LIONTRUST GLOBAL SMALLER COMPANIES 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	Benchmark
Liontrust Global Smaller Companies Fund	Global Fundamental ("the Team")	GB00B29MXF68	23,887,034	GBP	MSCI ACWI Small Cap

*as at 31 December 2023

Objective & Policy

- To generate long term (5 years or more) capital growth.
- The Fund is considered to be actively managed in reference to the benchmark(s) detailed above. The benchmark(s) are 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.
- The Fund invests at least 80% in shares of small sized companies across the world. These are companies which, at the time of purchase, have a market capitalisation of under £10 billion. The Fund may also invest up to 20% in companies that are not small sized companies, as well as in other eligible asset classes as detailed within the prospectus.

Investment Process

The fund managers' process is based on the philosophy that change creates investment opportunities. The approach accepts the uncertainty associated with change and seeks to identify, through deep analysis of a company's fundamentals, when change has created an asymmetry of potential returns to the upside. The changes that the companies within the fund seek to exploit sit along a range. At one end is External Change. These changes originate outside of a company and can result in significant beneficial tailwinds. The catalysts for External Change are wide ranging and may include the arrival of a new technology that is transforming an industry, environmental change or demographic change that may take years to work through. At the other end of the range is Internal Change. These changes originate from within a company and enable it to re-engineer itself so that its future is very different from its past. The catalysts for Internal Change may include new management teams, restructuring or pivoting to new business models and products. The team seeks to identify companies that can exploit multiple change catalysts because this is often when change is most pronounced and the potential opportunity most advantageous.

Fund Information

Climate-related commitments

The Fund has not made any climate-related commitments.

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 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 Environmental, Social and Governance (ESG) related topics. The RC team assists this fund with engaging its holdings on climate-related risks and opportunities.

Strategy for managing climate-related risks and opportunities

The Team recognises that climate-related risks and opportunities may be material issues for its underlying holdings over the investable time horizon of the Fund. Where risks and opportunities are material, the Team undertakes engagement with the underlying holdings.

This document provides you with climate-related information for the Fund. It is not marketing material. The information is required by law.
The greenhouse gas (GHG) emissions and carbon metrics represent an aggregation of issuer level data across the Fund that should not be considered as performance indicators within the Fund and may not be taken into account in the management of the portfolio.

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Management of climate-related risks and opportunities

The Team undertakes bottom-up assessments of its holdings to identify and prioritise key risks and opportunities for each holding, which may include those that are climate-related. These assessments are updated at least annually. As part of its investment process, the Team engages each holding on its key, material issues (as identified and prioritised by the Team). These engagements may impact the conviction score that the Team assigns to a holding. A rise or fall in conviction score may, in turn, impact the size of the holding in the Fund.

Climate Metrics

Metric	Data coverage (%)	2023	2024	2025
Scope 1 and 2 greenhouse gas emissions (tCO2e)	90.8%	1,484.5		
Scope 3 greenhouse gas emissions (tCO2e)	89.2%	15,132.0		
Total carbon emissions (1+2+3) (tCO2e)		16,616.4		
Total carbon footprint (tCO2e/$m invested)	90.8%	49.0		
Weighted average carbon intensity ("WACI") (tCO2e/$m sales)*	90.8%	60.6		

* WACI figure provided does not include sovereigns
Data for the climate-related information in this table is from MSCI.
For further information on these metrics, including how they are defined and associated limitations, please refer to the Glossary at the end of this report.

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Climate Metrics (continued)

Exposure to carbon intensive sectors

The Fund is determined to have high exposure to carbon intensive sectors.

Liontrust defines having ‘high exposures to carbon intensive sectors’ as those funds which have greater than 60% of investments, by portfolio weight, in the following sectors*: 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

Metric	Data coverage (%)	Orderly transition (%)	Disorderly transition (%)	Hothouse World (%)
Policy Climate VaR (Scope 1,2,3)	89.2%	-12.2%	-18.7%	-2.7%
Technology Opportunities Climate VaR	89.2%	1.9%	3.6%	0.5%
Physical Climate VaR**	78.2%	-4.1%	-4.1%	-7.8%
Aggregated Climate VaR		-14.4%	-19.2%	-10.1%

****Selected Scenario: Aggressive**

Data for the climate-related information in this table is from MSCI. For further information on these metrics, including how they are defined and associated limitations, please refer to the Glossary at the end of this report.

Commentary

In both the orderly and disorderly transition scenarios, Policy Climate VaR is the most significant driver of impact. This is due to the anticipated costs borne by holdings to adhere to policy requirements to achieve a 1.5°C world eroding more capital. This trend is more pronounced in the disorderly transition as it is assumed that policy response is delayed and would therefore need to be more aggressive to achieve a 1.5°C world. Physical Climate VaR is the most significant driver of impact in the hothouse world scenario. This is due to increased physical risks from extreme weather events.

Implied Temperature Rise (“ITR”)

The ITR for the Fund is 2.6°C. It can therefore be categorised as misaligned with regard to the Paris Agreement.
Data coverage for the Fund is 89.2%

Data for this climate-related information is from MSCI. For further information on these metrics, including how they are defined and associated limitations, please refer to the Glossary at the end of this report.

***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.
MSCI Climate VaR and ITR metrics provided in this report may not fully reflect future economic reality and are subject to measurement uncertainties resulting from limitations inherent in nature and should not be construed to represent any belief regarding materiality or financial impact. Climate VaR and ITR are being provided in this report for the purposes of complying with applicable ESG reporting requirements.

