

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR, BANK MANAGER OR PROFESSIONAL FINANCIAL ADVISER, AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000

**PROPOSAL FOR A
SCHEME OF ARRANGEMENT**

in relation to

LIONTRUST EUROPEAN INCOME FUND

(an authorised unit trust established in England and Wales)

with

LIONTRUST EUROPEAN GROWTH FUND

(an authorised unit trust established in England and Wales)

Notice of the Unitholders' Meeting is set out in Appendix F to this document. A Form of Proxy or (if you are an ISA investor) Form of Direction for use in connection with the Unitholders' Meeting is enclosed with this document. If you are unable to attend the Unitholders' Meeting, you are requested to complete and return the enclosed Form of Proxy or Form of Direction (as applicable) in accordance with the accompanying instructions as soon as possible and in any event so that it arrives no later than 5pm on 22 March 2021 (in the case of a Form of Proxy or a Form of Direction). Completing and returning a Form of Proxy or Form of Direction (as applicable) will not prevent you attending and voting at the Unitholders' Meeting should you wish to do so.

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LETTER TO UNITHOLDERS

To all Unitholders in: Liontrust European Income Fund

8 March 2021

Dear Unitholder

Proposal for a scheme of arrangement in relation to Liontrust European Income Fund

- **Discontinuing Fund** – Liontrust European Income Fund,
- **Continuing Fund** – Liontrust European Growth Fund

1 **Introduction**

We are writing to you as a Unitholder in the Discontinuing Fund to inform you of our proposal to merge the Discontinuing Fund with the Continuing Fund. We believe the proposal is in the best interests of Unitholders and would like to call an Extraordinary General Meeting (“**EGM**”) to invite Unitholders to vote on implementation of the merger.

We wrote to you last year to inform you of the departure of the European Income fund management team who managed the Discontinuing Fund until 1 October 2020. Since this date the Cashflow fund management team has been managing the Discontinuing Fund per its existing objective and policy and they also manage the Continuing Fund. The Continuing Fund is proposed based on the similarity of the investment policies as well as the performance track record. It is also believed that, following the proposed mergers, investors will benefit from the economies of scale afforded by the combined funds. As at 29 January 2021, the Discontinuing Fund stood at £71.3m and the Continuing Fund stood at £112.2m. Over the five years to 31 January 2021, the Continuing Fund has returned 77.51% against 61.29% by the MSCI Europe ex UK Index and 63.41% by the IA Europe ex UK sector's average performance. The Manager therefore considers it appropriate to merge the assets of the Discontinuing Fund into the Continuing Fund.

We propose a merger of the Funds involving a transfer of the net assets of the Discontinuing Fund to the Continuing Fund through a formal scheme of arrangement. The net assets of the Discontinuing Fund will become assets of the Continuing Fund. Unitholders in the Discontinuing Fund will receive Units in the Continuing Fund in accordance with the value of their holding in the Unit class of the Discontinuing Fund as at the Effective Date.

The purpose of this document is therefore to provide you with further information about the Continuing Fund and the Scheme. Please see the key dates on page 9 for your information.

2 **Unitholders' Meeting and Extraordinary Resolution**

The proposal requires the approval of an Extraordinary Resolution at a Unitholders' Meeting of the Discontinuing Fund.

Details of the procedure for the Unitholders' Meeting are in Appendix E. Notice of the Unitholders' Meeting is set out at Appendix F convening the Unitholders' Meeting for 10am on 24 March 2021.

The quorum for the Unitholders' Meeting is two Unitholders present in person or by proxy.

Unitholders may choose to vote on the Scheme either by attending the Unitholders' Meeting in person or by completing the Form of Proxy or Form of Direction (as applicable) which accompanies this document.

To avoid an unnecessary adjournment, if you are unable to attend the Unitholders' Meeting we would be grateful if you would complete and return the enclosed Form of Proxy or Form of Direction (as applicable) as soon as practicable.

A completed Form of Proxy or Form of Direction (as applicable) can be returned by post to CMS Ltd Unit 4b Chelmsford Road Ind. Estate, Dunmow, Essex, CM6 1HD. Even if you return a Form of Proxy or Form of Direction (as applicable) you will still be welcome to attend the Unitholders' Meeting and vote if you wish, however, your vote will only count once.

3 **Particulars of the Funds and Key Differences**

The Continuing Fund is similar in all material respects to the Discontinuing Fund, save for the differences outlined in Appendix B and summarised as follows:

- Some Units in the Discontinuing Fund are Accumulation Units meaning that any income generated is reinvested, whereas all Units in the Continuing Fund are Income Units meaning that any income received is paid out to investors. However, please note, where Accumulation Units were previously held in the Discontinuing Fund, income will automatically be reinvested in the Continuing Fund unless we receive an instruction from you to pay the income to your nominated bank account. Note that there will be a small difference in outcome for income that is reinvested versus income that is accumulated however sometimes this will be beneficial and sometimes it will be disadvantageous depending on market movements. In addition, Accumulation unit classes are priced with the income accrued therein on a daily basis. The holders of Income classes where Income is to be reinvested have the income stripped out of the fund on ex-dividend date and this is then paid back to them in the form of additional units, which are purchased at Creation Price (i.e. no charge) on the fund's relevant pay date(s);
- The income distribution dates for the Discontinuing Fund are quarterly whereas the income distribution dates for the Continuing Fund are annually;
- The Discontinuing Fund has an income target benchmark whereas the Continuing Fund does not;
- The expenses for the Discontinuing Fund are charged to capital whilst the expenses for the Continuing Fund are charged to income; and
- Different charges will apply to your Units in the Discontinuing Fund following the Merger.

You will continue to be an investor in a UK-authorized UCITS scheme, regulated by the FCA.

4 **Form of Scheme and Effective Date**

A Scheme has been prepared to implement the proposals and is set out in full in Appendix A.

If the Scheme is approved, the transfer of assets to the Continuing Fund will take place on the Effective Date, or such later date as is determined by the Manager and the Trustee. If the Scheme is approved, realignment of the portfolio of the Discontinuing Fund will commence after the date of the Unitholder meeting. This involves selling the stocks in the Discontinuing Fund and with the proceeds purchasing the stocks to match those in the Continuing Fund so that on the Effective Date of the Scheme the stocks in the Discontinuing Fund are transferred to the Continuing Fund. If the realignment cannot be completed before the Effective Date due to the liquidity profile of the assets in the Discontinuing Fund realignment will be completed after the Effective Date on the Continuing Fund.

If the Extraordinary Resolution is passed then the Scheme will be binding on all Unitholders in the Discontinuing Fund whether or not they voted in favour of it or voted at all.

Provided that the Extraordinary Resolution of Unitholders in the Discontinuing Fund is passed at the Unitholders' Meeting, dealings in the Units of the Discontinuing Fund will cease and the

register will be finally closed as at the Effective Date. Normal dealing in the Units of the Continuing Fund will commence from the Effective Date. The Discontinuing Fund will then be wound up.

If the Extraordinary Resolution is not passed, the Manager will consider alternative restructuring proposals including winding up the Discontinuing Fund.

