

LEI: 549300XVXU6S7PLCL855

For immediate release

19 April 2023

**Stock Exchange Announcement
LIONTRUST ASSET MANAGEMENT PLC
Trading Update**

Liontrust Asset Management Plc (“**Liontrust**”, or the “**Company**”), the specialist independent fund management group, today issues its trading update for both the twelve months ended 31 March 2023 (the “**Financial Year**”) and the three months ended 31 March 2023 (the “**Period**”).

Highlights

- Adjusted profit before tax to be ahead of market expectations for the Financial Year and will be not less than £86 million.
- Net outflows of £2.0 billion¹ in the Period and £4.8 billion¹ for the Financial Year.
- Assets under management and advice (“**AuMA**”) were £31.4 billion as at 31 March 2023, a decrease of 3.6% over the Period.
- AuMA as at 17 April 2023 were £31.8 billion.

¹ Includes £608 million related to the termination of a life company advisory agreement for the Multi Asset team and £149 million related to the termination of the agreement with Majedie Investments Plc (as at 31 January 2023) for the Global Fundamental team.

Commenting, John Ions, Chief Executive, said:

“It has been a challenging year for Liontrust in terms of net outflows and mixed performance for our funds. But this has to be set against a backdrop of the industry in aggregate suffering UK retail net outflows in 10 out of the 12 months last year, according to the Investment Association (“**IA**”). Despite these headwinds, Liontrust has delivered impressive financial performance.

The strength of a business and the robustness of its strategy is best demonstrated when it is tested in difficult times. Liontrust has shown that the business as a whole is operating well and we will continue to broaden our products and distribution channels while the adherence to process, focus in distribution and strong brand ensure we will emerge well positioned for future expansion.

The Liontrust brand remains strong and will be a key driver of the growth of the business. The brand has risen in the rankings in the UK (to 6th) as well as across the rest of Europe according to Broadridge’s annual survey of asset management brands, which was released in March 2023.

It is a year since we acquired Majedie Asset Management with a final purchase price of £41 million². Over the financial year, the investment team who joined from Majedie generated performance fees of £12 million, out of a total of at least £17 million for Liontrust as a whole.

The acquisition of Majedie has broadened our investment capability, including in alternative investments and global equity funds. In February 2023, we announced the consolidation of our global investment teams to provide greater focus. This led to the Global Equity team and

funds becoming part of the Global Fundamental team, with the former reporting to Tom Record, who is responsible for global equities within the enlarged Global Fundamental team.

Liontrust was honoured to take on the management of the prestigious £1.1 billion Edinburgh Investment Trust through the Majedie acquisition. The end of March 2023 marked the three-year anniversary of James de Uphaugh becoming Portfolio Manager of the Trust, during which time its NAV delivered a cumulative total return of 65.9% against 47.4% by the FTSE All-Share index³. The discount of the Trust has narrowed from 11.5% at 31 March 2020 to 7.5% at 31 March 2023³.

Our Multi-Asset range has been refocused and enhanced to continue to ensure it offers vital consistency and meets the suitability requirements of advisers and their clients. The team is currently presenting to advisers at more than 50 venues throughout the UK.

The financial strength of Liontrust, superior brand recognition and disciplined focus on investment processes in a very challenging environment is testament to the strong operating platform of the business. This gives me great confidence about the future of Liontrust.”

² Excluding deal and restructuring costs.

³ Source: Morningstar. Past performance is not a guide to future performance, investments can result in total loss of capital.

Market expectations

Liontrust announces that it expects revenues and adjusted profit before tax to be ahead of market expectations for the Financial Year. Adjusted profit before tax will be not less than £86 million, driven primarily by stronger than expected performance fee revenues during the Financial Year of at least of £17.0 million (2022: £12.6 million) received across three of our investment teams (Global Fundamental team, Cashflow team and Sustainable Investment team), the Global Fundamental team contributing £11.9 million.

Assets under management and advice

On 31 March 2023, our AuMA stood at £31,430 million and were broken down by type and investment process as follows:

<u>Process</u>	<u>Total</u>	<u>Institutional</u> <u>Accounts &</u> <u>Funds</u>	<u>Investment</u> <u>Trusts</u>	<u>UK Retail</u> <u>Funds &</u> <u>MPS</u>	<u>Alternative</u> <u>Funds</u>	<u>International</u> <u>Funds &</u> <u>Accounts</u>
	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>
Sustainable Investment	11,210	347	-	10,286	-	577
Economic Advantage	7,896	430	-	7,242	-	224
Multi-Asset	5,052	-	-	4,810	242	-
Global Innovation	619	-	-	619	-	-
Cashflow Solution	1,437	543	-	747	140	7
Global Fundamental	4,855	1,074	1,139	1,886	702	54
Global Fixed Income	361	-	-	131	-	230
Total	31,430	2,394	1,139	25,721	1,084	1,092

AuMA as at 17 April 2023 were £31.760 million.

