividends	6,323	4,980
Revenue from Liontrust Sustainable Future Corporate Bond Fund	2,090	1,979
UK dividends	7,280	5,240
US REIT dividends	563	435
Total revenue	**22,202**	**16,720**

* Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

4 Expenses

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's fees	5,653	3,638
Fixed rate administration fees	908	262
Registration fee	–	70
	6,561	**3,970**
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	–	27
Safe custody fee	–	13
	–	**40**
Other expenses		
Audit fees*	–	5
Accounts printing and postage	–	(1)
Other expenses/Sundry expenses	(1)	1
Rebate of expenses**	–	(7)
	(1)	**(2)**
Total expenses	**6,560**	**4,008**

* The audit fee for the year, excluding VAT, was £8,085 (2019: £7,700).

** Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

5 Taxation

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
a) Analysis of charge in year		
Overseas tax	677	345
Corporation tax	406	498
Less: Double taxation relief	(39)	(65)
Total tax charge for the year (see note 5(b))	**1,044**	**778**

b) Factors affecting tax charge for the year

The taxation assessed for the year is lower (2019 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Net revenue before taxation	15,636	12,707
Corporation tax at 20% (2019 – 20%)	3,127	2,542
Effects of:		
Double taxation relief	(39)	(65)
Non-taxable overseas dividends	(1,265)	(996)
Overseas tax	677	345
UK dividends	(1,456)	(1,048)
Total tax charge for year (see note 5(a))	**1,044**	**778**

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax asset

At 31 January 2020 the Fund had no surplus management expenses (prior year: £Nil). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised (prior year: £Nil).

6 Interest payable and similar charges

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interest	6	5
Total interest payable and similar charges	**6**	**5**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 January 2020

7 Distributions

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interim distribution	9,406	7,433
Final distribution	6,426	5,091
	15,832	**12,524**
Amounts received on issue of shares	(1,266)	(665)
Amounts deducted on cancellation of shares	26	70
Net distribution	**14,592**	**11,929**
The distribution amount has been calculated as follows:		
Net revenue after taxation for the year	14,592	11,929
Net distribution	**14,592**	**11,929**

The distribution per share is set out in the table on page 190.

8 Debtors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Accrued revenue	4,184	1,816
Amounts receivable on issue of shares	8,338	1,779
Foreign currency contracts awaiting settlement	–	5,716
Overseas withholding tax	673	870
Rebate of expenses	–	18
Sales awaiting settlement	99	6,585
Total debtors	**13,294**	**16,784**

9 Cash and bank balances

	31.1.2020 (£'000)	31.1.2019 (£'000)
Cash and bank balances	65,635	34,159
Total cash and bank balances	**65,635**	**34,159**

10 Creditors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Accrued expenses	699	407
Amounts payable on cancellation of shares	86	86
Corporation tax payable	204	268
Foreign currency contracts awaiting settlement	–	5,747
Purchases awaiting settlement	–	12,448
Total creditors	**989**	**18,956**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

11 Contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (prior year: £Nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The revenue received from Liontrust Sustainable Future Corporate Bond Fund is shown in note 3.

The ACD's periodic charge and registration fees paid to Liontrust Fund Partners LLP and its associates are shown in note 4, and details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £699,000 (prior year: £400,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £6,559,000 (prior year:£3,970,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and it associates for the year was £294,000 (prior year: £8,000).

As at 31 January 2020 the Sub-fund held nil% (no shares) of the Class 3 Gross Income shares of the Liontrust Sustainable Future Corporate Bond Fund, a sub fund of the Company. (Prior year:13.9% (44,357,932 shares with a market value of £48,417,000) of the Class 3 Gross Income shares).

As at 31 January 2020 the Sub-fund held 100% (3,000,000 shares with a market value of £26,877,000) of the Class A8 Accumulating Euro shares of the Liontrust GF Sustainable Future European Corporate Bond Fund, which shares the same investment advisor, Liontrust Investment Partners LLP. (Prior year: 100% (3,000,000 shares with a market value of £26,082,000).

As at 31 January 2020 the Sub-fund held 100% (9,837,558 shares with a market value of £81,595,000) of the Class B8 Accumulating USD shares of the Liontrust GF Sustainable Future Global Growth Fund, which shares the same investment advisor, Liontrust Investment Partners LLP. (Prior year: nil% (no shares)).

13 Derivatives and other financial instruments

The risks inherent in the Sub-fund's investment portfolio are as follows:

In pursuing its investment objective and investment policy, the Sub-fund holds a number of financial instruments. These may comprise:

- Equity shares, equity related shares, non-equity shares and debt securities. These are held in accordance with the Sub-fund's investment policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operation;
- Shareholders' funds, which represent investors' monies that are invested on their behalf;
- Derivative transactions which the Sub-fund may enter into, the purpose of which is to manage certain aspects of the risks arising from the Sub-fund's investment activities and generate additional capital and revenue;
- Short-term borrowings used to finance operational cash flows;
- Derivatives are also used for investment purposes not just to manage risk/exposures.

The main risks arising from the financial instruments are market price (including "emerging markets price risk"), foreign currency, interest rate, liquidity and counterparty credit risk. The ACD reviews the policies for managing each of these risks and they are summarised below.

These policies have remained unchanged since the beginning of the period to which these financial statements relate.

It should be noted that the ACD has a detailed risk management policy which is reviewed and updated, if necessary, periodically. An independent risk function is also present which monitors all relevant risks appropriately.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Market price risk

Market price risk is the risk that the 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. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

The 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 January 2020 and 31 January 2019 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives and short positions where the exposure could be greater. The Sub-fund is 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-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 15%. 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.

As at 31 January 2020, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 17.9%.

As at 31 January 2019, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.2%.

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;
- 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-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

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 the 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.

The Sub-fund did not use derivatives in the year and level of leverage employed by the Sub-fund during the year is not considered to be significant.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments can 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 the 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 currency risk being identified.

The 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-fund may receive income in currencies other than sterling, and the sterling values of this income can be affected by movements in exchange rates.

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile

	Net Foreign Currency Assets		
Currency	**Monetary Exposures (£'000)**	**Non-Monetary Exposures (£'000)**	**Total (£'000)**
Australian Dollar	–	19,425	19,425
Danish Krone	–	18,545	18,545
Euro	93	125,795	125,888
Japanese Yen	–	45,444	45,444
Norwegian Krone	–	295	295
Swedish Krona	–	11,286	11,286
Swiss Franc	–	17,750	17,750
US Dollar	1	576,201	576,202
	94	**814,741**	**814,835**

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

At 31 January 2019 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	12,639	12,639
Danish Krone	–	8,900	8,900
Euro	136	92,976	93,112
Hong Kong Dollar	–	7,650	7,650
Japanese Yen	–	28,938	28,938
Norwegian Krone	–	15,099	15,099
Swedish Krona	–	7,898	7,898
Swiss Franc	–	13,586	13,586
US Dollar	6	319,407	319,413
	142	**507,093**	**507,235**

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £90,527,000/£(74,076,000) respectively.

If the exchange rate at 31 January 2019 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £56,359,000/£(46,112,000) respectively.

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.

Typically the majority of the Sub-fund's financial assets will be in interest bearing financial assets and liabilities. As a result the Sub-fund is subject to the risk of potentially adverse movements in the prevailing level of market interest rates. The Investment Adviser may from time to time enter into contracts on behalf of the Sub-fund that seeks to mitigate the effects of these movements.

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.

The interest rate risk profile of financial assets and liabilities at 31 January 2020 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total £'000)
Investment assets	28,037	198,755	1,069,200	1,295,992
Investment liabilities	–	–	–	–

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Interest rate risk (continued)

The interest rate risk profile of financial assets and liabilities at 31 January 2019 was as follows:

	Floating Rate Investments (£'000)	Fixed Rate Investments (£'000)	Non Interest Bearing Investments (£'000)	Total £'000)
Investment assets	17,580	86,028	731,884	835,492
Investment liabilities	–	–	–	–

The Investment Adviser monitors the Sub-fund's interest rate exposure on a daily basis as an integral part of the investment process. In particular the Investment Adviser uses the effective duration of the portfolio to provide a sensitivity analysis of the Sub-fund to the fluctuation in market interest rates.

At 31 January 2020, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 7.80%.

At 31 January 2019, if interest rates had strengthened/weakened by 1% with all other variables held constant this would have increased/decreased the net assets attributable to investors in the Sub-fund by approximately 6.11%.

Liquidity risk

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

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 the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it 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-fund 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-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The 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.

At the balance sheet date, there were no counterparties to open derivative contracts. At the year end collateral of Nil (prior year: Nil) was received; collateral pledged was Nil (prior year: Nil) and none (prior year: none) of the Sub-funds' financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") 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 January 2020 was A (Standard & Poor's rating).

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Counterparty credit risk (continued)

BNYMSA, 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 BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the 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.

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 as shown in the table below.

Valuation of financial investments

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	960,375	–
Level 2: Observable market data	335,264	–
Level 3: Unobservable data	353	–
	1,295,992	**–**

31.1.2019	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	657,035	–
Level 2: Observable market data	178,107	–
Level 3: Unobservable data	350	–
	835,492	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

14 Share movement

For the year ending 31 January 2020

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Income	100,721,355	73,762,480	(355,341)	54,514	174,183,008
Class 3 Net Income	360,484,066	39,712,781	(2,513,944)	–	397,682,903
Class 6 Net Accumulation	36,862,906	62,604,340	(395,162)	(345,925)	98,726,159
Class 7 Net Accumulation	851,358	886,243	(131,553)	296,086	1,902,134

15 Portfolio transaction costs

For the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	384,538	136	0.04	754	0.20
Debt instruments (direct)	256,956	–	–	–	–
Collective investment schemes	64,280	–	–	1	–
In-specie transfers	34,857	–	–	–	–
Total purchases	**740,631**	**136**		**755**	
Total purchases including transaction costs	**741,522**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	174,321	70	0.04	8	–
Debt instruments (direct)	146,769	–	–	–	–
Collective investment schemes	71,490	–	–	–	–
In-specie transfers	76,946	–	–	–	–
Total sales	**469,526**	**70**		**8**	
Total sales net of transaction costs	**469,448**				

		Commissions		Taxes	
Total transaction costs		**206**		**763**	
Total transaction costs as a % of average net assets		**0.02%**		**0.07%**	

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

15 Portfolio transaction costs (continued)

For the year ending 31 January 2019

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	274,970	109	0.04	562	0.20
Debt instruments (direct)	79,107	–	–	–	–
Collective investment schemes	26,141	–	–	–	–
Total purchases	**380,218**	**109**		**562**	
Total purchases including transaction costs	**380,889**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	177,143	77	0.04	6	–
Debt instruments (direct)	52,206	–	–	–	–
Total sales	**229,349**	**77**		**6**	
Total sales net of transaction costs	**229,266**				

Total transaction costs		**186**		**568**	
Total transaction costs as a % of average net assets		**0.02%**		**0.07%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.17% (2019: 0.16%).

Sustainable Future Managed Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

16 Post Balance sheet events

As indicated in the Accounting Policies in the Notes to the financial statements on page 13, the investments have been valued at close of business on 31 January 2020. Since that date the Sub-fund's quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 31 January 2020 and at close of business on 21 May 2020.