5 **Action to be Taken**

We would draw your attention to the Notice of Unitholders' Meeting which contains the Extraordinary Resolution in respect of the Scheme, set out in Appendix F to this document.

Voting Forms for use at the Unitholders' Meeting accompany this document in the relevant appendix. If you are unable to attend the Unitholders' Meeting, you are urged to complete and return the Form of Proxy or Form of Direction (as applicable) in accordance with the instructions printed on it as soon as possible but in any event so that the Forms arrive before 5pm on 22 March 2021. Completed Forms can be returned by post to CMS Ltd Unit 4b Chelmsford Road Ind. Estate, Dunmow, Essex, CM6 1HD.

For the reasons given above, as the Manager, we recommend that Unitholders vote in favour of the Extraordinary Resolution to be proposed at the Unitholders' Meeting.

ISA investors are urged to complete and return the enclosed Form of Direction, as detailed in Appendix H. The Form of Direction can be returned by post to CMS Ltd Unit 4b Chelmsford Road Ind. Estate, Dunmow, Essex, CM6 1HD. ISA investors do not need to return a Form of Proxy.

If the Extraordinary Resolution is passed, we will notify Unitholders of the number of Units issued under the Scheme. Please refer to paragraph 5.1 of Appendix A to this document. If you wish to receive such notification by email, please contact your financial adviser or us on the telephone number given below.

For regular savers, if the proposed Extraordinary Resolution is approved, all direct debits due to be collected will be collected as usual and these will be used to purchase units in the Discontinuing Fund until the Effective Date. Following the Effective Date, all regular investments going forwards will be invested in the Continuing Fund unless we are instructed otherwise.

If you have any questions concerning the Scheme or any of the other matters in this letter, please consult your financial adviser or contact the Manager on 020 7412 1773 or by emailing Martina.Huntley@liontrust.co.uk. Please be aware that as the Manager, we are unable to provide you with financial or investment advice.

Yours faithfully,

**For and on behalf
Liontrust Fund Partners LLP**

Further Information on the Scheme (for full information see the Appendices below)

1. Basis of Transfer

Upon the Scheme becoming effective Unitholders of the Discontinuing Fund will be entitled to receive Units in the Continuing Fund of a value equivalent to the aggregate value of their Units in the Discontinuing Fund.

The final valuation of the Discontinuing Fund will take place at 12 noon on 9 April 2021 (the “**Valuation Point**”). This is to enable us as the Manager to value assets using the most recent price available for the underlying assets held within the Discontinuing Fund to ensure that the value of the Units in the Discontinuing Fund is accurate for the purpose of the Scheme. Investments will be valued on an offer basis, however, if the Manager is unable to complete the realignment by the Effective Date, then the value of those holdings which were not sold will be adjusted (refer to Appendix A, 3.2 for further details), and the realignment will be completed by the Continuing Fund.

Any income included in the Discontinuing Fund as at the Valuation Point and attributable to Accumulation Units will be included in the valuation of the Discontinuing Fund. The Fund will effectively go ex-dividend, with the income being accumulated, and you will receive a tax voucher.

Any income included in the Discontinuing Fund as at the Valuation Point and attributable to Income Units will not be included in the valuation of the Discontinuing Fund. Instead it will be distributed to Unitholders of Income Units by us as the Manager within two months of the Effective Date. The Fund will effectively go ex-dividend and you will receive a tax voucher and a dividend payment.

The number of Units in the Continuing Fund to be issued to each Unitholder in the Discontinuing Fund will be rounded to three decimal places. Unitholders should note that the FCA rules, which in certain circumstances confer a right to cancel a contract to purchase Units, will not apply to the acquisition of the Units of the Continuing Fund pursuant to the Scheme. Units in the Continuing Fund will be issued at the creation price (i.e. on an offer basis).

We will not levy a preliminary charge in respect of Units in the Continuing Fund issued under the Scheme.

Unitholders of the Discontinuing Fund will be sent written notification setting out their entitlement to Units in the Continuing Fund. Certificates will not be issued in respect of Units. Unitholders will be able to purchase and redeem Units in the Continuing Fund after the Effective Date in accordance with the Prospectus.

The issue and redemption of Units in the Discontinuing Fund may take place up to 11.59am on 6 April 2021 but will cease from 12 noon on that date. There will be no redemption charge imposed on redemption requests received. You may also switch out of the Discontinuing Fund into any other Liontrust fund of your choice without imposition of a switch charge at any time up until this date. If you have any questions concerning the Scheme or any of the other matters in this letter, please consult your financial adviser or contact the Manager on 020 7412 1773 or by emailing Martina.Huntley@liontrust.co.uk. Please be aware that as the Manager, we are unable to provide you with financial or investment advice.

2. Changes regarding your ISA

If you have invested in the Discontinuing Fund through an ISA, please refer to Appendix C for details on voting and alternative arrangements for your ISA.

3. **Equalisation**

Please note that the first income allocation received by an investor after buying Units may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital and is not taxable. Rather it should be deducted from the acquisition cost of the Units for capital gains tax purposes.

4. **Taxation**

The comments on taxation below are intended only as a general guide to the effect of the proposed Scheme on the tax position (under current UK law and HM Revenue & Customs practice) of Unitholders who are resident in the UK for tax purposes and who hold their Units as investments (and not as securities to be realised in the course of a trade) and who are the beneficial owners thereof. The tax position may be different for other Unitholders. Unitholders are recommended to consult with their professional advisers or seek professional advice in respect of their individual tax position.

As the Manager, we understand the UK taxation position to be as follows:

4.1 Unitholders

4.1.1 *Capital Gains Tax*

We have received clearance from HM Revenue & Customs under section 138 of the Taxation of Chargeable Gains Act 1992 that it is satisfied that the provisions of section 103K(1) of that Act (which apply to any person who together with connected persons holds more than 5% of the Units in the Discontinuing Fund) would not have any effect in relation to the Scheme with the result that section 103H of the Act would not be prevented from applying. Consequently, the exchange of Units in the Discontinuing Fund for Units in the Continuing Fund should not constitute a disposal by the Unitholders for UK capital gains tax purposes. The Unitholder's base cost for capital gains tax purposes of the Units in the Discontinuing Fund will then become the base cost of the Units issued under the Scheme, which will be deemed to have been acquired at the same time as the Units in the Discontinuing Fund.

Any equalisation amount included in the first distribution made in respect of Units will be deemed to be a repayment of capital and will be treated for UK capital gains tax purposes as reducing the original base cost of the Units issued under the Scheme.

4.1.2 *Income Tax*

We have also received clearance from HM Revenue & Customs under section 701 of the Income Tax Act 2007 and section 748 of the Corporation Taxes Act 2010 to the effect that no notice under either section 698 of the Income Tax Act 2007 (counteraction notices) or section 746 of the Corporation Taxes Act 2010 (cancellation of corporation tax advantage) which provide for the cancellation of tax advantages of certain transactions in securities ought to be given in respect of the Scheme and therefore the receipt of Units should not, except in the case of dealers in securities, fall to be regarded as if it were an income receipt for the purposes of UK taxation.

