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Stock Exchange Announcement
LIONTRUST ASSET MANAGEMENT PLC
Trading Update

Liontrust Asset Management Plc (“**Liontrust**” or the “**Group**”), the specialist independent fund management group, is today issuing a trading update for the period from 1 October to 31 December 2016 (the “**Period**”).

Highlights

- Net inflows of £190 million in the Period and net inflows for the financial year to 31 December 2016 of £282 million
- Assets under Management (“**AuM**”) as at close of business on 31 December 2016 were £6.0 billion, up 25% compared to our AuM at 31 March 2016
- Proposed acquisition of the Alliance Trust Investments Limited (“**ATI**”), which was announced in December 2016 and is expected to complete in April 2017, will add £2.3 billion of AuM (as announced in December 2016)*

* ATI AuM not included in the 31 December 2016 AuM figures or the net inflows for the Period/financial year to 31 December 2016

Commenting, John Ions, Chief Executive, said:

“We enjoyed a strong last three months of 2016 with net inflows of £190 million and our AuM breaking through £6 billion. This continued growth reflects the excellent long-term performance across our fund management teams and is a testament to our focus on robust investment processes and expanding our client base.

“Our acquisition of ATI, which is expected to complete in April 2017, is anticipated to add around £2.3 billion to our AuM and extends further our investment capability while broadening our distribution.

“The asset management industry is facing a number of significant challenges and opportunities as we enter 2017, including through regulatory, political and economic changes. We are well placed to deal with the challenges and to exploit the opportunities during this unprecedented environment given the ongoing development of the business.

“This includes the investment in our internal infrastructure, including a new dealing system, fully integrating our sales and marketing systems, notably through our CRM, and Ian Chimes joining in February as Head of Global Distribution. This gives me great confidence that we will continue to grow the business whatever the challenges and opportunities we face.”

Assets under Management

On 31 December 2016, our AuM stood at £6,009 million (30 September 2016: £5,685 million and 31 March 2016: £4,791 million).

A reconciliation of fund flows and AuM over the Period is as follows:

<u>Process</u>	<u>Total</u>	<u>Institutional</u>	<u>UK Retail</u>	<u>MPS*</u>	<u>Offshore Funds</u>
	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>

Cashflow Solution	813	520	235	-	58
Economic Advantage	3,462	223	3,190	-	49
Macro-Thematic	743	331	383	-	29
European Income	265	-	265	-	-
Asia	81	-	73	-	8
Structural Opportunities	23	-	-	-	23
Multi-Asset	573	329	-	244	-
Indexed	49	-	49	-	-
Total	6,009	1,403	4,195	244	167

* Managed Portfolio Services are where we act as discretionary fund manager to a range of model portfolios which are marketed to advisory intermediaries in the UK.

Funds Flows

Liontrust recorded net inflows of £190 million in the Period (1 October to 31 December 2015: £53 million). Net inflows for the financial year to 31 December 2016 were £282 million (1 April to 31 December 2015: £163 million).

A reconciliation of net flows and AuM over the Period is as follows:-

	<u>Total</u>	<u>Institutional</u>	<u>UK Retail</u>	<u>MPS*</u>	<u>Offshore</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>Funds</u>
					<u>£m</u>
Opening AuM - 1 October 2016	5,685	1,355	3,973	229	128
Net flows	190	15	128	13	34
Market and Investment performance	134	33	94	2	5
Closing AuM - 31 December 2016	6,009	1,403	4,195	244	167

A reconciliation of net flows and AuM over the financial year to 31 December 2016 is as follows:-

	<u>Total</u>	<u>Institutional</u>	<u>UK Retail</u>	<u>MPS*</u>	<u>Offshore Funds</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Opening AuM - 1 April 2016	4,791	1,138	3,330	204	119
Net flows	282	91	132	23	36
Acquisitions	272	-	272	-	-
Market and Investment performance	664	174	461	17	12
Closing AuM - 31 December 2016	6,009	1,403	4,195	244	167

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Fund Performance (Quartile ranking)

Our funds continue to deliver strong long-term performance. Seven out of eleven of our UK unit trusts are in the first quartile of their respective sectors since launch or since the current managers took over the running of the funds.

	Quartile ranking – Since Launch/Manager Appointed	Quartile ranking - 5 year	Quartile ranking - 3 year	Quartile ranking - 1 year	Launch Date/Manager Appointed
Liontrust UK Growth Fund	1	2	1	1	25/03/2009
Liontrust Special Situations Fund	1	1	1	1	10/11/2005
Liontrust UK Smaller Companies Fund	1	1	1	1	08/01/1998
Liontrust UK Micro Cap Fund	3	-	-	-	09/03/2016
Liontrust Macro Equity Income Fund	1	3	3	3	31/10/2003
Liontrust Macro UK Growth Fund	1	4	4	4	01/08/2002
Liontrust European Growth Fund	1	3	1	1	15/11/2006
Liontrust Asia Income Fund	1	-	2	1	05/03/2012
Liontrust European Income Fund	3	3	2	3	12/12/2005
Liontrust European Enhanced Income Fund	3	4	4	4	30/04/2010
Liontrust Global Income Fund	3	-	4	1	03/07/2013

Source: Financial Express, total return, bid to bid, net, to 31 December 2016 unless otherwise stated, data is accurate as at 6 January 2017. The above funds are all UK authorised unit trusts (primary share class). Liontrust FTSE 100 Tracker Fund (index fund) not included. Liontrust Global Income Fund's investment objective changed to Global Income on 3 July 2013. Past performance is not a guide to the future; the value of investments and the income from them can fall as well as rise. Investors may not get back the amount originally subscribed.

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Forward Looking Statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses and plans of the Group. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that have not yet occurred. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. As a result, the Group's actual future financial condition, results of operations and business and plans may differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements. Liontrust undertakes no obligation publicly to update or revise forward-looking statements, except as may be required by applicable law and regulation (including the Listing Rules of the Financial Conduct Authority). Nothing in this announcement should be construed as a profit forecast or be relied upon as a guide to future performance.

Other information

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