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ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

LIONTRUST ASSET MANAGEMENT PLC

LIONTRUST
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OUR PURPOSE

Our purpose is to enable investors to enjoy a better financial future.

INSIDE THIS REPORT

HIGHLIGHTS

ASSETS UNDER MANAGEMENT AND ADVICE

31 March
2023

6%

£31,430 million

31 March
2022

£33,548 million

NET FLOWS

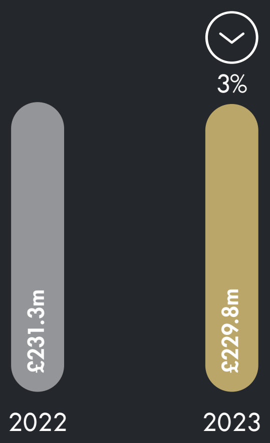
31 March
2023

£(4,841) million

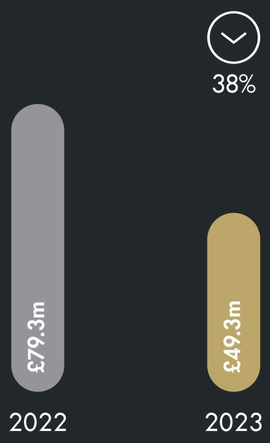
31 March
2022

£2,488 million

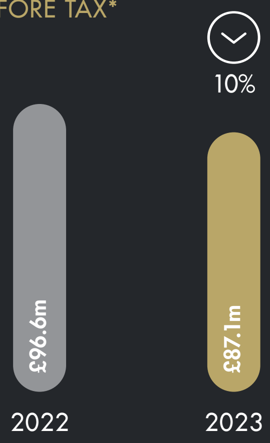
GROSS PROFIT



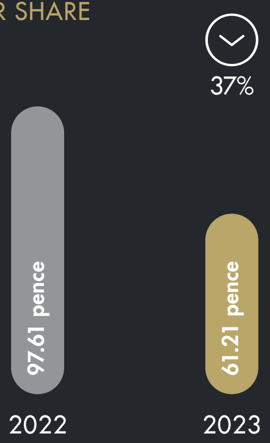
PROFIT BEFORE TAX



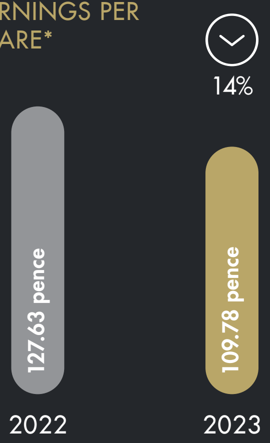
ADJUSTED PROFIT BEFORE TAX*



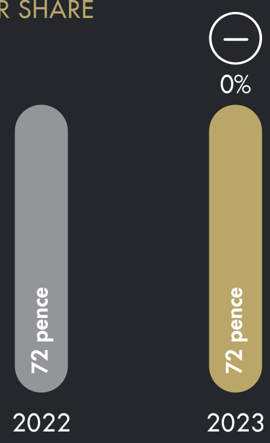
DILUTED EARNINGS PER SHARE



ADJUSTED DILUTED EARNINGS PER SHARE*



TOTAL DIVIDEND PER SHARE



*These are Alternative Performance Measures. See Page 34 for further details.

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:

Process	Total (£m)	Institutional Accounts & Funds (£m)	Investment Trusts (£m)	UK Retail Funds & MPS (£m)	Alternative Funds (£m)	International Funds & Accounts (£m)
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

31 MARCH
2023
£31,430m

31 MARCH
2022
£33,548m

Decrease of
6%
over the financial year

NET FLOWS

Liontrust recorded net outflows of £4,841 million in the financial year to 31 March 2023 (2022: £2,488 million inflows). A reconciliation of net flows over the financial year is as follows:

	Total £m	Institutional Accounts & Funds £m	Investment Trusts £m	UK Retail Funds & MPS £m	Alternative Funds £m	International Funds & Accounts £m
Opening AuMA – 1 April 2022	33,548	1,408	0	30,113	370	1,657
Net flows	(4,841)	(1,148)	(89)	(3,185)	274	(693)
Market and Investment performance	(2,425)	(177)	(11)	(2,085)	45	(197)
Majedie acquisition	5,148	2,311	1,239	878	395	325
Closing AuM – 31 Mar 2023	31,430	2,394	1,139	25,721	1,084	1,092

31 MARCH
2023
£(4,841)m

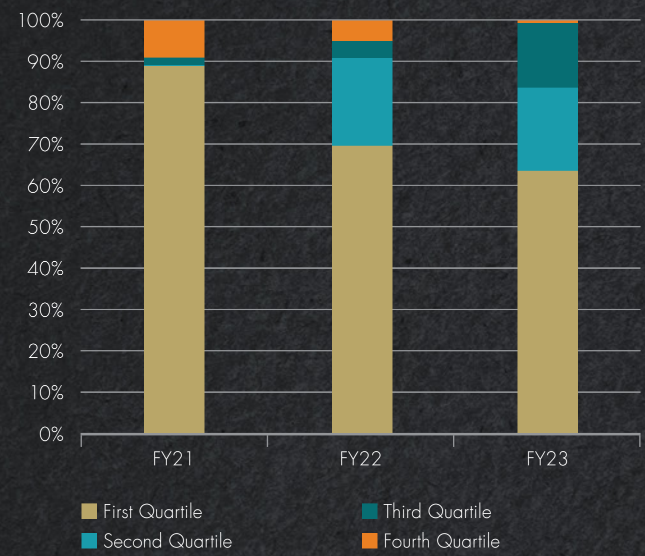
31 MARCH
2022
£2,488m

KEY PERFORMANCE MEASURES

Fund management ability and investment performance

The strength of Liontrust's fund managers and investment processes is shown by the fact that over the period from launch or fund manager appointment to the end of each of the most recent three financial years, on an AuMA weighted basis, we have consistently had over 60% or more of our actively managed UK retail AuMA in first quartile funds[1] (see Figure 1).

Figure 1 – AuMA weighted quartile ranking since launch or manager inception (covers 71% of AuMA).

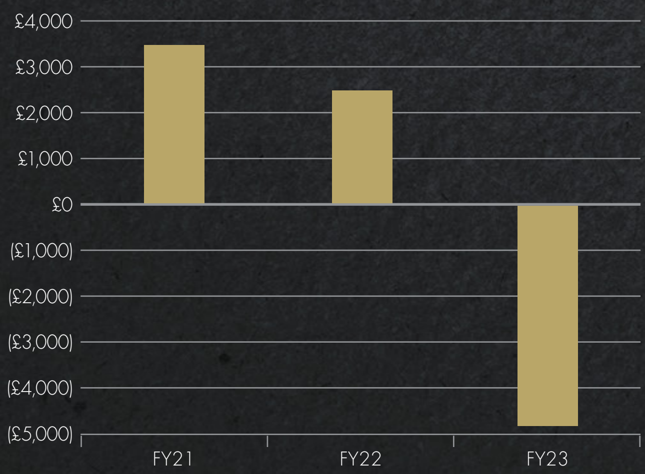


[1]net of fees and income reinvested. See UK Retail fund performance on pages 7 to 9.

Net flows

Net flows in the year have fallen to £(4,841) million from +£3,498 million two years ago and from +£2,488 million last year.

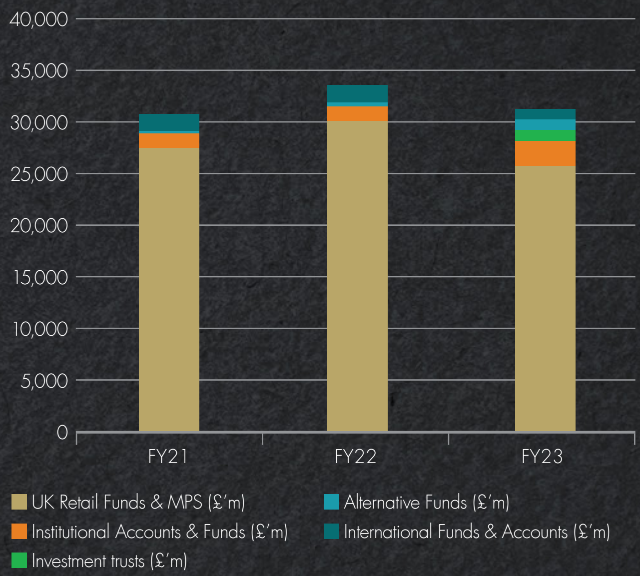
Figure 2 – Net flows £'million



A Profitable and Growing business

Our AuMA has decreased by 6% from 31 March 2022 to 31 March 2023 and increased by 2% from 31 March 2021 to 31 March 2023, reflecting acquisitions, market performance and net flows (see figure 3).

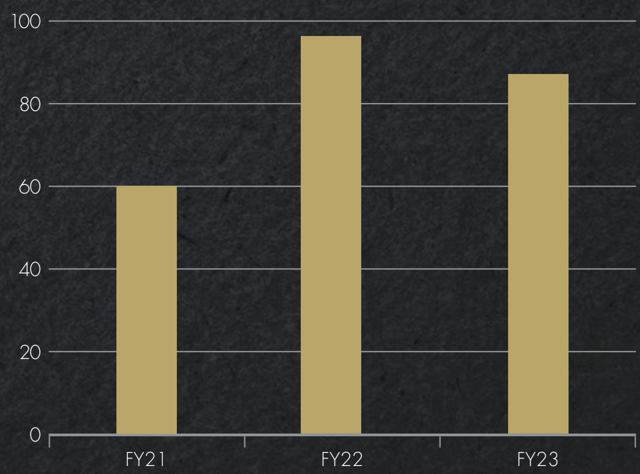
Figure 3 – AuMA by investor type £'million



Adjusted profit before tax*

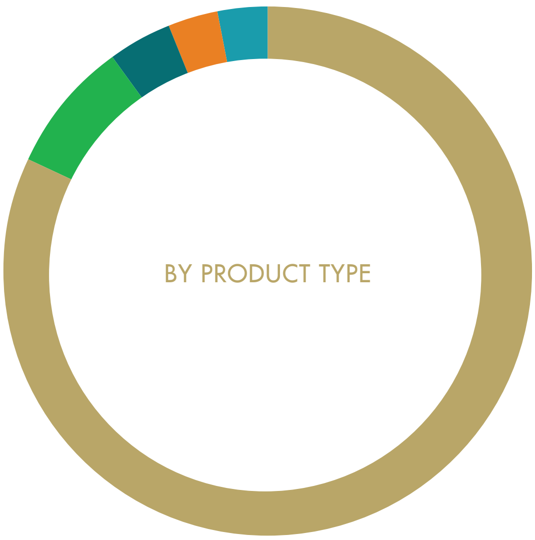
Our adjusted profit before tax has decreased by 10% from 31 March 2022 to 31 March 2023 and increased by 47% from 31 March 2021 to 31 March 2023.

