

LIONTRUST GF SUSTAINABLE FUTURE EUROPEAN CORPORATE BOND FUND

Fund sustainability report: Q4, 2023

Marketing communication



Key risks

Past performance does not predict future returns. You may get back less than you originally invested. We recommend this fund is held long term (minimum period of 5 years). We recommend that you hold this fund as part of a diversified portfolio of investments.

All investments will be expected to conform to our social and environmental criteria.

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.

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 can invest in derivatives. Derivatives are used to protect against currency, credit or interest rate moves 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 uses derivative instruments that may result in higher cash levels. Cash may be deposited with several credit counterparties (e.g. international banks) or in short dated bonds. A credit risk arises should one or more of these counterparties be unable to return the deposited cash.

The Fund may encounter liquidity constraints from time to time. Participation rates on advertised volumes could fall reflecting the less liquid nature of the current market conditions.

Counterparty Risk: any derivative contract, including FX hedging, may be at risk if the counterparty fails.

The decision to invest in a fund should take into account all the characteristics and objectives of the fund (inclusive of sustainability features) as described in the prospectus. Further information can be found here: <https://www.liontrust.eu/sfdr>

The issue of units/shares in Liontrust Funds may be subject to an initial charge, which will have an impact on the realisable value of the investment, particularly in the short term. Investments should always be considered as long term.

Disclaimer

For investment professionals only

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Exposure to positive sustainability investment trends

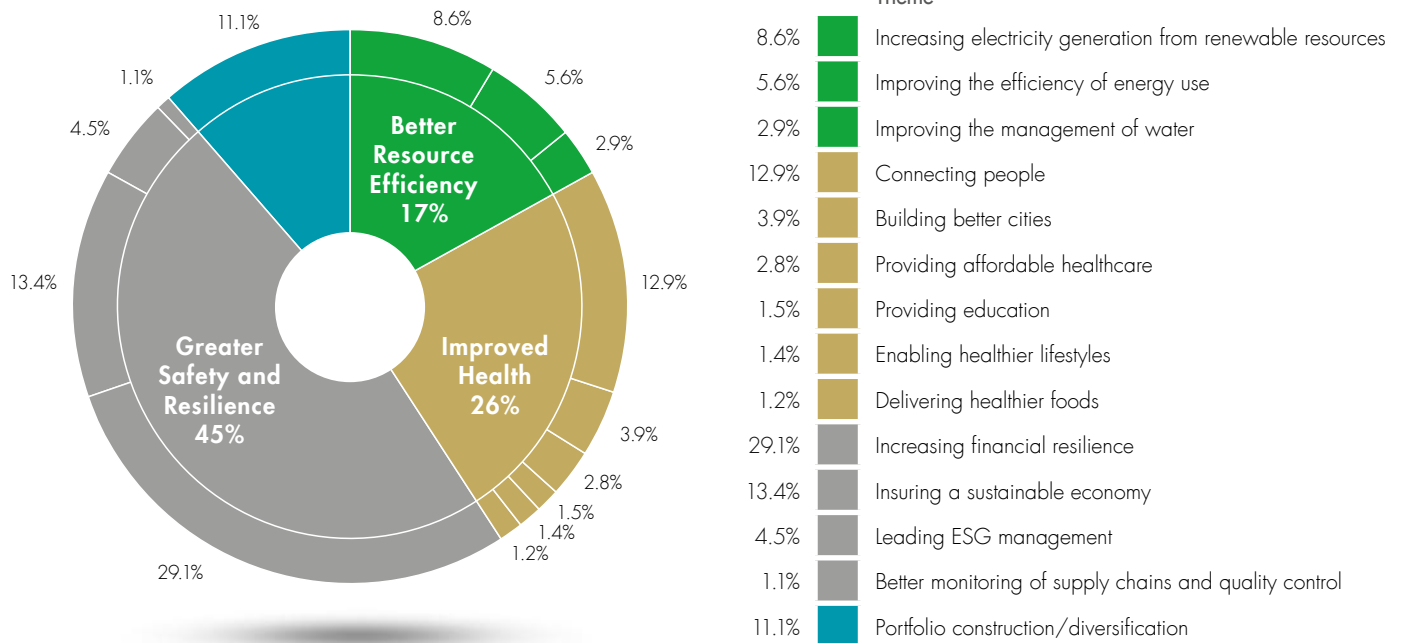
We look to invest in companies that are having a positive impact on our economy by making it either cleaner, healthier or safer. Exposure to 13 of our 20 Sustainable investment themes is shown below. For more detail on the sustainable themes, see liontrust.co.uk/sustainable

Consistent with the available opportunities in investment grade corporate bonds and our approach that seeks to invest in resilient companies, our fixed income funds typically have a high allocation to the Greater safety and resilience mega trend.

Within this mega trend, the two sub themes with the greatest exposure are *Increasing financial resilience* and *Insuring a sustainable economy*. The fund's exposure to Banks and Insurance generally sits within these themes and is a significant component of the Fund. Typically, the exposure

within the *Increasing financial resilience* theme is to banks that are well capitalised and have a focus on retail and SME lending coupled with resilient and prudent lending practices. We believe that high quality lending and banking activities are important to a resilient economy. Typically, the exposure within the *Insuring a sustainable economy* theme is to insurance companies. Insurance facilitates economic growth by giving people the confidence to invest in themselves, their lives or their businesses. The leading insurance companies expend time and resources researching the issues such as climate change in order to make them more efficient when it comes to pricing risk. Through this research they become better underwriters with a greater ability to advise their clients on potential risks, while also fully integrating their analysis in order to make better investments. We believe that these leading companies again create more resilient, sustainable economies.

Exposure to sustainable themes



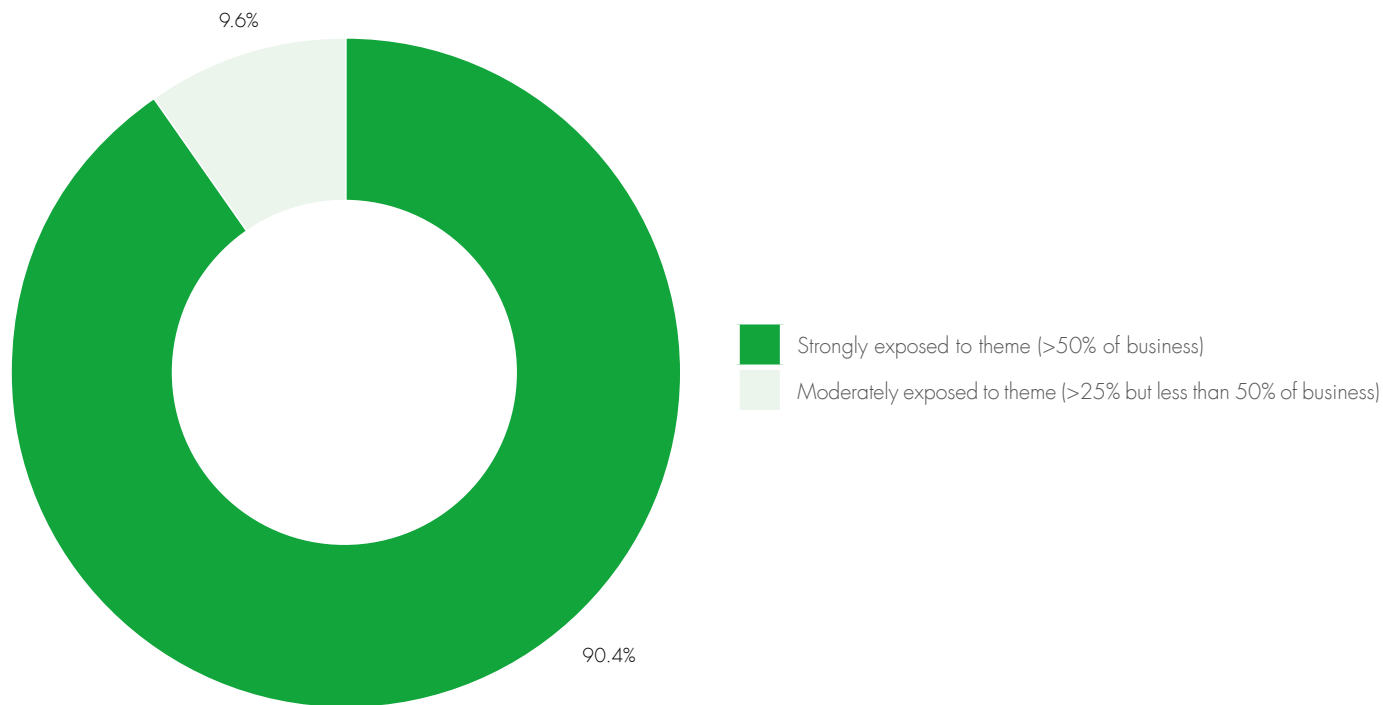
Source: Liontrust / Factset, 31 December 2023. Chart is thematic exposure to corporate bonds only, Government bonds and cash excluded

