

LIONTRUST SUSTAINABLE FUTURE CORPORATE BOND FUND CLASS 2 GROSS INCOME - GBP

INVESTMENT RESEARCH NOTE

Risk warning: The past is not necessarily a guide to future performance. The value of your investment and the income from it can fall as well as rise and is not guaranteed. You may not get back the full amount invested. Our views are based upon our understanding of current legislation in England. Levels and bases of, and reliefs from, taxation are subject to change and their value to you will depend upon your personal circumstances. You should not act on any of the information without seeking professional advice. clarity Ltd is authorised and regulated by the Financial Conduct Authority (FCA).

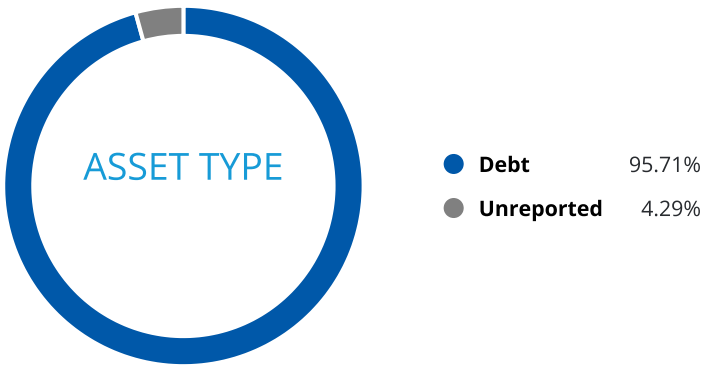
MARCH 2024

SUMMARY

Liontrust is a specialist, independent fund management company launched in 1995 and listed on the London Stock Exchange in 1999. They have eight fund management teams covering global equity regions, fixed income and sustainable investments. The July 2019 acquisition of Neptune Investment Management substantially increased the assets under management.

Three managers run this fund - Stuart Steven, Kenny Watson and Aitken Ross. Steven's is the Head of the Sustainable Future Fixed Income team with over 20 years managing money across fixed income strategies. He joined Liontrust in 2017 as part of the Alliance Trust acquisition, which he joined in 2009. Watson and Ross both joined Steven at Liontrust as part of the Alliance Trust deal. Steven focuses on asset allocation/banks/interest rates; Watson focuses on non-financials and high yield, while Ross looks at non-financials and insurance. The Sustainable Team have managed sustainable funds for over 20 years.

The fund is one of 8 future sustainable funds with a long-only bottom-up security-picking strategy and a macro overlay, conforming to Liontrust's strict ESG criteria. A minimum of 80% will be invested in investment grade corporate bonds with a dominant exposure to BBB bonds. A proprietary generated ESG scoring matrix is used, recognising the inaccuracies of third party ESG data. This, along with a focus on ESG issues such as diversity and climate change to reduce carbon emissions, leads to a Collidr internal ESG score of 4/4.



INVESTMENT PROCESS

The fund's philosophy is based on the belief that sustainable business models are key to the long-term profitability of companies. The managers seek out high-quality companies that are focused on improving people's quality of life in the future, driving resource efficiency or building resilient, prosperous and stable societies. Selection focuses on a diversified list of low correlated positions with a sustainable thematic macro overlay. The fund holds between 60-100 bonds with a focus toward restricting sustained downside risk.

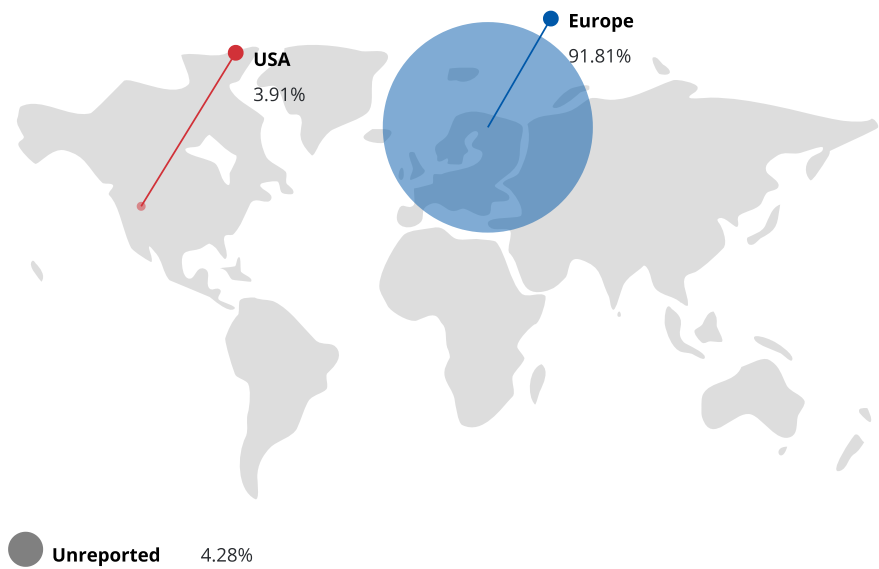
Credit analysis is combined with ESG recognition among names. The initial universe of 500 issuers is filtered down to a focused, high quality list of 100-200 names. The ESG focus looks at the excellence of management toward reducing emergent tail risks. Macro views hone in on interest rate positioning, asset allocation and credit ratings exposures. There is also an ESG review for government bonds, looking at areas like fossil or water usage, CO2 emissions ('E'); education, basic needs ('S'); political governance and democratic rights ('G'). Controversies, armed conflict and sanctions are also screened for. Names then go into a proprietary sustainability matrix, using positive and negative screening, which scores them on product sustainability (how the core business helps or harms society, rated from 'A' to 'E'), and Management Quality (rated from '1' to '5'). A minimum score of C3 is required for a company to be considered for inclusion in the fund.