4.2 The Discontinuing Fund and the Continuing Fund

The accumulation of the assets of the Discontinuing Fund to the Continuing Fund will not give rise to a charge to UK tax on capital gains, as, under Section 100 of the Taxation of Chargeable Gains Act 1992 as modified in relation to investment companies with variable capital by Regulation 98 of the Authorised Investment Funds (Tax) Regulations 2006, gains made by investment companies with variable capital are not chargeable gains.

UK Stamp Duty should not be payable by the Continuing Fund or the Discontinuing Fund as a result of the Scheme.

5. **Consents**

Details of the consents and clearances that have been obtained in relation to the Scheme are set out in Appendix D to this document.

6. **Scheme to be Binding**

If the Extraordinary Resolution is passed then the Scheme will become effective and will be binding on all Unitholders in the Discontinuing Fund whether or not they voted in favour of it, or voted at all.

7. **Costs and Expenses**

All expenses of the external legal adviser and audit costs in relation to the Scheme will be borne by us as the Manager.

The costs in relation to realigning the assets of the Discontinuing Fund shall be borne by the Unitholders in the Discontinuing Fund. The costs of realignment are expected to be around 0.14%. If the Manager is unable to complete the reorganisation by the Effective Date, then the value of those holdings which were not sold will be adjusted (refer to Appendix A, 3.2 for further details) and the reorganisation will be completed by the Continuing Fund. The cost of the realignment will be lower, with a corresponding reduction in the value of your holding in the Continuing Fund.

8. **Documents Available for Inspection**

A list of the documents relating to the Scheme that are available for inspection, together with details of the place and time at which they are available for inspection, is set out in Appendix D to this document.

The Prospectus and Key Investor Information Document containing the terms of an investment in the Discontinuing Fund are available from the Manager on request. The Prospectus and Key Investor Information Document containing the terms of an investment in the Continuing Fund are available from the Manager on request.

KEY DATES

1 March 2021	Record date for voting (if you were not on the register of Unitholders of the Discontinuing Fund on this date you will not be eligible to vote)
5pm on 22 March 2021	Last date and time for receipt of forms of proxy and forms of direction for the Unitholders meeting
10am on 24 March 2021	Unitholders' Meeting
<u>Subject to Unitholder approval of the merger</u>	
11:59am on 6 April 2021	Last date and time to redeem or switch if you do not wish to receive Units in the Continuing Fund. Dealing in the Discontinuing Fund will be suspended after this point
12:00pm on 6 April 2021	Last dealing point of the Discontinuing Fund and subsequent suspension of dealing in Existing Units in order to determine the value of Units in the Discontinuing Fund for the purposes of the Scheme
12:00pm on 9 April 2021	Last valuation point of the Discontinuing Fund in order to determine the value of Units in the Discontinuing Fund for the purposes of the Scheme
12.01pm on 9 April 2021	Effective Date of the Scheme
12 April 2021	First day of dealing in Units of the Continuing Fund
Within 4 days of Effective Date	Notification to Unitholders of allocation and number of New Units

DIRECTORY

Discontinuing Fund

Liontrust European Income Fund
2 Savoy Court
London
WC2R 0EZ

Continuing Fund

Liontrust European Growth Fund
2 Savoy Court
London
WC2R 0EZ

Manager of the Discontinuing Fund and of the Continuing Fund

Liontrust Fund Partners LLP
2 Savoy Court
London
WC2R 0EZ

Trustee of the Discontinuing Fund and of the Continuing Fund

The Bank of New York Mellon (International) Limited
One Canada Square
London
E14 5AL

Auditor

KPMG
11th Floor,
15 Canada Square,
Canary Wharf,
London,
E14 5GL

GLOSSARY

Throughout this document, except when the context requires otherwise, terms defined in the Incorporation Documents and the Prospectus of the Fund (as applicable) shall have the same meanings where used here and otherwise the following definitions apply:

“Accumulation Units”	any income generated will be reinvested within the Fund;
“Continuing Fund”	Liontrust European Growth Fund;
“Discontinuing Fund”	Liontrust European Income Fund;
“Effective Date”	12.01pm on 9 April 2021 or such subsequent date and time as may be agreed in writing between the Manager and the Trustee;
“Extraordinary Resolution”	the extraordinary resolution set out in the Notice of Unitholders’ Meeting contained in Appendix F to this document;
“FCA”	the Financial Conduct Authority, or any successor regulatory body;
“Form of Direction and/or Form of Election”	if you are an ISA investor in the Discontinuing Fund, the forms to be completed and lodged with the Manager which appear in Appendix H;
“Form of Proxy”	if you are not an ISA investor in the Discontinuing Fund, the form to be completed and lodged with the Manager which appears in Appendix G;
“Fund”	the Discontinuing Fund or the Continuing Fund, as the context requires (together, the “Funds”);
“Income Units”	any interest or dividend income from the Fund is paid directly to Unitholders or reinvested in the Fund;
“Incorporation Documents”	The instrument of incorporation of the Discontinuing Fund or the trust deed (as supplemented from time to time) of the Continuing Fund, as the context requires;
“ISA”	Individual Savings Account or JISA, as the context requires;
“JISA”	Junior Individual Savings Account;
“Manager”	Liontrust Fund Partners LLP as the Manager of Liontrust European Growth Fund and Liontrust European Income Fund;
“Net Asset Value”	the value of the assets of the Discontinuing Fund or the Continuing Fund, as applicable, after deduction of the value of its liabilities;
“OCF”	Ongoing Charges Figure. The OCF is made up of the Annual Management Charge for running the portfolio, along with the Administration Fee which covers other costs, such as administration, audit and custody amongst others.
“Prospectus”	the current prospectus of the Continuing Fund or the Discontinuing Fund, as the context requires;
“Regulations”	the Sourcebook;
“Retained Amount”	an amount which is calculated by the Manager to be necessary to meet the actual and contingent liabilities of the Discontinuing Fund, and which

	is to be retained by the Trustee for the purpose of discharging those liabilities;
“Scheme”	the scheme of arrangement described in Appendix A to this document;
“Sourcebook”	the part of the FCA Handbook of Rules and Guidance which deals with regulated collective investment schemes;
“Trustee”	The Bank of New York Mellon (International) Limited in its capacity as trustee of Liontrust European Growth Fund or Liontrust European Income Fund, as the context requires;
“UCITS Directive”	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) as amended from time to time.
“UCITS”	undertakings for collective investment in transferable securities that are established in accordance with the UCITS Directive;
“Unit” or “Units”	a Unit or Units (including larger and smaller denomination Units) in the Continuing Fund or in the Discontinuing Fund as the context requires;
“Unitholder” or “Unitholders”	in relation to a Unit of the Discontinuing Fund, the person or persons entered in the register as the Unitholder or Unitholders of that Unit or those Units on the date seven days before the date that this document is issued and excluding any person or persons who are known to the Manager not to be registered Unitholders at the time of the Unitholders’ Meeting;
“Unitholders’ Meeting”	the meeting of Unitholders of the Discontinuing Fund convened by the Notice of Unitholders’ Meeting set out in Appendix F to this document;

APPENDIX A

SCHEME OF ARRANGEMENT

The following terms shall apply to the proposal for the merger of the Discontinuing Fund with the Continuing Fund.