Exposure to positive sustainability investment trends

Sustainable investment themes: how much of business is exposed

This analysis shows what proportion of companies held in the fund is exposed to the Sustainable investment themes: 90% of the fund is invested in companies that are strongly exposed to our themes (which

means more than 50% of the business's revenues); a further 10% of the fund is invested in companies that are moderately exposed to our themes, which means between 25% and 50% of revenues.



Alignment with UN Sustainable Development Goals

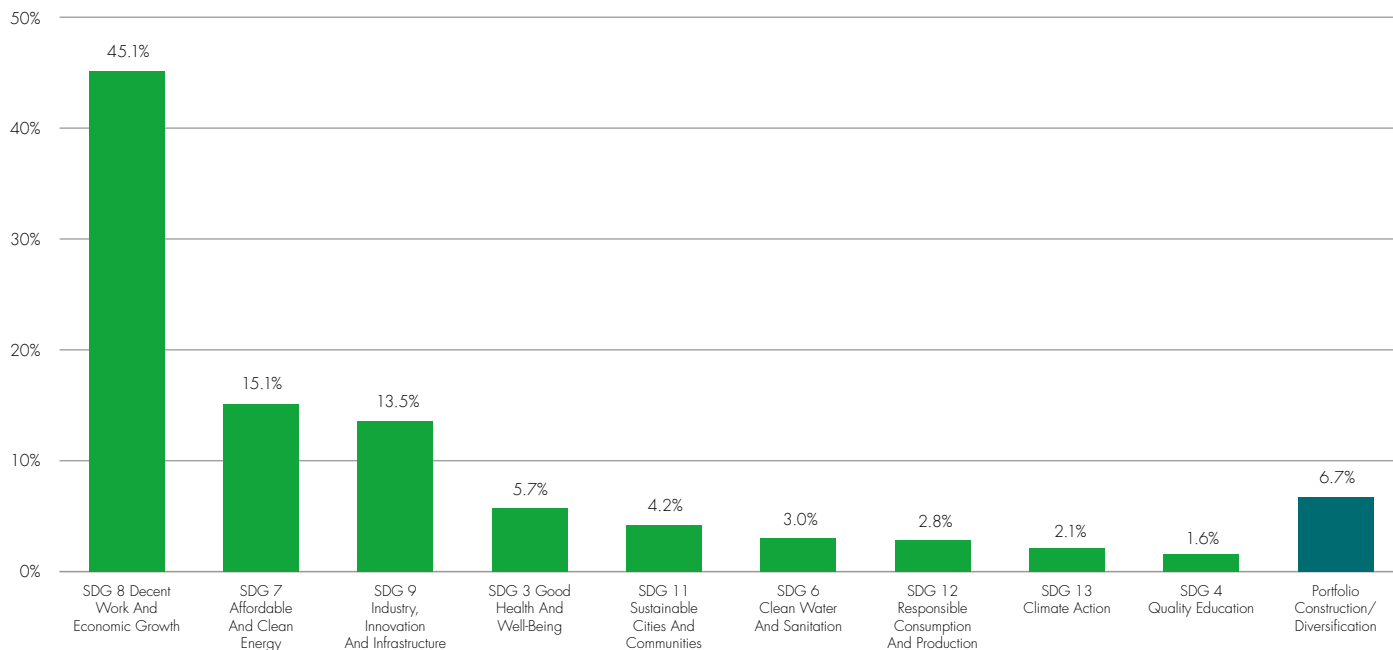
This analysis shows how the Sustainable investment themes are linked to the United Nations Sustainable Development Goals (SDGs).

All of the Sustainable investment themes are linked to SDGs and the underlying Key Performance Indicator they relate to have been identified in the SDG text. A more detailed discussion on impact and how the Sustainable investment themes are aligned with the SDGs is available in the SF Annual Review: www.liontrust.co.uk/fund-managers/sustainable-investment/sustainable-documents

The fund has most exposure to SDG 8: Decent work and economic growth (45.1%); SDG 7: Affordable and clean energy (15.1%) and SDG 9: Industry, innovation and infrastructure (13.5%).

While our methodology is to assign what we believe to be the most prevalent SDG or the one on which the company has the most impact, we believe that the companies we have exposure to can have an impact on multiple SDGs. For example many holdings in the Banking industry come under SDG 8: Decent work and economic growth as we believe that through the banks' lending practices, they facilitate economic growth. However, given several of the banks we own have exposure to retail (mortgage), they could also be classified as, or have a positive impact, on SDG 11: Sustainable cities and communities. The fund has exposure to nine of the 17 UN SDGs.

Sustainable investment themes mapped to UN Sustainable Development Goals (% of fund exposure)

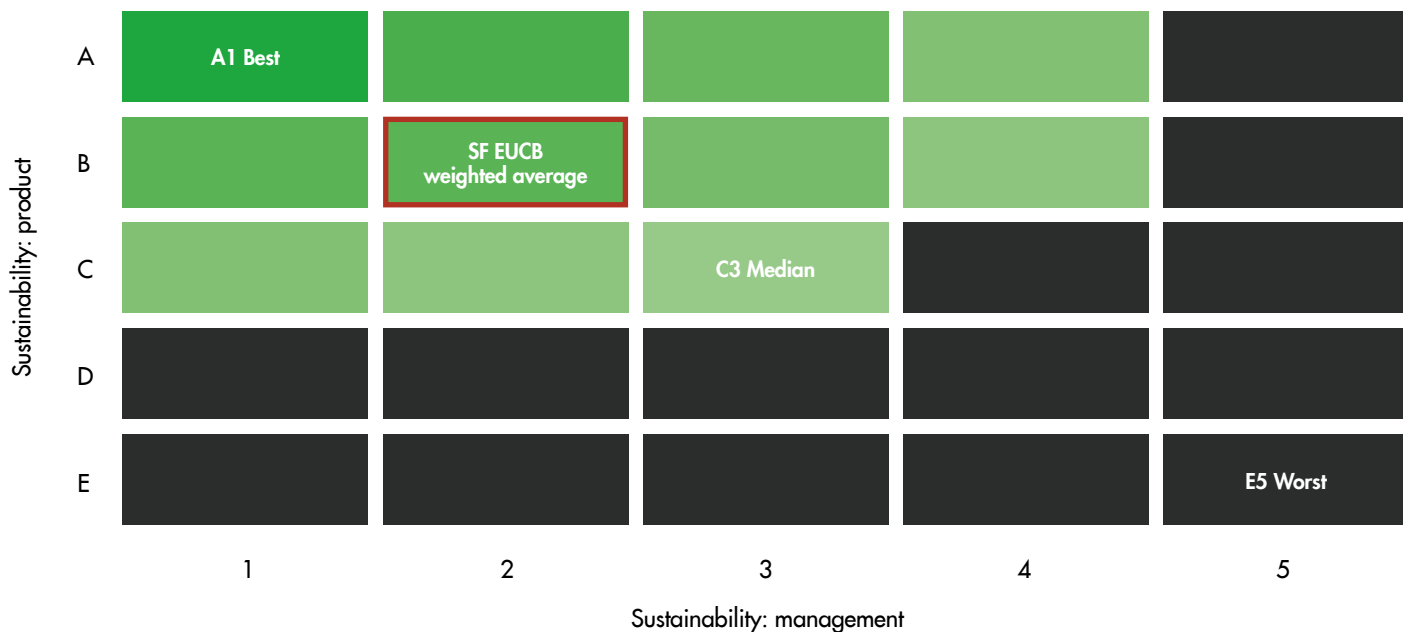


Source: Liontrust / Facset as at 31 December 2023. Data is representative of corporate bonds only and excludes government bonds and cash www.un.org/sustainabledevelopment

