

LIONTRUST DIVERSIFIED REAL ASSETS FUND (“the Fund”)

Taskforce for Climate-Related Financial Disclosures (TCFD) Product Report
Covering 1 January 2023 to 31 December 2023

Purpose of this report

Under the rules of the Financial Conduct Authority (FCA), Liontrust is required to publish information annually on product level (fund) TCFD disclosures so that investors may have a better understanding of the climate-related risks and opportunities associated with this fund and its underlying holdings. This report is published in line with the requirements of the FCA and TCFD. To understand the governance, strategy and risk management that Liontrust has in place to manage the risks and opportunities related to climate change, please refer to the Liontrust Entity TCFD report found at: www.liontrust.co.uk/TCFD/entity-report Where there are any material deviations in this report from the TCFD recommendations, they shall be clearly explained in the entity report.

The following report has been prepared using data from MSCI. In order to ensure that the data provided is representative of the Fund, Liontrust has only reported on data points where there is a minimum data coverage of 60%. Liontrust will review this minimum threshold and will look to increase its disclosures as MSCI data coverage levels improve.

Key Information

Fund Name	Fund Management Team	ISIN	Fund Size*	Fund Base Currency
Liontrust Diversified Real Assets Fund	Multi-Asset ("the Team")	GB00BMP2ZL03	149,662,951	GBP

*as at 31 December 2023

Objective & Policy

- The Fund seeks to achieve growth from a combination of income and capital growth.
- The Fund invests at least 80% of its assets in a diversified portfolio of real assets.
- The Fund will gain exposure to these real assets through investment in real estate investment trusts (REITs), investment trusts, equities, debt instruments (bonds), collective investment schemes and exchange traded instruments.
- The Fund may also invest directly or indirectly (through other collective investment schemes) into a broader range of asset classes and financial instruments including limited partnership interests, financial contracts that derive their values from those of other investment instruments or indices (derivatives), and deposits. The fund is limited to investing 10% of its assets in other open-ended collective investment schemes.
- The Fund's portfolio will be diversified by geography and sector, however, the Investment Adviser may decide to hold a more concentrated portfolio at certain times (i. e. where market factors dictate or at times of significant subscriptions and redemptions in the Fund) and it is possible that a portion of the Fund could be invested in cash or Money Market Instruments directly or indirectly.
- The Fund may use derivatives in a limited capacity to help achieve the investment objective (investment purposes) as well as to reduce risk or to manage the Fund more efficiently (often referred to as "efficient portfolio management").
- The Fund may also engage in stock-lending and borrowing.

Investment Process

The Real Asset investment process will invest in a diverse range of assets (including investments in infrastructure, renewables, commodities, inflation linked assets and specialist property) that tend to exhibit lower levels of correlation with equity and bond markets. The asset classes and their relative weights are primarily selected on the basis of the consistency of investment returns and the risks related to each asset class. Investments within each asset class will be based on the strength and the stability of the issuer as well as the Investment Adviser's expectations of their future prospects. The Fund invests in both grow and defensive assets with the allocations changing according to the view of the business cycle. A combination of quantitative and qualitative signs leans the Fund into areas of the market that provide the best risk adjusted returns. The process selects securities with: 1) Real returns – cash flows directly or indirectly linked to inflation and benefit from secular trends; 2) Strong corporate fundamentals – transparent business models, appropriate leverage and high-quality management; 3) Dividend sustainability – a stable and/or growing dividend cover for income securities; 4) Valuations – not overpaying for companies. The fund manager aims to ensure there is no single risk or factor that dominates the overall risk of the portfolio. The fund managers construct the portfolio to seek to deliver alternative sources of risk and returns from traditional equities and bonds. As a daily dealing alternative fund, maintaining a high liquid profile is essential. Individual holding weights are determined by both conviction and liquidity. As a number of real assets provide critical infrastructure and/or essential services their earnings may be less exposed to the economic cycle versus traditional equities. But other subsectors such as commodities are more directly linked to the growth cycle. Some real asset sectors such as listed property companies (REITs) and infrastructure companies can be relatively more sensitive to interest rates.