Figure 4 – Adjusted profit before tax* £'million

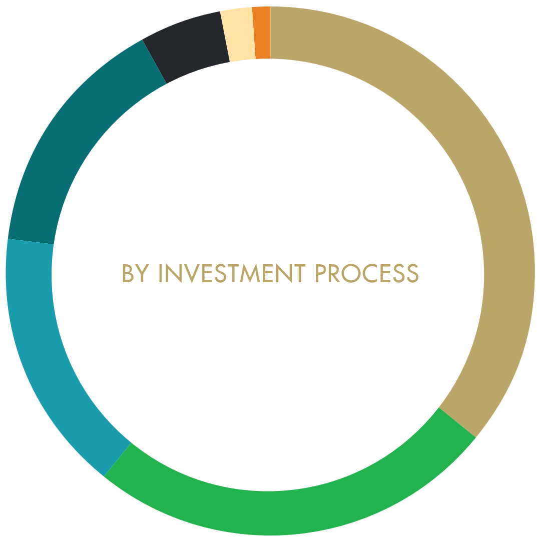


*These are Alternative Performance Measures. See Page 34 for further details.

SPLIT OF AUMA



UK Retail Funds & MPS	82%
Institutional Accounts & Funds	8%
Investment Trusts	4%
Alternative Funds	3%
International Funds & Accounts	3%



Sustainable Investments	36%
Economic Advantage	25%
Multi-Asset	16%
Global Fundamental	15%
Cashflow Solution	5%
Global Innovation	2%
Global Fixed Income	1%

UK RETAIL FUND PERFORMANCE

The strength of Liontrust's fund management capability is shown by the weighted average AuMA of our actively managed unit trusts and ICVCs. Since launch or since the fund managers were appointed 64% were in the first quartile.

%age of AuMA covered

First Quartile	64%
Second Quartile	20%
Third Quartile	16%
Fourth Quartile	0%

UK Retail Fund Performance (Quartile ranking)

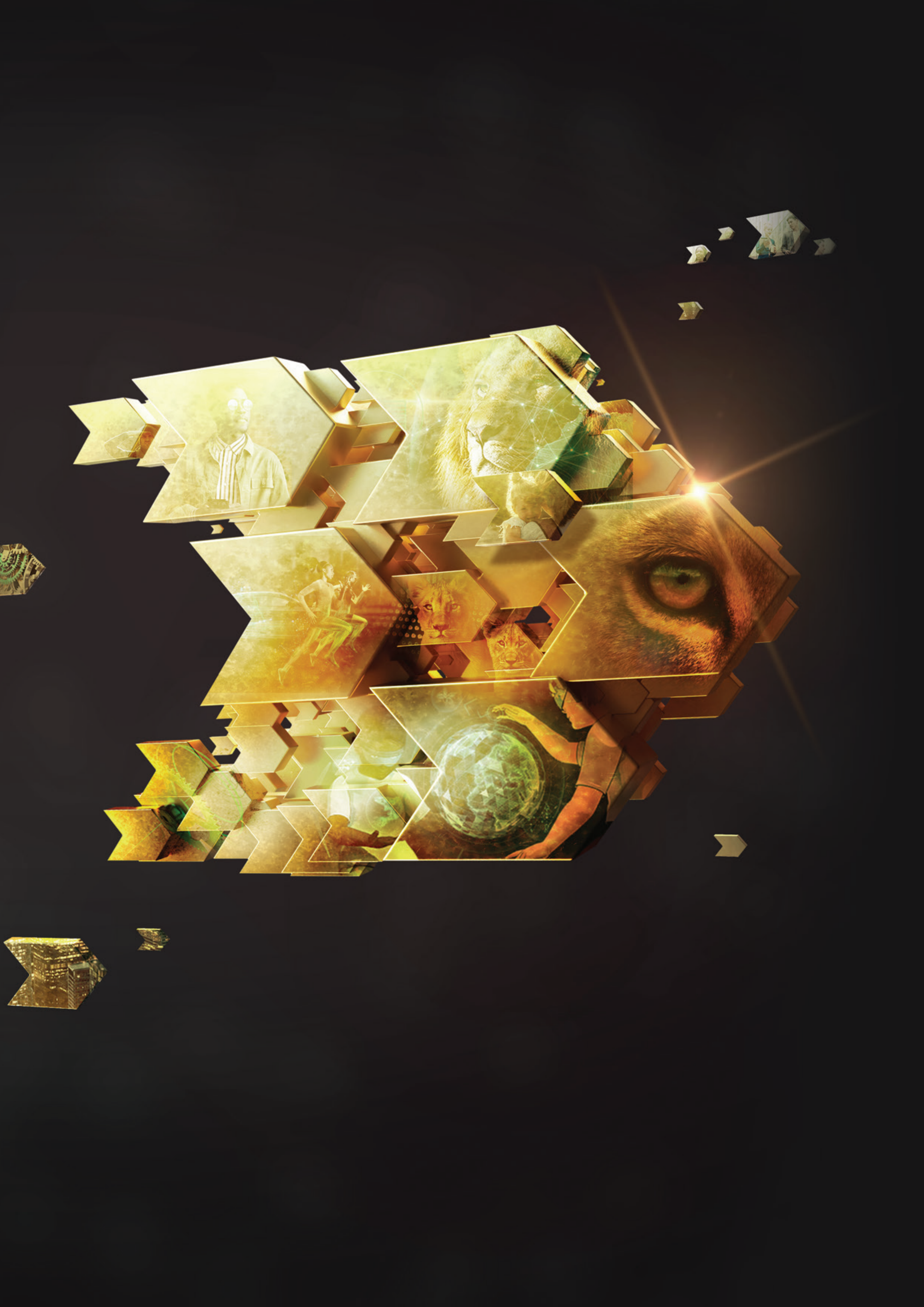
Detailed quartile rankings by fund over one, three and five years and since launch date or fund manager appointment are shown in the table below:

	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 FUNDS[1]					
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

	Quartile ranking – Since Launch/ Manager Appointed	Quartile ranking – 5 year	Quartile ranking – 3 year	Quartile ranking – 1 year	Launch Date/ Manager Appointed
CASHFLOW SOLUTION FUNDS					
Liontrust European Dynamic Fund[2]	1	1	1	2	15/11/2006
GLOBAL FIXED INCOME FUNDS					
Liontrust Strategic Bond Fund	3	– –	3	2	08/05/2018
GLOBAL FUNDAMENTAL TEAM FUNDS[3]					
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 Plc4	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

Financial Express to 31 March 2023 as at 5 April 2023, bid-bid, total return, net of fees, based on primary share classes. 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 or UK authorised ICVCs (primary share class).

[1]Liontrust Russia Fund is not included as it is currently suspended and in an IA sector that is not rankable (e.g. Specialist).
[2]Renamed from Liontrust European Growth fund



STRATEGIC REPORT

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.

"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"

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 is 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

CHIEF EXECUTIVE'S REPORT

Introduction

The role of asset managers has never been more important. Investors are seeking to secure their financial futures at a time of having to navigate higher inflation, rising interest rates, political instability and fragmentation in globalisation. While cash has been seen by many people as an attractive home for their savings in recent months, this will not deliver the real returns to enable them to achieve their long-term objectives.

We believe these long-term financial objectives are best achieved through the application of robust investment processes. This is despite the inevitable periods when active managers underperform and sentiment is negative about particular markets and asset classes.

As I highlighted in last year's Annual Report and Accounts, the rotation from quality growth to value stocks had started to impact the performance of many of our funds. While this has continued over the past year, it does not detract from the proven track record of our teams and their processes. This includes the Sustainable Investment team, who have delivered strong returns following previous periods of relative underperformance. The compelling case for sustainable investment and finding companies that will drive and benefit from the transition to a cleaner, healthier and safer world has only been strengthened, not lessened, by the events of the past year.

Our confidence is shown by the fact we are launching the Liontrust GF Sustainable Future US Growth Fund in July. This will enable investors to take advantage of the growing number of sustainable opportunities in the world's largest stock market, particularly among mid cap stocks.

The economic and market environment also does not detract from the strength of the Liontrust business.

Over the past decade, we have been building an asset manager with excellent investment capability across our now seven investment teams. For example, Edinburgh Investment Trust ("EIT") reached the three-year anniversary of being managed by James de Uphaugh in March with strong relative performance and a narrowing of the discount over that period. Liontrust has worked with the board of EIT on creating a brand and now marketing EIT to both professional advisers and retail investors.

Our sales and marketing teams have continued to regularly interact with clients, whether through face-to-face meetings, events, webinars, videos or written communications. This is reflected in impressive engagement such as 553 professional advisers watching our virtual Sustainable Investment conference live, more than 500,000 views of our videos, a 19% increase in page views on the Liontrust website over the past year, and 85,000 clicks on our brand advertising. Liontrust has been named as the 6th strongest asset management brand in the UK by Broadridge.