Assessment of how sustainable companies are: Sustainability Matrix Rating

We assess every company using our proprietary Sustainability Matrix Rating, which measures how sustainable its products and services are as well as how well they manage the material environmental, social and governance (ESG) matters related to their business.

The weighted average Sustainability Matrix rating for the fund is B2 (marked in red in the figure above). This shows the fund is invested in companies whose products and services are more sustainable and whose management of ESG aspects of their business is better than the market it invests in. There are no companies in the fund which are rated in the ineligible grey area of the Sustainability matrix.



Source: Liontrust / Factset, 31 December 2023

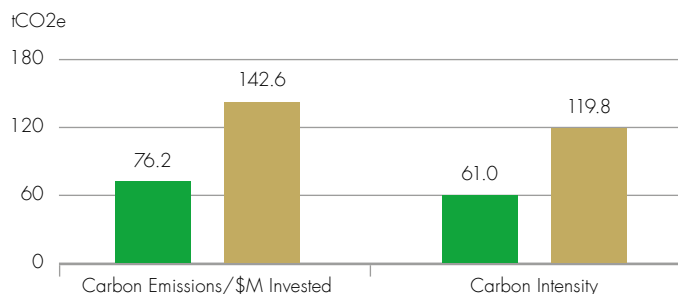
Climate change: portfolio data on carbon, solutions and fossil fuels

Carbon emissions of fund compared to conventional benchmark

We can see from the chart below that the investments in the fund emit 49.5% less carbon (tCO₂e) than the market it invests in. When looking at the carbon intensity of the investments, the fund has a carbon intensity (tCO₂e / \$M sales) that is 50% lower than the benchmark. This independent analysis includes direct emissions forming scope 1 and scope 2 emissions only*.

■ Liontrust GF Sustainable Future European Corporate Bond Fund

■ Benchmark: Markit iBoxx Euro Corporate All Maturities Index

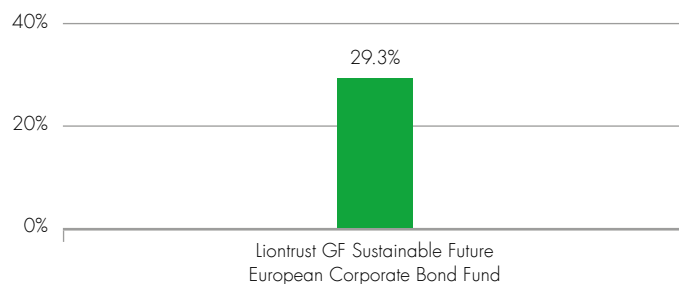


Source: MSCI Carbon Analytics and Liontrust as at 31 December 2023. The Markit iBoxx Euro Corporate All Maturities Index is the comparator benchmark for this fund. Carbon emissions (tCO₂e/\$million invested), carbon intensity (tCO₂e/\$M sales) data available for 78.3% of the fund and 81.8% of the benchmark. *Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources controlled or owned by an organisation (associated with fuel combustion in boilers, furnaces, vehicles and so on). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Scope 3 (all indirect emissions, not included in scope 2, that occur in the value chain of the reporting company) is important but not currently available in a consistent data set with enough coverage to be included in this independent analysis.

Companies offering clean technology solutions

This analysis shows that the fund holds 29.3% of companies that MSCI has determined are providing clean technology solutions.

Owing to the nature of the fixed income asset class, many investments are to more developed stable companies. Therefore, it is difficult to obtain material exposure to companies overly exposed to cleantech solutions. Usually our exposure to cleantech will be as a result of investment within a larger more developed utility.



Source: MSCI Carbon Analytics and Liontrust as at 31 December 2023.

	Carbon Footprint (tCO ₂ e / \$m invested)	Carbon Intensity (tCO ₂ e/\$m sales)	Weighted Average Carbon Intensity (tCO ₂ e/\$m sales)	Carbon Emissions Data Availability (Market value)
Liontrust GF SF European Corporate Bond Fund	72.0	61	74.8	78.3%
Benchmark	142.6	119.8	110.4	81.8%
Fund relative to benchmark	-49.5%	-49.1%	-32.2%	

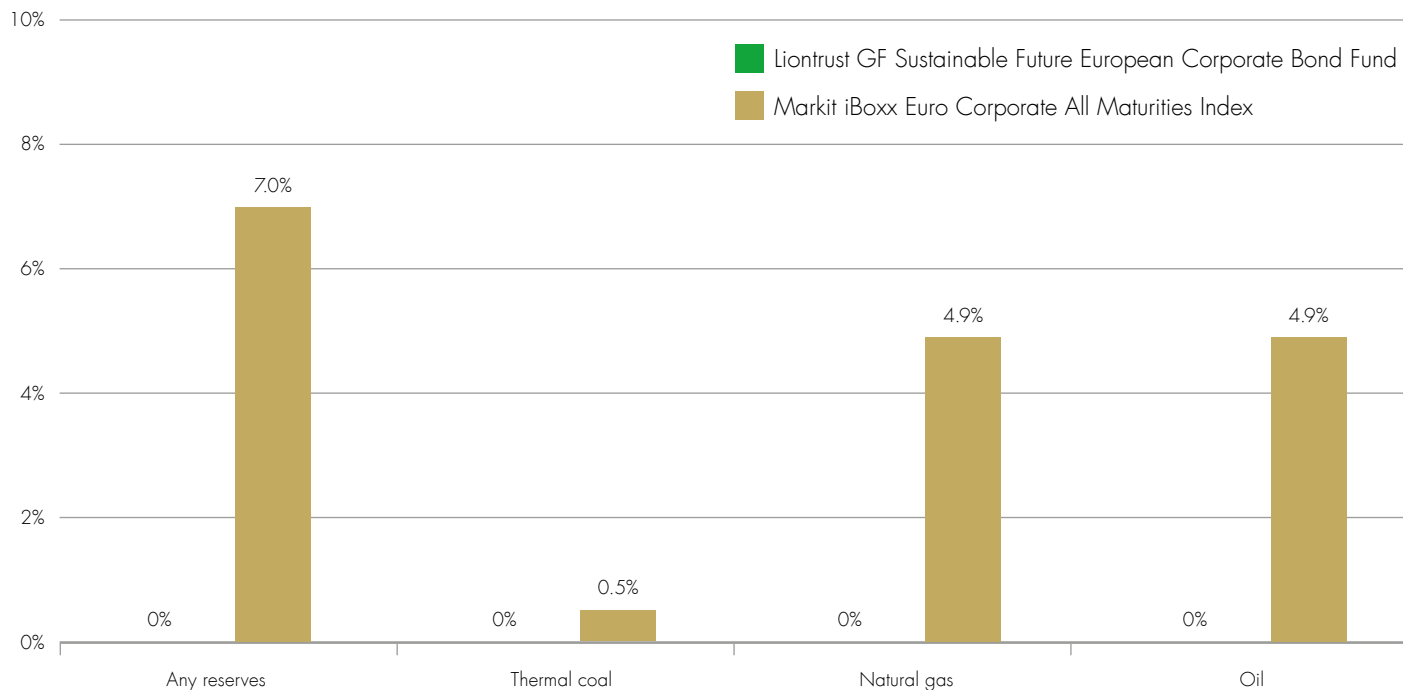
Source: MSCI Carbon Analytics as at 31 December 2023. At the issuer level, Carbon Intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue.

