

**Product name:** Liontrust GF Sustainable Future Pan-European Growth Fund  
**Legal entity identifier:** 549300SV3KTP0SUXTA88

## Sustainable investment objective

### Does this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☐ ☐ ☐ **No**

☒ It will make a minimum of **sustainable investments with an environmental objective: \_25%\_**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective: \_50%\_**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

### What is the sustainable investment objective of this financial product?

The Fund follows a multi-thematic sustainable investment strategy and seeks to achieve the investment objective of capital growth through investment in companies that provide or produce sustainable products and services, as well as having a progressive approach to the management of ESG issues. The Fund will be invested in companies that are positively exposed to three long-term sustainable themes, including (i) better resource efficiency; (ii) improved health; and (iii) greater safety and resilience.

The Fund does not use a specific index designated as a reference benchmark for the purpose of attaining its sustainable investment objective.

### What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Fund has the following indicators to measure attainment of the sustainable investment objective:

1. The Fund's exposure to the sustainable investment themes.
2. The Fund's alignment with relevant UN Sustainable Development Goals (SDGs).
3. The Fund's carbon emissions, based on the weighted average carbon intensity ('WACI').
4. The % of investments removed by the Fund's exclusion policy.
5. The number of votes and engagements carried out.
6. The principal adverse sustainability indicators, as outlined in Annex I of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022.

***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The Fund uses the sustainability indicators mentioned above to define the eligibility of relevant companies as well as a negative and positive screening approach described in the below section "What investment strategy does this financial product follow?" to ensure that the Fund's sustainable investments do not cause significant harm to any environmental or social sustainable investment objective of the Fund.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The Fund considers and mitigates adverse impacts of its investments on society and environment through a combination of portfolio management decisions, engagement, and the exclusion of issuers associated with controversial conduct or activities.

With respect to Tables 1, 2 and 3 of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, the Fund takes into account the following PAI:

In its exclusion policy, which applies limits to % revenues associated with certain activities:

- Table 1, PAIs 4-5 – Greenhouse gas emissions
- Table 1, PAI 7 – Activities negatively affecting biodiversity-sensitive areas
- Table 1, PAIs 10, 11, 14 – Social and employee matters
- Table 2, PAI 3 – Emissions of ozone-depleting substances
- Table 3, PAI 9 – Lack of a human rights policy

In its portfolio management decision-making and engagement activities, by assessing the data associated with certain indicators to e.g. inform engagement topics and stewardship activity:

- Table 1, PAI 1-6 – Greenhouse gas emissions
- Table 1, PAI 7-9 – Biodiversity, Water and Waste
- Table 1, PAI 10-14 – Social and employee matters
- Table 2, PAI 4 – Investments in companies without carbon emission reduction initiatives

More information can be found in the Investment Adviser's screening criteria and exclusion policy, and engagement activity reporting. Please refer to the below section 'Where can I find more product specific information online?' for links to the Investment Adviser's website.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Fund's sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set forth in the 8 “fundamental” conventions identified in the International Labor Organization's Declaration on Fundamental Principles (covering subjects that were considered to be fundamental principles and rights at work, e.g. freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation) and Rights at Work and the International Bill of Human Rights. Alignment is ensured through the application of the Fund's exclusion policy.



### **Does this financial product consider principal adverse impacts on sustainability factors?**

- ☒ Yes, the Fund considers principal adverse impacts (PAI) on sustainability factors through a combination of its exclusion policy, portfolio management decisions and engagement and voting activity, as described below:

With respect to Tables 1, 2 and 3 of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, the Fund takes into account the following PAI:

- In its exclusion policy:
  - Table 1, PAIs 4-5 – Greenhouse gas emissions
  - Table 1, PAI 7 – Activities negatively affecting biodiversity-sensitive areas
  - Table 1, PAIs 10, 11, 14 – Social and employee matters
  - Table 2, PAI 3 – Emissions of ozone-depleting substances
  - Table 3, PAI 9 – Lack of a human rights policy
- In its portfolio management decision-making and engagement activities:
  - Table 1, PAI 1-6 – Greenhouse gas emissions
  - Table 1, PAI 7-9 – Biodiversity, Water and Waste
  - Table 1, PAI10-14 – Social and employee matters
  - Table 2, PAI 4 – Investments in companies without carbon emission reduction initiatives

Further information will be provided in an annex to the Fund's annual report and accounts.

- ☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The Fund aims to provide long-term capital appreciation with a diversified and actively managed portfolio of sustainable equities. In that respect, the Fund invests predominantly in transferable securities such as equities, other equity shares such as co-operative shares and participation certificates issued by, or warrants on transferable securities of, companies which are domiciled worldwide. The Fund uses a combination of financial and non-financial indicators to identify securities. The sustainability criteria are designed to identify companies with strong environmental and social thematic exposures. The Fund follows a multi-thematic sustainable approach. The portfolio will be composed of issuers exposed to long-term sustainable themes, including better resource efficiency, improved health, and greater safety and resilience. The sustainability criteria are designed to identify companies with positive environmental and social impact and aligned with relevant UN SDGs, while still providing long term capital appreciation.

The Fund's sustainable investment process is based on the belief that sustainable companies have better growth and are more resilient than the market gives them credit for. The Investment Adviser focuses its financial analysis on three characteristics (i.e. growth, company quality and earnings quality). The Investment Adviser ultimately seeks to invest in the economy of the future and has identified 21 sustainable themes that contribute in different ways to a cleaner, healthier and safer planet. Further information on these themes can be accessed via the link provided in the below section 'Where can I find more product specific information online?'. The Investment Adviser uses these themes to highlight companies that are on the right side of the transition to a more sustainable world, but such a focus on positive trends also naturally excludes themes that are harming the planet.

The Investment Adviser seeks to invest in companies that proactively manage their interactions with society and the environment. They seek to hold companies that have industry-leading processes in place to manage issues critical to their business. The sustainability profile of each company is assessed based on the Investment Adviser's proprietary sustainability matrix (i.e. rating from A to E and 1 to 5). The rating is two-dimensional; it is based on the sustainability of the product (i.e. "what they do") and the quality of the management (i.e. "how they do it"). In order to be investable, the company score must attain a minimum C3 rating.

### ● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The binding elements of the investment strategy are:

- Application of the Fund's exclusion list, which can be found using the link provided in the below section 'Where can I find more product specific information online?'.
  - The sustainability scoring matrix: Sustainability is integrated into the Fund through three main stages of the investment process: stock selection, portfolio construction and company engagement.
- **Stage 1:** stock selection has four key filters: thematic analysis; sustainability analysis; business fundamentals; and valuation. The first two filters of thematic and sustainability analysis are integrated. The global idea generation approach is emphasised through three mega trends as better resource efficiency (cleaner), improved health (healthier) and greater safety and resilience (safer), and 21 sub-themes. Then the selected companies are given a sustainability rating through the sustainability analysis phase. The business fundamentals must be robust (growth, resilient returns, quality of earnings). The company should pass the internal financial

forecast test to be part of the list of companies that can be investible for the portfolio (the list counts around 150 companies at this step).

- **Stage 2:** portfolio construction diversifies systemic risk while also skewing the portfolio to enhance the overall impact of investments. Selected companies should derive at least 25% of their value directly from at least one of the 21 sub-themes. Thus, only companies which are rated C3 rating or higher will be considered suitable for the Fund. The Investment Adviser has a rules-based approach where it aims to construct a concentrated portfolio of best ideas, of between 45 and 55 stocks. Turnover is typically 10%, representing the long-term nature of the investments.
- **Stage 3:** sustainability drives the engagement with portfolio companies where the Investment Adviser will use its long-term ownership and relationship with management to monitor change in carefully selected areas. The Investment Adviser may also allow for a restricted proportion of companies to have management ratings of 4 (5 is the worst score), recognising that the Investment Adviser can engage with management of these businesses to improve the performance of investee companies with respect to SDG and other ESG indicators.

● ***What is the policy to assess good governance practices of the investee companies?***

The Fund considers good governance as part of the investment decision-making process. Good governance practices are taken into account qualitatively and quantitatively in the process. The Investment Adviser's assessment of good governance is systematically included in the research for each company as part of the decision on whether the business meets the requirements to be eligible for the Fund through the Investment Adviser's proprietary sustainability matrix. The assessment of the quality of management includes the evaluation of the following elements: board structure, board independence, board diversity, key committees and auditors, stakeholder relationships including staff, customers and suppliers, pay alignment of board and staff, and tax compliance. The different geographical contexts and variation in governance good practice is considered in the context of the relevant company's region.