	Price at 31.1.2020 (pence per share)	Price at 21.5.2020 (pence per share)	% change
Class 2 Net Income	163.90	166.44	1.55%
Class 3 Net Income	219.13	222.77	1.66%
Class 6 Net Accumulation	209.93	213.19	1.55%
Class 7 Net Accumulation	215.24	218.79	1.65%

The following table summarises the total NAV movement since the balance sheet date:

	NAV at 31.1.2020 (£'000)	NAV at 21.5.2020 (£'000)	% change
Class 2 Net Income	285,482	329,684	15.48%
Class 3 Net Income	871,433	899,088	3.17%
Class 6 Net Accumulation	207,259	263,643	27.20%
Class 7 Net Accumulation	4,094	1,179	(71.20)%

Sustainable Future Managed Fund (continued)

Distribution tables

for the year ended 31 January 2020

Final distribution payable in pence per share

Group 1 - Shares purchased prior to 1 August 2019
Group 2 - Shares purchased 1 August 2019 to 31 January 2020

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Payable 31.3.2020	Distribution Paid 31.3.2019
Class 6 - Group 1	0.7503	–	0.7503	0.7702
Class 6 - Group 2	0.2055	0.5448	0.7503	0.7702
Class 7 - Group 1	1.1380	–	1.1380	1.1194
Class 7 - Group 2	0.9768	0.1612	1.1380	1.1194
Income shares				
Class 2 - Group 1	0.5876	–	0.5876	0.6105
Class 2 - Group 2	0.1923	0.3953	0.5876	0.6105
Class 3 - Group 1	1.1670	–	1.1670	1.1603
Class 3 - Group 2	0.3632	0.8038	1.1670	1.1603

Interim distribution paid in pence per share

Group 1 - Shares purchased prior to 1 February 2019
Group 2 - Shares purchased 1 February 2019 to 31 July 2019

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 30.9.2019	Distribution Paid 30.9.2018
Class 6 - Group 1	1.4041	–	1.4041	1.3939
Class 6 - Group 2	0.4823	0.9218	1.4041	1.3939
Class 7 - Group 1	1.7889	–	1.7889	1.6974
Class 7 - Group 2	0.5224	1.2666	1.7889	1.6974
Income shares				
Class 2 - Group 1	1.1065	–-	1.1065	1.1105
Class 2 - Group 2	0.4103	0.6962	1.1065	1.1105
Class 3 - Group 1	1.8470	–	1.8470	1.7853
Class 3 - Group 2	0.5929	1.2541	1.8470	1.7853

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all 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 shares for capital gains tax purposes.

Sustainable Future Managed Growth Fund (formerly Absolute Growth)

Report for the year from 1 February 2019 to 31 January 2020

Investment objective and policy

The sub-fund aims to deliver capital growth over the long term (5 years or more).

The sub-fund will invest globally. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

Allocations to equities, fixed income, and cash will vary over time depending on market circumstances. Asset allocation limits will remain in line with the following asset allocation ranges:

Equity – 60-100%

Fixed income – 0-20%

Cash – 0-20%

The sub-fund may invest in collective investment schemes including other Liontrust Funds (up to 10% of Fund assets), other transferable securities, money market instruments, warrants, deposits.

The sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future Managed Growth Fund (continued)

Investment review

Fund review

The SF Absolute Growth fund returned 24.2% over the 12 months under review compared with the IA Flexible Investment sector average of 11.2%*.

Over 2019, stock selection was once again the major contributor to performance although our asset allocation decisions also had a positive impact.

We started 2019 overweight cash and underweight UK and global equities and gradually added money back into the market over Q1. We felt the sell-off in the final quarter of 2018 had discounted an overly negative outcome for both Brexit and the US/Chinese trade war and the reality was likely to be more moderate.

That said, we reduced our equity position back to neutral over the second quarter and also brought our cash underweight back to neutral. While we still saw few signs of a recession, we felt the economic up-cycle was reaching its tenth year, with key risks emerging.

We maintained a neutral equity and overweight cash positioning in the third quarter but took the decision mid-October to move overweight equities and reduce cash to underweight. In our view, economic momentum, which had deteriorated over 2019, was set to improve. Again, we felt markets had moved to discount a negative outcome for Brexit and the trade war and equity markets offered decent valuation support for outperformance over cash over the remainder of 2019 and into 2020.

Our process targets businesses that can grow structurally, driven by the shift towards a global economy that is more efficient, provides a higher quality of life and is more resilient.

Spanish telecom firm Cellnex remains a consistent performer, having completed a capital increase of €1.2 billion in May to acquire further sites in France, Italy and Switzerland. Meanwhile, the company also displayed its sustainable credentials in January, upgraded to the Carbon Disclosure Project's list of the A-list of companies leading the way of combating climate change.

We believe telecoms infrastructure is the backbone of the digital economy and tower companies like Cellnex are poised to benefit from continued growth in communications. Cellnex is an important consolidator in the European market, as the telecommunication companies divest their tower assets to focus on their core business.

American Tower is another long-term holding in this space, continuing to see demand for wireless telecommunication capacity in the US, as well as Brazil and India. In the modern digital economy, customers demand greater and greater connectivity on mobile devices. American Tower is a beneficiary of our theme of *Connecting People*: this demand is secular, not cyclical, and the company performed well in difficult market conditions.

Elsewhere, we continue to see opportunities in the growing move towards digital payments and holdings such as Visa and Paypal feature among our stronger names.

Visa is an integral part of the global payments network, taking a very small percentage of the value of billions of transactions processed each year. The complex nature of this system, and the crucial role operational excellence plays within it, provides the company with enormous barriers to entry. This is the ultimate scale industry: cost per transaction falls steeply with growth, which results in successful companies becoming harder and harder to dislodge.

Kingspan remains a long-term contributor to returns, with the Irish insulation specialist announcing a major 10-year strategy to reduce carbon emissions by 2030. Its Planet Passionate strategy is made up of 12 targets, addressing the impact of Kingspan's business operations and manufacturing on the four key areas of energy, carbon, circularity and water. On energy for example, the target is to power 60% of all Kingspan operations directly from renewable sources, with a minimum of 20% of this generated on manufacturing sites (up from around 6% today).

During the year, the group announced a record first half, with revenue growth across all its business units. While acknowledging ongoing risks, the company continues to expand around the world, with new facilities under construction in the US, Brazil and Sweden.

Other top names included US software business Cadence Design Systems, which has continued to climb despite concerns around a cyclical slowdown in the semiconductor industry.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Fund review (continued)

The company is broadening its chip design software offering to new customers, as the likes of Amazon, Google and even Tesla invest in chip design teams. Cadence's software offering is essential to this design and demand from these businesses, as well as more traditional chip manufacturing customers, will drive growth over the short and long term. This type of innovation delivers better efficiency, which is key to our *Improving the efficiency of energy usage* theme.

Industrial software company Autodesk featured among our best performers despite growing fears that demand for its technology is vulnerable to a slowing global economy and construction market. The company reported 28% growth in revenue and more than 50% growth in free cashflow over Q3, which calmed fears of a slowdown.

Autodesk's software brings technology to the construction sector, which had previously relied on paper and sketches. It reduces errors in construction, saving time and vital resources, and makes the overall construction industry more efficient – and is therefore a strong fit for our I*mproving industrial and agricultural process* theme.

While the construction industry remains a cyclical end market, the secular nature of the growth in technology adoption, related to Building Information Management (BIM) and Autodesk's cutting-edge solutions, should ensure strong compound growth over many years to come.

Australian healthcare business CSL is another consistent performer, with the company continuing to develop its R&D pipeline to deliver a highly differentiated product portfolio mix, addressing a broader range of patients' unmet needs. With a long-term commitment to serving patients and protecting public health, the company fits in our Providing affordable healthcare theme.

Looking at the handful of stocks that detracted over the period, Alexion Pharmaceuticals has struggled despite decent results, with a number of setbacks in relation to the patents on its first-generation product Soliris hitting the share price.

In contrast to the market however, we believe the company's second-generation product – called Ultomiris – provides a significant benefit to patients versus Soliris. A key holding under our *Enabling innovation in healthcare* theme, the company is making good progress in the transition from one to another and we expect this to continue.

Norwegian metals producer Norsk Hydro also continues to suffer after warning it would miss 2019 expectations due to restricted output in its Brazil facility where the company has taken action to address environmental damage and we sold the stock in October.

Terraform Power was another weaker name after its Q3 results disappointed, with the management team indicating their M&A pipeline was more bolt-on than large scale; there had been some expectation that a large deal was imminent.

The company also reported some curtailment issues in Texas relating to wind assets. We see the pipeline of solar and wind assets available to a downstream, best-in-class operator such as Terraform as robust over the next decade, however, as the US transforms its energy system away from coal in favour of wind and solar. Curtailment remains an important issue but one that can be solved as the cost of storage drops over time.

**Source: Financial Express, primary share class, total return, net of fees and income reinvested, 31.01.19 - 31.01.20.*

Market review

With trade wars and Brexit dominating news for the whole of 2019, it was encouraging to see long-awaited developments on both fronts in the final weeks of another year plagued by uncertainty. December's developments continued into the new year as we saw posited moves on trade and Brexit come to fruition but events in Iran and then news of a deadly respiratory illness in China both dented sentiment.

In the US, there was positive news on trade with China, with the announcement of a phase one deal stopping further tariffs due in December. Phase two discussion will be ongoing throughout 2020 and will clearly play a key role in President Trump's electioneering.

With Brexit, the supposedly iron-clad exit date of 29 March passed without resolution and we ultimately saw Theresa May give way to Boris Johnson as Prime Minister. In October, Johnson surprised markets by delivering on a Brexit deal but was unable to get this through Parliament and so called a General Election for December.

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Market review (continued)

The resulting large majority for the Conservative party was well received by financial markets, with parliament passing the European Union Withdrawal Bill in the following days. The UK left the EU at the end of January but there remains much to be done during the transition period and with Johnson stating the UK would not seek an extension to the end 2020 deadline, the risk of a cliff-edge departure at the end of the year remains.

As we came into 2019, the Federal Reserve was still talking about rate hikes but economic weakness drove a turnaround in narrative. After growing signs pointing to monetary loosening, we ultimately saw the first cuts from the Fed in 11 years over the second half of the year, two in Q3 and a third in October, moving closer to a full reversal of 2018's four hikes in response to strengthening conditions.

In the UK, the Monetary Policy Committee kept interest rates on hold throughout the year, although members have voted in favour of a cut at more recent meetings. In Mark Carney's final meeting as governor at the end of January, the MPC voted 7-2 to keep rates unchanged, citing an improving global backdrop and reduction in uncertainty following Boris Johnson's election victory. This was despite markets pricing in a 50/50 chance of a rate cut and reflecting that, the MPC said it remains poised to cut rates if a post-election bounce fails to materialise.

As always, we continue to stress that whatever macro events are unfolding in the background, the underlying business fundamentals for the areas of the global market in which we invest remain strong.

Our themes are structural in nature and therefore less transient than cyclical drivers, which can change constantly. The key factor behind all our themes is the conviction that, over time, the global economy will become more sustainable

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.

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested.

Past performance is not a guide to future performance.

Material portfolio changes by value

Purchases	Sales
Kerry class 'A' shares	Kerry class 'A' shares
Puma	SS&C Technologies
Autodesk	RELX
Palo Alto Networks	Nike class 'B' shares
Trupanion	DNB
TerraForm Power	Henkel non-voting preference shares
Salesforce.com	Cellnex Telecom
Thermo Fisher Scientific	China Everbright International
St. James's Place Capital	Norsk Hydro
Alexion Pharmaceuticals	Compass

Sustainable Future Managed Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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

The Sub-fund is ranked at 5 because Sub-funds of this type have experienced medium to high rises and falls in value in the past.

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 Sub-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 Sub-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 Sud-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 5 primarily due to its exposure to global equities.
- The SRRI may not fully take into account the following risks:

  – that a company may fail thus reducing its value within the Sub-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 Sub-fund.
- The Sub-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.
- Fluctuations in interest rates are likely to affect the value of the bonds and other fixed-interest securities held by the Sub-fund. If long-term interest rates rise, the value of your shares is likely to fall.
- For full details of the Sub-fund's risks, please see the prospectus which may be obtained from Liontrust or online at www.liontrust.co.uk.