Weight of holdings owning fossil fuels and potential emissions

Based on the third-party available data (which covers 78.3% of the fund's holdings and 81.8% of the benchmark), the fund holds no exposure to fossil fuel reserves. Our own additional analysis

concludes that we are not holding companies with significant exposure to fossil fuel reserves in any companies not covered by this data set. Fossil fuel reserves include coal, gas, and oil reserves.

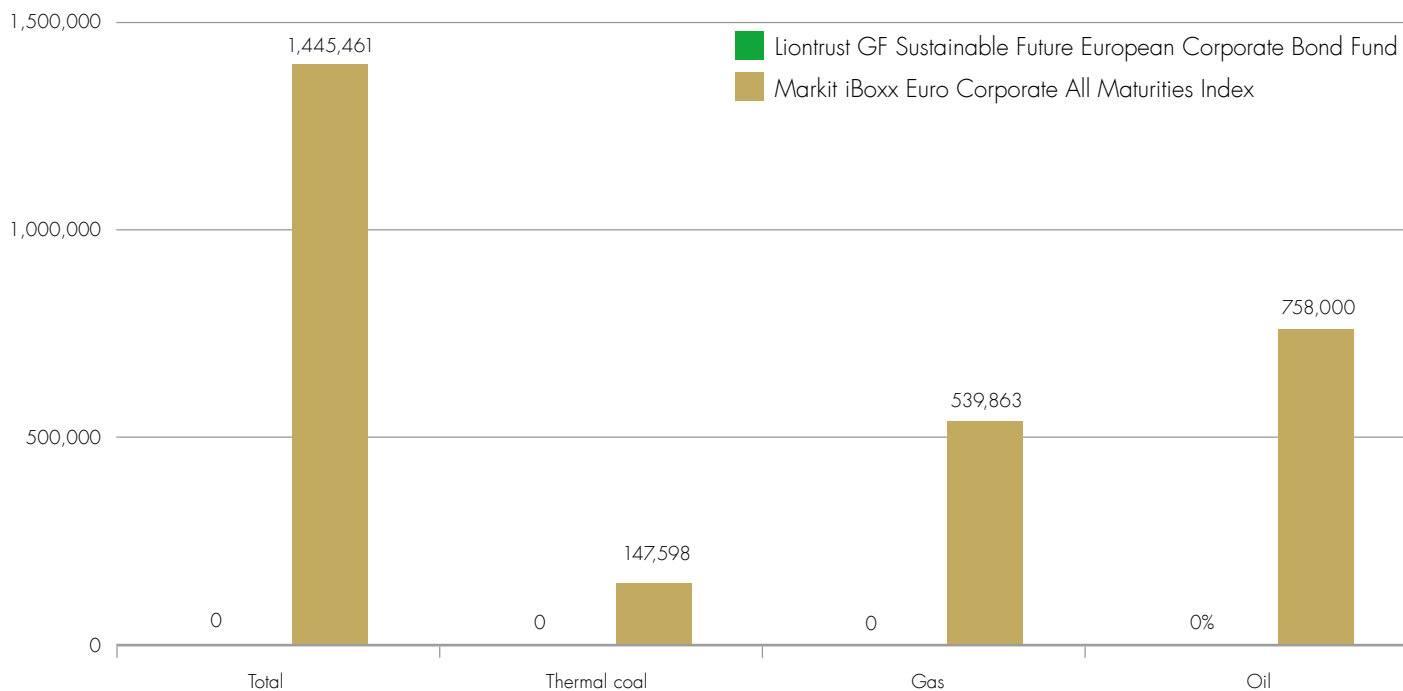
Weight of holdings owning fossil fuels



Source: MSCI Carbon Analytics and Liontrust as at 31 December 2023. The Markit iBoxx Euro Corporates Index is the comparator benchmark for this fund.

Potential emissions from fossil fuel reserves

Tons CO2e



Source: MSCI Carbon Analytics and Liontrust as at 31 December 2023. The Markit iBoxx Euro Corporate All Maturities Index is the comparator benchmark for this fund.

All Fund holdings

Alphabetical list showing all holdings in the fund along with their sector, our Sustainability Matrix Rating and Sustainable investment theme.

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Annington Funding Plc	Real Estate	A3	Building better cities	Annington is one of the UK's largest private residential landlords, with more than 40,000 homes across the country. The company is holding to address the UK's housing crisis through the provision of affordable housing at a significant discount to market rents, while also refurbishing and redeveloping around 500 properties per annum for sale or rent at competitive prices.
Assicurazioni Generali Spa	Insurance	B2	Insuring a sustainable economy	Assicurazioni Generali offers life and non-life insurance and reinsurance throughout the world. The company offers life, health, accident, automobile, marine, aviation, transport, fire, general liability, and credit insurance and reinsurance. It is contributing to a sustainable economy through the reduction of risk and the mitigation of financial impact for the policyholder, thereby producing a safety net for people and business in times of catastrophe.
AT&T Inc	Telecommunications	B3	Connecting people	AT&T engages in the provision of telecommunications, media and technology services, primarily to consumers and businesses in the US, while its Latin America arm provides entertainment and wireless as well. It also operates Warner Media, which produces and distributes films, television and gaming. The company is currently in the process of refocussing its primarily on communications services, which play a pivotal role in the transition to digital infrastructure, promoting digital inclusion and reducing the digital divide across underserved segments of the population.
Aviva Plc	Insurance	B2	Insuring a sustainable economy	Aviva is an international insurance company that provides all classes of general and life assurance, including fire, motor, marine, aviation, and transport insurance. The company also supplies a variety of financial services, including unit trusts, stockbroking, long-term savings, and fund management.
Banco Santander SA	Banks	B2	Increasing financial resilience	Banco Santander attracts deposits and offers retail, commercial and private banking, and asset management services, offering consumer credit, mortgage loans, lease financing, factoring, mutual funds, pension funds, insurance, commercial credit and investment banking services. The group's financial resilience is supported by its geographical diversification (Spain / UK / US / LATAM), along with flexibility to allocate capital throughout its subsidiaries.

Source: Liontrust / Factset, 31 December 2023

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Barclays PLC	Banks	C3	Increasing Financial Resilience	Barclays is a global financial services provider engaged in retail banking, credit cards, wholesale banking, investment banking, wealth management, and investment management services. Notwithstanding its investment banking operation, it is supported by strong credit ratings and international diversification that primarily focuses on retail banking and SME lending that is supportive of economic growth.
Blackstone Property Partners Europe Holdings SARL	Real Estate	C3	Portfolio Construction/ Diversification	Blackstone Property Partners Europe is an open-ended private equity fund focussed on "core plus" real estate investments, with its €13.3 million portfolio predominantly focussed on logistics assets, as well as the office and residential segments across 14 countries. Logistics real estate landlords play an increasingly pivotal role in global supply chains, particularly given the recent acceleration in the shift to e-commerce which requires 3 times more warehouse and logistics space than traditional brick-and-mortar business models, hence improving the sustainability credentials of these properties is becoming increasingly important. A 2021 study revealed that online shopping and home delivery from urban & core fulfilment centres holds substantial environmental advantages over traditional brick-and-mortar retail including: 36% fewer overall GHG emissions, 50% fewer transport-related emissions, and a 10% reduction in carbon footprint per package.
BNP Paribas	Banks	B4	Increasing financial resilience	BNP Paribas attracts deposits and offers commercial, retail, investment, and private and corporate banking services. The Bank also provides asset management and investment advisory services to institutions and individuals in Europe, the United States, Asia, and the emerging markets. This is a well-diversified financial institution by product, with over 60% of revenues generated from higher-rated revenue streams.
BPCE	Banks	B3	Insuring A Sustainable Economy	BPCE operates as a bank. The Bank provides personal banking, insurance, loans, real estate financing, asset management, investment solutions, payments, and other financial services.

