

CHIEF EXECUTIVE OFFICER'S REPORT

At the core of Liontrust is our conviction in active asset management underpinned by disciplined investment processes. While even the most successful strategies may experience periods of underperformance, particularly when market trends favour specific styles, sectors or capitalisations, we remain confident in our approach. The recent domination of a few mega-cap stocks globally has posed challenges to active managers, but we believe the environment is shifting back in their favour.

MARKET RECOVERY AND ACTIVE MANAGEMENT

The proportion of the US equity representation within the MSCI World index has increased consistently over the last 15 years from 45% to 68%, providing strong alpha generation despite the US GDP share globally being static. If the US dollar remains weak, however, it will be hard for the concentrated, passive-driven trend of the last 10 years to continue to provide the best risk-adjusted returns. There are estimates that returns from US equities over the next 10 years will be lower than they have been over the past decade, making it harder for investors to generate the returns to meet their liability requirements. In the

first five months of 2025, the negative alpha contribution from the US market has been bigger than in any of the last 15 years.

This will present an opportunity for active managers because investors will need to seek alpha by moving away from passive vehicles, deeper within markets and on a more geographically diverse basis. Through the execution of our four strategic objectives, Liontrust is in a strong position to take advantage of these trends, and we are already seeing growing client interest in diversifying exposure geographically, including to Europe and the UK.

COMPETITIVE ADVANTAGE

We have maintained our strong reputation among clients and potential clients across the strategies, which will enable Liontrust to take advantage of the emerging market environment. Liontrust is widely recognised as a leader in sustainable investing among both professional intermediaries and retail investors. In June 2024, European Dynamic Fund was named the best Europe ex-UK fund at the Fund Manager of the Year awards for the third successive year, and, along with the European Strategic Equity Fund, was shortlisted again this year. Japan Equity was the other Liontrust fund to have been nominated.

Liontrust continues to elevate the client experience. Independent research ranks Liontrust as a market leader in client service and communications. This is based on the focus by the distribution and marketing teams on understanding clients and their digital behaviour, strategic targeting, deep product knowledge, relentless client activity, engaging communications and strong visibility. In the first quarter of 2025 alone, the distribution team conducted over 1,000 meetings with clients and prospects and hosted 47 group events and webinars. Notably, our November 2024 investment conference at the Science Museum attracted more than 300 professional intermediaries.



CONTINUE TO DIVERSIFY OUR INVESTMENT OFFERING

We have broadened our alternatives capability with the launch of the Irish-domiciled GF Global Alpha Long Short Fund managed by Mark Hawtin and his Global Equities team. In January 2025, the Economic Advantage team's Alex Wedge and Bobby Powar took on management of the Global Smaller Companies Fund, using the same investment process that has been applied to the UK Smaller Companies Fund since 1998.

Over the past year, we have also launched the GF Pan-European Dynamic Fund, which is now over €400 million in size, and Irish-domiciled versions of the Global Dividend, Global Innovation and Global Technology funds.

EXPANDING DISTRIBUTION AND THE CLIENT BASE

We have been expanding our international distribution capability. Óscar Andreu was appointed Managing Director, Head of Distribution for Switzerland, in March 2025, with a focus on the wholesale and institutional markets. This was followed by Phil Rosenberg being appointed Distribution Head of Middle East and Asia. Phil is building on Liontrust's existing clients in these regions who are currently invested with the Cashflow Solution and the Global Equities teams.

With Liontrust now having clients across Europe and in South America, South Africa, the Middle East and Australia, we have brought international distribution together with the UK under Kristian Cook, who is now Head of Global Distribution. This will ensure consistency of client service in every market, collaboration on campaigns and fund manager time with clients across the whole Distribution team, and a focus on growing our institutional client base.

STRENGTHEN OUR TECHNOLOGICAL, DATA AND DIGITAL CAPABILITY

Liontrust has overhauled our operating model, which has led to centralising functions, realising cost synergies and efficiencies, and ensuring the management team is equipped with the expertise to make informed decisions during challenging market conditions.

We have strengthened data management, delivery and analysis across the business through the implementation of Aladdin's enterprise portfolio management system, which is integrated with a new data ecosystem. This single, integrated front-office solution is bringing significant benefits to our investment management and risk teams and clients.

Liontrust has also outsourced trading for investment funds and institutional accounts to The Bank of New York Mellon Corporation ("BNY") Buy-Side Trading Solutions Group. This provides Liontrust with access to a global network of brokers and venues, allowing us to respond to market developments in real-time and extend our capabilities beyond UK trading hours. Liontrust can leverage BNY's global trading solutions, which reaches 100 global markets across all major asset classes, including a wide range of fixed income and derivative products.

OUTLOOK

Liontrust continues to build on the strong foundations of the business by executing our four strategic objectives. Achieving these objectives will be aided by a new Capital Allocation Policy which is set out in the Strategic Report on page 37.

Our investment strategies have maintained their strong reputation and independent recognition, and we are broadening our offering, including in alternatives for which we believe there will be strong demand.

Client outcomes, experience and engagement is at the heart of everything we do at Liontrust. With our relentless activity, events and digital marketing, we have a strong understanding and appreciation of clients, their behaviours and requirements. We have been expanding our distribution, especially institutionally and internationally. This has extended our client base from Australia, through Europe and the Middle East, to South America.

Technological innovation is another pillar of Liontrust's strategy. The implementation of Aladdin's portfolio management system and a new data ecosystem has enhanced investment decision-making, risk management and client reporting. Outsourcing trading to BNY has further improved execution capabilities and our global reach.

This impressive progress in the development of the business to achieve our four strategic objectives puts Liontrust in a very strong position to take advantage of the opportunities for active asset managers. Our brand, communications, distribution, operating model and strong capital position will enable Liontrust to deliver growth.

John Ions

Chief Executive Officer
24 June 2025