



Manager	Liontrust Fund Partners LLP	Dated 02.12.24
Product	Liontrust Strategic Bond Fund	
ISIN	GB00BFX14R94, GB00BFX12P31, GB00BFX14S02	
Benchmark(s)	IA Sterling Strategic Bond Sector	

SDR CONSUMER FACING DISCLOSURE

This product does not have a UK sustainable investment label. This is because it integrates Environmental, Social and Governance (ESG) considerations into the investment process, but it does not have a specific sustainability objective.

Sustainable investment labels help investors find products that have a specific sustainability goal

What is Liontrust's Global Fixed Income Team's ESG approach?

In judging whether a company is an attractive long-term investment, the GFI team analyses the following factors, which it calls its **PRISM**:



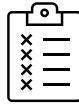
The GFI team incorporates ESG in this framework to recognise that a good balance of interest between all stakeholders in a borrowing company is crucial to maintain client capital. The GFI team has embedded this in its investment processes explicitly under the S and the M of the PRISM framework.

For **Sustainability**, the GFI team combines internal research with that of third-party providers such as MSCI and Moody's to assess how ESG factors pertain to the investment case. With a high proportion of listed companies, the GFI team can expect a large proportion of its holdings to be covered and rated by MSCI, giving it the ability to accurately measure ESG standards in its fund range.

For **Motivation**, the GFI team explores how the alignment of interests specifically impacts creditors. Among issuers that are privately owned, clients can expect a strong preference for owner-managed bond issuers versus those owned by private equity companies. Furthermore, the GFI team favours private businesses that open up to scrutiny in terms of their own ESG processes.

Key sustainability characteristics of assets in which the fund invests

Negative screening



This fund excludes companies based on three factors:

1. It has zero tolerance to controversial weapons and de minimus revenue exposure to civilian weapons
2. It sets maximum revenue thresholds companies can derive from tobacco products (max. 5% of revenues) and thermal coal (max. 30% of revenues)
3. It excludes companies in breach of the UN Global Compact

This screening excludes almost 100 bond issuers, however their weighting in bond indices is very low. The GFI team's investment philosophy, which limits investments in industries such as oil and gas and combustion engines, effectively excludes many more bond index constituents.

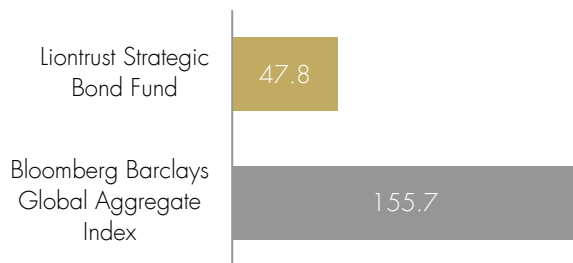
Positive screening



The average ESG rating for the portfolio of assets held by the fund must be at least "BBB", as determined by MSCI. The maximum exposure to bonds with rating lower than "BB" must not exceed 30% of the fund's net asset value (NAV). The maximum exposure of the fund to individual bonds with ESG ratings lower than "BBB" must not exceed 3% of the NAV of the fund. No sovereign debt with an ESG rating lower than "BB" will be held.

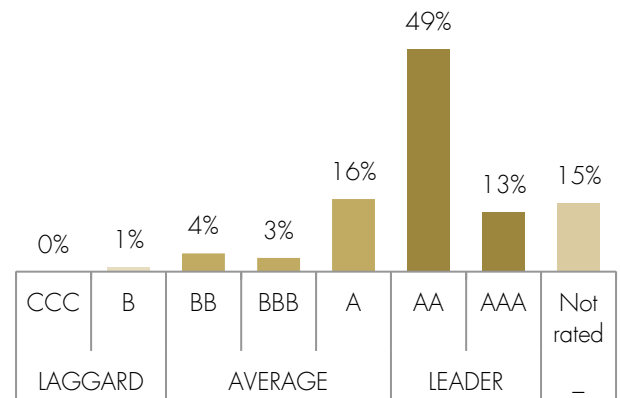
Sustainability metrics

Weighted Average Carbon Intensity (WACI)



This means that the fund's exposure to the carbon intensity of its holdings is lower than that of the Bloomberg Barclays Global Aggregate Index.

Fund ESG rating distribution



Additional disclosures

Investment disclosures

- [Pre-contractual disclosure](#)
- [KIID Document, including cost and charges](#)

All data as at 30.09.24.

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