Source: Liontrust / Factset, 31 December 2023

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
British Telecom Plc	Telecommunications	B1	Connecting people	BT is the UK's incumbent telecommunications operator, offering consumers mobile, broadband, home phone and television services, while its enterprise segment sells communications and information technology services to businesses. Its Openreach segment builds and manages the UK's fixed network digital infrastructure, connecting homes and businesses. Digital infrastructure is a critical part of a sustainable economy, promoting digital inclusion and reducing the digital divide across underserved segments of the population, improving quality of life for people in developed and emerging countries, enabling other sectors of the economy to function effectively (e.g. healthcare, education etc.) and helping people stay connected.
Cellnex Telecom Sau	Telecommunications	B2	Connecting people	Cellnex is a leader in telco and broadcasting infrastructure in Europe and enables MNOs to use its infrastructure rather than have its own footprint of passive infrastructure, which can free up MNO balance sheets and increase investment in active investments. 5G will further boost network capacity and density, necessary for the continued exponential growth in data and our reliance on the digital economy.
Compass Group Finance Netherlands BV	Travel & Leisure	C1	Leading Esg Management	Compass Group provides catering services globally; it serves 5.5 billion meals a year and employs 600k people across 55k client locations. We are holding the company for the way it manages its key Environmental, Social and Governance issues, which we believe are best in class and leads to superior growth and margin progression over the long run.
Cooperatieve Rabobank UA	Banks	B1	Increasing Financial Resilience	Cooperatieve Rabobank U.A. operates as a bank, offering personal, wholesale, international, and retail banking services. Cooperatieve Rabobank has historical ties to the food and agriculture sectors, accounting for circa 50% of corporate lending. The organisation has a stated mission of making a significant contribution to welfare and prosperity in the Netherlands as well as aiming to make a substantial contribution to feeding the world sustainably. Moreover, the majority of their corporate lending is to SME, consistent with aim of supporting economic growth in the Netherlands.

Source: Liontrust / Factset, 31 December 2023

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Credit Agricole	Banks	C3	Increasing Financial Resilience	Credit Agricole, through its subsidiaries designs and manages specialised financial products and specialised financial services including management and securities, insurance, consumer finance, private banking, and leasing and factoring. Their financial resilience is supported by strong management, with very low levels of controversies over the years, helped by strong and a commitment to maintaining extremely strong levels of both capital and liquidity and managing risk prudently over the cycle. Within their corporate lending they target financing positive impact sectors, e.g. renewable energy/ agriculture, along with their issuance green bonds.
Deutsche Telekom AG	Telecommunications	B3	Connecting people	DT is the German incumbent telecommunications operator, providing services in Germany, the United States and Europe through its fixed and mobile networks for consumers and businesses. The company plays a pivotal role in the transition to digital infrastructure, with the leading fiberoptic network in nearly all of its markets, which forms a critical part of a sustainable economy.
Experian Finance Plc	Industrial Goods & Services	B3	Increasing financial resilience	Experian is a market leading global information services company, with credit information on 1.3 billion consumers and 163 million businesses across 45 countries. Its business-to-business division helps lenders and borrowers to access and distribute debt responsibly. Its consumer services division helps individuals to access the financial services they need and better understand their credit profile and financial position, supporting social and economic development and reducing financial exclusion.
Glaxo Smithkline Corp	Health Care	A2	Providing affordable healthcare	GlaxoSmithKline is a large UK pharmaceutical conglomerate. It manufactures and markets branded pharmaceutical and vaccine therapeutics. It also has a Consumer Healthcare business, which is readying for a spin off in 2022.
Haleon US Capital LLC	Health Care	B2	Enabling Healthier Lifestyles	Haleon is a consumer healthcare business formed by the combination of GlaxoSmithKline and Pfizer's consumer healthcare units.

Source: Liontrust / Factset, 31 December 2023

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
HSBCHoldings Plc	Banks	C1	Increasing financial resilience	HSBC is a global bank that provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking, and insurance. Its diverse business model and high levels of capital and liquidity make this one of most financially resilient banks in the UK.
Iberdrola	Utilities	B2	Increasing electricity from renewable sources	Iberdrola is a leading global utility, engaging in the generation, distribution, trading, and marketing of electricity. A further investment of euro75bn over the next five years will see a doubling of Iberdrola's renewable energy capacity, accelerating the move towards a low carbon economy.
Infrastrutture Wireless Italiane Spa	Telecommunications	B2	Connecting people	INWIT is Italy's leading towers operator, providing passive infrastructure transmission equipment for telecommunications operators. It invests in new technologies to improve network coverage and density, in order to meet the greater capacity requirements from rising demand for mobile data services and ensure stable and reliable connections. The company plays a crucial role in accelerating the transition towards digital infrastructure, which forms a critical part of a sustainable economy.
ING Groep NV	Banks	B2	Increasing financial resilience	ING Groep is a global financial institution, providing retail and wholesale banking services to private clients, small businesses, large corporations, financial institutions, and governments. Its product rating is supported by its strong emphasis on retail banking, with circa 80% of revenues derived from retail banking and SME lending that is consistent with our financial resilience theme.
Intercontinental Hotels	Travel & Leisure	C1	Leading ESG management	Intercontinental Hotels Group is one of the world's leading hotels companies. The company operates a diverse portfolio of hotel brands from high end luxury to affordable functional. IHG is committed to create a safe, inclusive environment for guests, while taking positive actions to help hotel owners in managing their impact on the environment.

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Kerry Group Plc	Food & Beverage	C1	Delivering healthier foods	Kerry is one of the largest and most technologically advanced ingredients and flavours technology companies. The company is an integral part of food manufacturing value chain, covering a broad range of expertise including flavour, texture and nutrition in a complete solution. The company is able to reformulate recipes to improve the nutritional content (reducing salt, sugar and fat) while maintaining taste and texture.
Koninklijke Ahold NV	Retail	C1	Better monitoring of supply chains and quality control	Ahold Delhaize is one of the world's largest food retail groups, leading in both supermarkets and e-commerce. It is working to reformulate own brand products to reduce salt, sugar and fat while increasing vitamins, whole grains and fibre. Origin and nutritional value is being made more transparent on packaging enabling customers to make better choices in terms of health and sustainability.
Lloyds Banking Group Plc	Financials	B1	Increasing Financial Resilience	Lloyds Banking Group, through subsidiaries and associated companies, offers a range of banking and financial services in the UK, including mortgages, pensions, asset management, insurance services, corporate banking, and treasury services. As well as being the leading lender to SME/start-ups in the UK, which is a key driver of long term economic growth, Lloyds also is one of the largest mortgage providers, thus enabling home ownership.
Logicor Financing Sarl	Real Estate	C3	Portfolio construction/ diversification	Logicor operates one of the largest portfolios of logistics real estate in Europe, offering 13.6 million square metres of lettable logistics space across 17 countries. Logistics real estate landlords play an increasingly pivotal role in global supply chains, particularly given the recent acceleration in the shift to e-commerce, which requires three times more warehouse and logistics space than traditional brick-and-mortar business models.
Motability Operations Group Plc	Financial Services	B2	Enabling healthier lifestyles	Motability Operations Group provides transit services, offering finance for the acquisition of vehicles under hire purchase agreement for disabled people.