Flows

The net outflows over the Period were £2,024 million² (2021: £432 million). A reconciliation of fund flows and AuMA over the Period is as follows:

	<u>Total</u> <u>(£m)</u>	<u>Institutional</u> <u>Accounts &</u> <u>Funds</u> <u>(£m)</u>	<u>Investment</u> <u>Trusts</u> <u>(£m)</u>	<u>UK Retail</u> <u>Funds &</u> <u>MPS</u> <u>(£m)</u>	<u>Alternative</u> <u>Funds</u> <u>(£m)</u>	<u>International</u> <u>Funds &</u> <u>Accounts</u> <u>(£m)</u>
Opening AuMA - 1 January 2023	32,614	2,673	1,163	26,639	959	1,180
Net flows ⁴	(2,024)	(382)	(79)	(1,610)	99	(53)
Market and Investment performance	840	103	55	692	26	(35)
Closing AuMA - 31 March 2023	31,430	2,394	1,139	25,721	1,084	1,092

The net outflows over the Financial Year were £4,842 million⁴ (2021: net inflows £2,488 million). A reconciliation of fund flows and AuMA over the Financial Year is as follows:

	<u>Total</u> <u>(£m)</u>	<u>Institutional</u> <u>Accounts &</u> <u>Funds</u> <u>(£m)</u>	<u>Investment</u> <u>Trusts</u> <u>(£m)</u>	<u>UK Retail</u> <u>Funds &</u> <u>MPS</u> <u>(£m)</u>	<u>Alternative</u> <u>Funds</u> <u>(£m)</u>	<u>International</u> <u>Funds &</u> <u>Accounts</u> <u>(£m)</u>
Opening AuMA - 1 April 2022	33,548	1,408	-	30,113	370	1,657
Net flows ⁴	(4,842)	(1,148)	(89)	(3,185)	274	(693)
Market and Investment performance	(2,424)	(177)	(11)	(2,085)	45	(197)
Majedie acquisition	5,148	2,311	1,239	878	395	325
Closing AuMA - 31 March 2023	31,430	2,394	1,139	25,721	1,084	1,092

⁴ Includes £608 million related to the termination of a life company advisory agreement for the Multi Asset team and £149 million related to the termination of the agreement with Majedie Investments Plc (as at 31 January 2023) for the Global Fundamental team.

UK Retail Fund Performance (Quartile ranking)

	Quartile ranking – Since Launch/Manager Appointed	Quartile ranking - 5 year	Quartile ranking - 3 year	Quartile ranking - 1 year	Launch Date/ Manager Appointed
Economic Advantage funds					
Liontrust UK Growth Fund	1	1	3	1	25/03/2009
Liontrust Special Situations Fund	1	1	3	3	10/11/2005
Liontrust UK Smaller Companies Fund	1	1	2	2	08/01/1998
Liontrust UK Micro Cap Fund	1	1	1	1	09/03/2016
Sustainable Future funds					

Liontrust SF Monthly Income Bond Fund	1	2	1	2	12/07/2010
Liontrust SF Managed Growth Fund	2	1	2	4	19/02/2001
Liontrust SF Corporate Bond Fund	1	3	2	3	20/08/2012
Liontrust SF Cautious Managed Fund	1	2	4	4	23/07/2014
Liontrust SF Defensive Managed Fund	1	1	4	4	23/07/2014
Liontrust SF European Growth Fund	3	4	4	4	19/02/2001
Liontrust SF Global Growth Fund	3	1	4	4	19/02/2001
Liontrust SF Managed Fund	2	1	3	4	19/02/2001
Liontrust UK Ethical Fund	3	3	4	4	01/12/2000
Liontrust SF UK Growth Fund	3	3	4	4	19/02/2001
Global Innovation funds					
Liontrust Global Dividend Fund	2	1	3	4	20/12/2012
Liontrust Global Innovation Fund	1	4	4	4	31/12/2001
Liontrust Global Technology Fund	3	2	3	4	15/12/2015
Global Fundamental Global Equity funds⁵					
Liontrust Balanced Fund	1	1	3	4	31/12/1998
Liontrust China Fund	4	4	3	3	31/12/2004
Liontrust Emerging Market Fund	3	4	4	4	30/09/2008
Liontrust Global Smaller Companies Fund	1	3	4	4	01/07/2016
Liontrust Global Alpha Fund	1	1	3	4	31/12/2001
Liontrust India Fund	4	3	1	2	29/12/2006
Liontrust Japan Equity Fund	2	2	1	1	22/06/2015
Liontrust Latin America Fund	3	3	4	4	03/12/2007
Cashflow Solution funds					
Liontrust European Dynamic Fund ⁶	1	1	1	2	15/11/2006
Global Fixed Income funds					