> "Liontrust is financially strong and we have been investing in digital marketing, performance data and the infrastructure of the business to enhance our engagement with clients, the investor experience and support growth"
>
> **JOHN IONS**
> CHIEF EXECUTIVE

Proposed acquisition of GAM Holding AG

The importance of our strategic objectives of (i) Expanding distribution and our client base and (ii) Diversifying our fund range has been clearly demonstrated over the past year. The diversification in asset classes and a more international distribution footprint are two of the principal reasons why we have agreed the proposed acquisition of GAM Holding AG ("GAM").

The expanded range of funds will offer the potential to grow AuMA through marketing new funds to existing clients, attract new clients and exploit new distribution channels in markets where Liontrust and GAM have strength of distribution. It will also provide the opportunity to grow distribution in markets where there is currently little or a developing presence.

The expanded number of asset classes and styles of investment, led by highly regarded fund managers, will also enable us to reduce the correlation of returns across the range and therefore increase the number of funds that will be attractive to clients during different periods of the market cycle. This will provide an investment proposition that ensures Liontrust can sustain growth even when certain styles of investment are out of favour with investors.

The positive response of the GAM investment teams and clients to the proposed acquisition reflects the stability and certainty of leadership that Liontrust will provide. We have shown that integrating businesses which need support into the Liontrust operating model leads to a stronger enlarged group.

The financial strength of Liontrust enables us to achieve these acquisitions which in turn accelerate our strategic objectives.

6th

Liontrust has been named as the 6th strongest asset management brand in the UK by Broadridge.

Outlook

I am pleased with the development of the business and the foundations that have been put in place for future growth even if the past year has been more challenging in terms of net flows.

The investment teams and their processes have proven themselves over the long term. The Sustainable Investment and Economic Advantage teams are regarded as market leaders in the UK and we have been diversifying sales across other teams and funds. Our brand is strong and we have great reach through our sales and marketing.

Liontrust is financially strong and we have been investing in digital marketing, performance data and the infrastructure of the business to enhance our engagement with clients, the investor experience and support growth.

The proposed acquisition of GAM gives us the opportunity to accelerate Liontrust's strategic development by expanding the product range, the physical footprint of our distribution and talent across the company.

It is for all these reasons that I look forward with confidence about the future development of Liontrust.

John Ions
Chief Executive
20 June 2023

OUR STRATEGY

Liontrust has seven principal strategic objectives:

1 **Be a responsible company and investor**

2 **Deliver market leading investment performance over the longer term**

3 **Diversify the fund range**

4 **Expand distribution and the client base**

5 **Enhance the investor experience**

6 **Attract and develop talent**

7 **Develop the business infrastructure to help drive growth**

1 BE A RESPONSIBLE COMPANY AND INVESTOR

Asset managers have a key role to play in providing capital to enable businesses to grow and in helping investors to achieve their financial objectives. We also have an important role to play in supporting businesses and innovative companies, working to allocate capital towards positive outcomes including delivering products and services that benefit the economy and society. Liontrust aims to achieve this through the use of active management and proprietary investment processes to identify companies that can generate sustained growth and by investing in businesses for the long term.

Since 2001, the Liontrust Sustainable Investment team has been seeking well-run companies that capitalise on transformative themes that will shape the economy and society for the future. Engagement is integral to the team's process as it provides greater insight into companies and helps to ensure best practice. Over the past year, the Responsible Capitalism team has been working with our other investment teams on evaluating ESG risks and opportunities as part of their investment processes and engaging with companies they hold, including through proxy voting.

Responsible Capitalism focuses on the material considerations (as determined by our investment teams' individual processes) that could impact investments over the investable time horizon of the funds. Understanding these risks and opportunities, including those that are ESG related, can be part of fundamental analysis in fund management, and may help our investment teams be more aware of issues and make better investment decisions over the longer term. Overall, integrating these considerations may also help create shareholder value and deliver investment performance for our clients.

Our clients are interested in knowing what their funds hold and why they are held. They also want to know how Liontrust's ESG integration and stewardship practices affect the investment decisions that impact longer-term fund performance. We aim to report on this, as much as possible, from an evidenced-based perspective so clients can see what is factored in when our investment teams make decisions on their behalf.

Liontrust – across its business and investments – is committed to achieving net zero greenhouse gas emissions by 2050. The Group has undertaken this commitment as part of its fiduciary duty to clients – to understand the key exposures that its investments face and to make well informed decisions. The Group also feels that this commitment helps it promote well-functioning financial systems as it makes informed investment decisions and takes responsibility for its own financed emissions.

Liontrust values its people and aims to nurture a working environment and culture that attracts talent to its business and retains the talent that it has (see strategic pillar 6 – Attract and develop talent – for more detail on this).

Being a responsible company and investor also means being compliant with rules and regulations. This includes Consumer Duty in the UK which came into force in two stages in April and July 2023.

Outcomes: Each investment team at Liontrust has its own methodology for considering ESG and other risks in its investment process and engaging holdings on these issues. Some teams were supported by the Responsible Capitalism team understanding these issues and engaging on them. Liontrust's investment teams also undertook proxy voting (Liontrust votes its proxies and reports on its proxy voting on its website).

As active fund managers, many of Liontrust's investment teams meet and engage with current and prospective investee companies. In 2022, Liontrust's investment teams (and/or the Responsible Capitalism on their behalf) met companies face to face or virtually and/or corresponded via emails, calls, or letters. Depending on the issues, the investment teams' interactions with companies might be with Board members, senior management, investor relations or experts within organisations. In 2022, Liontrust's investment teams undertook a total of 363 engagements with companies. There were often multiple engagements with the same company over the course of the year. Company engagements were regularly attended by representatives of several investment teams. Engagements in 2022 covered a range of topics, including financial performance, strategy, and ESG-related issues. In total, 251 different ESG issues were raised with holdings.

In May 2022, Liontrust joined the Net Zero Asset Managers' (NZAM) initiative to adopt formally this goal. This includes setting out the initial percentage of AuMA that the Group commits to the goal. This percentage will increase over time.

Liontrust aims for its funds to be net zero aligned by 2050. Liontrust has interim targets in place for 2025 and 2030 to achieve this part of its goal. By 2025, Liontrust aims to reduce its financed emissions by 25% (as compared to the relevant funds' benchmarks from the end of December 2019). By 2030, Liontrust aims to achieve a 50% reduction in its financed emissions (as compared to the same benchmark used for the 2025 reduction target).

As data become more reliable and available, Liontrust's investment teams will have a clearer understanding of how to account for carbon emissions across all asset classes, and the investment teams should see more clearly the impact of net zero efforts on their funds' investments. The speed at which Liontrust's funds move towards net zero will vary between the teams, depending on each investment process. Following Liontrust's first submission to NZAM, we will report annually on its progress against targets, either through CDP's annual assessment or via the PRI's annual reporting tool.

2 DELIVER MARKET LEADING INVESTMENT PERFORMANCE OVER THE LONGER TERM

Liontrust focuses only on managing funds and portfolios in which we have particular expertise. All teams operate a rigorous and repeatable investment process. We believe these processes are key to delivering strong long-term performance and effective risk control. Our funds strive to outperform their relevant benchmarks and the average returns of their respective peer groups over the medium to long term.

Outcomes: Over five years to 31 March 2023, 84% of Liontrust's UK-domiciled funds were in the 1st or 2nd quartile of their respective IA sectors (source: Financial Express, as at 31.03.22, total return, net of fees, income reinvested, on an AuMA weighted basis. This excludes the Liontrust Multi-Asset Funds, most of which do not have sector benchmarks, and funds in the IA Specialist sector). Over three years, 23% of UK-domiciled funds in the 1st or 2nd quartile of their respective IA sectors.

At Incisive Media's 2022 Fund Manager of the Year Awards, Liontrust won the Award for Global Group of the Year for the second year running. The European Dynamic Fund won the Award for Best Europe Fund, UK Micro Cap Fund was Highly Commended in the UK Smaller Companies category, and the GF High Yield Bond Fund was Highly Commended in the £ High Yield Bond category.

Liontrust won the award for Best UK Manager of the Year at Financial News' Excellence in Institutional Fund Management Awards 2022.

UK Micro Cap won the UK Smaller Companies Fund Manager of the Year Award at the Small Cap Awards, Liontrust won the Best Investment Trust Group Award at the Online Money Awards, and Liontrust was voted the Best Active Investment Solution Provider and the Best ESG Investment Solution Provider at the Professional Paraplanner Awards.

The Economic Advantage UK Smaller Companies Fund won the award for the best UK Smaller Companies – Active fund at the 2022 AJ Bell Fund and Investment Trust Awards.

3 DIVERSIFY THE FUND RANGE

We add to our product range when we possess the fund management expertise and there is investor demand. The demand for product varies between markets and an expanded fund range helps to meet the different client requirements. Diversification of investment styles and product type, therefore, will appeal to a wider client base and enable Liontrust to have funds that perform well in different parts of the market cycle. We believe this will enable Liontrust to provide more sustainable growth in the future even when certain styles of investments are out of favour with investors.

Outcomes: On 1 April 2022, Liontrust completed the acquisition of Majedie Asset Management. The acquisition has broadened our investment capability, including in alternative investments through the GF Tortoise Fund 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 index (Source: Morningstar). The discount of the Trust has narrowed from 11.5% at 31 March 2020 to 7.5% at 31 March 2023.

On 4 May 2023, we announced that Liontrust had conditionally agreed to acquire the entire issued share capital of GAM Holding AG. The proposed acquisition will broaden Liontrust's fund range and asset classes, including in fixed income, thematic equities and alternatives.

The expanded range will offer the potential to grow AuMA through marketing new funds to existing clients, attracting new clients and exploiting new distribution channels in markets where the two asset managers have strength of distribution. It will also provide the opportunity to grow distribution in markets where there is currently little or a developing presence.

The expanded number of asset classes and styles of investment, which have little overlap with Liontrust's existing strategies, will also enable us to reduce the correlation of returns across the range and therefore increase the number of funds that will be attractive to clients during different periods of the market cycle.