Source: Liontrust / Factset, 31 December 2023

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
National Grid Plc	Utilities	B2	Improving the efficiency of energy use	National Grid engages in the transmission and distribution of electricity and gas to millions of customers and communities. As operator of the UK electricity grid, it plays an important role in investing to upgrade the grid to be fit for the energy transition towards an ultra-low carbon economy by enabling more renewables as well as upgrading infrastructure for electric vehicle charging points and heat pumps.
National Westminster Bank Plc	Banks	B2	Increasing financial resilience	NatWest is a UK-focused bank that operates retail and commercial operations, providing consumer loans, asset and invoice finances, commercial and residential mortgages, credit cards, and financial planning services, as well as life insurance. NatWest's corporate lending is focused on the areas we view as being most beneficial to sustained economic growth, namely SME lending, leasing and factoring and traditional retail banking.
Nationwide Building Soc	Banks	B1	Building better cities	Nationwide Building Society is a UK-based mutual that provides financial services, offering saving accounts, investment and financial advice, loans, credit cards, retirement, mortgage, and insurance services. Almost all of Nationwide's loan book (94%) relates to mortgages, which we view as a positive to society. Risk management has been robust over time, with extremely low levels of loan losses and a commitment to working with clients that experience financial difficulties.
Orsted A/S	Utilities	A1	Increasing electricity from renewable sources	Ørsted engages in the provision of renewable energy solutions and is the world's largest developer and operator of offshore wind. Ørsted has firmly embraced the energy transition, transforming its business over the last decade to become the global leader in offshore wind.
Phoenix Group Holdings	Insurance	B3	Insuring a sustainable economy	Phoenix Group Holdings operates as a holding company. The company, through its subsidiaries, provides life insurance and pension funds services and is contributing to a sustainable economy by de-risking clients' pension portfolio and assisting them saving for their future.

Source: Liontrust / Factset, 31 December 2023

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Prologis Euro Finance LLC	Real estate	C2	Portfolio Construction/ Diversification	Prologis is the world's leading owner, operator and developer of logistics real estate, offering 984 million square feet of lettable space across 19 countries. Logistics real estate plays a crucial role in global supply chains, particularly given the recent acceleration in the shift to e-commerce which requires 3 times more warehouse and logistics space than traditional brick-and-mortar business models. It sees \$2.1 trillion worth of goods pass through its distribution centres annually, equal to 2.5% of global GDP, supporting global economic growth.
Relx Finance BV	Media	B1	Providing education	RELX provides information and analytics solutions for professional and business across industries mainly in the US, while also operating an exhibitions business. It is the world's largest publisher of scientific, technical and medical academic research, providing educational content to help institutions and professionals progress science, advance healthcare and improve performance.
SEGRO Capital SARL	Real estate	C1	Leading Esg Management	SEGRO is a leading pan-European owner, manager and developer of logistics real estate, offering 9.6 million square metres of lettable warehouse space. Logistics real estate landlords play an increasingly pivotal role in global supply chains, particularly given the recent acceleration in the shift to e-commerce which requires 3 times more warehouse and logistics space than traditional brick-and-mortar business models, hence improving the sustainability credentials of these properties is becoming increasingly important. A 2021 study revealed that online shopping and home delivery from urban & core fulfilment centres holds substantial environmental advantages over traditional brick-and-mortar retail including: 36% fewer overall GHG emissions, 50% fewer transport-related emissions, and a 10% reduction in carbon footprint per package.
Scottish & Southern Energy Plc	Utilities	B1	Increasing electricity from renewable sources	SSE engages in the generation, transmission, distribution, and supply of electricity. It operates through the following segments: Networks, Retail, and Wholesale.
SNAM Spa	Utilities	C1	Improving the efficiency of energy use	SNAM is one of the world's leading energy infrastructure operators, heating millions of homes and contributing to energy security. It is investing heavily in supporting the energy transition in areas such as biomethane, energy efficiency, sustainable mobility and hydrogen.

Source: Liontrust / Factset, 31 December 2023

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Societe Generale SA	Banks	C2	Increasing financial resilience	Societe Generale attracts deposits and offers commercial, retail, investment, and private banking services, while offering consumer credit, vehicle lease financing, information technology equipment leasing, life and non-life insurance, custodian services, trade and project financing, currency exchange and treasury services. There is a strong focus on lending to SME & micro businesses in its domestic and international markets, with an established track record of operating in Africa.
Standard Chartered Plc	Banks	C2	Increasing financial resilience	Standard Chartered is an international banking group operating principally in Asia, Africa, and the Middle East offering products and services in the personal, consumer, corporate, institutional and treasury areas. It specialises in facilitating domestic and international trade in over 60 countries, including a number of under-banked emerging market countries, thus contributing to the economic growth profile across the globe.
Swiss Reinsurance Co Ltd	Insurance	B1	Insuring a sustainable economy	Swiss Re offers reinsurance, insurance, and insurance-linked financial market products. The company offers automobile, liability, accident, engineering, marine, aviation, life, and health insurance. Swiss Re also manages fixed-income and equity investments for itself and other insurance companies, contributing to a sustainable economy through the reduction of risk and the mitigation of financial impact for policyholders.
Tennet Holding BV	Utilities	B3	Improving the efficiency of energy use	TenneT engages in the provision of electricity and is a leading transmission system operator (TSO) services through its subsidiaries. It provides services and performs duties aimed at developing the electricity market, ensuring it functions properly.
Telefonica Emisiones SA	Telecommunications	B2	Connecting People	Telefonica is the Spanish incumbent telecommunications operator but also has a broader global footprint with over 345 million customers worldwide, across Spain, Hispanoamerica, Germany, Brazil and the UK. Its presence in emerging markets provides crucial digital infrastructure in countries where reliable physical infrastructure is absent, enabling economic growth and reducing the digital divide.
Veolia	Utilities	A2	Improving Management Of Water	Veolia engages in the provision of water and waste management services through its subsidiaries. It operates through the following segments: Water, Recycling and Recovery, Environmental Technology and Solutions (ETS), and Other.

Source: Liontrust / Factset, 31 December 2023

All Fund holdings

Company name	Sector	Sustainability Matrix	Sustainable investment theme	What this company does and how it contributes to a more sustainable economy
Veralto Corporation	Industrial Goods & Services	B4	Improving Management Of Water	Veralto is a US business which operates in two areas: 60% of the business relates to the management of water including instrumentation to measure water quality, water treatment equipment and membranes. The remainder of the business is involved in specialist printing which helps with supply chain traceability and ensuring product labelling meets regulatory guidelines.
Verizon Communications Inc	Telecommunications	B2	Connecting people	Verizon is one of the world's largest providers of communications products and services to consumers and businesses, providing consumer wireless and wireline communications services, video and data services, and security and managed network services, helping people to stay connected and conduct businesses across the globe. The company plays a pivotal role in the transition towards digital infrastructure, with the leading 5G network in the US, which forms a critical part of a sustainable economy.
Vodafone Plc	Telecommunications	B2	Connecting people	Vodafone is one of the largest telecommunications operators globally. It serves consumers and businesses, providing mobile, fixed line, voice and converged services as well as ICT solutions. The company plays a crucial role in facilitating the transition towards digital infrastructure, an essential component of a more sustainable economy.
Vonovia SE	Real Estate	B3	Portfolio construction/ diversification	Vonovia is a large European private residential landlord and the leading housing service provider in Germany, Austria and Sweden, managing around 490,000 properties in total, helping to solve the housing shortages in the countries in which it operates.
Zurich Finance	Insurance	B2	Insuring a sustainable economy	Zurich Insurance Group provides insurance-based financial services. The company offers general and life insurance products and services for individuals, small businesses, commercial enterprises, mid-sized and large corporations, and multinational companies, contributing to a sustainable economy through the reduction of risk and the mitigation of financial impact for policyholders.

Source: Liontrust / Factset, 31 December 2023

Other third party ESG measures

We are often asked to provide data on how our Sustainable Future funds are ranked by third party ESG data providers.

