

## CHIEF EXECUTIVE OFFICER'S REPORT

This has been a challenging year for Liontrust. As the Chair has outlined in his statement, the market environment and investor sentiment has been negative for many of our strategies and this has driven the net outflows for Liontrust over the financial year.

We have full confidence in our proven investment teams and processes delivering over the long term for investors. Liontrust has also been developing the business to put it in a strong position to drive the next stage of our growth. We are pleased with the progress we have been making and how Liontrust is structured to capitalise on the opportunities ahead after the headwinds that the Group has faced over the last year.

### INVESTMENT PROPOSITION

We have continued to expand Liontrust's investment proposition as part of the strategic objective to diversify the product range. Liontrust has added the Global Equities team headed by Mark Hawtin. Mark has 40 years of investment experience, having been Head of Global Equities at GAM Investments and a partner and portfolio manager at Marshall Wace Asset

Management. We are very pleased with the feedback about the new team and they are already bringing us opportunities to broaden our client base globally.

The Economic Advantage team headed by Anthony Cross has expanded their capability through the recruitment of Alexander Game from Unicorn Asset Management, while Natalie Bell is now a named manager of the UK Smaller Companies and UK Micro Cap funds.

The outflows of assets from UK equity funds and depressed valuations of UK listed companies is threatening the robustness of the stock market. Many fantastic UK companies are being taken private too cheaply, are subject to takeovers by overseas companies or are choosing to list outside the UK. For these reasons, we support initiatives that will attract greater capital and companies to the UK stock market.

We welcomed the Government's announcement of the intention to bring in a UK ISA. Liontrust, particularly the Economic Advantage team, has been actively engaged with the Government over the idea and the subsequent consultation.

Liontrust believes in the long-term potential of the UK economy and its ability to produce world class companies. What we need are the incentives to encourage these companies to list on the UK market.

Liontrust expanded the fund offering during the last year with the launch of the GF Sustainable Future US Growth Fund in July 2023, which is managed by the Sustainable Investment team, and the GF Pan-European Dynamic Fund in February 2024, which is managed by the Cashflow Solution team and attracted more than €200 million within four months.

The Liontrust European Dynamic Fund won the award for best Europe ex UK Fund for the third year running at the prestigious Fund Manager of the Year awards on 20 June. The Liontrust European Strategic Equity Fund and the Liontrust India Fund were both shortlisted for awards.

Liontrust has continued to deliver strong long-term fund performance for our clients. Of Liontrust's funds, 86.3% are in the first or second quartile of their respective sectors since the funds were launched to 31 March 2024<sup>1</sup>.



Liontrust has been merging funds where we can produce economies of scale for the benefit of investors, such as the Global Equity and Global Focus funds into the Global Alpha Fund. These mergers also enable the Group to focus on those funds where there is significant existing or potential client demand.

### EXPAND DISTRIBUTION

Another of our four strategic objectives is to further broaden distribution and the client base and we have made significant progress in this area as well by strengthening the sales team in both the UK and internationally. We made two internal appointments with Kristian Cook becoming Head of UK Distribution and Mark Wright being named Head of UK Regional Distribution. We have also recruited a new head of strategic partners in the UK and business development managers for London and the South-East of England.

Jeremy Roberts joined from GAM Investments in March 2024 to be Head of Global Distribution (ex UK) with responsibility for developing sales internationally. We have strengthened our distribution capability in Germany with the appointment of Michael Buchholz. He joins Liontrust in August 2024 as Head of Distribution for Germany and Austria and will be based in our branch office in Frankfurt that will open later this year. Jeremy will be making further hires to build the international sales team and we will be expanding our physical presence in continental Europe.

### CLIENT EXPERIENCE

We have also focused on providing an excellent level of service and engagement with clients and ensuring there is a high level of awareness and understanding of Liontrust funds. Nearly 1,800 professional intermediaries attended Liontrust events in 2023 and around 400 have attended the adviser roadshow around the UK in the spring and early summer of 2024 at which the Sustainable Investment and Global Innovation teams have been presenting. Liontrust has a series of events for professional intermediaries planned through the autumn.

Liontrust is generating strong investor engagement through our marketing, with significant development of our digital presence. Liontrust fund manager videos had more than 2.3 million views from February 2023 to February 2024. A new weekly video that started in March 2024 to provide a bite-size review of the latest market and economic news has attracted 42,000 views in the first nine weeks.

Also, from February 2023 to February 2024, Liontrust's LinkedIn channel had 8.71 million impressions and 68,578 clicks. LinkedIn followers have grown by nearly 50% in the 15 months to June 2024.

### STRENGTHEN TECHNOLOGY AND DATA

Another key way in which Liontrust has been ensuring we are in a strong position for the future is through developing our technological and data capability. This includes implementing new front office portfolio management and research management systems. These will give us a single front office operating platform that provides Liontrust with scalability, flexibility and efficiency to support future growth of the business. These systems will improve the quality and efficiency of delivering and analysing data and greater productivity across the business. In time, this will lead to enhancements for client service and reporting, enabling Liontrust to develop further our digital capability.

In September 2023 we started a programme to implement a strategic Enterprise Platform and associated Operating Model which includes new Front Office tooling – BlackRock Aladdin, with FlexTrade as the EMS, an extended Middle Office operating model with BNY and the implementation of BNY Front Office Service, and a new Enterprise Data platform – BNY Data Vault.

In December 2023 we implemented FactSet RMS, a flexible, scalable and consistent research management system which allows our investment teams to store, collaborate and analyse research, both internally generated and externally acquired. FactSet RMS allows us to leverage technology to generate insight and drive efficient, whilst also effectively supporting growing regulatory reporting requirements and preparing for emerging technologies like Artificial Intelligence.

### LIONTRUST FOUNDATION

Liontrust established its charitable foundation during the financial year. The Liontrust Foundation was set up to promote social mobility and preserve and recover nature. The Foundation is committed to empowering young entrepreneurs and promoting DE&I in particular through these two objectives.

We have a very strong Board of Trustee Directors, who are chaired by Simon Hildrey, Chief Marketing Officer at Liontrust. The other trustees are Mandy Donald (Non-executive Director of Liontrust), Nathalie Richards (CEO of SEO London) and Dr Andrew Terry (Director of Conservation and Policy at Zoological Society of London).

### OUTLOOK

Liontrust has put in place the structure to deliver growth. We have an expanding and compelling range of investment teams with robust processes; broadening distribution and excellent client service; great engagement with our campaigns and content; a strong brand; and an enhanced operating model. This gives me confidence that we are able to take advantage of the opportunities and mitigate the challenges for active asset managers in the future.

### John Ions

Chief Executive Officer  
25 June 2024

<sup>1</sup>Source: Financial Express, bid-to-bid basis, net of fees, primary share classes. Statistics using monthly return period.