4 EXPAND DISTRIBUTION AND THE CLIENT BASE

We seek to distribute our funds and portfolios to as broad a client base in the UK and internationally as possible, striving continually to raise awareness and knowledge of Liontrust and our funds, widen the number of clients who invest with us, deepen our relationships with existing investors and increase our assets under management.

Outcomes: 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).

Liontrust had net outflows of £4.8 billion for the financial year ended 31 March 2023. This included £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.

Gross sales have remained relatively strong. 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.

We have been expanding our distribution internationally, including through our Cashflow Solution and Global Fundamental teams, that will help us to continue to diversify our client base. We have exclusive distribution deals in Europe with ABN AMRO (mainland Europe excluding Scandinavia) and SEB (Scandinavia) for the SF Pan-European strategy (ABN AMRO and SEB) and SF Global Impact strategy (ABN AMRO). We also have a distribution partner in South America and a specialist distribution company in the Middle East for the Cashflow Solution funds.

In early February 2023, we started a months-long roadshow for our Multi-Asset team that will be attended by around 700 financial advisers at 50 venues across the UK.

The proposed acquisition of GAM Holding AG that was announced on 4 May 2023 will enhance distribution globally and provide the opportunity to increase sales and market share. GAM's largest markets are Switzerland, Germany, Iberia, Italy and the US, compared with the UK for Liontrust. The proposed acquisition presents the opportunity to access and develop nascent markets such as the Americas and Asia-Pacific, where GAM has a presence. GAM also has a significant presence in the institutional market, both within the UK and internationally. Therefore, the two groups have limited overlap in distribution by source of AuMA.

5 ENHANCE THE INVESTOR EXPERIENCE

We aim to provide our investors with exceptional service, support and communications, striving to be as transparent as possible. This will include in-person meetings and events; digital events and communications; investment views, fund updates, thought leadership and educational content; personalised digital communications; and bespoke customer journeys and information. We communicate clearly and frequently with our investors, regularly updating them on the performance of each of our funds and portfolios, the effectiveness of the investment processes applied to each of our funds and portfolios and the progress of the business as a whole. We also provide regular educational content to help investors with their understanding, which is a key part of the UK's Consumer Duty. Liontrust is investing in developing online services and digital communications.

Outcomes: Despite the general negative investor sentiment, Liontrust has been able to maintain strong communications and engagement with our clients. This is reflected in the fact that Liontrust has the 6th strongest brand in the UK according to the latest Broadridge research.

It is also reflected in the fact that more than 900 professional investors registered for Liontrust's virtual Sustainable investment conference on 9 November 2022, which is over 20% higher than two years ago, and Liontrust fund manager videos distributed between 1 April 2022 and 28 February 2023 had 511,301 views.

The new Liontrust website went live at the end of March 2022. It has clearer and more efficient customer journeys; six different user types; improved functionality; and a greater range of content. Between 1 January and 22 May 2023, visitors increased by 2%, page views rose 19%, bounce rates were down 93%, there was an average 5,000 content views per month and there was a 25% in interactions with the email preference centre.

Liontrust's LinkedIn followers have grown, reaching 9,607on 22 May 2023, an increase of 33% over the past year. From 1 January to 22 May 2023, there were almost 2,500 reactions on LinkedIn.

As part of our ongoing work to ensure Liontrust is providing value to investors, a survey was conducted to find out their views on whether Liontrust is delivering value. This survey is carried out to identify any areas where Liontrust could improve its service and ensure we are regularly engaging with investors. Of the direct retail investors in Liontrust funds, 74.5% were satisfied with the service they have received in terms of information, materials, communication and client servicing. Of those who had contacted client services, 83% were satisfied with the service they received.

6 ATTRACT AND DEVELOP TALENT

We will continue to recruit fund managers who have excellent track records, expertise in their respective asset classes and who use rigorous and repeatable investment processes. We will make acquisitions that enhance and grow our business. The quality and performance of our fund management teams is one of our key potential competitive advantages. We have created an environment in which fund managers can focus on managing money and not get distracted by other day-to-day aspects of running a business, particularly administration.

Liontrust is proud of the people who work at the company and we are investing in their training, qualifications and development as part of our strategy to retain talented fund managers, partners and employees. We are seeking greater diversity across the company as we believe this enhances the performance of businesses and leads to better decision making, innovation and growth through independent thinking and new ideas.

In seeking to nurture a working environment and culture that attracts and retains talent, Liontrust:

- is committed to building a work place that fosters diversity, inclusion and equity for its employees
- wants to hire the talent that best fits its recruitment needs
- is committed to a working environment that is nurturing yet challenging; encourages a healthy work-life balance; provides opportunities for staff to develop their careers and progress; places value on mental health; and focuses on servicing clients and investors

Outcomes: Liontrust completed the acquisition of Majedie Asset Management on 1 April 2022. Over the financial year, the investment team who were rebranded as the Liontrust Global Fundamental team generated performance fees of £12 million, out of a total of £18.5 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.

We make acquisitions such as Majedie and GAM to enhance and grow our business through adding investment teams that complement our own and therefore diversify our product range and investment styles. GAM, which on 4 May 2023 Liontrust announced it had agreed to acquire, has investment teams with excellent track records, expertise in their respective asset classes and who use rigorous and repeatable investment processes. GAM will also bring talent in distribution and across the rest of the business, which will enhance the performance and potential growth of the enlarged group.

Liontrust has created an environment in which fund managers can focus on investment and their distinctive investment processes and not get distracted by other day-to-day aspects of running a business, particularly administration; in taking this approach, there is cultural alignment between Liontrust and GAM. It is our belief that this environment, coupled with stability in the corporate parent, will create the conditions the experienced fund managers and other employees at GAM seek, encouraging them to commit their future to the enlarged group. This stability will facilitate the recruitment of additional talent, both investment and non-investment, during and after the integration.

Achieving diversity and inclusion (D&I) is an ongoing objective and one that the financial sector has had to continually work to achieve, especially in terms of recruiting women and individuals from under-represented ethnic and/or educational backgrounds. Obviously, it takes time for D&I related efforts to feed through, from recruitment to training to progression. While there is still progress to be made, Liontrust is more cognisant of the areas for improvement and is working to make progress in these over time. Importantly, Liontrust's executive remuneration is linked to D&I, with a 30% allocation to ESG as part of the remuneration scorecard for 2022/23. Within this 30% allocation, 10% focuses on having a joined up approach to increasing the diversity and inclusiveness of Liontrust.

For the past three years, Liontrust has undertaken an annual workforce engagement survey every year. In 2022, the survey had an 82% response rate, which was higher than the 79% response rate in 2021. This response rate is above the industry average of those that run surveys, which is around 65%. The survey was benchmarked against pillars of engagement themes with Liontrust's score indicated after each in brackets:

- Engaging managers (87%)
- Compelling leadership (73%)
- Realising potential (82%)
- Organisational integrity (83%)
- Employee voice (75%)
- Health and Wellbeing (89%)
- Overall, the survey score for Liontrust for 2022 was 84% (2021: 83%; 2020: 95%).

Following Liontrust's 2021 survey, the Group was encouraged to make several changes to improve the amount of flexibility that employees have, help improve employee mental health, and boost employee engagement. To fulfil these needs, the Group:

- Extended hybrid working (three days in the office and two days working from home)
- Launched a monthly wellbeing allowance for each employee
- Introduced a mental wellness intranet site
- Sponsored and enhanced communications around activities for Pride and Black History Month
- Requested input from employees on facilities improvements
- Enhance internal communications

7 DEVELOP THE BUSINESS INFRASTRUCTURE TO HELP DRIVE GROWTH

We aspire for excellence in administration, risk management and corporate governance to ensure we can deliver a first-class service. We have moved our funds to one administrator to secure a solid foundation from which to support our future expansion and to ensure we and our investors benefit from efficiencies. The support provided to our clients, fund managers and the sales and marketing teams by Operations is another key potential competitive advantage. Having a single Operations function and fund administrator ensures the fund management, sales and marketing divisions have the appropriate tools to be effective, provides executive management with the performance and risk monitoring information required to manage the business and supports the requirements of external stakeholders such as clients, shareholders and regulators.

Outcomes: Liontrust has integrated Majedie into our single operating model. This enables Liontrust to benefit from economies of scale and therefore cost savings. A number of fund mergers have been implemented where Liontrust believes it is in the best interests of investors to provide more focused range of funds. Liontrust believes in managing funds only where we believe we have expertise.

Liontrust has changed the way in which we show the costs that are paid by the funds to make this clearer for our investors. Previously, to meet different rules and requirements, Liontrust had shown two different costs for our funds. One of the costs was displayed on factsheets, Key Investor Information Documents (KIIDs) and the Liontrust website. The other was included in regulatory reports and also provided to other companies such as Morningstar and FE fundinfo which share that information with their users who include financial advisers and retail investors. The methods used to calculate these costs differ slightly in the way in which they treat certain costs, namely 'synthetic costs', which are the specific costs for funds that invest in other funds. This meant that the costs provided to other companies can appear higher than the costs displayed on the factsheets, KIIDs and Liontrust website. Liontrust has adopted one number that includes all costs linked to running the funds (excluding transaction costs), which means we now only show the higher cost figure that, where relevant, includes the extra 'synthetic cost'.

OUR BUSINESS MODEL

Liontrust is a specialist fund management company that was established in 1995 and was listed on the London Stock Exchange in 1999. Liontrust invests on behalf of our clients – institutional investors, professional intermediaries and private investors – who are primarily, but not exclusively, based in the UK and Europe. These investments are managed through funds, portfolios and segregated accounts. As at 31 March 2023, Liontrust managed £31.4 billion in assets under management and advice (AuMA) across seven investment teams.

These assets are invested with the objective of delivering strong long-term performance to help our clients to achieve their investment goals. This is complemented by Liontrust developing long-term relationships with our clients.