There is an external Sustainable Future Advisory Committee that meets three times a year. It consists of experts in sustainable development who have a deep knowledge of developing trends in societal, environmental and economic spheres.

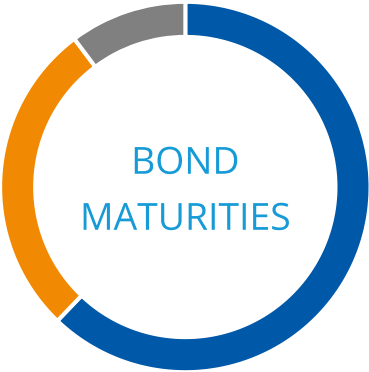
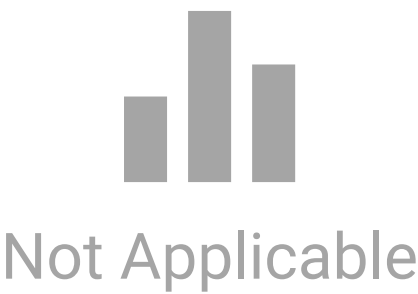
Valuations are assessed on an absolute and relative return basis across all regions and sub-asset classes to moderate downside risk. Derivatives are used only for hedging and efficient portfolio management purposes. From an ESG perspective, the team look at areas such as low carbon, positive impact and active engagement to derive high-quality issuers.

AGGREGATED NET EXPOSURE

REGIONAL EXPOSURE



EQUITY MARKET CAP (%)



Intermediate Term (3-10 yr)	62.14%
Long Term (>10 yr)	27.63%
Unreported	10.23%



Investment Grade	91.02%
Speculative Grade/High Yield	5.90%
Unreported	3.08%

OVERALL PERFORMANCE

● Liontrust Sustainable Future Corporate Bond Fund Class 2 Gross Income ● Bloomberg Barclays Global Aggregate Corporate Total Return Index GBP Hedged