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	AUSTRALIA (1.92%)	**7,490**	**2.39**
47,269	CSL	7,490	2.39
	CANADA (1.88%)	**4,475**	**1.43**
61,200	Waste Connections	4,475	1.43
	DENMARK (1.46%)	**5,129**	**1.64**
91,359	Ringkjoebing Landbobank	5,129	1.64
	GERMANY (4.60%)	**12,452**	**3.97**
80,225	Hella	2,869	0.91
255,771	Infineon Technologies	4,198	1.34
88,356	Puma	5,385	1.72
	IRELAND; REPUBLIC OF (3.54%)	**13,222**	**4.22**
72,555	Kerry class 'A' shares	7,002	2.23
132,701	Kingspan	6,220	1.99
	ITALY (1.21%)	**7,173**	**2.29**
179,257	Banca Generali	4,328	1.38
301,364	Technogym	2,845	0.91
	JAPAN (5.86%)	**21,448**	**6.84**
63,800	Daikin	6,977	2.23
16,500	Keyence	4,312	1.37
35,268	Shimano	4,160	1.33
116,300	TechnoPro	5,999	1.91
	NETHERLANDS (2.98%)	**9,817**	**3.13**
24,368	ASML	5,209	1.66
69,800	InterXion	4,608	1.47
	SPAIN (1.90%)	**9,078**	**2.90**
240,376	Cellnex Telecom	9,078	2.90

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	SWEDEN (1.03%)	**4,692**	**1.50**
630,662	Svenska Handelsbanken series 'A' shares	4,692	1.50
	SWITZERLAND (2.28%)	**5,943**	**1.90**
23,303	Roche	5,943	1.90
	UNITED KINGDOM (7.23%)	**17,730**	**5.66**
388,149	Abcam	5,411	1.73
178,562	Compass	3,352	1.07
246,181	Prudential	3,328	1.06
492,867	St. James's Place Capital	5,639	1.80
	UNITED STATES OF AMERICA (47.47%)	**164,437**	**52.49**
30,500	Adobe Systems	8,122	2.59
63,100	Alexion Pharmaceuticals	4,757	1.52
8,100	Alphabet class 'A' shares	8,798	2.81
33,800	American Tower class 'A' shares	5,941	1.90
71,200	Autodesk	10,628	3.39
73,100	Cadence Design Systems	3,998	1.28
171,906	Charles Schwab	5,938	1.90
71,200	DocuSign	4,240	1.35
52,055	Ecolab	7,744	2.47
64,800	Eli Lilly	6,864	2.19
13,720	Equinix	6,138	1.96
77,803	First Republic Bank	6,544	2.09
16,800	Intuit	3,573	1.14
71,100	IQVIA	8,371	2.67
56,236	Nasdaq	4,968	1.59
41,600	Palo Alto Networks	7,409	2.37
86,800	PayPal	7,498	2.39
80,117	PerkinElmer	5,618	1.79
19,500	Rockwell Automation	2,835	0.90
18,900	Roper Industries	5,469	1.75
51,272	Salesforce.com	7,088	2.26
25,300	Splunk	2,979	0.95
319,100	TerraForm Power	4,379	1.40

Sustainable Future Managed Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	UNITED STATES OF AMERICA (continued)		
35,870	Thermo Fisher Scientific	8,515	2.72
159,200	Trimble Navigation	5,135	1.64
198,400	Trupanion	4,807	1.53
40,300	Visa	6,081	1.94
	Portfolio of investments	**283,086**	**90.36**
	Net other assets	**30,206**	**9.64**
	Total net assets	**313,292**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Note: comparative figures in brackets show percentages for each category of holding at 31 January 2019.

Sustainable Future Managed Growth Fund (continued)

Comparative tables
for the year ended 31 January 2020

Class 2 Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	167.61	159.02	135.63
Return before operating charges	39.29	10.07	24.67
Operating charges	(1.76)	(1.48)	(1.28)
Return after operating charges	37.53	8.59	23.39
Distributions	(0.48)	(0.55)	(0.63)
Retained distributions on accumulation shares	0.48	0.55	0.63
Closing net asset value per share	**205.14**	**167.61**	**159.02**
After transaction costs of	(0.10)	(0.11)	(0.16)
Performance			
Return after charges	22.39%	5.40%	17.25%
Other information			
Closing net asset value (£'000)	155,721	60,070	41,415
Closing number of shares	75,908,026	35,839,454	26,042,986
Operating charges**	0.92%	0.89%	0.85%
Direct transaction costs*	0.05%	0.07%	0.11%
Prices			
Highest share price	211.7	179.1	163.5
Lowest share price	168.7	151.3	135.1

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Growth Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 3 Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	237.79	224.63	190.80
Return before operating charges	55.87	14.17	34.74
Operating charges	(1.22)	(1.01)	(0.91)
Return after operating charges	54.65	13.16	33.83
Distributions	(1.53)	(1.60)	(1.58)
Retained distributions on accumulation shares	1.53	1.60	1.58
Closing net asset value per share	**292.44**	**237.79**	**224.63**
After transaction costs of	(0.15)	(0.16)	(0.23)
Performance			
Return after charges	22.98%	5.86%	17.73%
Other information			
Closing net asset value (£'000)	157,571	123,532	115,707
Closing number of shares	53,882,200	51,949,363	51,511,180
Operating charges**	0.45%	0.43%	0.43%
Direct transaction costs*	0.05%	0.07%	0.11%
Prices			
Highest share price	301.7	253.6	230.9
Lowest share price	239.4	213.8	190.1

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future Managed Growth Fund (continued)

Statement of Total Return
for the year ended 31 January 2020

	Notes	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Income					
Net capital gains	2		46,195		8,132
Revenue	3	2,612		2,030	
Expenses	4	(1,613)		(962)	
Interest payable and similar charges	6	(5)		(3)	
Net revenue before taxation		994		1,065	
Taxation	5	(212)		(136)	
Net revenue after taxation			782		929
Total return before distributions			**46,977**		**9,061**
Distributions	7		(984)		(981)
Change in net assets attributable to shareholders from investment activities			**45,993**		**8,080**

Statement of change in net assets attributable to shareholders
for the year ended 31 January 2020

	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Opening net assets attributable to shareholders		**183,602**		**157,122**
Movement due to issue and cancellation of shares:				
Amounts received on issue of shares	91,662		28,706	
Amounts paid on cancellation of shares	(9,043)		(11,294)	
		82,619		17,412
Dilution adjustment		–		4
Change in net assets attributable to shareholders from investment activities		45,993		8,080
Retained distribution on accumulation shares		1,078		984
Closing net assets attributable to shareholders		**313,292**		**183,602**

Sustainable Future Managed Growth Fund (continued)

Balance Sheet

as at 31 January 2020

	Notes	31.1.2020 (£'000)	31.1.2019 (£'000)
Assets			
Fixed Assets			
Investments		283,086	160,196
Current assets:			
Debtors	8	2,847	1,913
Cash and bank balances	9	27,537	23,853
Total assets		**313,470**	**185,962**
Liabilities			
Creditors:			
Other creditors	10	(178)	(2,360)
Total liabilities		**(178)**	**(2,360)**
Net assets attributable to shareholders		**313,292**	**183,602**

The notes on pages 203 to 214 form an integral part of these financial statements. The distribution per share is set out in the table on page 215.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2020

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 13 to 14.

2 Net capital gains

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Non-derivative securities	46,180	8,400
Foreign currency gains/(losses)	15	(267)
Transaction costs	–	(2)
Rebate of expenses*	–	1
Net capital gains	**46,195**	**8,132**

3 Revenue

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Bank interest	1	4
Non-taxable overseas dividends	1,979	1,662
UK dividends	461	231
US REIT dividends	171	133
Total revenue	**2,612**	**2,030**

* Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

4 Expenses

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's fees	1,362	854
Fixed rate administration fees	251	68
Registration fee	–	26
	1,613	**948**
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	–	10
Safe custody fee	–	3
	–	**13**
Other expenses		
Audit fees*	–	5
Accounts printing and postage	–	(1)
Rebate of expenses**	–	(5)
Other expenses/Sundry expenses	–	2
	–	**1**
Total expenses	**1,613**	**962**

* The audit fee for the year, excluding VAT, was £8,085 (2019: £7,700).

**Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

5 Taxation

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
a) Analysis of charge in year		
Overseas tax	212	136
Total tax charge for the year (see note 5(b))	**212**	**136**

b) Factors affecting tax charge for the year

The taxation assessed for the year is higher (2019 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Net revenue before taxation	994	1,065
Corporation tax at 20% (2019 – 20%)	199	213
Effects of:		
Movement in excess management expenses	291	173
Overseas tax	212	136
Prior year adjustment in excess management expenses	–	(3)
Relief on overseas tax expensed	(2)	(4)
Revenue not subject to tax	(488)	(379)
Total tax charge for year (see note 5(a))	**212**	**136**

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax asset

At 31 January 2020 the Sub-fund had surplus management expenses of £5,681,000 (prior year: £4,225,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore, a deferred tax asset of £1,136,000 (prior year: £845,000) has not been recognised.

6 Interest payable and similar charges

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interest	5	3
Total interest payable and similar charges	**5**	**3**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

7 Distributions

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interim distribution	953	804
Final distribution	125	180
	1,078	**984**
Amounts received on issue of shares	(117)	(29)
Amounts deducted on cancellation of shares	23	26
Net distribution	**984**	**981**
The distribution amount has been calculated as follows:		
Net revenue after taxation for the year	782	929
Deficit of share classes taken to capital	202	52
Net distribution	**984**	**981**

The distribution per share is set out in the table on page 215.

8 Debtors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Accrued revenue	115	68
Amounts receivable on issue of shares	2,511	409
Currency contracts receivable	–	1,129
Overseas withholding tax	221	292
Rebate of expenses	–	15
Total debtors	**2,847**	**1,913**

9 Cash and bank balances

	31.1.2020 (£'000)	31.1.2019 (£'000)
Cash and bank balances	27,537	23,853
Total cash and bank balances	**27,537**	**23,853**

10 Creditors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Other creditors		
Accrued expenses	178	98
Currency contracts payable	–	1,133
Purchases awaiting settlement	–	1,129
Total creditors	**178**	**2,360**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

11 Contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (prior year: £Nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD*, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The ACD's periodic charge and registration fees paid to Liontrust Fund Partners LLP and its associates are shown in note 4, and details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £178,000 (prior year: £92,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £1,613,000 (prior year: £948,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and its associates for the year was £Nil (prior year: £6,000).

13 Derivatives and other financial instruments

The risks inherent in the Sub-fund's investment portfolio are as follows:

In pursuing its investment objective and investment policy, the Sub-fund holds a number of financial instruments. These may comprise:

- Equity shares, equity related shares, non-equity shares and debt securities. These are held in accordance with the Sub-fund's investment policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operation;
- Shareholders' funds, which represent investors' monies that are invested on their behalf;
- Derivative transactions which the Sub-fund may enter into, the purpose of which is to manage certain aspects of the risks arising from the Sub-fund's investment activities and generate additional capital and revenue;
- Short-term borrowings used to finance operational cash flows;
- Derivatives are also used for investment purposes not just to manage risk/exposures.

The main risks arising from the financial instruments are market price (including "emerging markets price risk"), foreign currency, interest rate, liquidity and counterparty credit risk. The ACD reviews the policies for managing each of these risks and they are summarised below.

These policies have remained unchanged since the beginning of the period to which these financial statements relate.

It should be noted that the ACD has a detailed risk management policy which is reviewed and updated, if necessary, periodically. An independent risk function is also present which monitors all relevant risks appropriately.

Market price risk

Market price risk is the risk that the 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. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

The 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 January 2020 and 31 January 2019 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives and short positions where the exposure could be greater. The Sub-fund is exposed to market

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Market price risk (continued)

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-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 15%. 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.

As at 31 January 2020, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 20.1%.

As at 31 January 2019, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 13.1%.

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;
- 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-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

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 the 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.

The Sub-fund did not use derivatives in the year and level of leverage employed by the Sub-fund during the year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments can 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 the 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.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

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 currency risk being identified.

The 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-fund may receive income in currencies other than sterling, and the sterling values of this income can be affected by movements in exchange rates.

At 31 January 2020 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	7,490	7,490
Danish Krone	–	5,171	5,171
Euro	18	47,210	47,228
Japanese Yen	–	21,505	21,505
Norwegian Krone	–	80	80
Swedish Krona	–	4,692	4,692
Swiss Franc	–	5,943	5,943
US Dollar	–	173,554	173,554
	18	**265,645**	**265,663**

At 31 January 2019 the Sub-fund's currency exposure was as shown in the table below:

Currency Profile	Net Foreign Currency Assets		
Currency	Monetary Exposures (£'000)	Non-Monetary Exposures (£'000)	Total (£'000)
Australian Dollar	–	3,533	3,533
Danish Krone	–	2,710	2,710
Euro	26	23,574	23,600
Hong Kong Dollar	–	2,281	2,281
Japanese Yen	–	10,766	10,766
Norwegian Krone	–	4,949	4,949
Swedish Krona	–	1,894	1,894
Swiss Franc	–	4,236	4,236
US Dollar	–	93,288	93,288
	26	**147,231**	**147,257**

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

If the exchange rate at 31 January 2020 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £29,518,000/£(24,151,000) respectively.

If the exchange rate at 31 January 2019 between the functional currency and all other currencies had increased or decreased by 10% with all other variables held constant, this would have increased or decreased net assets attributable to holders of shares of the Sub-fund by approximately £16,362,000/£(13,387,000) respectively.

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-fund's 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 Sub-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.

Liquidity risk

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

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 the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it 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-fund 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-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The 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.