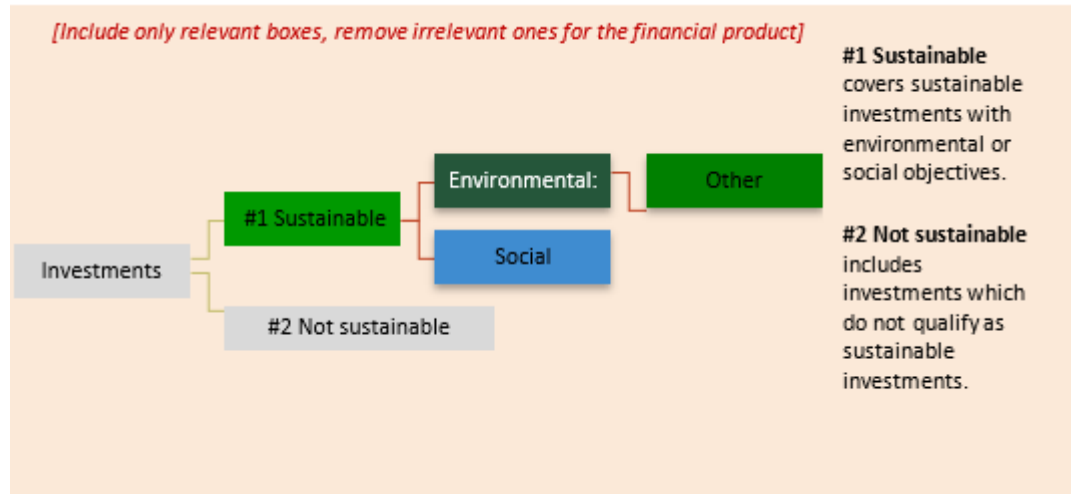


**Asset allocation**  
describes the share  
of investments in  
specific assets.

## What is the asset allocation and the minimum share of sustainable investments?

At least 75% of the Fund's NAV will be aligned with the sustainable investment objective.

Up to 25% of the NAV may not be aligned with the sustainable investment objective falling under #2 Not Sustainable. A more detailed description of the Fund's proposed investments can be found in the prospectus / Fund supplement.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

### ● **How does the use of derivatives attain the sustainable investment objective?**

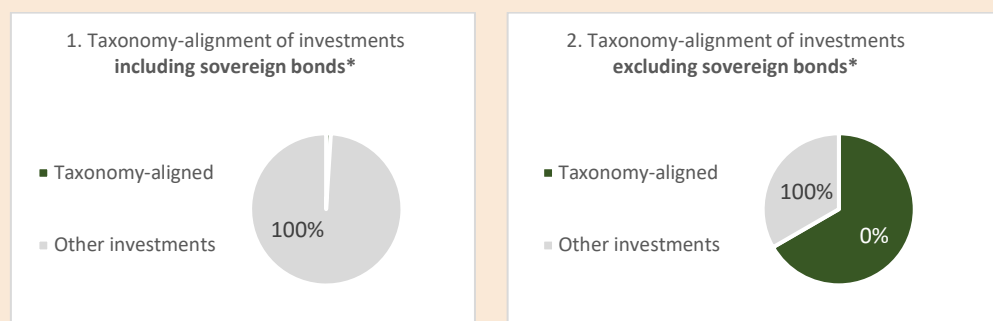
The Fund does not make use of derivatives to attain the sustainable investment objective. Derivatives may be used for hedging, liquidity or efficient portfolio management.



### **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the Fund's net assets.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- **What is the minimum share of investments in transitional and enabling activities?**  
0%

### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**



The Fund commits to make a minimum of 25% sustainable investments with an environmental objective not aligned with the EU Taxonomy.



The Fund intends to make sustainable investments with an environmental objective that are linked to its sustainable investment theme of 'cleaner' and the associated underlying sub-themes (further information can be found on the sustainable investment themes in the 'Where can I find more product specific information online?' section below. There is no requirement for the Fund to invest in sustainable investments with an environmental objective in economic activities that are Taxonomy-aligned.

### **What is the minimum share of sustainable investments with a social objective?**

The Fund commits to make a minimum of 50% sustainable investments with a social objective.



### **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

“#2 Not sustainable” may include cash, cash-like products and derivatives. There are no minimum environmental or social safeguards associated with these investments.





**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.liontrust.co.uk/our-funds/sfdr>

The screening criteria and further information on the sustainable investment themes can be found here:

<https://www.liontrust.co.uk/fund-managers/sustainable-investment/sustainable-documents>