Liontrust also has an important role to play in supporting businesses and innovative companies, working to allocate capital towards positive outcomes that benefit the economy and society. Liontrust takes great pride in our role as active and responsible investors.

What makes Liontrust distinctive?

EXPERTISE
We focus only on those areas of investment in which we have particular expertise.

PROCESS DRIVEN
Each fund management team applies rigorous and documented investment processes to managing funds and portfolios to ensure the way they manage money is predictable and repeatable and to prevent them from investing in stocks and portfolios for the wrong reasons.

INVESTMENT FOCUSED
Our fund managers can concentrate on managing their funds and portfolios without being distracted by other day-to-day aspects of running an asset management business.

CULTURE
Liontrust seeks to foster an environment in which all employees are engaged in the business, help us achieve our purpose and strategic objectives, and behave in line with our values. All employees are focused on delivering good outcomes to our clients. We promote diversity and inclusion across the business.

ACTIVE MANAGEMENT
Our fund managers have the courage of their convictions in making investment decisions, ensuring our funds and portfolios are truly actively managed for the long-term benefit of our clients and investors.

STRONG AND DISTINCTIVE BRAND
Our brand is accessible and engaging, and represents our strength, conviction, independence, innovation, excellence, transparency and ethics.

COMMUNITY ENGAGEMENT
We focus on financial education, providing opportunities for young people and wildlife conservation.


liontrust.co.uk
OUR FUNDS
CORPORATE SUSTAINABILITY
INSIGHTS
RESOURCES
CONTACT US
Independently minded
Each fund management team applies distinct and rigorous investment processes to managing portfolios and has the courage of its convictions, ensuring our funds are truly actively managed.
EXPLORE OUR FUNDS
GET PERSONALISED CONTENT
Consumer Duty

HOW WE GENERATE SHAREHOLDER VALUE

Sustainable earnings growth
We look to grow our earnings by increasing our AuMA through sales, investment performance, new products and acquisitions while maintaining pricing. Increased AuMA delivers greater revenues which in turn support the equity value of your Company.

Consistency of earnings
Attracting and retaining clients maintains AuMA and fees. Liontrust seeks to achieve this through delivering the right products for our investors, strong long-term investment performance, excellent service, communications and administration, and memorable experiences.

Business discipline
Managing the business efficiently controls costs and therefore increases profitability with scale. This is achieved through strong infrastructure, operations, risk management and governance.

HOW WE ACHIEVE THIS

Investment Management

The quality and performance of the investment management teams is one of Liontrust's key competitive advantages and core to helping investors to achieve their financial goals.

We have a single division of seven fund management teams that manage a range of funds, portfolios and segregated accounts using distinct investment processes supported by a centralised trading team. There is no house view at Liontrust, and each of the teams manages funds according to their own investment process and market views without being distracted by other day-to-day aspects of running an asset management company.

Liontrust believes robust and transparent investment processes are critical to delivering long-term performance and effective risk control. The teams subscribe to the belief that robust active management can deliver enhanced risk adjusted returns in the long term.

Staying true to their documented investment processes helps to create an in-built risk control for our fund managers, especially in more challenging environments, by preventing them from investing in companies and funds for the wrong reasons. Documenting an investment process means an investor in our funds and portfolios knows exactly how each team manages their investments.

Liontrust ensures that appropriate and prudent levels of risk are taken to meet the investment objectives and policies of all our funds.

Distribution

The strength of the Liontrust brand, the breadth and depth of our client base and the relationships we have with our investors are competitive advantages.

Our sales and marketing teams promote our funds and portfolios in the UK and internationally. In the UK, we market to institutional investors, discretionary fund managers, wealth managers, financial advisers and private investors. Outside the UK, we are focused on the wholesale market, primarily family offices, private banks, wealth managers and multi-managers in a number of countries. Liontrust has developed strong relationships across the different distribution channels.

We have developed a strong brand through our marketing activities, including events, regular communications, advertising, sponsorships, PR and both print and digital communications. Digital is a key, and ever-more important, driver of our brand profile and engagement, including through our website, social media, email communications and digital advertising and promotions. Liontrust has the 6th strongest brand in the UK and an improving brand across Europe, according to the annual study by Broadridge.

Operations

The support provided to our clients, fund managers and the sales and marketing teams by operations is another key competitive advantage. We have a single Operations division, designed to support a fast-growing business, and have one fund administrator – Bank of New York Mellon. Having a single Operations function and fund administrator ensures the fund management and sales and marketing divisions have the appropriate tools to be effective, provides executive management with the performance and risk monitoring information required to manage the business and supports the requirements of external stakeholders such as clients, shareholders and regulators.

Risk Management

Liontrust takes a cautious and pro-active approach to risk management, recognising the importance of understanding risks to the business, setting and monitoring risk appetite and implementing the systems and controls required to mitigate them.

For more on risk management, see the section on Principal Risks.

Liontrust remains the market leader for sustainable investments in the opinion of professional advisers and retail investors in the UK

More than 30% of professional advisers named Liontrust as the best for sustainable investing while 27% of retail investors said Liontrust is top spot

(Source: Research in Finance)

Liontrust ensures that appropriate and prudent levels of risk are taken to meet the investment objectives and policies of all our funds. In general, risk within a fund is controlled and monitored in two ways: the investment process and predetermined risk controls monitored by the Portfolio Risk Committee that is Chaired by the CRO.

Governance

Liontrust takes its corporate governance responsibilities very seriously. The first of the seven pillars of Liontrust's strategy is to be a responsible company and investor, which involves upholding the highest standards of integrity in all of our actions and striving for excellence in everything we do.

Liontrust has committed to integrating sustainability appropriately throughout the business. This includes publishing our Responsible Investment policy, which provides details of our engagement-led approach and how we manage our stewardship at both the company level and for individual investment teams, and our Responsible Capitalism 2023 report, which outlines the successes, where we need to do more and our priorities for the year ahead.

We are seeking greater diversity across the company as we believe this enhances the performance of businesses and leads to better decision making, innovation and growth through independent thinking and new ideas.

The Board of Directors is responsible for organising and directing the affairs of the Company in the best interests of the shareholders, meeting legal and regulatory requirements and ensuring good corporate governance practices.

This is supported by Liontrust's values

EXCELLENCE

We strive for excellence in our products, service and people so we can have a positive impact on clients, stakeholders and society. We pride ourselves on the quality of our investment teams and their processes and the knowledge and ability of our employees across the business. We seek to provide first-class service to our clients and are transparent about the management of our funds, portfolios and the business, communicating clearly and frequently.

COURAGE

We do not follow the herd and have the courage to have independence of thought. Our fund managers have the courage of their convictions through their differentiated and rigorous investment processes. The business has the courage to do the right thing, make decisive decisions and to be innovative and nimble.

RESPONSIBILITY

All employees have a responsibility to act in the best interests of our clients. We seek to uphold the highest standards of integrity at all times. Everyone at Liontrust is empowered to fulfil their potential and are personally accountable for their commitments and actions, delivering on their promises. We are responsible for supporting each other, collaborating and treating each other with dignity and respect.

HOW THIS BENEFITS OUR STAKEHOLDERS

OUR CLIENTS

Investment excellence, rigorous processes, wide choice of funds, strong service and communications, robust operations and risk management

OUR COMMUNITY

Sustainability being integrated throughout the business, promoting financial education and numeracy among school pupils, and wildlife conservation

OUR SHAREHOLDERS

Growing, sustainable and profitable business, and successful acquisitions

OUR COLLEAGUES

Empowerment and responsibility, and innovative working environment

FINANCIAL REVIEW

Financial performance

Profit before tax decreased to £49.301 million (2022: £79.291 million). The profit before tax for the year includes £10.2 million of acquisition and reorganisation costs incurred as a result of the acquisition and reorganisation of the Architas UK Multi-Asset business and Majedie acquisition costs. In addition, the impairment losses of £8.8m and £4.0m on Architas and Majedie respectively have been recognised in the period. The amortisation charge has further increased compared to prior year in the year due to the completion of the Majedie acquisition on 1 April 2022.

Adjusted profit before tax*, which adjusts for amortisation, impairments and other costs relating to acquisitions and reorganisation decreased to £87.083 million from £96.556 million last year, reflecting the decreased fund flows and fall in AuMA. Nonetheless, adjusted profit before tax is ahead of market expectations, driven primarily by stronger than expected performance fee revenues during the Financial Year of £18.5 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, who joined as part of the Majedie acquisition, contributing £11.9 million.

Table (a) Analysis of financial performance

	Year ended 31 Mar 23 £'000	Year ended 31 Mar 22 £'000	Year on year change
Revenue excluding performance fees	224,855	232,976	-3%
Performance fees	18,484	12,595	47%
Cost of sales	(13,569)	(14,252)	-5%
Gross Profit	**229,770**	**231,319**	-1%
Other gains	2,467	26	–
Administration expenses	(183,210)	(151,916)	21%
Operating profit	**49,027**	**79,429**	**-38%**
Net interest	275	(138)	
Profit before tax	**49,302**	**79,291**	**-38%**
Adjustments – see note 7 on page 160	37,781	17,265	
Adjusted profit before tax	**87,083**	**96,556**	**-10%**

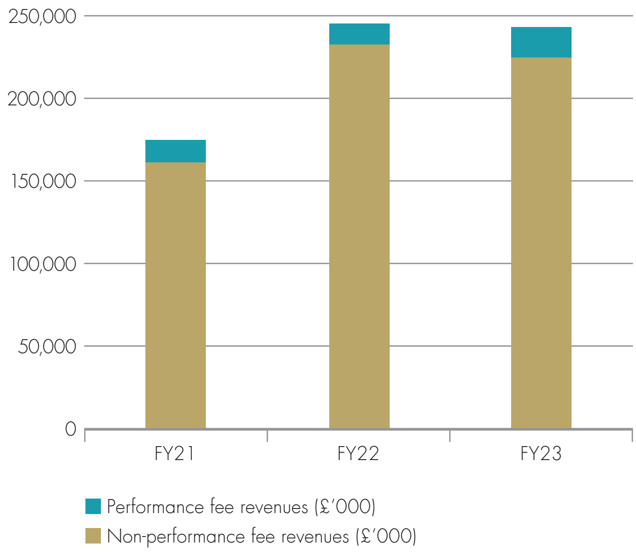
47%

Increase in performance fees received across three of our investment teams (Global Fundamental team, Cashflow team and Sustainable Investment team).