MSCI ESG Ratings

	Fund	Benchmark
Weighted average ESG Score	8.13 (AA rating)	7.27 (AA rating)

When the portfolio is independently analysed by MSCI, we can see the ESG scoring is strong, achieving a rating of AA versus the Markit iBoxx Euro Corporate All Maturities Index's average of AA. When we decompose the portfolio score into its constituent E, S and G parts, we can see that the fund outperforms on all fronts.

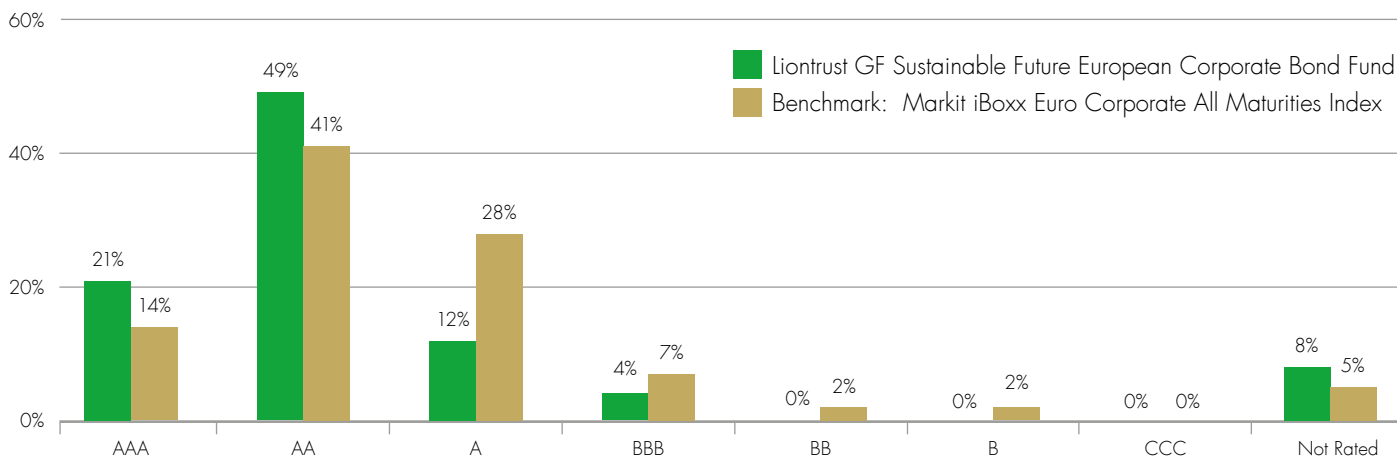
ESG risk exposure

ESG quality scorecard

	Portfolio	Benchmark	Active*
ESG Quality Score (0-10)	8.1	7.3	11.9%
Environmental Score	7.4	7.2	3.3%
Social Score	5.6	5.0	11.7%
Governance Score	6.8	5.8	17.4%

MSCI rating distribution

Below is the rating breakout. We can see that the fund has a significantly higher weight towards higher-rated companies and is underweight the lower-rated companies. Ratings in the fund are compared to the benchmark using the third party data provider (MSCI Analytics).



Source: MSCI Analytics and Liontrust as at 31 December 2023. The Markit iBoxx Euro Corporate All Maturities Index is the comparator benchmark for this fund. *The Active column for ESG Quality Scorecard (scores) uses following logic: $((\text{Portfolio Score} / \text{Benchmark Score}) - 1) * 100$

Additional ESG metrics

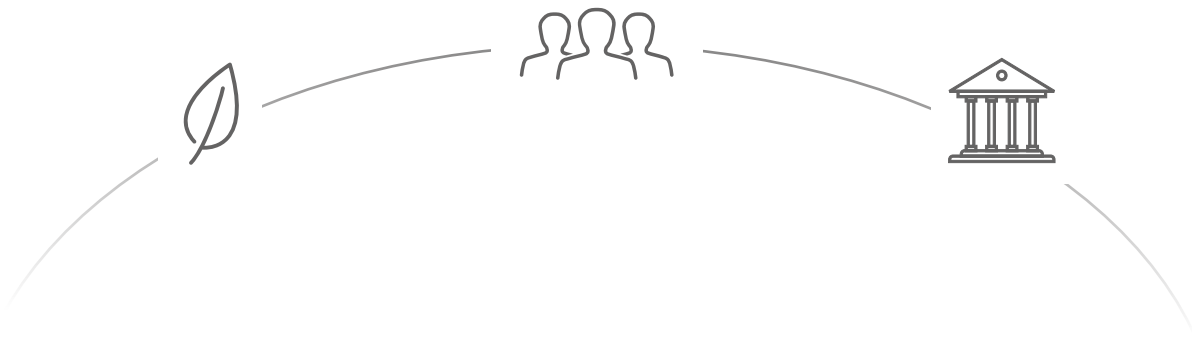
We have committed to disclose additional ESG data for investors in the SF Funds. The following data relating to social, governance and human rights metrics has been requested by investors or sustainability labels. We have engagement and voting policies designed to improve the social, governance, environmental and human rights aspects for the companies in which the fund invests.

Data availability is improving. For example, in the case of staff turnover, where data availability was as low as 20-25% when we first started disclosing this in 2019, it has now nearly doubled. Our engagement priority is to encourage companies to participate in the Workforce Disclosure Initiative, which aims to target companies to report more information on how they manage staff and we believe is contributing to this increased disclosure on social metrics.

For human rights, we use data on the United Nations Global Compact as a proxy. The UN Global Compact is a set of principles to minimise unintended negative impacts in terms of harm to the environment and society and includes a significant amount relating to labour rights and human rights.

We have committed to disclose additional data related to the sustainability aspects of the fund, which we will disclose as part of our reporting cycle every six months.

In terms of environmental impacts, the fund emits considerably less CO₂e per unit invested than the benchmarks (see page 7) and data availability is high (typically in excess of 90%). As for human rights, while the fund has less signatories to the UN Global Compact (principally due to the smaller companies in the fund as compared to the benchmark), the status of the companies is more favourable, with a much lower proportion under 'watch' or 'fail' status as compared to the benchmark (as determined by MSCI ESG Manager).



Additional ESG metrics

Social: staff turnover

	Social: staff turnover	Data coverage	
		% weight	Number of companies
Liontrust GF SF European Corporate Bond Fund	7.8%	71.1%	72.9%
Benchmark: iBoxx Euro Corporate All Maturities Index	7.4%	70.7%	69.0%
Fund relative to benchmark	0.4%		

Governance: % women on board

	% women on board	Data coverage	
		% weight	By number
Liontrust GF SF European Corporate Bond Fund	37.6%	88.7%	91.5%
Benchmark: iBoxx Euro Corporate All Maturities Index	37.6%	95.2%	93.7%
Fund relative to benchmark	0.1%		

Governance: <30% women on board

	<30% women on board (by weight)	Data coverage	
		% weight	By number
Liontrust GF SF European Corporate Bond Fund	3.9%	88.7%	91.5%
Benchmark: iBoxx Euro Corporate All Maturities Index	11.0%	95.2%	93.7%
Fund relative to benchmark	-7.2%		

Governance: number of women on board

	Number of women on board	Data coverage	
		% weight	By number
Liontrust GF SF European Corporate Bond Fund	4.70	88.7%	91.5%
Benchmark: iBoxx Euro Corporate All Maturities Index	4.14	73.9%	70.5%
Fund relative to benchmark	0.56		

Source: MSCI ESG Manager as 31 December 2023. Data coverage includes the % coverage of companies reporting ESG metric and % of fund covered by available data

Additional ESG metrics

Governance: board independence

	% Independent board	Data coverage		Proportion with <50% independent board
		% weight	by number	
Liontrust GF SF European Corporate Bond Fund	73.9%	88.7%	91.5%	1.1%
Benchmark: iBoxx Euro Corporate All Maturities Index	60.3%	71.5%	68.4%	3.6%
Fund relative to benchmark	13.6%			-2.5%