1 Definitions

- 1.1 In this scheme of arrangement (the “**Scheme**”) the expressions set out in the Glossary of this document have the meanings specified in that Glossary.
- 1.2 In so far as any of the provisions of the Scheme are inconsistent with the Incorporation Documents, the provisions of the Incorporation Documents shall prevail.
- 1.3 In so far as any of the provisions of the Scheme are inconsistent with the Sourcebook, the Sourcebook shall prevail.

2 Transfer

- 2.1 The transfer of the net assets of the Discontinuing Fund to the Continuing Fund is subject to the passing of an Extraordinary Resolution by Unitholders in the Discontinuing Fund, by which Unitholders approve the Scheme and authorise the Manager and the Trustee to implement the Scheme.
- 2.2 Upon passing of such Extraordinary Resolution, the Scheme will be binding on all Unitholders in the Discontinuing Fund, and the transfer will be implemented as set out in the following paragraphs.
- 2.3 If the Scheme is approved, realignment of the portfolio of the Discontinuing Fund will commence after the date of the Unitholder meeting. This involves selling the stocks in the Discontinuing Fund and purchasing the stocks to match those in the Continuing Fund so that on the Effective Date of the Scheme the stocks in the Discontinuing Fund are transferred to the Continuing Fund. If the realignment cannot be completed before the Effective Date due to the liquidity profile of the assets in the Discontinuing Fund realignment will be completed after the Effective Date on the Continuing Fund.
- 2.4 On and from the Effective Date (subject to the terms of the Scheme) the assets of the Discontinuing Fund shall become the assets of the Continuing Fund by being applied to the Continuing Fund in accordance with the provisions of the Scheme and ceasing to be applied to the Discontinuing Fund.
- 2.5 On the Effective Date, the Manager shall in respect of the Discontinuing Fund be entitled to receive for its own account the amounts of its periodic charges and expenses accrued up to the Effective Date and remaining unpaid.

3 Suspension of Dealings in the Discontinuing Fund and Valuation

- 3.1 To facilitate the implementation of the Scheme, dealings in Units of the Discontinuing Fund will cease at 12 noon on 6 April 2021.
- 3.2 The Manager shall value the assets and liabilities of the Discontinuing Fund and the Continuing Fund as at 12 noon on 9 April 2021 based on an offer basis and in accordance with the Sourcebook, meaning that where two prices are quoted for an asset according to whether it is being bought or sold, that asset will be valued at higher of those two prices (i.e. the buying price) plus notional dealing charges. Note that if the Manager is unable to complete the realignment by the Effective Date those stocks not realigned, that there will be an adjustment to the offer valuation to reflect that they will need to be sold and the proceeds reinvested and the reorganisation will be completed by the Continuing Fund.

- 3.3 The Manager shall reserve any income in the Income Units in the Discontinuing Fund as at 12 noon on 9 April 2021 and shall distribute such income to Unitholders of Income Units and a tax voucher within 2 months of the Effective Date.
- 3.4 Income attributable to Accumulation Units shall as at 12 noon on 9 April 2021 be added to the capital attributable to Accumulation Units and you will receive a tax voucher within 2 months of the Effective Date.
- 3.5 The values ascertained in accordance with the Scheme will be used to calculate the number of Units to be issued to each existing Unitholder under paragraph 4 of this Appendix A. The Manager may calculate a Retained Amount which shall be held by the Trustee and applied in accordance with the Scheme. Any remaining balance thereafter shall be transferred to the Continuing Fund, subject to the Discontinuing Fund retaining such balance as shall be deemed necessary by the Manager to meet any outstanding liabilities.

4 Issue of Units in the Continuing Fund

- 4.1 The effect of the Scheme is to transfer the net assets of the Discontinuing Fund to the Continuing Fund and Unitholders will receive Units in the Continuing Fund in accordance with the table below. Please note that class terms, for example entry requirements, any initial charges or investment minimas, will be waived in line with the table below. If you hold Accumulation units in the Discontinuing Fund and you receive Income units in the Continuing Fund then your holding will have future income re-invested.

Investor type	Discontinuing Fund's Unit class (the Units)	Continuing Fund's Unit class (the New Units)
Investors with an advisor	Retail (Income and Accumulation) (R)	→ Retail, Income (R)
Investors without an advisor	Retail (Income and Accumulation) (R)	→ Advised (Income) (A)*
All investors in the class	Institutional (Accumulation and income) (I)	→ Institutional, Income (I)

* The terms and name of the A class may be subject to change in the near future. If the terms or name change, you will be notified of this, however it will not affect the transfer of units as part of this merger.

- 4.2 As at and from the Effective Date, the Trustee will cease to hold the capital property of the Discontinuing Fund less any Retained Amount (the "**Transferred Property**") in its capacity as Trustee of the Discontinuing Fund and the Trustee shall hold the Transferred Property as scheme property of the Continuing Fund freed and discharged from the provisions set out in the Incorporation Documents, in its capacity as Trustee of the Continuing Fund. The Trustee will make or ensure the making of any transfers or re-designations which may be necessary as a result of its ceasing to hold the Transferred Property as the Trustee of the Discontinuing Fund. The Transferred Property will be full payment for the Units issued to existing Unitholders, who will be treated as exchanging their Units in the Discontinuing Fund for Units in the Continuing Fund.
- 4.3 As at the Effective Date every Unit in the Discontinuing Fund shall be deemed to have been cancelled except to the extent necessary to implement the provisions of the Scheme relating to allocation of income, and the Manager shall issue the appropriate number of Units to be issued to the persons registered in the register of Unitholders in the Discontinuing Fund as at the Effective Date (including the Manager in respect of any Units in the Discontinuing Fund to which it is entitled).
- 4.4 The value of each Unitholder's Unitholding in the Continuing Fund, immediately after the Effective Date, will be very similar to the value of the Unitholder's Unitholding in the

Discontinuing Fund immediately before the Effective Date, when valued on similar basis (i.e. bid/bid or offer/offer).

4.5 The number of Units in the Continuing Fund to be issued to each Unitholder pursuant to the Scheme will be different to the number of Units they hold in the Discontinuing Fund. The formula for calculating the new units is available on request.

4.6 The Manager shall not be entitled to receive any preliminary charge in respect of Units issued pursuant to the Scheme.

5 **Notification to Unitholders of Units issued under the Scheme**

5.1 Letters, or emails, providing details of the Units issued under the Scheme to former Unitholders in the Discontinuing Fund shall be sent to such Unitholders (or in the case of joint holders to the first named of such holders on the Register of Unitholders) at their respective addresses registered in the Register of Unitholders in the Discontinuing Fund. If you wish to receive such notification by email, please advise the Manager prior to the Effective Date.

5.2 Transfers or repurchases of Units may be effected after the Effective Date in accordance with the Prospectus of the Continuing Fund.