Revenue

Revenue excluding performance fees fell by 3% compared to 2022 but remains 39% higher than 2021.

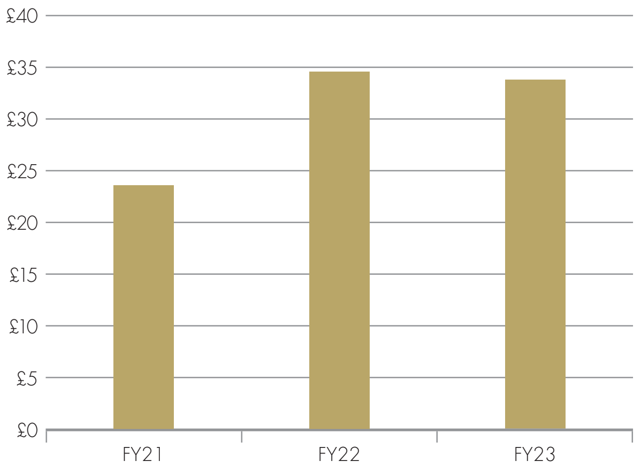
Figure 1 – Revenue £'000



Average AuMA

Average AuMA decreased by 2% to £33,815 million compared to last year but was 45% higher than 2021 reflecting acquisitions, net flows and investment performance.

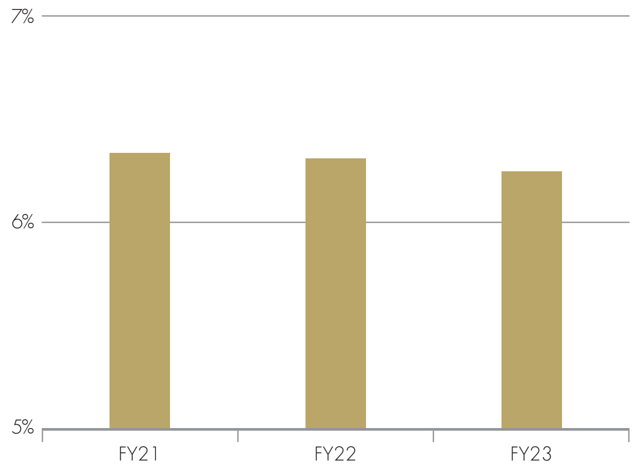
Figure 2 – Average AuMA £'billion



Revenue Margin*

Revenue margin increased by 2% from 31 March 2022 to 31 March 2023 compared to decrease by 1% two years ago. Revenue margin is calculated by taking the Revenues excluding performance fees, less cost of sales and dividing by the average AuMA.

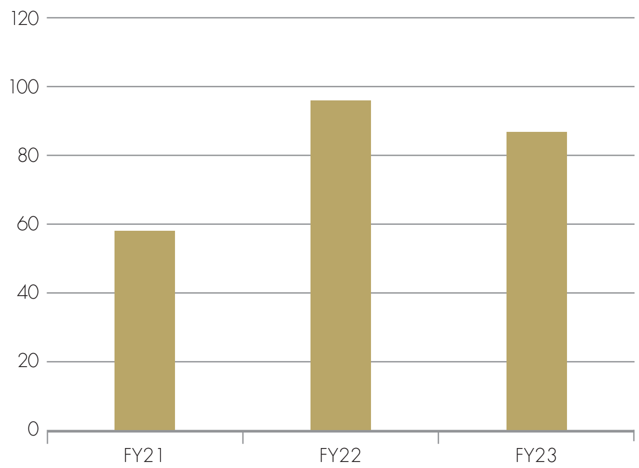
Figure 3 – Revenue Margin*



Adjusted profit before tax* and operating margin*

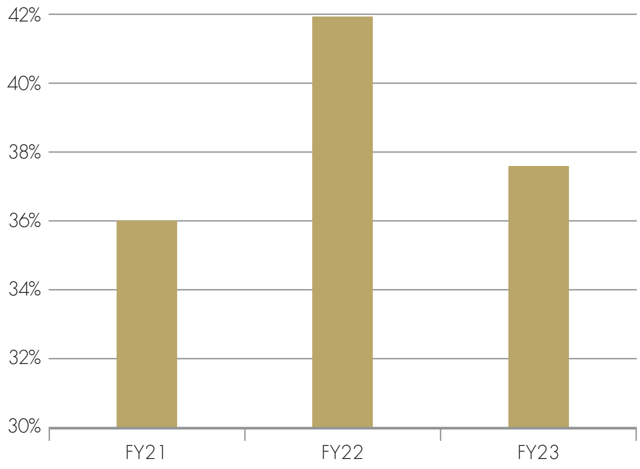
Adjusted profit before tax* fell from £96.556 million to £87.083 million but remains significantly higher than the £58.987 million reported two years ago. This in turn is reflected in the Adjusted basic and Diluted earnings per share.

Figure 4 – Adjusted profit before tax* £'million



Adjusted operating margin (calculated as Adjusted operating profit divided by Gross profit) reflects the operating gearing inherent in the business (see Figure 5 below).

Figure 5 – Adjusted operating margin*

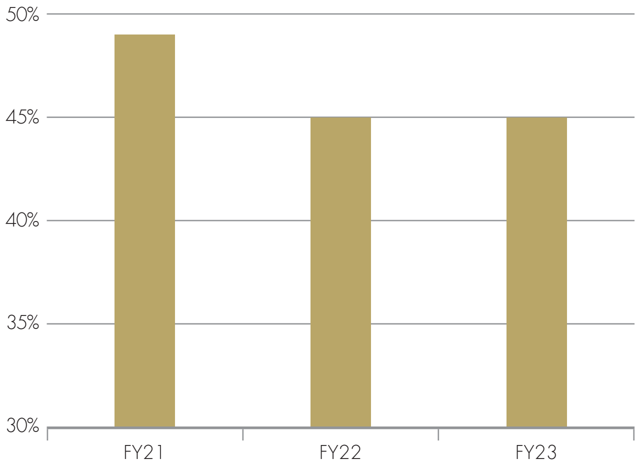


*These are Alternative Performance Measures. See Page 34 for further details.

Administration expenses

The largest component of our costs, in common with other service companies, is member and employee related expenses. Staff compensation as a percentage of Gross profit was maintained, even though headcount increased reflecting stringent cost control. See Figure 6 below.

Figure 6 – Employee and member related expenses as a percentage of Gross profit*

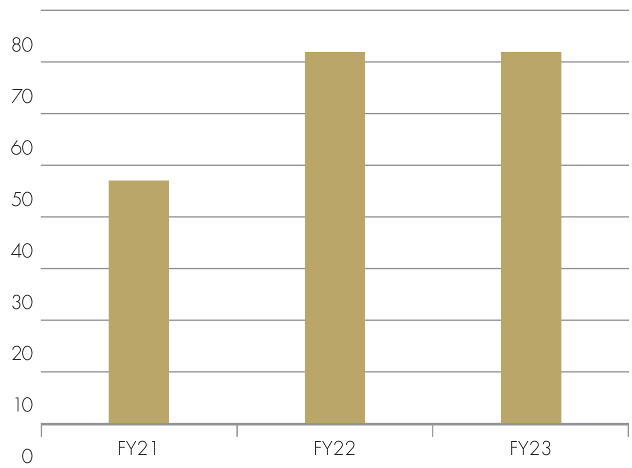


Member and employee related costs are the sum of Director and employee costs, pensions, members' drawings charged as an expense, and members' advance drawings (where applicable).

Dividend

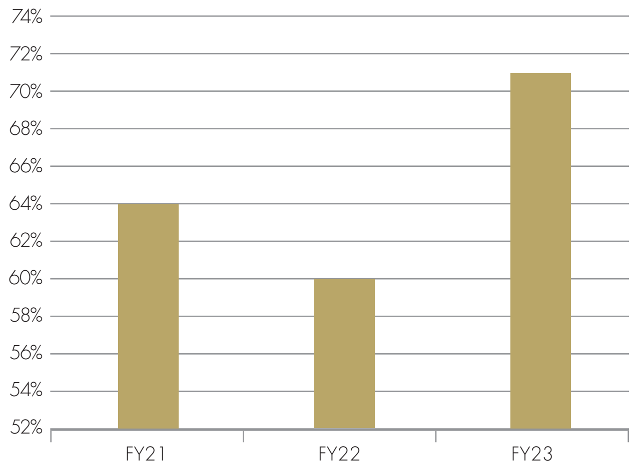
The Board has considered current market environment, the financial performance for the Group in the current year and its cash generation abilities in future years, and is declaring a second interim dividend of 50.0 pence per share (2022: 50.0 pence) which will result in total dividends for the financial year ending 31 March 2023 of 72.0 pence per share (2022: 72.0 pence) (See Figure 7 below). This reflects a dividend margin (dividend per share divided by Adjusted diluted earnings per share excluding performance fees) of 71% (See Figures 7 and 8 below).

Figure 7 – Dividend per share (pence)



Dividend margin is calculated by taking the dividend amount divided by adjusted diluted EPS excluding performance fees.

Figure 8 – Dividend margin*



*These are Alternative Performance Measures. See Page 34 for details.

Dividend policy

Our policy is to grow our dividend progressively in line with our view of the underlying adjusted earnings per share on a diluted basis and cash flow of Liontrust.

When setting the dividend, the Board looks at a range of factors, including:

- the macro environment;
- the current balance sheet; and
- future plans.

It is our intention that dividends will be declared and paid half yearly.

Statement of viability

In accordance with provision 31 of the 2018 revision of the Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the Going Concern provision.

The Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, up to 31 March 2026. The Directors' assessment has been made with reference to the Group's current position and strategy, the Group's risk appetite, the Group's financial forecasts, and the Group's principal risks and mitigations, as detailed in the Strategic Report.

The three-year period is consistent with the Group's current strategic forecast and the internal capital and risk assessment (ICARA). The forecast incorporates both the Group's strategy and principal risks. The forecast is approved by the Board at least annually. This formal approval is underpinned by regular Board discussions of strategy and risks, in the normal course of business. The forecast is updated as appropriate.

The three-year strategic forecast considers the Group's profitability, cash flows, dividend payments, share purchases, seed capital and other key variables. These metrics are subject to sensitivity analysis, which involves downside scenarios, flexing a number of the main assumptions in the forecast, both individually and in unison. Given the market volatility and economic uncertainty due to the ongoing geopolitical tensions, management produced additional sensitivity scenario analysis for the strategic forecast and has considered mitigating actions should any of these scenarios occur. Scenario analysis is also performed as part of the Group's ICARA, which is approved by the Board.

ALTERNATIVE PERFORMANCE MEASURES ('APMs')

The Group uses the following APMs:

ADJUSTED PROFIT BEFORE TAX*

Definition: Profit before taxation, amortisation, impairment and non-recurring items (which include: professional fees relating to acquisitions; restructuring and severance compensation related costs).

Reconciliation: Note 7.

Reason for use: This is used to present a measure of profitability of the Group which is aligned to the requirements of shareholders, potential shareholders and financial analysts, and which removes the effects of non-cash and non-recurring items, which eases the comparison with the Group's competitors who may use different accounting policies and financing methods.

Specifically, calculation of Adjusted profit before tax excludes amortisation expenses, and costs associated with acquisitions and their integration into the Group. It provides shareholders, potential shareholders and financial analysts a consistent year on year basis of comparison of a "profit before tax number", when comparing the current year to the previous year and also when comparing multiple historical years to the current year, of how the underlying ongoing business is performing.

ADJUSTED OPERATING PROFIT

Definition: Operating profit before interest, amortisation and impairment, and non-recurring items (which include: professional fees relating to acquisitions; restructuring and severance compensation related costs).

Reconciliation: Note 7.

Reason for use: This is used to present a measure of profitability of the Group which is aligned to the requirements of shareholders, potential shareholders and financial analysts, and which removes the effects of financing and capital investment, which eases the comparison with the Group's competitors who may use different accounting policies and financing methods.

Specifically, calculation of Adjusted operating profit before tax excludes amortisation expenses, and costs associated with acquisitions and their integration into the Group. It provides shareholders, potential shareholders and financial analysts a consistent year on year basis of comparison of a "operating profit", when comparing the current year to the previous year and also when comparing multiple historical years to the current year, of how the underlying business is performing.

ADJUSTED OPERATING MARGIN

Definition: Adjusted operating profit divided by Gross profit.

Reconciliation: Note 7.

Reason for use: This is used to present a consistent year on year measure of adjusted operating profit compared to gross profits, identifying the operating gearing within the business.

REVENUE EXCLUDING PERFORMANCE FEES

Definition: Revenue less any revenue attributable to performance related fees.

Reconciliation: Note 4.

Reason for use: This is used to present a consistent year on year measure of gross profits within the business, removing the element of revenue that may fluctuate significantly year-on-year.

ADJUSTED EARNINGS PER SHARE

Definition: Adjusted profit before tax divided by the weighted average number of shares in issue.

Reconciliation: Note 7.

Reason for use: This is used to present a measure of profitability per share in line with the adjusted profit as detailed above.

*This measure is used to assess the performance of the Executive Directors.

ADJUSTED DILUTED EARNINGS PER SHARE

Definition: Adjusted profit before tax divided by the diluted weighted average number of shares in issue.

Reconciliation: Note 7.

Reason for use: This is used to present a measure of profitability per share in line with the adjusted profit as detailed above.

REVENUE MARGIN

Definition: Revenues excluding performance fees, less cost of sales divided by the average AuMA.

Reason for use: This is used to present a measure of profitability over average AuMA.

DIRECTOR, EMPLOYEE AND MEMBER RELATED EXPENSES AS A PERCENTAGE OF GROSS PROFIT

Definition: A component of our costs, in common with other service companies, is Director, member and employee related expenses. Staff compensation as a percentage of Gross profit was maintained reflecting stringent cost control.

DIVIDEND MARGIN

Definition: This is the dividends declared per share for the year divided by the Adjusted diluted earnings per share excluding performance fees.

Reconciliation: This can be recalculated with the information in notes 7 and 9.

Reason for use: This is used to identify the dividend cover versus adjusted diluted earnings per share excluding performance fees.

ASSETS UNDER MANAGEMENT AND ADVICE ('AUMA')

Definition: the total aggregate assets managed or advised by the Group.

Reconciliation: A detailed breakdown of AuMA is shown in the Strategic Report

Reason for use: AuMA is a key performance indicator for management and is used both internally and externally to determine the direction of growth of the business. When used intra-month (i.e. AuMA for dates that are not a month end date) or used at month end but early in the following month then the AuMA for some accounts, funds or portfolios may not be the most recent actual AuMA, rather it will be the most recent available AuMA which may be the previous month end AuMA or the most recently available AuMA.

AVERAGE ASSETS UNDER MANAGEMENT AND ADVICE ("AVERAGE AUMA")

Definition: The average of aggregate assets managed or advised by the Group during the relevant period.

Reconciliation: Average AuMA for the year is the average of each month end aggregate AuMA during the relevant period. Reason for use: Average AuMA shows AuMA without the volatility of short term net flows and allows for comparability between years.

NET FLOWS

Definition: Total aggregate sales into Group funds less total redemptions from Group funds accounts and portfolios. If positive may also be referred to as "Net inflows" and where negative as "Net outflows".

Reconciliation: A detailed breakdown of net flows is shown in the Strategic Report.

Reason for use: Net flows is a key performance indicator for management and is used both internally and externally to assess the organic growth of the business. For certain MPS accounts, the net flow number is not available from the relevant administrator, so the net flow number is derived from the difference between the starting and ending AuMA adjusted for investment performance, if there is a reliable source for the investment performance. For certain Model Portfolio Service accounts where there is no reliable investment performance benchmark, the flows are not included.

DELIVERING THE ASSESSMENT OF VALUE AND ENGAGEMENT WITH INVESTORS

The responsibility of asset managers as guardians of investors' savings are particularly important during periods of such volatility in investment markets and the current cost of living crisis. It is to meet this responsibility that we stress the importance of having expertise in all the areas of investment we offer and for each of our fund management teams to have robust and rigorous processes, which enable Liontrust to help investors to achieve their long-term financial objectives and enjoy a better financial future.

The benefit of this approach is demonstrated by strong long-term fund performance and the fact that research shows the Liontrust Sustainable Investment and Economic Advantage teams are regarded as leaders in their respective asset classes among both professional intermediaries and retail investors in the UK (Source: Research in Finance).

Meeting our responsibility to investors is about more than just long-term performance, however. This is demonstrated by this Assessment of Value Report, which has evaluated whether the Liontrust funds are delivering value to investors against seven criteria and then provided an overall summary for each one. The criteria and overall assessment are judged through a RAG (Red, Amber and Green) scoring system.

Every fund with the exception of two has an overall fund score of Green, which means we have assessed them as delivering value. The Liontrust focus on robust and repeatable investment processes and the excellence and breadth of our fund management capability is reflected in the fact that of the 52 Liontrust funds assessed, 39 have a Green score for performance.

CONSUMER DUTY

We have always taken seriously our responsibility as guardians of investors' assets and never forget that we are looking after other people's savings. Therefore, we have welcomed the FCA's Consumer Duty in seeking to improve the quality of products and services to retail investors and believe these are in the interests of everyone delivering financial services as well as of the ultimate consumers.

Since the final rules for Consumer Duty were issued by the FCA in July 2022, Liontrust has been working on ensuring we are delivering - and can evidence how we are doing so - on the four good consumer outcomes that cover products and services, price and value, consumer understanding, and consumer support. We established a number of working groups within Liontrust to cover each of the four outcomes of the Consumer Duty as well as the cross-cutting rules (act in good faith towards retail customers, avoid foreseeable harm to retail customers, and enable and support retail customers to pursue their financial objectives).

These working groups have included representatives from different departments across the business, as well as the Board of Liontrust Asset Management PLC and all the senior management. Our Consumer Champion is Mandy Donald, who is a Non-executive Director of Liontrust Asset Management PLC, and we have appointed three internal Vulnerable Customers Champions.

Liontrust has also been consulting and collaborating with a number of external partners, clients, companies and organisations, including the IA (Investment Association) and The Investing and Savings Alliance (TISA).

Culture and Strategy

The FCA has emphasised the importance company culture has on delivering good outcomes for the retail investor. We are dedicated to ensuring that our purpose, leadership, governance and people aligns with the Consumer Duty. All employees have a responsibility to act in the best interests of our clients.

How we plan to monitor outcomes

Our approach to identifying areas of harm considered the four consumer outcomes at each stage in our documented

consumer journey and product life cycle. This enables us to assess what we want investors to experience at each stage and how we can support them. We plan to use the Group Risk Scorecard system to measure levels of harm and confirm whether we have met consumer outcomes. Risk indicators show when an action should be considered. The output of this proactive and reactive monitoring approach will be supplemented with additional reporting on Consumer Duty. We are also in the process of establishing a new Committee - the Consumer & Conduct Committee - that will replace our existing Treating Customers Fairly (TCF) Committee. The Committee will be structured around the four consumer outcomes, cross-cutting rules, and culture, conduct and competence.

