

LIONTRUST SUSTAINABLE FUTURE MONTHLY INCOME BOND 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 Sustainable Future Monthly Income Bond Fund	Sustainable Investment ("the Team")	GB00B44MQ015	610,479,936	GBP	IBOXX GBP Corporates (5-15Y)

*as at 31 December 2023

Objective & Policy

- The Fund aims to produce monthly income payments together with capital growth through investment in sustainable securities.
- Total Return Target Benchmark: The Fund targets a net total return of at least the IBOXX GBP Corporates (5-15Y) index over the long term (rolling 5-year periods).
- The Fund is considered to be actively managed in reference to the benchmark(s) detailed above by virtue of the fact that the performance fees payable to the Investment Adviser are calculated based on the performance of the Fund against one of the benchmarks (IBOXX GBP Corporates (5-15Y)). 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 will invest a minimum of 80% of its assets in investment grade corporate bonds that are sterling denominated or hedged back to sterling.
- The Fund may also invest in government bonds, collective investment schemes (up to 10% of Fund assets), sub-investment grade bonds, other fixed income securities, warrants, cash, deposits and money market instruments.
- The investment objective of the Fund will be achieved through investment in securities that provide or produce sustainable products and services as well as having a progressive approach to the management of environmental, social and governance ("ESG") issues. All investments will be expected to conform to our social and environmental criteria as set out on the Liontrust website (liontrust.co.uk).
- The Fund is permitted to use derivatives and forwards for the purposes of efficient portfolio management and for investment purposes. The Fund will also use derivatives (specifically currency forwards, credit default swaps, interest rate swaps, bond futures and embedded derivatives), to manage the Fund's credit, currency and duration exposures. Please refer to the 'Use of Derivatives' section in the prospectus for further details.

Investment Process

Macroeconomic analysis is used to determine the managers' top down view of the world and this helps shape all aspects of portfolio construction and appetite for risk. After this, the managers aim to focus on high-quality issuers and believe this can reduce bond specific risk. Their assessment of quality is a distinctive part of their process, in which they combine traditional credit analysis with a detailed sustainability assessment based on their proprietary model. The fund managers assess individual bonds for whether they believe the bonds offer attractive long-term returns and for absolute and relative valuations. There is no point in investing in a bond merely because it is cheap relative to others in the sector if the fund managers believe the total returns are not attractive to the end investor. The fund managers seek the best value bonds issued by high-quality issuers across the capital structure, along the maturity curve and that have been issued in the primary credit markets (UK, US and Europe).

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.

LIONTRUST SUSTAINABLE FUTURE MONTHLY INCOME BOND FUND (“the Fund”)

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

Fund Information

Climate-related commitments

The Fund is positioned for an aggressive shift towards an ultra-low carbon economy (as the Team believes the companies it invests in will gain a competitive advantage by adopting a progressive strategy and will be more successful as a result). The Team has committed to:

1. avoid investing in high emitting businesses where there are lower carbon alternatives[*], while
2. seeking to invest in solutions providers who reduce emissions for their customers (within the Team's greater resource efficiency sustainable investment themes[**]) as well as
3. engaging with businesses it is invested in to decarbonise in line with the science as it believes this will give them a competitive advantage. This engagement prioritises investments that contribute the most to the fund's direct emissions.

The Fund is part of Liontrust's initial commitment to the Net Zero Asset Managers' (NZAM) Initiative which aims to achieve:

- By 2025: a 25% reduction in the fund's weighted average carbon intensity (WACI) compared to the fund's benchmark WACI as at end December 2019
- By 2030: a 50% reduction in the fund's WACI compared to the fund's benchmark WACI as at end December 2020

[*] see p7, [**] see p5, p17 of Liontrust Sustainable Investment - How we invest <https://www.liontrust.co.uk/fund-managers/sustainable-investment/sustainable-documents>

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 Sustainable Future funds make use of their Advisory Committee to guide their knowledge on sustainable trends, including the risks and opportunities arising from the climate crisis. (Liontrust Sustainable Investment - How we invest p12) <https://www.liontrust.co.uk/fund-managers/sustainable-investment/sustainable-documents>
- 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 climate-related risks and opportunities

In its thematic analysis, the Team works to better understand the big sustainable trends that are happening and analyse these themes to check which companies will be potential winners or losers from major multi-decade changes in different parts of the economy. The Team looks at the world through the prism of three megatrends, one of which is 'better resource efficiency'. This relates to using resources more efficiently (water, recycling of waste, lower-carbon energy sources and energy efficiency), all of which can result in reduced emissions.

Management of climate-related risks and opportunities

For each business, the Team determines the key ESG factors that are important indicators of future success and assesses how well these are managed via the Team's proprietary Sustainability Matrix. Each company held in the portfolio is given a matrix rating, which analyses product sustainability and management quality. This includes the risks and opportunities for the business in relation to the climate crisis. Only businesses which score better than the market median are eligible for investment in the Fund.

LIONTRUST SUSTAINABLE FUTURE MONTHLY INCOME BOND FUND (“the Fund”)

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

Climate Metrics				
Metric	Data coverage (%)	2023	2024	2025
Scope 1 and 2 greenhouse gas emissions (tCO ₂ e)	<60%	-	-	-
Scope 3 greenhouse gas emissions (tCO ₂ e)	<60%	-	-	-
Total carbon emissions (1+2+3) (tCO₂e)		-	-	-
Total carbon footprint (tCO ₂ e/\$m invested)	<60%	-	-	-
Weighted average carbon intensity (“WACI”) (tCO ₂ e/\$m sales)*	86.5%	65.4	-	-

Where MSCI data coverage is less than 60%, metrics have not been reported in line with Liontrust’s minimum data coverage threshold.

* 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.

LIONTRUST SUSTAINABLE FUTURE MONTHLY INCOME BOND FUND (“the Fund”)

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

Climate Metrics (continued)

Exposure to carbon intensive sectors

The Fund is not 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

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.

LIONTRUST SUSTAINABLE FUTURE MONTHLY INCOME BOND FUND (“the Fund”)

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

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 (tCO ₂ e)	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 (tCO ₂ e)	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 (tCO ₂ e)	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 (tCO ₂ e/\$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 (tCO ₂ e/\$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.
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.

LIONTRUST SUSTAINABLE FUTURE MONTHLY INCOME BOND FUND (“the Fund”)

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

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

MSCI Notice and Disclaimer

Certain information as defined in this paragraph and which is included in this report is sourced from MSCI ESG Research LLC, its affiliates or information providers (together, MSCI). Neither MSCI nor any other party involved in or related to compiling, computing or creating the information makes any express or implied warranties or representations and shall have no liability whatsoever with respect to any information provided by MSCI and contained herein (the Information). The Information may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the Information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

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.