6 **Instructions**

Any mandates and other instructions to the Manager in force on the Effective Date relating to Units in the Discontinuing Fund shall be deemed by the Manager of the Continuing Fund from the Effective Date to be effective mandates and instructions in respect of the Units issued pursuant to the Scheme in the Continuing Fund.

7 **Termination of the Discontinuing Fund**

7.1 The Manager will proceed to terminate the Discontinuing Fund in accordance with the Sourcebook following the Effective Date.

7.2 Any Retained Amount (which will be made up of cash and other assets, if necessary), and income arising on it, will be used by the Trustee to pay outstanding liabilities of the Discontinuing Fund in accordance with the provisions of the Scheme, the Incorporation Documents, the Prospectus and the Sourcebook.

7.3 If, on the completion of the termination, there are any surplus monies remaining in the Discontinuing Fund they, together with any income arising therefrom, shall be transferred to the Continuing Fund. No further issue of Units shall be made as a result. The Trustee shall cease to hold the Retained Amount in its capacity as Trustee of the Discontinuing Fund and the Trustee shall instead hold it in its capacity as Trustee of the Continuing Fund freed and discharged from the provisions set out in the Incorporation Documents. The Trustee shall make such transfers and re-designations as may be necessary as a result.

7.4 If the Retained Amount is insufficient to pay off all the liabilities of the Discontinuing Fund then the Manager shall discharge the shortfall (or if the Trustee is liable to meet such liabilities, put the Trustee in funds to discharge such liabilities) and indemnify the Trustee in respect thereof, unless the Manager shall be satisfied and confirm to the Trustee that proper provision was made for meeting such liabilities of the Discontinuing Fund as was known or should reasonably have been anticipated at the Effective Date in which case the amount of such undischarged liabilities will be paid out of the Continuing Fund, in accordance with the Sourcebook.

7.5 On completion of the termination, the Manager and the Trustee will be discharged from all their obligations and liabilities in respect of the Discontinuing Fund, except those arising from a breach of duty before that time.

8 **Conditions**

- 8.1 If the Extraordinary Resolution is passed, the Scheme will be binding on all holders of Units in the Discontinuing Fund, whether or not they have voted in favour of the Extraordinary Resolution or voted at all and shall be carried into effect accordingly.

9 **Charges and Expenses**

- 9.1 The costs of preparing and implementing the Scheme will be paid by the Manager but the costs of realignment will be borne by Unitholders of the Discontinuing Fund. The costs of realignment are expected to be around 0.14%. If the Manager is unable to complete the reorganisation by the Effective Date, then those holdings which were not sold will be valued on an offer basis, and the reorganisation will be completed by the Continuing Fund. The cost of the realignment will be lower, with a corresponding reduction in the value of your holding in the Continuing Fund.
- 9.2 The Continuing Fund is expected to be exempt from stamp duty on the transfer to it by the Discontinuing Fund of the latter's portfolio of investments under the Scheme.

10 **Reliance on Register and Certificates**

Liontrust Fund Partners LLP (as Manager), The Bank of New York Mellon (International) Limited (as Trustee) and the auditors of the Discontinuing Fund shall each be entitled to assume that all information contained in the register of Unitholders in the Discontinuing Fund on and immediately prior to the Effective Date is correct, and to utilise the same in calculating the number of Units to be issued and registered pursuant to the Scheme. Liontrust Fund Partners LLP and The Bank of New York Mellon (International) Limited may each act and rely upon any certificate, opinion, evidence or information furnished to it by the other or by its respective professional advisers or by the auditors of the Discontinuing Fund in connection with the Scheme and shall not be liable or responsible for any resulting loss.

11 **Alterations to the Scheme**

The terms of the Scheme are subject to such amendments as may be agreed prior to the Effective Date by the Manager and the Trustee.

12 **Governing Law and Jurisdiction**

The Scheme shall in all respects be governed by and shall be construed in accordance with the laws of England and shall be subject to the jurisdiction of the English courts.

APPENDIX B

COMPARISON OF FUNDS

The following is intended as a summary of the details of the Discontinuing Fund and the Continuing Fund. In order to provide a more complete summary of the Continuing Fund, a copy of the Continuing Fund's KIID is enclosed with this document. A copy of the Continuing Fund's Prospectus is also available on request from the Manager.

Investment Objectives, Policies and Benchmarks

Discontinuing Fund	Continuing Fund
Liontrust European Income Fund	Liontrust European Growth Fund
Investment Objective	Investment Objective
<p>The Fund aims to deliver a high level of income with potential for capital growth over the long term (5 years or more).</p> <p><i>Income Target Benchmark</i></p> <p>The Fund aims to deliver a net target yield of at least the net yield of the MSCI Europe ex UK Index each year.</p>	<p>The Fund aims to deliver capital growth over the long term (5 years or more).</p>
Investment Policy	Investment Policy

<p>The Fund will invest in companies which are incorporated, domiciled, listed or conduct significant business in the EEA or Switzerland.</p> <p>The Fund will typically invest 95% (minimum 80%) in equities or equity related derivatives, but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.</p> <p>The Fund is permitted to use derivatives for the purposes of efficient portfolio management. The Fund is also permitted to use derivatives for investment purposes, however the Fund will only do so on providing investors with 60 days' notice. Please refer to the Derivatives sections for further details.</p>	<p>The Fund will invest in companies which are incorporated, domiciled, listed or conduct significant business in the EEA or Switzerland, but excludes shares listed in the UK.</p> <p>The Fund will typically invest 95% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.</p> <p>The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes. Please refer to the Derivatives sections for further details.</p>
<p>IA Europe Excluding UK</p>	<p>IA Europe Excluding UK</p>
<p>Given that the Fund invests in European companies (excluding UK) the Manager believes it is appropriate for investors to compare the performance of the Fund versus the relevant IA sector which in this case is the IA Europe Excluding UK sector.</p>	<p>Given that the Fund invests in European companies (excluding UK) the Manager believes it is appropriate for investors to compare the performance of the Fund versus the relevant IA sector which in this case is the IA Europe Excluding UK sector.</p>
<p>MSCI Europe Excluding UK</p>	<p>MSCI Europe Excluding UK</p>

<p>In addition to the IA sector the Manager believes it is also appropriate for investors to compare the performance of the Fund versus the MSCI Europe Excluding UK Index, this being the benchmark index that most appropriately matches the investment universe of the Fund.</p> <p>In relation to the income paid out by the Fund, the Manager believes it is appropriate for investors to assess the yield of the Fund versus the yield of the MSCI Europe Excluding UK Index given the Fund uses this index to set its target yield.</p>	<p>In addition to the IA sector the Manager believes it is also appropriate for investors to compare the performance of the Fund versus the MSCI Europe Excluding UK Index, this being the benchmark index that most appropriately matches the investment universe of the Fund.</p>
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Key Terms

The Key Terms of the Continuing Fund and the Discontinuing Fund are as follows.