At the balance sheet date, there were no counterparties to open derivative contracts. At the year end collateral of Nil (prior year: Nil) was received; collateral pledged was Nil (prior year: Nil) and none (prior year: none) of the Sub-funds' financial assets were past due or impaired.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Counterparty credit risk (continued)

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") 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 January 2020 was A (Standard & Poor's rating).

BNYMSA, 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 BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the 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.

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 as shown in the table below.

Valuation of financial investments

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	283,086	–
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
	283,086	**–**

31.1.2019	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	160,196	–
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
	160,196	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

14 Share movement

For the year ending 31 January 2020

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	35,839,454	40,906,989	(838,417)	–	75,908,026
Class 3 Net Accumulation	51,949,363	4,720,781	(2,787,944)	–	53,882,200

15 Portfolio transaction costs

For the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	123,318	39	0.03	79	0.06
Total purchases	**123,318**	**39**		**79**	
Total purchases including transaction costs	**123,436**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	46,617	15	0.03	3	0.01
Total sales	**46,617**	**15**		**3**	
Total sales net of transaction costs	**46,599**				

		Commissions		Taxes	
Total transaction costs		**54**		**82**	
Total transaction costs as a % of average net assets		**0.02%**		**0.03%**	

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

15 Portfolio transaction costs (continued)

For the year ending 31 January 2019

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	75,776	29	0.04	60	0.08
Total purchases	**75,776**	**29**		**60**	
Total purchases including transaction costs	**75,865**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	62,478	23	0.04	3	0.00
Total sales	**62,478**	**23**		**3**	
Total sales net of transaction costs	**62,452**				
Total transaction costs		**52**		**63**	
Total transaction costs as a % of average net assets		**0.03%**		**0.04%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.07% (2019: 0.06%).

Sustainable Future Managed Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

16 Post Balance sheet events

As indicated in the Accounting Policies in the Notes to the financial statements on page 13, the investments have been valued at close of business on 31 January 2020. Since that date the Sub-fund's quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 31 January 2020 and at close of business on 21 May 2020.

	Price at 31.1.2020 (pence per share)	Price at 21.5.2020 (pence per share)	% change
Class 2 Net Accumulation	205.14	220.94	7.70%
Class 3 Net Accumulation	292.44	315.39	7.85%

The following table summarises the total NAV movement since the balance sheet date:

	NAV at 31.1.2020 (£'000)	NAV at 21.5.2020 (£'000)	% change
Class 2 Net Accumulation	155,721	198,088	27.21%
Class 3 Net Accumulation	157,571	173,483	10.10%

Sustainable Future Managed Growth Fund (continued)

Distribution tables

for the year ended 31 January 2020

Final distribution payable in pence per share

Group 1 - Shares purchased prior to 1 August 2019

Group 2 - Shares purchased 1 August 2019 to 31 January 2020

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Payable 31.3.2020	Distribution Paid 31.3.2019
Class 2 - Group 1	0.0000	–	0.0000	0.0000
Class 2 - Group 2	0.0000	0.0000	0.0000	0.0000
Class 3 - Group 1	0.2315	–	0.2315	0.3468
Class 3 - Group 2	0.0171	0.2144	0.2315	0.3468

Interim distribution payable in pence per share

Group 1 - Shares purchased prior to 1 February 2019

Group 2 - Shares purchased 1 February 2019 to 31 July 2019

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 30.9.2019	Distribution Paid 30.9.2018
Class 2 - Group 1	0.4777	–	0.4777	0.5504
Class 2 - Group 2	0.0709	0.4068	0.4777	0.5504
Class 3 - Group 1	1.2945	–	1.2945	1.2506
Class 3 - Group 2	0.3769	0.9176	1.2945	1.2506

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all 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 shares for capital gains tax purposes.

Sustainable Future UK Growth Fund

Report for the year from 1 February 2019 to 31 January 2020

Investment objective and policy

The Sub-fund aims to deliver capital growth over the long-term (5 years or more).

The Sub-fund will invest at least 80% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK). All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (www.liontrust.co.uk).

The Sub-fund will typically invest 95% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

Sustainable Future UK Growth Fund (continued)

Investment review

Fund review

The SF UK Growth Fund returned 23.7% over the six months under review, outperforming the IA UK All Companies peer group average of 13.2% and the MSCI UK Index's 8.5%*.

Our process targets businesses that can grow structurally, driven by the shift towards a global economy that is more efficient, provides a higher quality of life and is more resilient.

Several of the stocks we highlighted in the interim report also feature among the strongest performers over the full year.

London Stock Exchange was a major contributor in what proved an eventful year for the company. During 2019, it received shareholder approval for a $27bn acquisition of leading global provider of financial data Refinitiv as the group looks to broaden its trading business – and this deal has been well received by the market.

LSE is positively exposed to our *Increasing financial resilience* theme by providing valuable data to market participants as well as the infrastructure enabling financial markets to run smoothly.

Long-term holding Kingspan was also among our best performers, continuing to post growth despite concerns around global demand. In recent months, the Irish insulation specialist announced a major 10-year strategy to reduce carbon emissions by 2030. Its Planet Passionate strategy is made up of 12 targets, addressing the impact of Kingspan's business operations and manufacturing on the four key areas of energy, carbon, circularity and water.

On energy for example, the target is to power 60% of all Kingspan operations directly from renewable energy with a minimum of 20% of this generated on manufacturing sites (up from 5.9% today).

Improving the efficiency of energy use is a key theme across our portfolios, and we think this business is well placed to profit from increased demand for its products. The company produces thermal insulation, which helps to cut the amount of energy needed to heat the buildings in which we live and work.

Elsewhere, familiar names such as Softcat continue to feature among our top names, with the share price rising and the company taking market share as small and medium-sized businesses are spending on things like IT security, GDPR compliance, and efficiency-driving software regardless of the macroeconomic environment.

Learning Technologies Group has also continued to grow its share price after a dip in Q4 2018 and the leader in the e-learning workplace education market was recognised by the Financial Times as one of Europe's fastest growing companies over the course of 2019.

A beneficiary of our *Providing education* theme, the company is experiencing strong organic growth from existing professional educational products, as well as consolidating the fragmented market, with a focus on innovative content and technology.

Elsewhere, specialist filtration business Porvair enjoyed another strong year, boosted by its acquisition of Dutch business Dahlman Industrial Group, and posted earnings slightly ahead of expectations. The company designs and manufactures filtration and separation solutions for sectors such as the aviation, molten metal, energy, water treatment and life sciences markets.

Crest Nicholson also sits among our best performers despite a weaker first half of 2019 in share price terms. The property developer instigated a revised strategy to cope during the current period of political uncertainty, pausing growth and de-risking its open market sales programme through increased pre-sales and partnerships – and this has already begun to bear fruit.

While too early to form a view on the impact for FY2020 trading, the company said it is seeing encouraging signs. Footfall and visitor numbers on developments have increased and Crest remains confident in its ability to deliver expectations for FY2020.

Additions over the year included Trainline, which we added at IPO due to its strong market position. The company makes train travel easier, going some way to reducing the pollution from transportation.

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Fund review (continued)

We also participated in the Helios Towers IPO: another name for our *Connecting people* theme, the company is a leading player across five high-growth African markets, posting its nineteenth consecutive quarter of EBITDA growth in Q3 2019.

In terms of the few stocks that detracted over the period, Smart Metering Systems has seen its shares fall despite reporting revenue ahead of expectations in the first half of 2019. The roll-out of second-generation smart meters has been slower than anticipated due to supply chain issues and SMS' installation rate has been impacted. Perhaps also weighing on the shares was the announcement from the government to extend the deadline mandating all UK homes to have smart meters by four years to 2024.

A further issue is the imminent IPO of a rival smart meter installer Calisen group and we continue to investigate the implications of this for SMS.

Elsewhere, Cineworld has struggled despite the release of major blockbusters including *Avengers: Endgame and Star Wars: The Rise of Skywalker* over the year, warning on profits in December. The company continues with the integration of US cinema chain Regal and expects to extract further savings, also announcing plans to acquire Canada's cineplex in 2020.

UK commercialisation firm IP Group has also been disappointing, with poor share price performance driven by the overhang of a large shareholder, which ended up as a forced seller. The company remains confident in its diverse portfolio of holdings and we continue to focus on the operational performance of the portfolio, which continues to be strong.

GW Pharmaceuticals had a weaker period despite the underlying business doing well and continuing to post solid quarterly results. Volatility in the much broader pool of cannabis-related investments appears to be dragging the company's share price down but we are not concerned by this. Most recently, we saw the news that NHS England has given the go-ahead for two of GW's cannabis-based medicines to be used for the first time, potentially providing relief for thousands of epilepsy and multiple sclerosis sufferers

* *Source: Financial Express, primary share class, total return, net of fees and income reinvested, 31.01.19-31.01.20.*

Market review

The MSCI UK Index returned 8.5% over the 12 months under review, with all underlying subsectors apart from materials and energy in positive territory*.

Both were dragged down in recent weeks as concerns about the US/Iran relationship and then the Coronavirus and Chinese demand hit the oil price and sentiment surrounding these sectors. Healthcare was the strongest performer over the year and IT, real estate, industrial and consumer names also drove returns against ongoing Brexit uncertainty in the background.

With trade wars and Brexit dominating news for the whole of 2019, it was encouraging to see long-awaited developments on both fronts in the final weeks of the period.

In the US, there was positive news on trade with China, with the announcement of a phase one deal stopping further tariffs due in December. Phase two discussion will be ongoing throughout 2020 and will clearly play a key role in President Trump's electioneering.

With Brexit, the supposedly iron-clad exit date of 29 March passed without resolution and we ultimately saw Theresa May give way to Boris Johnson as Prime Minister. In October, Johnson surprised markets by delivering on a Brexit deal but was unable to get this through Parliament and so called a General Election for December.

The resulting large majority for the Conservative party was well received by financial markets, with parliament passing the European Union Withdrawal Bill in the following days. The UK left the EU at the end of January but there remains much to be done during the transition period and with Johnson stating the UK would not seek an extension to the end 2020 deadline, the risk of a cliff-edge departure at the end of the year remains.

As we came into 2019, the Federal Reserve was still talking about rate hikes but economic weakness drove a turnaround in narrative. After growing signs pointing to monetary loosening, we ultimately saw the first cuts from the Fed in 11 years over the second half of the year, two in Q3 and a third in October.

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Market review (continued)

In the UK, the Monetary Policy Committee kept interest rates on hold throughout the period, although members have voted in favour of a cut at more recent meetings. In Mark Carney's final meeting as governor at the end of January, the MPC voted 7-2 to keep rates unchanged, citing an improving global backdrop and reduction in uncertainty following Boris Johnson's election victory. This was despite markets pricing in a 50/50 chance of a rate cut and reflecting that, the MPC said it remains poised to cut rates if a post-election bounce fails to materialise.

While we do not attempt to forecast macroeconomic factors and question the ability of anybody to do so with any resemblance of accuracy or consistency, it does not stop others from doing so. With that in mind, we follow economics and politics with interest but continue to focus on our core competence that we believe has enabled us to deliver outperformance: identifying businesses exposed to strong sustainability trends that will endure and grow their value per share regardless of the economic backdrop.

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.

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested. Past performance is not a guide to future performance.

Material portfolio changes by value

Purchases	Sales
AJ Bell	Informa
Kerry class 'A' shares	Worldpay
Cineworld	Sophos
Trainline	Rightmove
Smurfit Kappa	RELX
Hargreaves Lansdown	Kerry class 'A' shares
Helios Towers	Dairy Crest
SDCL Energy Efficiency Income Trust	Sanne
Countryside Properties	Halma
Legal & General	GlaxoSmithKline

Sustainable Future UK Growth Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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 because funds of this type have experienced medium to high rises and falls in value in the past.
- The Fund can invest in derivatives. Derivatives are used to protect against currencies, credit and interests rates move or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions.
- 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 will invest in smaller companies and may invest a small proportion (less than 10%) of the Fund in unlisted securities. There may be liquidity constraints in these securities 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.