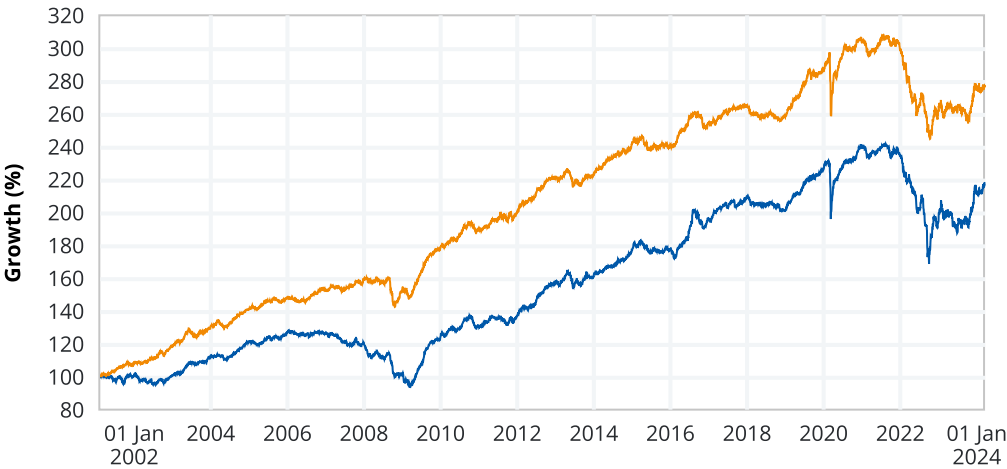
GROWTH (%) - OVER 1 YEAR

3 Apr 2023 - 29 Mar 2024



GROWTH (%) - FROM INCEPTION

21 Feb 2001 - 29 Mar 2024



DRAWDOWN (%) - OVER 1 YEAR

3 Apr 2023 - 29 Mar 2024



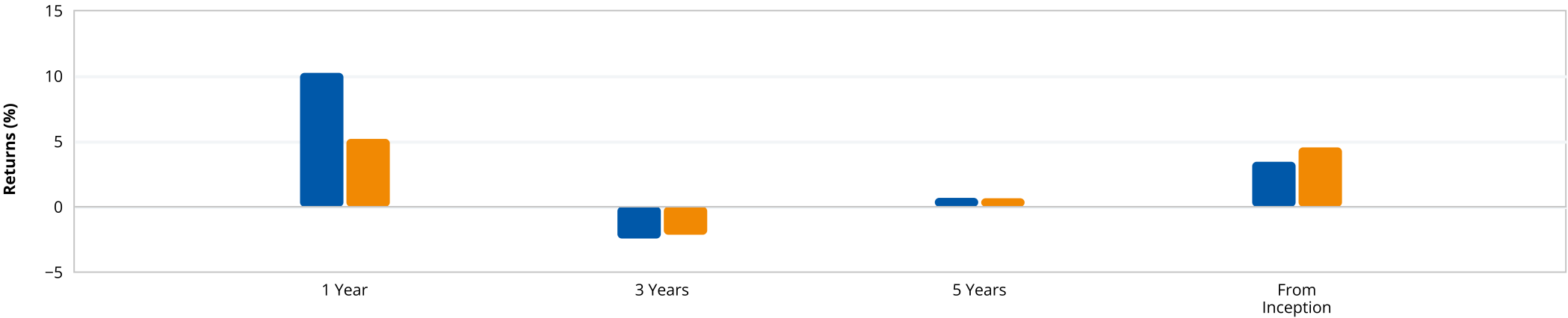
DRAWDOWN (%) - FROM INCEPTION

21 Feb 2001 - 29 Mar 2024



RETURNS

● Liontrust Sustainable Future Corporate Bond Fund Class 2 Gross Income ● Bloomberg Barclays Global Aggregate Corporate Total Return Index GBP Hedged



MONTHLY BREAKDOWN AND YEARLY TOTALS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2024	-0.96	-1.14	3.01										0.85
2023	5.50	-2.67	0.73	1.07	-2.78	-1.87	2.67	-0.32	0.08	-0.12	4.47	6.01	12.98
2022	-2.45	-3.67	-0.40	-2.65	-1.13	-6.02	4.06	-5.86	-10.43	5.84	5.55	-2.46	-19.07
2021	-0.55	-2.38	0.20	1.09	-0.06	0.92	0.70	0.28	-1.70	-0.23	0.12	-0.33	-1.97
2020	2.37	-0.67	-9.34	6.06	1.43	1.74	1.92	-0.47	0.54	0.36	2.15	1.45	7.01
2019	2.07	0.42	2.00	0.58	-0.06	1.75	1.82	1.19	0.33	0.30	0.57	0.22	11.76

Capped to 6 years.

ANNUALISED ROLLING RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
●	10.24	-2.43	0.68	3.44
●	5.19	-2.14	0.65	4.54

CUMULATIVE RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
●	10.16	-7.08	3.41	117.54
●	5.15	-6.26	3.27	177.82

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PERFORMANCE - OVER 1 YEAR

3 Apr 2023 - 29 Mar 2024

	●	●
RETURNS (%)	10.24	5.19
VOLATILITY (%)	7.79	5.38
ALPHA	0.12 *	
BETA	1.30 *	1.00
CORRELATION	0.84 *	1.00
SHARPE RATIO	0.65	0.04
SORTINO RATIO	1.01	0.06
MAX DRAWDOWN (%)	-6.89	-4.69

*Calculated over a 3 year period where history permits.

PERFORMANCE - FROM INCEPTION

21 Feb 2001 - 29 Mar 2024

	●	●
RETURNS (%)	3.44	4.54
VOLATILITY (%)	5.06	4.01
ALPHA	-0.11	
BETA	1.16	1.00
CORRELATION	0.80	1.00
SHARPE RATIO	0.23	0.56
SORTINO RATIO	0.32	0.77
MAX DRAWDOWN (%)	-30.18	-20.56

SIMPLE STRESS TEST DRAWDOWN (%)

3 Apr 2023 - 29 Mar 2024



Stress test notes

The chart shows the calculated drawdown over the last year. The Review Point is the fund intervention point. Any drawdown above this line indicates a typical drawdown in a normal market cycle. Should the drawdown hit the review point, then this indicates that market conditions may be abnormal. This is the point that we would consider taking immediate action for an extreme market event.

DISCLAIMER

Liontrust Sustainable Future Corporate Bond Fund Class 2 Gross Income - GBP | March 2024

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