# CHAIR'S STATEMENT

Luke Savage
Non-executive Chair

I am delighted to have joined as the new Non-executive Chair of your Company and I am excited by the challenge and the opportunities in front of Liontrust, a company that I believe has an exciting future.

Having met many people across the Group, I have been impressed by their quality and passion for the business, attributes that underpin the highly respected business and strong brand. The Group's agility and entrepreneurial culture means that it is possible for the business to make significant progress over a relatively short period of time.

There are clearly challenges for active managers at the moment, particularly from the growing demand for passive vehicles. This has not shaken the commitment at Liontrust to active management and the value this can add to client portfolios.

All active managers experience periods of volatile performance, and it is important always to understand what is driving this and the reasons for any underperformance. There is a real belief and trust in the investment processes at Liontrust and a recognition that the fund management teams stay true to them even during difficult times, especially when their investment approach is out of favour.

The Board believes in the four strategic objectives that Liontrust has set for itself – Continue to enhance the client experience and outcomes; Diversify the product range and investment offering; Further broaden distribution and the client base; and strengthen our technological, data and digital capability - and is ensuring the business has the support and the means to execute these in the best way possible. There are a number of options, for example, for broadening the Group's distribution and fund range, and we will support what we see as the most effective means to expedite this.

The Board has supported the investment in the business, the action to manage costs and other changes over the past year in the belief that these will help drive Liontrust forward. The confidence of the Board in the long-term outlook for the business and its financial strength is demonstrated by our intention to targeting the same dividends for the financial year ending 31 March 2025 as last year and the announcement of a share buyback programme.

### Results

Gross Profit of £81.1 million (2023: £98.6 million and £92.5 million excluding performance fees), with a Revenue Margin[1] of 0.603% (2023: 0.627%) on Average AuMA of £26,860 million (2023: £29,495 million).

Adjusted profit before tax[1] is £25.8 million (2023: £36.0 million), with an Adjusted Operating Margin[1] of 30.5% (2023: 35.9%).

Statutory Profit before tax of £12.5 million (2023: Statutory Loss before tax of £10.1 million). This includes charges of £13.3 million (2023: £46.2 million) relating to acquisitions and non-recurring costs; the non-cash amortisation and impairment of the acquisition-related intangible assets and goodwill.

Adjusted profit before tax[1] 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 6 below for a reconciliation of Adjusted profit before tax[1].

### First Interim Dividend

In accordance with the Company's longstanding progressive dividend policy, which remains unchanged, the Board is declaring a first Interim dividend of 22.0 pence per share (2023: 22.0 pence) which will be payable on 8 January 2025 to shareholders who are on the register as at 29 November 2024, with the shares going ex-dividend on 28 November 2024. The last day for Dividend Reinvestment Plan elections is 13 December 2024.

### Business transformation programme

In late 2023, Liontrust started a transformation of our business, with the initial focus on strengthening data management, delivery and analysis across the business through the implementation of an enterprise portfolio management system. The enhancements have been achieved by implementing BlackRock's Aladdin platform; a Middle-Office operating model with BNY; BNY Front Office Services; and a new enterprise data platform—BNY Data Vault.

[1]This is an Alternative Performance Measure, see note 2 on page 17.

Liontrust is reorganising the fund ranges: the closure of four smaller funds in our Irish domiciled fund range, which was completed in October 2024; the merger (subject to investor approval) of the GAM Star Alpha Technology Fund into our newly launching Liontrust GF Global Alpha Long/Short Fund to be managed by Mark Hawtin and the Global Equities team; and further fund rationalisation. We expect all this reorganisation to be completed by the end of March 2025.

We will integrate the Global Fixed Income investment team into the Multi-Asset investment team under John Husselbee and then insource the fixed income exposure that is currently with external fund managers for our Multi-Asset funds and portfolios by the end of 2025. This comes at a time when both teams believe there will be greater diversity in interest rate policies around the world and there is scope for greater impact from the fixed income exposure in the Multi-Asset investment team's asset allocation. The integration will provide the Multi-Asset investment team with greater control over managing duration and will enhance its expertise across rates and credit. The insourcing of the fixed income allocation should reduce costs for clients of the Multi-Asset funds and portfolios while the funds managed by the Global Fixed Income team will benefit from being provided with permanent capital by the Multi-Asset investment team.

We are cutting our cost base, including through the proposed reduction of approximately 25 roles (12% of staff headcount) across our business for an annualised saving, if implemented in full, of employee-related, member-related and non-staff-related expenses of around £4.5 million. This is expected to be completed by the end of March 2025, and implementation costs for the role reductions are anticipated to be around £4.0 million, which will be incurred in the second half of the current financial year and the first half of the next.

### Capital Management

As at 30 September 2024 the Company had surplus capital after foreseeable dividends of over £45 million (as set out in note 1d below). In light of this, the Directors intend to target a dividend of at least 72 pence per share for the year ending 31 March 2025. In addition, the Company is initiating a share buyback programme with an aggregate value of up to £5 million, to be phased over the period to 31 March 2025. The shares purchased by the Company will be cancelled.