Sustainable Future UK Growth Fund (continued)

Portfolio Statement
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	CHANNEL ISLANDS; GUERNSEY (2.97%)		
	Financial Services (2.97%)	**14,091**	**2.49**
4,084,954	Renewables Infrastructure	5,384	0.95
4,068,658	Syncona	8,707	1.54
	CHANNEL ISLANDS; JERSEY (0.84%)		
	Financial Services (0.84%)	**513**	**0.09**
1,283,051	Trufin	513	0.09
	IRELAND; REPUBLIC OF (8.32%)	**61,318**	**10.81**
	Containers & Packaging (3.04%)	**23,111**	**4.07**
879,409	Smurfit Kappa	23,111	4.07
	Construction & Materials (3.97%)	**26,131**	**4.61**
557,529	Kingspan	26,131	4.61
	Food Producers (1.31%)	**12,076**	**2.13**
125,130	Kerry class 'A' shares	12,076	2.13
	UNITED KINGDOM (83.48%)	**471,514**	**83.17**
	Chemicals (2.35%)	**16,947**	**2.99**
340,030	Croda International	16,947	2.99
	Construction & Materials (0.41%)		
	Electricity (0.38%)	**4,205**	**0.74**
996,396	Ceres Power	4,205	0.74
	Electronic & Electrical Equipment (1.50%)	**7,167**	**1.26**
340,296	Halma	7,167	1.26

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	Equity Investment Instruments (1.51%)	**10,445**	**1.84**
3,621,770	Greencoat UK Wind	5,143	0.91
7,059,277	US Solar Fund	5,302	0.93
	Financial Services (15.77%)	**116,056**	**20.47**
1,655,970	3i	18,274	3.22
3,432,059	AJ Bell	13,385	2.36
610,170	Capital for Colleagues	275	0.05
3,337,250	Distribution Finance Capital	2,903	0.51
759,776	Hargreaves Lansdown	13,102	2.31
11,191,083	IP	7,699	1.36
3,600,988	John Laing	12,784	2.26
235,134	London Stock Exchange	18,420	3.25
770,239	Mortgage Advice Bureau	5,854	1.03
2,775,352	Paragon	14,085	2.48
8,509,108	SDCL Energy Efficiency Income Trust	9,275	1.64
	Food Producers (5.78%)	**15,959**	**2.81**
352,026	Unilever	15,959	2.81
	General Retailers (2.42%)	**20,925**	**3.69**
3,420,903	DFS Furniture	9,544	1.68
2,419,005	Trainline	11,381	2.01
	Household Goods & Home Construction (2.80%)	**28,449**	**5.02**
2,288,892	Countryside Properties	11,165	1.97
3,459,622	Crest Nicholson	17,284	3.05
	Industrial Engineering (2.06%)	**13,418**	**2.37**
1,707,180	Porvair	13,418	2.37

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	Life Insurance (8.62%)	**53,047**	**9.36**
6,422,402	Legal & General	19,614	3.46
1,508,605	Prudential	20,396	3.60
1,139,549	St. James's Place Capital	13,037	2.30
	Media (4.86%)		
	Mobile Telecommunications (0.00%)	**11,166**	**1.97**
7,606,012	Helios Towers	11,166	1.97
	Non-Life Insurance (0.20%)	**956**	**0.17**
684,066	Thrive Renewables*	956	0.17
	Pharmaceuticals & Biotechnology (12.93%)	**59,292**	**10.46**
1,213,265	Abcam	16,913	2.98
1,268,288	GlaxoSmithKline	22,626	3.99
105,814	GW Pharmaceuticals ADR (each representing 12 ordinary share)	9,269	1.64
1,747,285	Oxford Biomedica	10,484	1.85
	Real Estate Investment & Services (0.09%)	**316**	**0.06**
382,000	Ethical Property*	316	0.06
	Real Estate Investment Trusts (1.02%)	**6,419**	**1.13**
7,131,667	PRS REIT†	6,419	1.13
	Software & Computer Services (7.00%)	**26,834**	**4.73**
1,843,239	GB	13,087	2.31
1,193,352	Softcat	13,747	2.42
	Support Services (6.91%)	**37,302**	**6.58**
290,733	Intertek	16,741	2.95
9,978,392	Learning Technologies	15,526	2.74
983,459	Smart Metering Systems	5,035	0.89

Sustainable Future UK Growth Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	Travel & Leisure (6.87%)	**42,611**	**7.52**
7,689,709	Cineworld	13,630	2.41
917,524	Compass	17,222	3.04
3,979,357	Gym	11,759	2.07
	UNITED STATES OF AMERICA (2.38%)		
	Support Services (2.38%)		
	Portfolio of investments	**547,436**	**96.56**
	Net other assets	**19,524**	**3.44**
	Total net assets	**566,960**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Note: comparative figures in brackets show percentages for each category of holding at 31 January 2019.

Stocks shown as ADRs represent American Depositary Receipts.

† Real Estate Investment Trust (REIT).

* Unquoted securities.

Sustainable Future UK Growth Fund (continued)

Comparative tables
for the year ended 31 January 2020

Class 2 Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	196.83	203.64	168.83
Return before operating charges	48.82	(5.00)	36.43
Operating charges	(2.01)	(1.81)	(1.62)
Return after operating charges	46.81	(6.81)	34.81
Distributions	(3.98)	(3.16)	(2.65)
Retained distributions on accumulation shares	3.98	3.16	2.65
Closing net asset value per share	**243.64**	**196.83**	**203.64**
After transaction costs of	(0.57)	(0.41)	(0.35)
Performance			
Return after charges	23.78%	(3.34)%	20.62%
Other information			
Closing net asset value (£'000)	301,469	153,296	127,636
Closing number of shares	123,737,138	77,881,435	62,677,806
Operating charges**	0.90%	0.88%	0.85%
Direct transaction costs*	0.25%	0.20%	0.18%
Prices			
Highest share price	250.3	221.3	207.4
Lowest share price	197.3	186.4	169.2

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future UK Growth Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 3 Net Accumulation	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	281.03	289.47	238.97
Return before operating charges	69.85	(7.18)	51.64
Operating charges	(1.44)	(1.26)	(1.14)
Return after operating charges	68.41	(8.44)	50.50
Distributions	(7.13)	(5.78)	(4.92)
Retained distributions on accumulation shares	7.13	5.78	4.92
Closing net asset value per share	**349.44**	**281.03**	**289.47**
After transaction costs of	(0.81)	(0.59)	(0.49)
Performance			
Return after charges	24.34%	(2.92)%	21.13%
Other information			
Closing net asset value (£'000)	265,491	201,186	184,085
Closing number of shares	75,976,487	71,589,441	63,593,410
Operating charges**	0.45%	0.43%	0.42%
Direct transaction costs*	0.25%	0.20%	0.18%
Prices			
Highest share price	359.0	315.4	294.8
Lowest share price	281.8	266.1	239.5

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

Sustainable Future UK Growth Fund (continued)

Statement of Total Return

for the year ended 31 January 2020

	Notes	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Income					
Net capital gains/(losses)	2		84,764		(18,254)
Revenue	3	11,885		7,963	
Expenses	4	(2,993)		(2,055)	
Interest payable and similar charges	6	(2)		(1)	
Net revenue before taxation		8,890		5,907	
Taxation	5	–		–	
Net revenue after taxation			8,890		5,907
Total return before distributions			**93,654**		**(12,347)**
Distributions	7		(8,890)		(5,907)
Change in net assets attributable to shareholders from investment activities			**84,764**		**(18,254)**

Statement of change in net assets attributable to shareholders

for the year ended 31 January 2020

	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Opening net assets attributable to shareholders		**354,482**		**311,721**
Movement due to issue and cancellation of shares:				
Amounts received on issue of shares	143,893		67,471	
Amounts paid on cancellation of shares	(25,761)		(12,651)	
		118,132		54,820
Change in net assets attributable to shareholders from investment activities		84,764		(18,254)
Retained distribution on accumulation shares		9,582		6,195
Closing net assets attributable to shareholders		**566,960**		**354,482**

Sustainable Future UK Growth Fund (continued)

Balance Sheet

as at 31 January 2020

	Notes	31.1.2020 (£'000)	31.1.2019 (£'000)
Assets			
Fixed Assets			
Investments		547,436	347,345
Current assets:			
Debtors	8	5,515	1,503
Cash and bank balances	9	16,586	7,461
Total assets		**569,537**	**356,309**
Liabilities			
Creditors:			
Other creditors	10	(2,577)	(1,827)
Total liabilities		**(2,577)**	**(1,827)**
Net assets attributable to shareholders		**566,960**	**354,482**

The notes on pages 229 to 239 form an integral part of these financial statements. The distribution per share is set out in the table on page 240.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements
for the year ended 31 January 2020

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 13 to 14.

2 Net capital gains/(losses)

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Non-derivative securities	84,722	(18,218)
Foreign currency gains/(losses)	42	(33)
Transaction costs	–	(5)
Rebate of expenses*	–	2
Net capital gains/(losses)	**84,764**	**(18,254)**

3 Revenue

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Bank interest	–	2
Non-taxable overseas dividends	1,272	405
CIS unfranked	40	37
Management fee rebates on CIS	15	–
UK dividends	10,436	7,478
Stock dividends	53	41
UK REIT dividends	69	–
Total revenue	**11,885**	**7,963**

* Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

4 Expenses

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's fees	2,553	1,819
Fixed rate administration fee	441	141
Registration fee	–	78
	2,994	**2,038**
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	–	23
Safe custody fee	–	2
	–	**25**
Other expenses		
Audit fees*	(1)	5
Printing and postage fees	–	(1)
Rebate of expenses**	–	(12)
	(1)	**(8)**
Total expenses	**2,993**	**2,055**

* The audit fee for the year, excluding VAT, was £8,085 (2019: £7,700).

** Rebate of expenses represent the cap applied to the operating charge figure.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

5 Taxation

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
a) Analysis of charge in year		
Overseas tax	–	–
Total tax charge for the year (see note 5(b))	**–**	**–**

b) Factors affecting tax charge for the year

The taxation assessed for the year is lower (2019 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Net revenue before taxation	8,890	5,907
Corporation tax at 20% (2019 – 20%)	1,778	1,181
Effects of:		
Revenue not subject to tax	(2,360)	(1,585)
Movement in excess management expenses	582	404
Total tax charge for year (see note 5(a))	**–**	**–**

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax asset

At 31 January 2020 the Sub-fund had surplus management expenses of £16,646,000 (prior year: £13,735,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore, a deferred tax asset of £3,329,000 (prior year: £2,747,000) has not been recognised.

6 Interest payable and similar charges

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interest	2	1
Total interest payable and similar charges	**2**	**1**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

7 Distributions

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interim distribution	5,285	3,277
Final distribution	4,297	2,918
	9,582	**6,195**
Amounts received on issue of shares	(844)	(367)
Amounts deducted on cancellation of shares	152	79
Net distribution	**8,890**	**5,907**
The distribution amount has been calculated as follows:		
Net revenue after taxation for the year	8,890	5,907
Net distribution	**8,890**	**5,907**

The distribution per share is set out in the table on page 240.

8 Debtors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Accrued revenue	910	468
Amounts receivable on issue of shares	4,071	834
Income tax recoverable	7	8
Overseas withholding tax	193	84
Prepaid expenses	–	26
Rebates of expenses	–	2
Sales awaiting settlement	334	81
Total debtors	**5,515**	**1,503**

9 Cash and bank balances

	31.1.2020 (£'000)	31.1.2019 (£'000)
Cash and bank balances	16,586	7,461
Total cash and bank balances	**16,586**	**7,461**

10 Creditors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Other creditors		
Accrued expenses	318	198
Purchases awaiting settlement	2,259	1,629
Total creditors	**2,577**	**1,827**

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

11 Contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (prior year: £Nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The ACD's periodic charge and registration fees paid to Liontrust Fund Partners LLP and its associates are shown in note 4, and details of shares issued and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £318,000 (prior year: £192,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £2,994,000 (prior year: £2,038,000).

The total rebate of expenses paid by Liontrust Fund Partners LLP and it associates for the year was £Nil (prior year: £14,000).

13 Derivatives and other financial instruments

The risks inherent in the Sub-fund's investment portfolio are as follows:

In pursuing its investment objective and investment policy, the Sub-fund holds a number of financial instruments. These may comprise:

- Equity shares, equity related shares, non-equity shares and debt securities. These are held in accordance with the Sub-fund's investment policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operation;
- Shareholders' funds, which represent investors' monies that are invested on their behalf;
- Derivative transactions which the Sub-fund may enter into, the purpose of which is to manage certain aspects of the risks arising from the Sub-fund's investment activities and generate additional capital and revenue;
- Short-term borrowings used to finance operational cash flows;
- Derivatives are also used for investment purposes not just to manage risk/exposures.