Fund Information

Climate-related commitments

The Fund has not made any climate-related commitments.

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Governance of climate-related risks and opportunities

- Liontrust has a strong governance structure in place around its Responsible Capitalism (“RC”) platform and approach to ESG integration. For details on this, please see the dedicated TCFD section on Liontrust’s website (www.liontrust.co.uk/TCFD)
- The Team is one of Liontrust’s seven investment teams. Each of Liontrust’s investment teams follows its own, well-documented investment process; each is overseen by the Group’s Portfolio Risk Committee (PRC) and is required to demonstrate how it is adhering to its processes. The PRC is responsible for monitoring portfolio risk for each of Liontrust’s funds.
- Liontrust’s Responsible Capitalism (RC) team leads the Group’s strategy, policies, and activities for the Group’s overall RC approach as well as supports, as needed, the Group’s investment teams in their ESG integration and engagement with holdings, particularly on ESG related topics.

Strategy for managing, and management of, climate-related risks and opportunities

The Team’s strategy is to create well balanced multi-asset solutions to provide appropriate risk or return profiles based on client suitability. The Team does not currently have a climate specific strategy. Many of the Team’s underlying managers have climate specific strategies enshrined in their approach to investment management and there is a growing support of these and other sustainability related considerations within the Team’s opportunity set. Additionally, the Team operates with an ethos of engaging with and querying its underlying managers’ approach to understand and identify strengths and weaknesses across investment topics as part of their broader process.

Climate Metrics

Data coverage from MSCI for the required data points is below Liontrust’s 60% minimum threshold. Climate metrics data has therefore not been disclosed for this fund.

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Climate Metrics (continued)

Exposure to carbon intensive sectors

The Fund is not determined to have high exposure to carbon intensive sectors.

For its Multi-Asset portfolios, Liontrust defines having ‘high exposures to carbon intensive sectors’ as those funds which have greater than 60% of market value invested in issuers with energy consumption intensity data and in the following sectors, rebalanced by the sub-portfolio of corporate holdings*: Agriculture, Forestry and Fishing; Mining and Quarrying; Manufacturing; Electricity, Gas, Steam and Air Conditioning Supply; Water Supply: Sewerage, Waste Management and Remediation Activities; Construction; Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; Transportation and Storage; and Real Estate Activities.

Climate Scenarios

Data coverage from MSCI for the required data points is below Liontrust’s 60% minimum threshold. Climate scenario data has therefore not been disclosed for this fund.

Implied Temperature Rise (“ITR”)

Data coverage from MSCI for ITR is below Liontrust’s 60% minimum threshold. ITR data has therefore not been disclosed for this fund.

*NACE codes are one of the commonly used classification systems to categorise the economic activities of firms and have been used to determine whether a holding within the portfolio falls within one of the 'carbon intensive' sectors noted above.

This document provides you with climate-related information for the Fund. It is not marketing material. The information is required by law.

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Past performance does not predict future returns. You may get back less than you originally invested.

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Important information

This document provides information about the Fund and Liontrust Fund Partners. Liontrust Fund Partners LLP (2 Savoy Court, London WC2R 0EZ) is authorised and regulated in the UK by the Financial Conduct Authority (FRN 518165) to undertake regulated investment business. Liontrust Fund Partners does not give financial or investment advice. This document does not constitute or form part of, and should not be construed as, an invitation to buy or sell units and neither this document nor anything contained or referred to in it shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever. The value of units and the income generated from them can fall as well as rise and are not guaranteed; investors may not get back the amount originally subscribed. Investors should not purchase the Fund referred to in this document except on the basis of information contained in the Fund's Prospectus. We recommend that investors who are not professional investors should contact their professional adviser. The Fund's Prospectus and Key Investor Information Document (KIID) are available from www.liontrust.co.uk or direct from Liontrust.