Governance: Joint CEO & Chairman

	Joint CEO & Chairman (by weight)	Data coverage	
		% weight	by number
Liontrust GF SF European Corporate Bond Fund	2.7%	98.9%	98.3%
Benchmark: iBoxx Euro Corporate All Maturities Index	15.5%	100.0%	100.0%
Fund relative to benchmark	-12.8%		

Human Rights: UN Global Compact Signatory

	% Signatories to UN Global Compact (by weight)	Data coverage	
		% weight	by number
Liontrust GF SF European Corporate Bond Fund	70.4%	77.2%	79.7%
Benchmark: iBoxx Euro Corporate All Maturities Index	67.0%	79.0%	75.3%
Fund relative to benchmark	3.5%		

Human Rights: UN Global Compact Status

				Data coverage	
	Pass	Watch List	Fail	% weight	by number
Liontrust GF SF European Corporate Bond Fund	96.7%	3.3%	0.0%	91.6%	94.9%
Benchmark: iBoxx Euro Corporate All Maturities Index	87.2%	12.5%	0.2%	97.1%	96.2%
Fund relative to benchmark	9.5%	-9.2%	-0.2%		

Source: MSCI ESG Manager as 31 December 2023. Data coverage includes the % coverage of companies reporting ESG metric and % of fund covered by available data

Environmental indicator

This fund is 50% less carbon intensive than the benchmark, as measured by the tCO₂e/\$m invested (scope 1+2). Data coverage 78%, source: MSCI Carbon Analytics. Fund positioning on climate change is detailed on pages 7-8 of this report.

Governance indicator

This fund has less joint CEO and Chairman roles than the benchmark (2.7% of fund versus 15.5% for the benchmark). Data coverage 98.9%, source: MSCI ESG Manager. More governance indicators are listed on pages 21-24 of this report.

Social indicator

This fund has a better MSCI Social Quality scorecard than the benchmark (5.6 vs 5.0), source: MSCI ESG Manager. There is a lack of available data for social metrics currently but we are engaging with companies to partake in the Workplace Disclosure Initiative (WDI), which should enable us to disclose more meaningful indicators for the social aspects of the fund.

Human rights indicator

For human rights, we use data on the United Nations Global Compact as a proxy. The UN Global Compact is a set of principles to minimise unintended negative impacts in terms of harm to the environment and society and includes a significant amount relating to labour rights and human rights.

The fund has more signatories to the UN Global Compact and the status of companies in the fund is more favourable, with a much lower proportion under 'watch' or 'fail' status compared to the benchmark (3.3% watch/ 0.0% fail for fund versus 12.5% watch and 0.2% fail for the benchmark) as determined by MSCI ESG Manager (data coverage 91.6%).

Key features

	GF SF European Corporate Bond
Investment Objective & Policy ¹ :	<p>The investment objective of the Fund is to maximise total returns (a combination of income and capital growth) over five years or more through investment in sustainable securities, primarily consisting of European investment grade fixed income securities. The Investment Adviser will seek to achieve this predominately through investing in Euro denominated investment grade corporate bonds, or non-Euro denominated corporate bonds hedged back into Euros.</p> <p>The Fund will invest in debt securities of differing creditworthiness either directly or through derivative positions. It is possible that at certain times, a substantial portion, or the entire Fund could be invested in government bonds, cash or cash equivalents. The Fund will primarily focus on investment grade instruments and maintain an average weighted credit rating of at least 'BBB'. The Fund is not permitted to invest in bonds rated below 'B'. Where instruments are unrated, the Investment Adviser will calculate an internal rating.</p> <p>Investment may be made in developed markets or up to 5% of its net assets in what the Investment Adviser considers to be emerging markets. For the purposes of the Fund, emerging market countries can be defined as all the countries in the world other than those classified as "advanced" by the International Monetary Fund ("IMF"). Although the Fund's investment in emerging markets may be on a worldwide basis, any allocation to emerging markets is expected to be concentrated in the developing countries of Europe. Given the limited permitted exposure to emerging market debt, there are no formal limits on the investment in any one country, with the exception that the Fund is not permitted to invest in Russia. With the exception of permitted investments in unlisted securities, investment by the Fund in securities or in units of open ended collective schemes (subject to a maximum of 10% in collectives), investment is restricted to securities listed or dealt in on the Recognised Exchanges.</p>
Recommended Investment Horizon:	5 years or more
SRI ² :	3
Active / Passive Investment Style:	Active
Benchmark:	The Fund is considered to be actively managed in reference to the iBoxx Euro Corporates All Maturities Index (the "Benchmark") by virtue of the fact that it uses the Benchmark for performance comparison purposes. The Benchmark is not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the Benchmark. For the avoidance of doubt, the Benchmark is not used to measure the sustainable impact of the Fund.
Sustainability Profile	The Fund is a financial product subject to Article 9 of the Sustainable Finance Disclosure Regulation (SFDR).

Notes: ¹ As specified in the KIID of the fund; ²SRI = Synthetic Risk Indicator. Please refer to the KIID for further detail on how this is calculated.



Sustainability indicators

Sustainability indicators and fund objectives to outperform market (on these indicators)

There are six aspects of sustainability of the companies invested in the funds:

Sustainability indicator	Fund objective	Target	Result
Sustainability matrix rating: measuring overall sustainability of a business through the products and services provided as well as quality of ESG management	Only invest in companies that have higher than market median matrix rating (C3 and above)	Weighted average matrix rating of the fund is disclosed and this is better than benchmark median (C3)	Disclosed in fund sustainability report
Exposure to sustainable investment themes	Vast majority (>>50%) of companies/ issuers have moderate (>25% of business exposed to theme). Excludes cash and government bonds. Alignment with SDGs is also disclosed.	Proportion of fund invested in companies associated by theme (>50%) and level of exposure, including weighted average exposure to primary sustainable investment theme (>50%).	Disclosed in fund sustainability report
Environment – climate emergency: as a result of our thematic work and avoidance certain of carbon intensive industries our funds are less carbon intensive than the markets they invest in	Direct emissions (scope1+2) from the fund to be much lower than the benchmark (metric used tCO ₂ e/\$m invested)	At least 50% less carbon emitted from the fund as compared to the benchmark	Disclosed in fund sustainability report
Social metrics: there is a lack of comparable data, currently we use staff turnover as an indicator **	Where social metrics, such as, staff turnover is worse as compared to the benchmark we will engage with the businesses we are invested in to improve management of social issues though our regular engagement or priority engagements (e.g. Workplace Disclosure Initiative)	Engage with companies to better disclose meaningful data to help assess social impacts of the business and where needed, engage to improve metrics.	Disclosed in fund sustainability report and engagement reports

Sustainability indicator	Fund objective	Target	Result
<p>Human rights: we avoid investing in companies that are not adequately managing their adverse impact on people's human rights</p>	<p>The fund aims to be invested in less companies that have been classified as Watch or Fail in relation to the UN Global Compact (as determined by MSCI ESG Manager) as compared to the benchmark</p>	<p>Lower proportion of watch and fail status in relation to UN Global Compact in the fund as compared to the benchmark</p>	<p>Disclosed in fund sustainability report</p>
<p>Governance metrics: we include an assessment of governance in our sustainability matrix rating in determining the quality of management. We disclose a number of key governance metrics for the fund. We will use % of board identifying as women as the indicator for board diversity **</p>	<p>Where a governance metric is worse than the market average we will continue to engage with business we are invested in to improve it through our regular engagement or priority engagements (e.g. increasing diversity)</p>	<p>Engage with companies in the fund to improve the most important aspects of governance (and over time) to be better than the benchmark</p>	<p>Disclosed in fund sustainability report and engagement reports</p>

** As availability and quality of metrics improve we may change and expand our use of them.



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