The main risks arising from the financial instruments are market price (including "emerging markets price risk"), foreign currency, interest rate, liquidity and counterparty credit risk. The ACD reviews the policies for managing each of these risks and they are summarised below.

These policies have remained unchanged since the beginning of the period to which these financial statements relate.

It should be noted that the ACD has a detailed risk management policy which is reviewed and updated, if necessary, periodically. An independent risk function is also present which monitors all relevant risks appropriately.

Market price risk

Market price risk is the risk that the 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. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

The 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 January 2020 and 31 January 2019 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives and short positions where the exposure could be greater. The Sub-fund is 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-fund to

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Market price risk (continued)

market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative market index changes by 15%. 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.

As at 31 January 2020, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.3%.

As at 31 January 2019, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 10.5%.

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;
- 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-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

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 the 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.

The Sub-fund did not use derivatives in the year and level of leverage employed by the Sub-fund during the year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments can 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 the 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 currency risk being identified.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

The 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-fund may receive income in currencies other than sterling, and the sterling values of this income can be affected by movements in exchange rates.

The majority of the Sub-fund's financial assets and liabilities are denominated in the Sub-fund's functional currency. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

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-fund's 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.

Liquidity risk

Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The majority of the Sub-fund's assets are readily realisable securities which can be sold to meet liquidity requirements, a small proportion may be less readily realisable or unlisted. There may be liquidity constraints in these less liquid securities 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. The main liquidity risk of the 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, the 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.

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 the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it 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-fund 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-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The 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.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Counterparty credit risk (continued)

At the balance sheet date, there were no counterparties to open derivative contracts. At the year end collateral of Nil (prior year: Nil) was received; collateral pledged was Nil (prior year: Nil) and none (prior year: none) of the Sub-funds' financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") 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 January 2020 was A (Standard & Poor's rating).

BNYMSA, 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 BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the 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.

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 as shown in the table below.

Valuation of financial investments

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	546,164	–
Level 2: Observable market data	–	–
Level 3: Unobservable data	1,272	–
	547,436	**–**

31.1.2019	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	346,334	–
Level 2: Observable market data	–	–
Level 3: Unobservable data	1,011	–
	347,345	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

14 Share movement

For the year ending 31 January 2020

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	77,881,435	53,033,117	(7,177,414)	–	123,737,138
Class 3 Net Accumulation	71,589,441	7,094,655	(2,707,609)	–	75,976,487

15 Portfolio transaction costs

For the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	219,726	96	0.04	959	0.44
Collective investment schemes	14,944	6	0.04	24	0.16
Total purchases	**234,670**	**102**		**983**	
Total purchases including transaction costs	**235,755**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	113,814	53	0.05	–	–
Collective investment schemes	5,974	4	0.07	–	–
Total sales	**119,788**	**57**		**–**	
Total sales net of transaction costs	**119,731**				

Total transaction costs		**159**		**983**	
Total transaction costs as a % of average net assets		**0.03%**		**0.22%**	

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

15 Portfolio transaction costs (continued)

For the year ending 31 January 2019

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	134,176	62	0.05	557	0.42
Collective investment schemes	2,489	1	0.04	12	0.48
Total purchases	**136,665**	**63**		**569**	
Total purchases including transaction costs	**137,297**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	84,927	42	0.05	–	–
Total sales	**84,927**	**42**		**–**	
Total sales net of transaction costs	**84,885**				
Total transaction costs		**105**		**569**	
Total transaction costs as a % of average net assets		**0.03%**		**0.17%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.37% (2019: 0.30%).

Sustainable Future UK Growth Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

16 Post Balance sheet events

As indicated in the Accounting Policies in the Notes to the financial statements on page 13, the investments have been valued at close of business on 31 January 2020. Since that date the Sub-fund's quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 31 January 2020 and at close of business on 21 May 2020.

	Price at 31.1.2020 (pence per share)	Price at 21.5.2020 (pence per share)	% change
Class 2 Net Accumulation	243.64	213.27	(12.47)%
Class 3 Net Accumulation	349.44	306.29	(12.35)%

The following table summarises the total NAV movement since the balance sheet date:

	NAV at 31.1.2020 (£'000)	NAV at 21.5.2020 (£'000)	% change
Class 2 Net Accumulation	301,469	312,406	3.63%
Class 3 Net Accumulation	265,491	238,810	(10.05)%

Sustainable Future UK Growth Fund (continued)

Distribution tables

for the year ended 31 January 2020

Final distribution payable in pence per share

Group 1 - Shares purchased prior to 1 August 2019
Group 2 - Shares purchased 1 August 2019 to 31 January 2020

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Payable 31.3.2020	Distribution Paid 31.3.2019
Class 2 - Group 1	1.6074	—	1.6074	1.3556
Class 2 - Group 2	0.3989	1.2085	1.6074	1.3556
Class 3 - Group 1	3.0381	—	3.0381	2.6008
Class 3 - Group 2	1.3506	1.6875	3.0381	2.6008

Interim distribution paid in pence per share

Group 1 - Shares purchased prior to 1 February 2019
Group 2 - Shares purchased 1 February 2019 to 31 July 2019

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 30.9.2019	Distribution Paid 30.9.2018
Class 2 - Group 1	2.3698	—	2.3698	1.8020
Class 2 - Group 2	0.8479	1.5219	2.3698	1.8020
Class 3 - Group 1	4.0930	—	4.0930	3.1840
Class 3 - Group 2	2.0175	2.0755	4.0930	3.1840

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all 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 shares for capital gains tax purposes.

UK Ethical Fund

Report for the year from 1 February 2019 to 31 January 2020

Investment objective and policy

The Sub-fund aims to deliver capital growth over the long-term (5 years or more).

The Sub-fund will invest at least 80% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK). All investments will be expected to conform to our ethical, social and environmental criteria.

The Sub-fund will typically invest 95% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Sub-fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

The Sub-fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes.

UK Ethical Fund (continued)

Investment review

Fund review

The UK Ethical Fund returned 29.9% over the 12 months under review, outperforming the IA UK All Companies peer group average of 13.2% and the MSCI UK Index's 8.5%*.

Our process targets businesses that can grow structurally, driven by the shift towards a global economy that is more efficient, provides a higher quality of life, and is more resilient.

Several of the stocks we highlighted in the interim report also feature among the strongest performers over the full year.

London Stock Exchange was a major contributor in what proved an eventful year for the company. During 2019, it received shareholder approval for a $27bn acquisition of leading global provider of financial data Refinitiv as the group looks to broaden its trading business – and this deal has been well received by the market.

LSE is positively exposed to our I*ncreasing financial resilience* theme by providing valuable data to market participants as well as the infrastructure enabling financial markets to run smoothly.

Long-term holding Kingspan was also among our best holdings over the period, continuing to post growth despite concerns around global demand. In recent months, the Irish insulation specialist announced a major 10-year strategy to reduce carbon emissions by 2030. Its Planet Passionate strategy is made up of 12 targets, addressing the impact of Kingspan's business operations and manufacturing on the four key areas of energy, carbon, circularity and water.

On energy for example, the target is to power 60% of all Kingspan operations directly from renewable energy with a minimum of 20% of this generated on manufacturing sites (up from 5.9% today).

Improving the efficiency of energy use is a key theme across our portfolios, and we think this business is well placed to profit from increased demand for its products. The company produces thermal insulation, which helps to cut the amount of energy needed to heat the buildings in which we live and work.

Elsewhere, familiar names such as Softcat continue to feature among our top performers, with the share price rising and the company taking market share as small and medium-sized businesses are spending on things like IT security, GDPR compliance, and efficiency-driving software regardless of the macroeconomic environment.

Learning Technologies Group has also continued to grow its share price after a dip in Q4 2018 and the leader in the e-learning workplace education market was recognised by the Financial Times as one of Europe's fastest growing companies over the course of 2019.

A beneficiary of our *Providing education* theme, the company is experiencing strong organic growth from existing professional educational products, as well as consolidating the fragmented market, with a focus on innovative content and technology.

Cyber security firm Sophos Group has enjoyed a strong 12 months, announcing a $3.9bn takeover bid from US private equity firm Thoma Bravo in the latter part of the year. We first invested in Sophos at IPO back in 2015 when it was sold by another private equity firm at a $1.5bn market cap and have opportunistically increased and reduced our position subject to fluctuations in the valuation.

Sophos is exposed to our *Enhancing digital security* theme, continuing to innovate in the world of cybersecurity and offering advances in the cloud, machine-learning, APIs (application program interface), synchronised security, automation, and managed threat response to deliver protection to organisations of any size.

Elsewhere, Legal & General Group featured among the strongest contributors, with solid operating performance across all five of the company's divisions, disciplined deployment of capital and a strong balance sheet and net cash flow. In Q4, the company took advantage of favourable market conditions to raise debt and we remain confident in the long-term prospects for this holding under our theme of *Insuring a sustainable economy*.

Additions over the 12 months included Trainline, which we added at IPO due to its strong market position. The company makes train travel easier, going some way to reducing the pollution from transportation.

UK Ethical Fund (continued)

Investment review (continued)

Fund review (continued)

We also participated in the Helios Towers IPO: another name for our *Connecting people* theme, the company is a leading player across five high-growth African markets, posting its nineteenth consecutive quarter of EBITDA growth in Q3 2019.

In terms of the few stocks that detracted over the period, Smart Metering Systems has seen its shares fall despite reporting revenue ahead of expectations in the first half of 2019. The roll-out of second-generation smart meters has been slower than anticipated due to supply chain issues and SMS' installation rate has been impacted. Perhaps also weighing on the shares was the announcement from the government to extend the deadline mandating all UK homes to have smart meters by four years to 2024.

A further issue is the imminent IPO of a rival smart meter installer Calisen group and we continue to investigate the implications of this for SMS.

Cineworld has also continued to struggle despite the release of major blockbusters including *Avengers: Endgame and Star Wars: The Rise of Skywalker* over the year, warning on profits in December. The company continues with the integration of US cinema chain Regal and expects to extract further savings, also announcing plans to acquire Canada's cineplex in 2020.

Specialist lending Distribution Finance Capital was another detractor amid a busy period for the company. In September, it announced half-year results to end June, revealing a 48% increase in assets and gross income up 181% versus 2018 but losses before tax of £7.3m, included £3.3m of costs related to the demerger from TruFin Plc and IPO.

Then in November, DFC announced the departure of CEO Chris Dailey following an internal investigation into his personal conduct. This change of management constituted an early amortisation event in line with funding facilities and so the company had to seek – and was ultimately granted – waivers from its lenders. Meanwhile, the Group's expected banking licence cannot be granted before a permanent and approved CEO is appointed in 2020.

The company has stated that it continues to see significant opportunities in the SME market, where current funders are unable or unwilling to provide the right type of lending to businesses. Our investment in DFC has been volatile and we will be monitoring developments closely.

Market review

The MSCI UK Index returned 8.5% over the 12 months under review, with all underlying subsectors apart from materials and energy in positive territory*.

Both were dragged down in recent weeks as concerns about the US/Iran relationship and then the Coronavirus and Chinese demand hit the oil price and sentiment surrounding these sectors. Healthcare was the strongest performer over the year – where this fund has some limitations due to its animal testing exclusion – but IT, real estate, industrial and consumer names all drove returns against ongoing Brexit uncertainty in the background.

With trade wars and Brexit dominating news for the whole of 2019, it was encouraging to see long-awaited developments on both fronts in the final weeks of the period.

In the US, there was positive news on trade with China, with the announcement of a phase one deal stopping further tariffs due in December. Phase two discussion will be ongoing throughout 2020 and will clearly play a key role in President Trump's electioneering.

With Brexit, the supposedly iron-clad exit date of 29 March passed without resolution and we ultimately saw Theresa May give way to Boris Johnson as Prime Minister. In October, Johnson surprised markets by delivering on a Brexit deal but was unable to get this through Parliament and so called a General Election for December.

UK Ethical Fund (continued)

Investment review (continued)

Market review (continued)

The resulting large majority for the Conservative party was well received by financial markets, with parliament passing the European Union Withdrawal Bill in the following days. The UK left the EU at the end of January but there remains much to be done during the transition period and with Johnson stating the UK would not seek an extension to the end 2020 deadline, the risk of a cliff-edge departure at the end of the year remains.