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Glossary – Climate-Related Metrics

Term used	Definition	Interpretation	Limitations
Scope 1 greenhouse gas (GHG) emissions*	Scope 1 emissions are direct emissions from owned or controlled sources. Emissions are measured in tonnes of carbon dioxide equivalent (tCO2e)	The higher the emissions of the fund, the greater the extent of the fund's underlying holdings' contribution to GHG emissions.	Data used may include estimates.
Scope 2 greenhouse gas (GHG) emissions*	Scope 2 emissions are indirect emissions from the generation of purchased energy. Emissions are measured in tonnes of carbon dioxide equivalent (tCO2e)	The higher the emissions of the fund, the greater the extent of the fund's underlying holdings' contribution to GHG emissions.	Data used may include estimates.
Scope 3 greenhouse gas (GHG) emissions*	Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. Emissions are measured in tonnes of carbon dioxide equivalent (tCO2e)	The higher the emissions of the fund, the greater the extent of the fund's underlying holdings' indirect contribution to GHG emissions.	Data used may be modelled.
Total carbon emissions	Total carbon emissions are the sum of Scope 1, Scope 2 and Scope 3 emissions.	The higher the emissions of the fund, the greater the extent of the fund's underlying holdings' contribution to GHG emissions.	Data used may include estimates or may be modelled.
Total carbon footprint	Total carbon footprint is total Scope 1 and 2 carbon emissions for a portfolio normalized by the market value of the portfolio. Total carbon footprint is measured in tonnes of carbon dioxide equivalent per million USD invested (tCO2e/$m invested)	The higher the carbon footprint, the greater the extent of the fund's underlying holdings' contribution to GHG emissions. Total carbon footprint allows for comparison across funds.	Data used may include estimates or may be modelled. Total carbon footprint does not include Scope 3 GHG emissions.
Weighted average carbon intensity (WACI)	WACI is a measurement of a fund's exposure to the carbon intensity of its holdings. WACI is calculated by multiplying the carbon intensity of each holding by the weight of each holding in a portfolio. It is measured in tonnes of carbon dioxide equivalent per million USD of sales (tCO2e/$m sales) WACI figures provided do not include sovereigns	The larger the WACI, the higher the fund's exposure to the carbon intensity of its holdings. WACI allows for comparison across funds.	Data used may include estimates or may be modelled. WACI does not include Scope 3 GHG emissions.
Climate Value at Risk (CVaR)	CVaR is a forward-looking quantitative model that forecasts the present value of future costs and benefits under different potential climate scenarios. Aggregated CVaR is made up of: **Policy Climate VaR** - The value of underlying holdings at risk of being lost due to climate change policies being enacted by countries. These policies will lead to higher carbon prices, which will then impact the business operations of different sectors. **Technology Opportunities VaR** - The profit opportunity available to underlying holdings who can take advantage of the costs that companies will face from 'policy risk'. MSCI measures companies' profit opportunity by assessing the quality of their low-carbon technology patent library. **Physical Climate VaR** - The costs of damage or loss of productivity to underlying holdings from increased incidence and severity of weather events because of climate change: e.g. wildfires, extreme heat, and flooding.	The more negative the CVaR, the higher the potential negative impact on the value of the fund's underlying holdings.	CVaR values reflect costs out to a horizon of 2100, which is not in line with fund investment horizons. Data used is modelled.
Implied Temperature Rise (ITR)	ITR estimates the global temperature increase contribution from a fund's current GHG trajectory. It can show the estimated temperature alignment of funds with global climate targets.	The ambitions of the Paris Agreement are to keep a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature even further to 1.5°C. In this context, the ITR of the fund can be interpreted according to the following Paris-alignment categories: **1.5°C aligned**- ITR of <= 1.5°C **2°C aligned**- ITR of >1.5°C- 2°C **Misaligned**- ITR of >2.0-3.2°C **Strongly Misaligned**- ITR of >3.2°C	Underlying GHG emissions data used may include estimates.

*The allocation base is Enterprise Value Including Cash (EVIC).
All of the metrics listed above are sourced from MSCI.

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Scenario used	Definition
Orderly Transition	Climate scenario which assumes climate policies are introduced early and become gradually more stringent, reaching global net zero CO2 emissions around 2050 and likely limiting global warming to below 2 degrees Celsius on pre-industrial averages. The figure provided relates to the 1.5°C Regional Model of Investment and Development (REMIND) Network for Greening the Financial System (NGFS) Orderly scenario as provided by MSCI.
Disorderly Transition	Climate scenario which assumes climate policies are delayed or divergent, requiring sharper emissions reductions achieved at a higher cost and with increased physical risks in order to limit temperature rise to below 2 degrees Celsius on preindustrial averages. The figure provided relates to the 1.5°C REMIND NGFS Disorderly scenario as provided by MSCI.
Hothouse World	Climate scenario which assumes only currently implemented policies are preserved, current commitments are not met, and emissions continue to rise, with high physical risks and severe social and economic disruption and failure to limit temperature rise. The figure provided relates to the 3°C REMIND NGFS Nationally Determined Contributions (NDC) scenario as provided by MSCI.
Aggressive Scenario for Physical Climate VaR	A scenario which explores the severe downside risk of costs from weather extremes, using a probabalistic modelling framework from MSCI. This scenario was selected to provide a worst-case scenario view from a physical CVaR perspective.

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

MSCI Notice and Disclaimer

Important information