

CHAIR'S STATEMENT

Introduction

As a Board, we are wholly focused on the long-term objectives of your Company and the interests of shareholders, clients and colleagues. We are convinced the business has the right strategy to generate sustained growth over the longer term and the management team to implement it. While the last year has been challenging for the business, in terms of both performance and net sales, the Group is financially robust, and our belief in the effectiveness of the investment teams' processes and the Distribution team's ability to generate growth for the business is steadfast. Our confidence in the financial strength of Liontrust has allowed us to maintain the full-year dividend at 72.0 pence per share.

Strategic overview

At the heart of what Liontrust stands for are the rigorous and distinct processes of each of the investment teams. Remaining true to and focused on these processes, even when the economic and market environment is against them, has enabled the teams to deliver for their clients over the long term. The Board has been impressed by the continued strength of the teams' convictions in their individual processes over the past year and this gives us confidence that Liontrust will achieve the strategic aim of delivering market leading investment performance over the longer term. We have full

confidence in Liontrust's sales and marketing strategy; and its ability to deliver our strategic aims of expanding distribution and our client base whilst also enhancing the investor experience. The engagement that is being generated through events, webinars and content demonstrates the breadth of coverage of our distribution.

While the year has been difficult with net outflows of £4.84 billion, the continuing strength of distribution and investor engagement is reflected in the relatively strong gross sales that the Company has been generating. Over the 2022 calendar year and in the fourth quarter of 2022, Liontrust had the seventh largest gross retail sales in the UK, according to the Pridham Report, despite UK equity strategies continuing to be out of favour with investors. The Board appreciates the trust that clients put in Liontrust and the investment teams, and we do not take this loyalty for granted. The proposed acquisition of GAM Holding AG presents a significant opportunity for us as a Group to enhance our investment capability, physical distribution and the service we provide clients; it will accelerate progress against our seven strategic pillars and enable the Group to become a global asset manager.

While Liontrust has established a strong brand in the UK, acquiring GAM will give us the foundations to replicate this internationally through its global footprint. The Board believes in the value that Liontrust and GAM can bring to each other, and to our respective clients and shareholders. Liontrust has made what we believe is a good offer for GAM and a compelling case for why the acquisition works for all parties.

Delivering our responsibilities

We are committed to serving our clients and have always taken our responsibility as managers of investors' savings very seriously. Client support and understanding has come under increased focus in the UK with the introduction of the FCA's Consumer Duty and Liontrust believes we are well positioned to show how we are delivering the outcomes expected under this new standard.

The Board is committed to ensuring that Responsible Capitalism is integral to Liontrust's overall strategy and that this resonates throughout the business and any future acquisitions. Responsible Capitalism covers both Liontrust's operations and investments.

From an operational perspective, Liontrust is committed to understanding and managing well its key risks and opportunities, which include attracting and retaining talent, preventing internal fraud, managing cyber security, and keeping up to date with legislative changes. We are furthering, where possible, the integration of ESG considerations into our investment processes, practicing effective stewardship and evidencing and reporting on this work on a regular basis.



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ALASTAIR BARBOUR
CHAIR

Liontrust is a member and supporter of the Net Zero Asset Manager's Initiative and also committed to achieving net zero greenhouse gas emissions by 2050 across our own business and investments. Liontrust is also currently working to understand its own, operational, impacts from a biodiversity perspective as well as the impact in this area of the investments it makes on behalf of clients.

We report on these all activities and our progress in this area in the Liontrust Responsible Capitalism report that was published in April this year.

Of equal importance is our commitment to our employees and members, and one of our seven strategic pillars is to attract and develop talent. The Group is focused on offering all staff development opportunities, good benefits and an environment in which they can flourish. This year, we continued to strengthen our leadership team, both through new hires and investing in a formal development programme to promote our leaders and develop consistent leadership capability for 2023 and beyond. The programme is not limited to Heads of Department and will be rolled out further in the coming year, giving development opportunities to a wide group of employees.

We are pleased that our annual workforce engagement survey had a greater participation rate of 82% this year against 79% last year. Based on feedback from our survey provider, this is higher than industry averages, which are in the mid-60s. As participation is a proxy for engagement, this is a positive result. By delivering policies based on colleagues' feedback, Liontrust continues to offer an attractive working environment. Liontrust is also committed to diversity and inclusion, which is an ongoing objective and one where we are continuing to make progress. The Diversity and Inclusion Committee chaired by our CFO/COO has been instrumental in organising events through Pride, Black History Month and around International Women's Day in March. The Committee has also organised training for all colleagues, which goes towards creating an inclusive culture where colleagues can flourish. I can see this supported by the survey results, in which 92% of colleagues agreed 'I feel like I can be myself at Liontrust'.

Liontrust has not stood still over the past year, and I want to thank all our colleagues for their hard work and dedication over the period.

Board changes

The Board has reflected deeply on the way it carries out its role. We are aware that the behaviours we display,

individually as directors and collectively as a Board, sets the tone from the top. The boardroom is a place for robust debate and constructive challenge which, together with support, diversity of thought and teamwork, are essential features for the operation of an effective Board.

In March, two Non-Executive Directors tendered their resignations from the Board. While their departure is regrettable, the Board is satisfied that it continues to meet those essential features of an effective board.

I have set out in my Nomination Report our carefully considered succession plans. We are seeking to balance speed of change, both for the Board and the Group, with continuity and a careful and diligent selection process is in place to ensure that new appointments are the right cultural fit for the Board and Company.

Results

Adjusted profit before tax is £87.083 million (2022: £96.556 million), a decrease of 10% compared to last year. Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group excluding non-cash (intangible asset amortisation) expenses and non-recurring (professional fees relating to acquisition, cost reduction, restructuring and severance compensation related) expenses, see note 5 below for a reconciliation of adjusted profit before tax.

Dividend

The Board has declared a second interim dividend of 50.0 pence per share (2022: 50.0 pence) bringing the total dividend for the financial year ending 31 March 2023 to 72.0 pence per share (2022: 72.0 pence per share).

The second interim dividend will be payable on 4 August 2023 to shareholders who are on the register as at 30 June 2023, the shares going ex-dividend on 29 June 2023. Last day for Dividend Reinvestment Plan elections is 14 July 2023.

Looking forward

Despite the challenges of the past year, there has been continued progress in ensuring that Liontrust can generate sustained growth in the future. We have belief in our investment teams and their processes delivering for our clients. And we will continue to focus on our strategy in which we have full confidence.

Alastair Barbour

Non-executive Chair
20 June 2023