As we came into 2019, the Federal Reserve was still talking about rate hikes but economic weakness drove a turnaround in narrative. After growing signs pointing to monetary loosening, we ultimately saw the first cuts from the Fed in 11 years over the second half of the year, two in Q3 and a third in October.

In the UK, the Monetary Policy Committee kept interest rates on hold throughout the period, although members have voted in favour of a cut at more recent meetings. In Mark Carney's final meeting as governor at the end of January, the MPC voted 7-2 to keep rates unchanged, citing an improving global backdrop and reduction in uncertainty following Boris Johnson's election victory. This was despite markets pricing in a 50/50 chance of a rate cut and reflecting that, the MPC said it remains poised to cut rates if a post-election bounce fails to materialise.

While we do not attempt to forecast macroeconomic factors and question the ability of anybody to do so with any resemblance of accuracy or consistency, it does not stop others from doing so. With that in mind, we follow economics and politics with interest but continue to focus on our core competence that we believe has enabled us to deliver outperformance: identifying businesses exposed to strong sustainability trends that will endure and grow their value per share regardless of the economic backdrop.

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.

Any opinions expressed are those of the Fund Manager. They should not be viewed as a guarantee of a return from an investment in the Sub-fund. The content of the commentary should not be viewed as a recommendation to invest nor buy or sell any securities. The investments of the Sub-fund are subject to normal market fluctuations. Investments can go down as well as up. Investors' capital is at risk and they may get back less than they originally invested. Past performance is not a guide to future performance.

** Source: Financial Express, primary share class, total return, net of fees and income reinvested, 31.01.19 - 31.01.20.*

Material portfolio changes by value

Purchases	Sales
AJ Bell	Sophos
Cineworld	Worldpay
Hargreaves Lansdown	Informa
Trainline	Rightmove
Countryside Properties	RELX
Helios Towers	London Stock Exchange
SDCL Energy Efficiency Income Trust	Sanne
Smurfit Kappa	Hargreaves Lansdown
Intertek	John Laing
Learning Technologies	Halma

UK Ethical Fund (continued)

Investment review (continued)

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Sub-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 Sub-fund. The shaded area in the table below shows the Sub-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 Sub-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 Sub-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 Sub-fund or a representative fund or index's value has moved up and down in the past.
- The Sub-fund is categorised 5 primarily because of its exposure to UK equities.
- The SRRI may not fully take into account the following risks:
  - that a company may fail thus reducing its value within the Sub-fund;
  - any company which has high overseas earnings may carry a higher currency risk;
- The Sub-fund may, under certain circumstances, make use of derivative instruments but it is not intended that their use will materially affect volatility.
- The Sub-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 Sub-fund will invest in smaller companies and may invest a small proportion (less than 10%) of the Sub-fund in unlisted securities. There may be liquidity constraints in these securities 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.
- Counterparty risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.
- For full details of the Sub-fund's risks, please see the prospectus which may be obtained from Liontrust or online at www.liontrust.co.uk.

UK Ethical Fund (continued)

Portfolio Statement
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	CHANNEL ISLANDS; GUERNSEY (2.32%)		
	Equity Investment Instruments (2.32%)	**9,875**	**1.59**
7,492,663	Renewables Infrastructure	9,875	1.59
	CHANNEL ISLANDS; JERSEY (0.98%)		
	Financial Services (0.98%)	**662**	**0.10**
1,655,472	Trufin	662	0.10
	IRELAND;REPUBIC OF (8.34%)		
	Construction & Materials (8.34%)	**56,028**	**9.01**
661,947	Kingspan	31,025	4.99
951,413	Smurfit Kappa	25,003	4.02
	UNITED KINGDOM (83.38%)	**532,227**	**85.57**
	Chemicals (1.37%)	**13,369**	**2.15**
2,590,955	Treatt	13,369	2.15
	Construction & Materials (0.77%)		
	Consumer Services (4.18%)	**25,953**	**4.17**
1,382,662	Compass	25,953	4.17
	Electronic & Electrical Equipment (1.52%)	**7,703**	**1.24**
365,760	Halma	7,703	1.24
	Equity Investment Instruments (2.30%)	**15,130**	**2.43**
6,643,085	Greencoat UK Wind	9,433	1.52
7,584,808	US Solar Fund	5,697	0.91
	Financials (17.10%)	**132,665**	**21.33**
4,424,986	AJ Bell	17,258	2.78
915,253	Capital for Colleagues	412	0.07
4,237,259	Distribution Finance Capital	3,686	0.59
1,115,345	Hargreaves Lansdown	19,234	3.09

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	Financials (continued)		
4,678,792	John Laing	16,610	2.67
434,657	London Stock Exchange	34,051	5.47
1,129,645	Mortgage Advice Bureau	8,585	1.38
4,485,771	Paragon	22,765	3.66
9,232,705	SDCL Energy Efficiency Income Trust	10,064	1.62
	Gas, Water & Multiutilities (3.42%)	**29,272**	**4.71**
2,279,080	Ceres Power	9,618	1.55
756,856	National Grid	7,612	1.22
1,086,310	Pennon	12,042	1.94
	General Retailers (2.41%)	**17,126**	**2.75**
6,138,465	DFS Furniture	17,126	2.75
	Household Goods & Home Construction (3.18%)	**37,363**	**6.01**
3,308,343	Countryside Properties	16,138	2.60
4,248,310	Crest Nicholson	21,225	3.41
	Life Insurance (12.62%)	**71,752**	**11.53**
10,577,496	Legal & General	32,303	5.19
1,813,903	Prudential	24,524	3.94
1,304,610	St. James's Place Capital	14,925	2.40
	Media (5.84%)		
	Mobile Telecommunications (0.00%)	**12,167**	**1.96**
8,288,236	Helios Towers	12,167	1.96
	Non-life Insurance (0.28%)	**1,530**	**0.25**
1,095,006	Thrive Renewables*	1,530	0.25
	Real Estate Investment & Services (1.45%)	**9,289**	**1.49**
788,000	Ethical Property*	652	0.10
9,597,049	PRS REIT	8,637	1.39

UK Ethical Fund (continued)

Portfolio Statement (continued)
as at 31 January 2020

Holding/ Nominal value	Stock description	Market value (£'000)	Percentage of total net assets (%)
	Software & Computer Services (11.36%)	**33,832**	**5.44**
2,107,525	GB	14,964	2.41
1,637,882	Softcat	18,868	3.03
	Support Services (7.65%)	**51,238**	**8.24**
407,000	Intertek	23,435	3.77
13,401,291	Learning Technologies	20,852	3.35
1,357,519	Smart Metering Systems	6,951	1.12
	Travel & Leisure (7.93%)	**73,838**	**11.87**
9,352,640	Cineworld	16,577	2.67
6,365,706	Gym	18,811	3.02
5,184,518	National Express	23,164	3.72
3,248,797	Trainline	15,286	2.46
	UNITED STATES OF AMERICA (3.11%)		
	Support Services (3.11%)		
	Portfolio of investments	**598,792**	**96.27**
	Net other assets	**23,201**	**3.73**
	Total net assets	**621,993**	**100.00**

All investments are approved securities being either officially listed in a member state or under the rules of an eligible market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Note: comparative figures in brackets show percentages for each category of holding at 31 January 2019.

* Unquoted securities

UK Ethical Fund (continued)

Comparative tables

for the year ended 31 January 2020

Class 2 Net Accumulation	**31 January 2020 per share (p)**	**31 January 2019 per share (p)**	**31 January 2018 per share (p)**
Change in net assets per share			
Opening net asset value per share	254.61	261.19	217.33
Return before operating charges	78.65	(4.39)	45.85
Operating charges	(2.47)	(2.19)	(1.99)
Return after operating charges	76.18	(6.58)	43.86
Distributions	(6.40)	(5.16)	(4.42)
Retained distributions on accumulation shares	6.40	5.16	4.42
Closing net asset value per share	**330.79**	**254.61**	**261.19**
After transaction costs of	(0.68)	(0.45)	(0.35)
Performance			
Return after charges	29.92%	(2.52)%	20.18%
Other information			
Closing net asset value (£'000)	240,336	103,001	71,290
Closing number of shares	72,654,479	40,453,864	27,293,801
Operating charges**	0.84%	0.83%	0.81%
Direct transaction costs*	0.23%	0.17%	0.14%
Prices			
Highest share price	339.7	283.1	267.1
Lowest share price	254.5	238.9	217.8

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

UK Ethical Fund (continued)

Comparative tables (continued)
for the year ended 31 January 2020

Class 3 Net Income	31 January 2020 per share (p)	31 January 2019 per share (p)	31 January 2018 per share (p)
Change in net assets per share			
Opening net asset value per share	237.41	248.37	210.30
Return before operating charges	73.10	(4.02)	44.26
Operating charges	(1.09)	(0.95)	(0.88)
Return after operating charges	72.01	(4.97)	43.38
Distributions	(7.17)	(5.99)	(5.31)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**302.25**	**237.41**	**248.37**
After transaction costs of	(0.63)	(0.42)	(0.34)
Performance			
Return after charges	30.33%	(2.00)%	20.63%
Other information			
Closing net asset value (£'000)	381,657	299,610	311,274
Closing number of shares	126,271,093	126,198,723	125,325,102
Operating charges**	0.40%	0.38%	0.37%
Direct transaction costs*	0.23%	0.17%	0.14%
Prices			
Highest share price	313.5	266.4	256.3
Lowest share price	237.3	225.2	210.7

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as a dilution adjustment and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and share class returns before operating charges.

** The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of average net assets for the period - it does not include initial charges or performance fees. The Operating Charges figure includes the ACD's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

UK Ethical Fund (continued)

Statement of Total Return

for the year ended 31 January 2020

	Notes	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Income					
Net capital gains/(losses)	2		116,498		(17,344)
Revenue	3	14,690		11,203	
Expenses	4	(2,643)		(1,926)	
Interest payable and similar charges	6	–		(2)	
Net revenue before taxation		12,047		9,275	
Taxation	5	–		–	
Net revenue after taxation			12,047		9,275
Total return before distributions			**128,545**		**(8,069)**
Distributions	7		(12,047)		(9,275)
Change in net assets attributable to shareholders from investment activities			**116,498**		**(17,344)**

Statement of change in net assets attributable to shareholders

for the year ended 31 January 2020

	(£'000)	1.2.2019 to 31.1.2020 (£'000)	(£'000)	1.2.2018 to 31.1.2019 (£'000)
Opening net assets attributable to shareholders		**402,611**		**382,564**
Movement due to creation and cancellation of shares:				
Amounts received on creation of shares	120,700		51,236	
Amounts paid on cancellation of shares	(21,570)		(15,854)	
		99,130		35,382
Dilution adjustment		–		98
Change in net assets attributable to shareholders from investment activities		116,498		(17,344)
Retained distribution on accumulation shares		3,754		1,911
Closing net assets attributable to shareholders		**621,993**		**402,611**

UK Ethical Fund (continued)

Balance Sheet

as at 31 January 2020

	Notes	31.1.2020 (£'000)	31.1.2019 (£'000)
Assets			
Fixed Assets			
Investments		598,792	395,084
Current assets:			
Debtors	8	6,362	1,532
Cash and bank balances	9	21,014	9,621
Total assets		**626,168**	**406,237**
Liabilities			
Creditors:			
Distribution payable		(3,877)	(3,336)
Other creditors	10	(298)	(290)
Total liabilities		**(4,175)**	**(3,626)**
Net assets attributable to shareholders		**621,993**	**402,611**

The notes on pages 253 to 263 form an integral part of these financial statements. The distribution per share is set out in the table on page 264.

UK Ethical Fund (continued)

Notes to the financial statements

for the year ended 31 January 2020

1 Accounting policies

The accounting policies for the Sub-fund are set out on pages 13 to 14.

2 Net capital gains/(losses)

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Non-derivative securities	116,429	(17,311)
Foreign currency gains/(losses)	69	(30)
Transaction costs	–	(3)
Net capital gains/(losses)	**116,498**	**(17,344)**

3 Revenue

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Bank interest	–	4
CIS franked	42	–
Management fee rebates on CIS	17	–
Non-taxable overseas dividends	1,613	868
Stock dividends	–	186
UK dividends	12,918	10,145
UK REIT dividends	100	–
Total revenue	**14,690**	**11,203**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

4 Expenses

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's fees	2,250	1,720
Fixed rate administration fee	394	129
Registration fee	–	49
	2,644	**1,898**
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fee	–	23
Safe custody fee	–	2
	–	**25**
Other expenses		
Audit fees*	–	5
Accounts printing and postage	–	(2)
FCA fees	(1)	–
	(1)	**3**
Total expenses	**2,643**	**1,926**

* The audit fee for the year, excluding VAT, was £8,085 (2019: £7,700).