	Discontinuing Fund	Continuing Fund
Fund name	Liontrust European Income Fund	Liontrust European Growth Fund
Type of Fund	Authorised unit trust	Authorised unit trust
Category of Fund	UCITS scheme	UCITS Scheme
Unit class	Retail, Income and Accumulation, Unhedged (R)	Retail, Income, Hedged and Unhedged (R)
	Institutional, Income and Accumulation, Unhedged (I)	Advised, Income, Hedged (B) and Unhedged (A)
		Institutional, Income, Hedged and Unhedged (I)
Pricing Basis	Dual priced	Dual priced
Currency	Sterling	Sterling
Accounting Period Ends	End of February (Annual) 31 August (Interim)	30 April (Annual) 31 October (Interim)
Income Allocation Dates	31 January, 30 April, 31 July, 31 October	30 June
Initial charge	Nil (however the Manager reserves the right to introduce an initial charge of up to 5% on Retail (R) units)	Nil (however the Manager reserves the right to introduce an initial charge of up to 5% on Retail (R) units and up to 2% on the Advised (A) units)

	Discontinuing Fund	Continuing Fund
Allocation of charges	Capital	Income
Ongoing Charges	Retail (R): 1.66% Institutional (I): 0.91%	Retail: 1.65% Advised (A / B): 1.15% Institutional (I): 0.90%
Annual Management Charge	Retail (R): 1.50% Institutional (I): 0.75%	Retail (R): 1.50% Advised (A / B): 1.00% Institutional (I): 0.75%
Administration Fee (per annum)	0.16%	0.15%
Trustee Fee	Included in the Administration Fee	Included in the Administration Fee
Registrar Fee	Included in the Administration Fee	Included in the Administration Fee
Minimum Initial Investment	Retail (R): £1,000 Institutional (I): £5,000,000	Retail (R): £1,000 Advised (A / B): £1,000 Institutional (I): £5,000,000
Minimum Subsequent Investment	Retail (R): £1,000 Institutional (I): £100,000	Retail (R): £1,000 Advised (A / B): £1,000 Institutional (I): £100,000
Minimum redemption	Retail (R): £500 Institutional (I): £50,000	Retail (R): £500 Advised (A / B): £500 Institutional (I): £50,000
Switch charge	Nil	Nil
Exit charges	Nil	Nil
Valuation point	12 noon	12 noon
Dealing frequency	Daily	Daily
Pricing basis	Dual price (see below)	Dual price (see below)
Publication of prices	www.liontrust.co.uk	www.liontrust.co.uk
Dilution policy applied	No	No
Synthetic Risk and Reward Indicator	6	6

APPENDIX C

Changes regarding your ISA

This section only applies to investors holding their investments in the Discontinuing Fund through an ISA.

If you hold your Existing Units through an ISA you will need to complete a Form of Direction to instruct the Manager (who holds your Existing Units) how you wish it to vote on the proposed Scheme. If you vote against the proposed Scheme, you will also need to complete a Form of Election, see below under “Alternative arrangements”.

If the proposed Scheme is approved, your Existing Units will be exchanged for New Units and will continue to be held within your ISA to ensure that you do not lose the tax benefits of investing via an ISA.

Alternative arrangements

If you voted against the proposed Scheme, the following alternative options are available by selecting the relevant option in the Form of Election:

Option 1

You may switch the Existing Units held in your ISA to another fund in the Liontrust group of your choosing that is available in the ISA. Details of these funds are available at www.liontrust.co.uk or by telephoning the Manager on 020 7412 1773 or by emailing Martina.Huntley@liontrust.co.uk

In the event that you choose to invest in another fund in the Liontrust group available in the ISA please complete the enclosed Form of Election, indicating your choice of fund, and return it no later than 5pm on 22 March in the enclosed envelope. In the event that you choose this option, there will be no change to the terms and conditions of your Liontrust ISA. Further, the Manager will not charge you a fee for switching your Existing Units to another of the Manager’s funds.

If your chosen fund is an eligible ISA investment the Manager understands that you will not lose any of the tax advantages which you currently enjoy in your ISA as a consequence of switching.

Option 2

You may transfer your ISA to another ISA plan manager besides the Manager. In the event that you choose to transfer to another ISA plan manager you will need to indicate this in the enclosed Form of Election and contact your chosen ISA plan manager who will make the necessary transfer arrangements for you.

The Manager will not charge you for the transfer of your ISA to another plan manager. However, your new ISA plan manager may impose an administration charge for arranging the transfer; you will need to check this with your new plan manager.

If your new plan manager has not arranged the transfer with the Manager by 12 noon on 6 April, you will have to contact your chosen plan manager so that they may liaise with the Manager to effect the transfer following the Effective Date, noting that the Units previously held in the Discontinuing Fund will have been automatically converted to Units in the Continuing Fund.

It is important that you do not redeem your ISA to use cash to effect such a transfer as this will result in the loss of the tax benefit of your ISA account.

Option 3

You may decide to redeem your investment in the Discontinuing Fund through your ISA (excluding JISA investors). This will result in the loss of any future tax benefits of your ISA. If you choose to redeem your ISA you will need to indicate this in the enclosed Form of Election and return it no later than 5pm on 22

March. The Manager will then send you the redemption proceeds, in accordance with the Manager's current ISA terms and conditions.

If, by 22 March, we have not received your Form of Direction or (if relevant) the Form of Election you will be deemed to have instructed us to maintain your ISA at the Effective Date. The purpose of this deemed instruction is to ensure (insofar as possible) that you retain all the benefits associated with your ISA.

Please note – you only need to fill in the enclosed Form of Direction or (if relevant) Form of Election if you hold your investment in the Discontinuing Fund through an ISA. If you do not hold your Existing Units in the Discontinuing Fund through an ISA, you should complete and return the Form of Proxy in the enclosed envelope.

APPENDIX D

CONSENTS, CLEARANCES AND DOCUMENTS AVAILABLE FOR INSPECTION

1 The Trustee

In accordance with normal market practice, the Trustee, whilst expressing no opinion on the merits of the proposals set out in this document, has informed the Manager by letter that it consents to the references made to it in this document in the form and context in which they appear (the “**Consent Letter**”). Whether to vote for or against the Extraordinary Resolution is a matter for the judgement of each Unitholder in the Discontinuing Fund and the confirmation is, therefore, not a recommendation as to the manner in which a Unitholder should vote.

The Trustee has also approved the Form of Proxy, the time and place for the Unitholders’ Meeting and for the lodging of the Form of Proxy and the appointment of the Chair of the Unitholders’ Meeting.

2 The Manager

The Manager of the Continuing Fund has confirmed that the receipt of the property concerned for the account of the Continuing Fund (the “**Manager’s Statement**”):

- (a) is not likely to result in any material prejudice to the interests of the Unitholders of the Continuing Fund;
- (b) is consistent with the objectives of the Continuing Fund; and
- (c) can be effected without any breach of a rule in COLL 5 (*Investment and borrowing powers*) of the FCA rules.

3 The FCA

The FCA has been informed of the proposal contained in this document and has confirmed that the implementation of the proposal as set out in this document will not affect the continuing authorisation of the Discontinuing Fund or the Continuing Fund.