Liontrust Strategic Bond Fund	3	-	3	2	08/05/2018
Global Fundamental funds⁷					
Liontrust UK Equity Fund	1	3	3	2	27/03/2003
Liontrust UK Focus Fund	1	3	3	3	29/09/2003
Liontrust Income Fund	1	1	2	2	31/12/2002
Liontrust UK Equity Income Fund	2	4	4	4	19/12/2011
Liontrust US Opportunities Fund	2	3	3	4	31/12/2002
Edinburgh Investment Trust Plc ⁸	1	-	1	1	27/03/2020
Liontrust Global Equity Fund	2	2	2	3	30/06/2014
Liontrust Global Focus Fund	2	2	2	2	30/06/2014
Liontrust GF US Equity Fund	3	2	2	3	26/06/2014
Liontrust GF UK Equity Fund	4	3	3	2	03/03/2014
Liontrust GF International Equity Fund	2	-	3	3	17/12/2019

Source: Financial Express to 31 March 2023 as at 5th April 2023, bid-bid, total return, net of fees, based on primary share classes. Edinburgh Investment Trust Plc NAV source: Morningstar. Past performance is not a guide to future performance, investments can result in total loss of capital. The above funds are all UK authorised unit trusts, OEICs, Irish authorised OEICs (primary share class) or UK listed investment trusts.

⁵ Liontrust Russia Fund is not included as it is currently suspended and in an IA sector that is not rankable (e.g., Specialist) so it would not be a fair comparison to make.

⁶ Liontrust European Growth Fund changed its name to Liontrust European Dynamic Fund on 11 July 2022.

⁷ The onshore and offshore Tortoise funds are not included as they are not in IA sectors.

⁸ Edinburgh Investment Trust Plc uses the IT UK Equity Income sector.

Update on Majedie acquisition total final consideration

In December 2021 we announced the proposed acquisition of Majedie Asset Management Limited for total consideration of up to £120 million⁹ consisting of:

- £80 million satisfied through the issue of 3,683,241 new Ordinary Shares to Majedie Shareholders at Completion (“**Initial Consideration Shares**”);
- Up to £8.3 million, with up to £5.3 million being satisfied with the issue of 244,014 new Ordinary Shares (“**Excess NAV Shares**”) and up to £3.0 million in cash to be issued when the net asset value of Majedie is agreed and exceeds a specified minimum, to Majedie Shareholders (“**Excess NAV**”);
- Up to £11.7 million satisfied through the issue of 538,674 new Ordinary Shares (“**Conditional Consideration Shares**”) to Majedie Shareholders within 30 business days of 30 June 2025 dependent on minimum AuMA for the period from Completion

to 31 March 2023 and performance fees earned for the period from Completion to 31 March 2025; and

- Up to £20 million satisfied in cash (“**Pipeline Consideration**”) to be paid to Majedie Shareholders dependent on achieving certain institutional growth targets from their existing new business pipeline over a period of up to three years

The proposed acquisition completed on 1 April 2022 and the final determination of the total consideration excluding consideration paid on a “cash for cash” basis is detailed below:

Tranche	Calculation	Consideration⁹
Initial Consideration Shares	3,683,241 shares at 1274p ¹⁰ minus £5.5m of cash for regulatory capital	£41.4 million
Excess NAV Shares	Only a cash for cash payment due	Nil
Conditional Consideration Shares	Condition not satisfied	Nil
Pipeline Consideration Shares	Condition not satisfied	Nil
Total Consideration		£41.4 million

The structuring of the consideration for the acquisition has provided Liontrust shareholders with protection against challenging market conditions.

⁹ Excluding deal and restructuring costs.

¹⁰ Liontrust share price as at close of business on 31 March 2022 was 1274p.calculated as 3.683 million multiplied by £12.74 minus £5.5 million equals £41.4 million. Source: Liontrust.

Full year results

Liontrust will be announcing its full year results for the financial year ended 31 March 2023 on Wednesday, 21 June 2023.

For further information please contact:

Teneo (Tel: 020 7353 4200, Email: liontrust@teneo.com)

Tom Murray or Stephanie Mackrell

Liontrust Asset Management Plc (Tel: 020 7412 1700, Website: liontrust.co.uk)

John Ions: Chief Executive

Vinay Abrol: Chief Financial Officer & Chief Operating Officer

Simon Hildrey: Chief Marketing Officer

David Boyle: Head of Corporate Development

Singer Capital Markets (Tel: 020 7496 3000)

Corporate Broking: Tom Salvesen

Corporate Finance: Justin McKeegan

Panmure Gordon (Tel: 020 7886 2500)

Corporate Broking: Stephen Jones

Corporate Advisory: Dominic Morley

Forward Looking Statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses and plans of Liontrust. 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 Liontrust'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

The release, publication, transmission or distribution of this announcement in, into or from jurisdictions other than the United Kingdom may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published, transmitted or distributed should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

ENDS