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

5 Taxation

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
a) Analysis of charge in year		
Overseas tax	–	–
Total tax charge for the year (see note 5(b))	**–**	**–**

b) Factors affecting tax charge for the year

The taxation assessed for the year is lower (2019 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Net revenue before taxation	12,046	9,275
Corporation tax at 20% (2019 – 20%)	2,409	1,855
Effects of:		
Expenses not deductible for tax purposes	505	385
Non-taxable overseas dividends	(322)	(174)
Non-taxable stock dividends	–	(37)
UK dividends not subject to corporation tax	(2,592)	(2,029)
Total tax charge for year (see note 5(a))	**–**	**–**

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax asset

At 31 January 2020 the Sub-fund had surplus management expenses of £11,156,000 (prior year: £8,629,000). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore, a deferred tax asset of £2,231,000 (prior year: £1,726,000) has not been recognised.

6 Interest payable and similar charges

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interest	–	2
Total interest payable and similar charges	**–**	**2**

UK Ethical Fund (continued)

Notes to the financial statements (continued)

for the year ended 31 January 2020

7 Distributions

	1.2.2019 to 31.1.2020 (£'000)	1.2.2018 to 31.1.2019 (£'000)
Interim distribution	6,917	5,235
Final distribution	5,802	4,228
	12,719	**9,463**
Amounts received on creation of shares	(807)	(289)
Amounts deducted on cancellation of shares	135	101
Net distribution	**12,047**	**9,275**
The distribution amount has been calculated as follows:		
Net revenue after taxation for the year	12,047	9,275
Net distribution	**12,047**	**9,275**

The distribution per share is set out in the table on page 264.

8 Debtors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Accrued revenue	1,471	967
Amounts receivable on creation of shares	4,193	258
Income tax recoverable	11	12
Overseas withholding tax	224	121
Sales awaiting settlement	463	174
Total debtors	**6,362**	**1,532**

9 Cash and bank balances

	31.1.2020 (£'000)	31.1.2019 (£'000)
Cash and bank balances	21,014	9,621
Total cash and bank balances	**21,014**	**9,621**

10 Creditors

	31.1.2020 (£'000)	31.1.2019 (£'000)
Other creditors		
Accrued expenses	298	181
Amounts payable on cancellation of shares	–	109
Total other creditors	**298**	**290**

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

11 Contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (prior year: £Nil).

12 Related party transactions

Liontrust Asset Management Plc is regarded as a controlling party by virtue of being the ultimate parent company of the ACD, Liontrust Fund Partners LLP, giving the ability to act in concert in respect of the operations of the Company.

The ACD's periodic charge and registration fees paid to Liontrust Fund Partners LLP and its associates are shown in note 4, and details of shares created and cancelled by Liontrust Fund Partners LLP are shown in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to/from the ACD at the year end are included within Notes 8 and 10.

The balance due to Liontrust Fund Partners LLP and its associates at the year end was £298,000 (prior year: £175,000).

The total expense due to Liontrust Fund Partners LLP and its associates for the year was £2,644,000 (prior year: £1,898,000).

13 Derivatives and other financial instruments

The risks inherent in the Sub-fund's investment portfolio are as follows:

In pursuing its investment objective and investment policy, the Sub-fund holds a number of financial instruments. These may comprise:

- Equity shares, equity related shares, non-equity shares and debt securities. These are held in accordance with the Sub-fund's investment policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operation;
- Shareholders' funds, which represent investors' monies that are invested on their behalf;
- Derivative transactions which the Sub-fund may enter into, the purpose of which is to manage certain aspects of the risks arising from the Sub-fund's investment activities and generate additional capital and revenue;
- Short-term borrowings used to finance operational cash flows;
- Derivatives are also used for investment purposes not just to manage risk/exposures.

The main risks arising from the financial instruments are market price (including "emerging markets price risk"), foreign currency, interest rate, liquidity and counterparty credit risk. The ACD reviews the policies for managing each of these risks and they are summarised below.

These policies have remained unchanged since the beginning of the period to which these financial statements relate. It should be noted that the ACD has a detailed risk management policy which is reviewed and updated, if necessary, periodically. An independent risk function is also present which monitors all relevant risks appropriately.

Market price risk

Market price risk is the risk that the 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. Futures contracts may be used to hedge against market price risk where deemed appropriate for efficient portfolio management purposes.

The 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 January 2020 and 31 January 2019 the overall market exposure for the Sub-fund was as shown in the Portfolio Statement, other than for derivatives and short positions where the exposure could be greater. The Sub-fund is 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-fund to market price risk is estimated below which shows the expected change in the market value of the Sub-fund when a representative

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Market price risk (continued)

market index changes by 15%. 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.

As at 31 January 2020, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 12.0%.

As at 31 January 2019, had the representative market index increased/decreased by 15% the resulting change in the value of the Net Asset Value is expected to have been an increase/a decrease of 8.9%.

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;
- 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-fund is required to calculate its exposure to derivatives on a daily basis using one of two alternate methods, the Commitment Approach or Value at Risk (VaR). The Sub-fund's global exposure to derivatives at the year-end has been calculated using the Commitment approach.

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 the 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.

The Sub-fund did not use derivatives in the year and level of leverage employed by the Sub-fund during the year is not considered to be significant.

Currency risk

Currency risk is the risk that the revenue and net asset value of the Sub-fund may be adversely affected by movements in foreign exchange rates. The revenue and capital value of the Sub-fund's investments can 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 the 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 currency risk being identified.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Currency risk (continued)

The 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-fund may receive income in currencies other than sterling, and the sterling values of this income can be affected by movements in exchange rates.

The majority of the Sub-fund's financial assets and liabilities are denominated in the Sub-fund's functional currency. As a result, the Sub-fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of currency exchange rates. Therefore, no exchange rate sensitivity analysis has been prepared for these.

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-fund's 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 Sub-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.

Liquidity risk

Liquidity risk is the risk that the Sub-fund will not be able to meet its obligations as they fall due. The majority of the Sub-fund's assets are readily realisable securities which can be sold to meet liquidity requirements, a small proportion may be less readily realisable or unlisted. There may be liquidity constraints in these less liquid securities 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. The main liquidity risk of the 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, the 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.

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 the Sub-fund are downgraded.

The Sub-fund may enter into transactions in financial instruments (including derivatives) which exposes it 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-fund 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-fund may enter into stock lending activities which exposes it to the risk that the counterparty will not deliver the stock or cash after the Sub-fund has fulfilled its obligations. The 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.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

13 Derivatives and other financial instruments (continued)

Counterparty credit risk (continued)

At the balance sheet date, there were no counterparties to open derivative contracts. At the year end collateral of Nil (prior year: Nil) was received; collateral pledged was Nil (prior year: Nil) and none (prior year: none) of the Sub-funds' financial assets were past due or impaired.

The Depositary is responsible for the safe-keeping of assets and has appointed the Bank of New York Mellon, S.A./N.V., London Branch ("BNYMSA") 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 January 2020 was A (Standard & Poor's rating).

BNYMSA, 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 BNYMSA and (ii) all financial instruments that can be physically delivered to BNYMSA. BNYMSA ensures all financial instruments (held in a financial instruments account on the books of BNYMSA) are held in segregated accounts in the name of the Sub-fund, clearly identifiable as belonging to the Sub-fund, and distinct and separately from the proprietary assets of BNYMSA and BNYM.

In addition BNYMSA, as banker, holds cash of the Sub-fund on deposit. Such cash is held on the balance sheet of BNYMSA. In the event of insolvency of BNYMSA, in accordance with standard banking practice, the Sub-fund will rank as an unsecured creditor of BNYMSA in respect of any cash deposits.

Insolvency of BNYM and or one of its agents or affiliates may cause the 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.

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 as shown in the table below.

Valuation of financial investments

31.1.2020	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	596,610	–
Level 2: Observable market data	–	–
Level 3: Unobservable data	2,182	–
	598,792	**–**

31.1.2019	Assets (£'000)	Liabilities (£'000)
Level 1: Quoted prices	393,321	–
Level 2: Observable market data	–	–
Level 3: Unobservable data	1,763	–
	395,084	**–**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

14 Share movement

For the year ending 31 January 2020

	Opening shares	Shares issued	Shares redeemed	Shares converted	Closing shares
Class 2 Net Accumulation	40,453,864	34,090,158	(1,889,543)	–	72,654,479
Class 3 Net Income	126,198,723	6,008,200	(5,935,830)	–	126,271,093

15 Portfolio transaction costs

For the year ending 31 January 2020

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	215,222	101	0.05	930	0.43
Collective investment schemes	11,443	4	0.03	26	0.23
Total purchases	**226,665**	**105**		**956**	
Total purchases including transaction costs	**227,726**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	132,979	67	0.05	–	–
Collective investment schemes	6,712	5	0.07	–	–
Total sales	**139,691**	**72**		**–**	
Total sales net of transaction costs	**139,619**				
Total transaction costs		**177**		**956**	
Total transaction costs as a % of average net assets		**0.04%**		**0.19%**	

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

15 Portfolio transaction costs (continued)

For the year ending 31 January 2019

Purchases (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	121,777	58	0.05	551	0.45
Collective investment schemes	4,821	3	0.06	24	0.50
Total purchases	**126,598**	**61**		**575**	
Total purchases including transaction costs	**127,234**				

Sales (excluding derivatives)	Transaction Value (£'000)	Commissions (£'000)	%	Taxes (£'000)	%
Equity instruments (direct)	93,131	49	0.05	–	–
Total sales	**93,131**	**49**		**–**	
Total sales net of transaction costs	**93,082**				
Total transaction costs		**110**		**575**	
Total transaction costs as a % of average net assets		**0.03%**		**0.14%**	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund’s purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.37% (2019: 0.30%).

UK Ethical Fund (continued)

Notes to the financial statements (continued)
for the year ended 31 January 2020

16 Post Balance sheet events

As indicated in the Accounting Policies in the Notes to the financial statements on page 13, the investments have been valued at close of business on 31 January 2020. Since that date the Sub-fund's quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 31 January 2020 and at close of business on 21 May 2020.

	Price at 31.1.2020 (pence per share)	Price at 21.5.2020 (pence per share)	% change
Class 2 Net Accumulation	330.79	276.97	(16.27)%
Class 3 Net Income	302.25	253.42	(16.16)%

The following table summarises the total NAV movement since the balance sheet date:

	NAV at 31.1.2020 (£'000)	NAV at 21.5.2020 (£'000)	% change
Class 2 Net Accumulation	240,336	259,687	8.05%
Class 3 Net Income	381,657	323,690	(15.19)%

UK Ethical Fund (continued)

Distribution tables
for the year ended 31 January 2020

Final distribution payable in pence per share
Group 1 - Shares purchased prior to 1 August 2019
Group 2 - Shares purchased 1 August 2019 to 31 January 2020

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Payable 31.3.2020	Distribution Paid 31.3.2019
Class 2 - Group 1	2.6495	–	2.6495	2.2060
Class 2 - Group 2	0.8946	1.7549	2.6495	2.2060
Income Shares				
Class 3 - Group 1	3.0703	–	3.0703	2.6435
Class 3 - Group 2	0.8076	2.2627	3.0703	2.6435

Interim distribution paid in pence per share
Group 1 - Shares purchased prior to 1 February 2019
Group 2 - Shares purchased 1 February 2019 to 31 July 2019

Accumulation shares	Net Revenue Pence per share	Equalisation Pence per share*	Distribution Paid 30.9.2019	Distribution Paid 30.9.2018
Class 2 - Group 1	3.7488	–	3.7488	2.9574
Class 2 - Group 2	1.3427	2.4061	3.7488	2.9574
Income Shares				
Class 3 - Group 1	4.0954	–	4.0954	3.3500
Class 3 - Group 2	2.2114	1.8840	4.0954	3.3500

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all 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 shares for capital gains tax purposes.

Additional Information

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 Sustainable Future Cautious Managed Fund and Liontrust Sustainable Future Defensive Managed Fund are deducted from capital. Whilst this results in the dividend paid to investors being higher than would be the case were the annual management fee charged to income, the potential for capital growth may be reduced.

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