4 Documents Available for Inspection

Copies of the following documents will be available for inspection at 2 Savoy Court, London, WC2R 0EZ during normal business hours (excluding Saturdays, Sundays and public holidays) until the approved Scheme becomes effective:

- (a) the Incorporation Documents of the Funds;
- (b) reports and accounts for the last two accounting periods for the Discontinuing Fund and Continuing Fund;
- (c) the Prospectus of the Discontinuing Fund and Continuing Fund;
- (d) the key investor information documents relating to the Discontinuing Fund and Continuing Fund;
- (e) the approval of the FCA referred to above under “The FCA”;
- (f) the Consent Letter referred to above under “The Trustee”; and
- (g) the Manager’s Statement referred to above under “The Manager”; and
- (h) the tax clearances from HMRC referred to above under “Taxation”;

Due to current UK Government guidance and restrictions on public gatherings, the Manager requests that you provide at least 24 hours' notice to Martina.Huntley@liontrust.co.uk prior to inspection, where possible.

APPENDIX E

PROCEDURE FOR UNITHOLDERS' MEETING

The Scheme is subject to approval by an Extraordinary Resolution of the Unitholders of the Discontinuing Fund. This is required to be passed at a Unitholders' Meeting.

A notice convening the Unitholders' Meeting and setting out the Extraordinary Resolution to be proposed appears in Appendix F to this document. To be approved the Extraordinary Resolution requires a majority of not less than three quarters of the votes validly cast for the Extraordinary Resolution. The following procedures apply to the Unitholders' Meeting.

Quorum

The required quorum for the Unitholders' Meeting is two Unitholders present in person or by proxy. If a quorum is not present within half an hour from the time appointed for the Unitholders' Meeting, the Unitholders' Meeting will be adjourned to a date not less than seven days thereafter. If, at an adjourned meeting (of which Unitholders will receive the required prior notice), a quorum is not present within five minutes from the time appointed for the adjourned meeting, one person (entitled to be counted in a quorum) present at the adjourned meeting will be a quorum.

Chair

The Trustee has appointed a representative of the Manager to be Chair of the Unitholders' Meeting and any adjournment thereof.

Voting

A poll will be taken on the Extraordinary Resolution at the Unitholders' Meeting. On a poll, every Unitholder in the Discontinuing Fund who is present in person, or by proxy or (being a corporation) is present by an authorised representative will have that proportion of the voting rights attached to all of the Units in the Discontinuing Fund in issue that the aggregate price of the Units in the Discontinuing Fund held by such Unitholder bears to the aggregate price of all of the Units in the Discontinuing Fund in issue. A person entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use the same way.

The Manager

The Manager is not entitled to be counted in the quorum of, or to vote at, the Unitholders' Meeting or any adjourned meeting, except in respect of any Units which it holds on behalf of or jointly with another person who, if they were the registered Unitholder, would be entitled to vote and from whom the Manager has received voting instructions. A Unitholder who is an associate of the Manager is entitled to be counted in the quorum of the Unitholders' Meeting or any adjourned meeting but may only vote in the same circumstances as the Manager.

Appointment of Proxy

A Unitholder is entitled to appoint a proxy to attend and vote at the Unitholders' Meeting instead of them. Please read the notes printed on the Form of Proxy enclosed with this document, which will help you to complete it. The Form of Proxy and the power of attorney or other document evidencing the authority (if any) under which the Form of Proxy is signed, or a notarially certified copy thereof, must be returned so as to arrive before 5pm on 22 March 2021. A completed Form of Proxy can be returned by post to CMS Ltd Unit 4b Chelmsford Road Ind. Estate, Dunmow, Essex, CM6 1HD. The lodging of the Form of Proxy will not preclude you from attending the Unitholders' Meeting and voting.

APPENDIX F

NOTICES OF UNITHOLDERS' MEETING

LIONTRUST EUROPEAN INCOME FUND

NOTICE IS HEREBY GIVEN of a Unitholders' Meeting of Liontrust European Income Fund (the "**Discontinuing Fund**") which will be held at 2 Savoy Court, London, WC2R 0EZ at 10am on 24 March 2021 to consider and, if thought fit, pass the following resolution which will be proposed as an Extraordinary Resolution at the Unitholders' Meeting:

EXTRAORDINARY RESOLUTION

THAT the scheme of arrangement contained in a document dated 8 March 2021 addressed by Liontrust Fund Partners LLP to Unitholders of the Discontinuing Fund (the "**Scheme**"), be approved and, that the Manager and the Trustee be and they are hereby authorised to carry the Scheme into effect.

Liontrust Fund Partners LLP as Manager of Liontrust European Income Fund

Date: 8 March 2021

2 Savoy Court
London
WC2R 0EZ

Notes in relation to the Unitholders' Meeting:

- 1 A Unitholder entitled to attend and vote at the Unitholders' Meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of them. A proxy need not be a Unitholder.
- 2 To be valid, the Form of Proxy and any power of attorney or other document evidencing the authority (if any) under which the Form of Proxy is signed, or a notarially certified copy thereof, must be returned by the time appointed for the Unitholders' Meeting. A completed Form of Proxy can be returned by post to CMS Ltd Unit 4b Chelmsford Road Ind. Estate, Dunmow, Essex, CM6 1HD. If so valid, the Form of Proxy shall also be valid for any adjourned meeting.
- 3 The quorum for the Unitholders' Meeting is two Unitholders present in person or by proxy or (in the case of a corporation) by a duly authorised representative. The majority required for the passing of the Extraordinary Resolution is three quarters or more of the total number of votes cast.
- 4 Subject to note 5 below, in respect of the Unitholders' Meeting, on a poll, every Unitholder who is present in person, or by proxy or (being a corporation) is present by an authorised representative will have that proportion of the voting rights attached to all of the Units in issue that the aggregate price of the Units held by such Unitholder bears to the aggregate price of all of the Units in issue. A person entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use the same way.
- 5 The Manager is not entitled to be counted in the quorum of, or to vote at, the Unitholders' Meeting or any adjourned meeting, except in respect of any Units which it holds on behalf of or jointly with another person who, if they were the registered Unitholder, would be entitled to vote and from whom the Manager has received voting instructions. An associate of the Manager is entitled to be counted in the quorum of the Unitholders' Meeting or any adjourned meeting but may only vote in the same circumstances as the Manager.
- 6 In the above notes, the expression "Unitholders" shall mean, in relation to a Unit, the person or persons who were the registered Unitholders on the date seven days before the notice of the Unitholders' Meeting (or in the case of any adjournment, the adjourned meeting) was sent but excluding any person or persons who are known to the Manager not to be a Unitholder or Unitholders in the Discontinuing Fund at the time of the Unitholders' Meeting or any adjourned meeting, and such expression shall be construed accordingly.

APPENDIX G

FORM OF PROXY

LIONTRUST EUROPEAN INCOME FUND (the “Fund”)

For use in connection with the Meeting of Unitholders of the Fund to be held at 2 Savoy Court, London, WC2R 0EZ at 10am on 24 March 2021

Name:

Address:

Post Code

Account Number:

Number of Units in the Fund (if known):

I/We being a Unitholder/s of the Fund hereby appoint the Chair of the Meeting or..... (see Note 1) to act as my/our proxy at the Meeting of Unitholders of the Fund to be held at 10am on 24 March 2021 (and at any adjournment thereof) and to attend and vote on a poll for me/us and in my/our name(s) on the Extraordinary Resolution set out in the Notice of Meeting dated 8 March 2021 as indicated below.

To allow effective constitution of the Extraordinary General Meeting, if it is apparent to the Chair that no Unitholders will be present in person or by proxy other than by proxy in the Chair's favour then the Chair may appoint a substitute to act as proxy in his/her stead for any Unitholder, provided that such substitute proxy shall vote on the same basis as the Chair.

Liontrust Fund Partners LLP

Extraordinary Resolution

THAT the scheme of arrangement contained in a document dated 8 March 2021 addressed by Liontrust Fund Partners LLP to Unitholders of the Discontinuing Fund (the “**Scheme**”), be approved and, that the Manager and the Trustee be and they are hereby authorised to carry the Scheme into effect.

FOR

AGAINST

(see Note 2)

Signature(s) of Unitholder: Date:.....

Please return by post (as above).

NOTES

- 1 If you wish to appoint someone other than the Chair of the Unitholders' Meeting please delete "the Chair of the Meeting or" and insert in the place provided the name and address of your appointee. A proxy need not be a Unitholder but must attend the meeting or any adjourned meeting in person to represent you. The amendment must be initialled.
- 2 Please indicate with a cross in the appropriate box how you wish your votes to be cast in respect of the Extraordinary Resolution. If you do not complete a box your proxy will vote or abstain at their discretion. Additionally, if you wish to split your votes please enter the number of votes you wish to cast against the Extraordinary Resolution, and the number of votes you wish to cast for the Extraordinary Resolution in the appropriate boxes.
- 3 In the case of a corporate body this Form of Proxy must be executed under seal or under the hand of an officer or attorney authorised in writing to sign on its behalf.
- 4 In the case of joint Unitholders, any such Unitholder may sign but, in the event of more than one tendering votes, the votes of the Unitholder whose name stands first in the register of Unitholders will be accepted to the exclusion of the others.
- 5 To be valid, this Form of Proxy must be completed and, together with any power of attorney or other authority under which it is signed (or a copy thereof certified by a solicitor) must be lodged at the offices of Liontrust Fund Partners LLP at the address noted above before 5pm on 22 March 2021. A completed Form of Proxy can be returned by post to CMS Ltd Unit 4b Chelmsford Road Ind. Estate, Dunmow, Essex, CM6 1HD.
- 6 Appointing a proxy does not preclude you from attending and voting in person at the Unitholders' Meeting or any adjournment thereof.

APPENDIX H

Forms for ISA Investors

Liontrust European Income Fund (the “Discontinuing Fund”)

(These forms only apply to investors holding their investments in the Discontinuing Fund through an ISA)

If you wish to vote on the Scheme please complete the Form of Direction and return it to us in the enclosed envelope

If you vote against and wish to exercise an alternative option as described in this document please complete the Form of Election and return it to us in the enclosed envelope.

Form of Direction

(for investors holding their investments in the Liontrust European Income Fund through an ISA)

For use in connection with the Meeting of Unitholders of the Fund to be held at 2 Savoy Court at 10am on 24 March 2021

Name:

Address:

Post Code

Account Number:

Number of Units in the Fund (if known):

I/We being an ISA holder/s of the Fund hereby appoint the Chair of the Meeting of..... (see Note 1) to act as my/our proxy at the Meeting of Unitholders of the Fund to be held at 10am on 24 March 2021 (and at any adjournment thereof) and to attend and vote on a poll for me/us and in my/our name(s) on the Extraordinary Resolution set out in the Notice of Meeting dated 8 March 2021 as indicated below.

To allow effective constitution of the Extraordinary General Meeting, if it is apparent to the Chair that no Unitholders will be present in person or by proxy other than by proxy in the Chair's favour then the Chair may appoint a substitute to act as proxy in his/her stead for any Unitholder, provided that such substitute proxy shall vote on the same basis as the Chair.

EXTRAORDINARY RESOLUTION

THAT the scheme of arrangement contained in a document dated 8 March 2021 addressed by Liontrust Fund Partners LLP to Unitholders of the Discontinuing Fund (the "**Scheme**"), be approved and, that the Manager and the Trustee be and they are hereby authorised to carry the Scheme into effect.

FOR

AGAINST

Note: If you have voted against, please complete the attached Form of Election, if you have voted in favour, a Form of Election is NOT required. If you have voted against but by 22 March we have not received a Form of Election you will be deemed to have instructed us to maintain your ISA at the Effective Date.

Signature:

Dated.....

Notes

- 1 If you wish to appoint someone other than the chairman of the Unitholders' Meeting, please delete "the chairman of the Meeting or" and insert in the place provided the name and address

of your appointee. A proxy need not be a Unitholder but must attend the meeting or any adjourned meeting in person to represent you. The amendment must be initialled.

- 2 Please indicate with a cross in the appropriate box how you wish your votes to be cast in respect of the Extraordinary Resolution. If you do not complete an appropriate box, your proxy will vote or abstain at his discretion. If you are acting as a nominee holder of Units and you wish your vote to be split, please indicate in each box how many Units are being voted for the Extraordinary Resolution and how many are being voted against the Extraordinary Resolution.
- 3 To be valid, this Form of Direction must be completed and, together with any power of attorney or other authority under which it is signed (or a copy thereof certified by a solicitor), must be lodged at the offices of Liontrust Fund Partners LLP at the address noted above before 5pm on 22 March 2021. Completed Forms of Direction can be returned by post to CMS Ltd Unit 4b Chelmsford Road Ind. Estate, Dunmow, Essex, CM6 1HD.
- 4 Appointing a proxy does not preclude you from attending and voting in person at the Unitholders' Meeting or any adjournment thereof.
- 5 To allow effective constitution of the Extraordinary General Meeting, if it is apparent to the chairman that no Unitholders will be present in person or by proxy other than by proxy in the chairman's favour, then the chairman may appoint a substitute to act as proxy in his stead for any Unitholder, provided that such substitute proxy shall vote on the same basis as the chairman.

Form of Election

(for investors holding their investments in the Liontrust European Income Fund through an ISA, and have voted against the Scheme)

PERSONAL DETAILS

Name

Address

Account number

ELECTION

Please select from the following options by placing a tick in the box.

Option 1:

On 6 April, I would like to switch in full my holdings in the Discontinuing Fund to the following fund in the Liontrust range of funds.

Name of Liontrust fund
<input type="text"/>

I can confirm that I have read the KIID for that fund.

Option 2:

I would like to transfer my ISA to another ISA manager and understand that the new plan manager will need to complete the transfer **prior to 6 April**.

Option 3 (not applicable to JISA investors):

On 6 April, I would like to redeem in full my holding in the Discontinuing Fund through my ISA and have the proceeds paid to me. I understand that by redeeming my holding in the Discontinuing Fund from my ISA I will lose the tax benefits associated with this holding.

PLEASE SIGN

.....
Signature of registered holder

.....2021
Date