Consumer Understanding and Consumer Support outcomes

- The educational content on the website is continually being expanded. This is available for personal investors when they visit the website and for distributors to use with their clients. We are planning to broaden the use of infographics and videos for education.
- The Liontrust website has separate customer journeys for different users, including one for professional advisers based in the UK and another for personal investors. We have reviewed the wording across the personal investor website and the accessibility to information. We are making changes to some of the content, signposting and quicker access to some information such as How to Invest and the annual Assessment of Value Report; and other wording including for ISAs and JISAs.
- We are also reviewing and expanding the literature that we produce for distributors to share with their clients. Liontrust has joined with other asset managers to establish a consumer panel run by an independent research company. The panel is testing communications, literature and other content (written, video and podcast) with retail investors. This is providing feedback on whether retail investors understand the communications, literature and content; what they find interesting and useful; and what else they want to be given and informed about. This will help us to make our communications as relevant and accessible as possible.
- We will be engaging directly with a number of distributors going forward to ensure our communications and literature promote understanding for their clients.

Vulnerability & Accessibility

- The work we have undertaken so far in relation to characteristics of vulnerability focuses on the FCA's four key drivers – poor health, negative life event, low financial resilience and low capability. We have reviewed available information, processes and controls and considered how scenarios may require different and/or additional information and support, depending on the type of product or service. We are actively looking at ways to improve consumer outcomes for investors with characteristics of vulnerability.
- We have appointed three internal Vulnerable Customers Champions who have received specialist training.
- Training on the Duty is being provided to ensure all Liontrust employees are aware of their responsibilities as part of their specific roles and how they are able to contribute to good customer outcomes. This will include specific consideration of retail investors with characteristics of vulnerability.
- We have added tools to the website to aid accessibility for users. This includes providing the ability to change font sizes, colours and have an audio option for written content.
- We are working to enable the provision of consumer communications in different accessible formats.

SALES AND MARKETING REVIEW

It has been a year of negative investor sentiment, weighed down by the ongoing macroeconomic and geopolitical concerns. Liontrust has not been immune to the volatility in stock markets, leading to net outflows of £4.8 billion in the 12 months to 31 March 2023. In aggregate, the asset management industry suffered UK retail net outflows in 10 out of the 12 months in 2022, according to the Investment Association (IA).

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. Despite the net outflows and the market environment, gross sales have remained relatively strong. 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.

The Liontrust brand 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.

#1

Liontrust remains the market leader for sustainable investments in the opinion of professional advisers and retail investors in the UK

Liontrust remains the market leader for sustainable investments in the opinion of professional advisers and retail investors in the UK (Source: Research in Finance in December 2023). More than 30% of professional advisers named Liontrust as the best for sustainable investing while 27% of retail investors said Liontrust is top spot. The research is supported by the fact that more than 900 professional advisers registered for the virtual Sustainable Investment conference in November 2022.

Liontrust is also joint first for UK equities among professional advisers and joint third among retail investors (Source: Research in Finance in December 2023).

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. Over the first few months of 2023, the team has been presenting to around 700 advisers at 50 venues throughout the UK.

Liontrust has continued to expand distribution internationally, particularly in Europe but also in South America and the Middle East, partly through the growing interest in Global Fundamental and Cashflow Solution funds.

The new Liontrust website launched in March 2022 and its success and the benefit users have gained is demonstrated by the feedback from and strong engagement of clients and investors. This includes feedback through research with professionals and retail investors on how easily they find the information they want, with five scores ranging from extremely easily to I didn't find what I wanted.

93% of professionals say it is extremely easy or fairly easy to find information while 96% of retail investors say it is extremely or fairly easy to find.

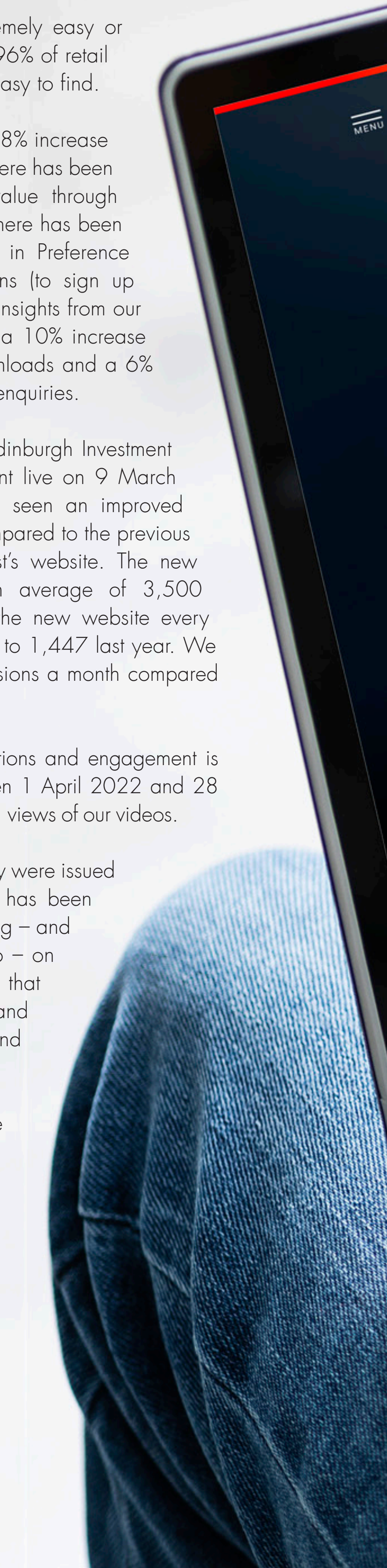
Since launch, there has been a 47.68% increase in session duration on the website. There has been a 35% increase in engagement value through personalisation. Over the last year, there has been a 25% increase in Preference Centre interactions (to sign up to receive email insights from our fund managers), a 10% increase in factsheet downloads and a 6% increase in fund enquiries.

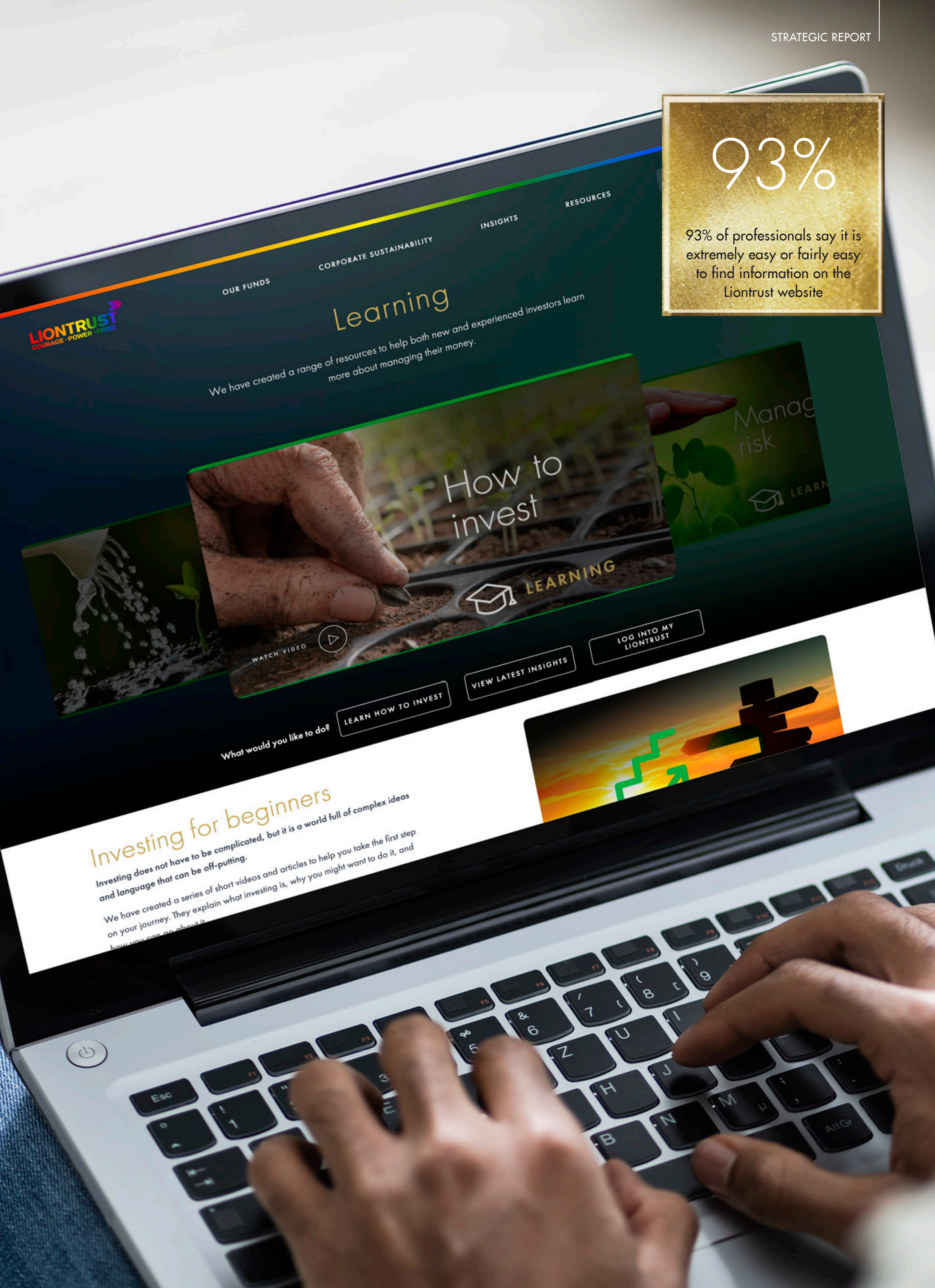
Since the new Edinburgh Investment Trust website went live on 9 March 2023, we have seen an improved performance compared to the previous page on Liontrust's website. The new website had an average of 3,500 unique visits to the new website every month compared to 1,447 last year. We have had an average of 4,848 sessions a month compared to 2,202 last year.

The strength of Liontrust's communications and engagement is demonstrated by the fact that between 1 April 2022 and 28 February 2023, there were 511,301 views of our videos.

Since the final rules for Consumer Duty were issued by the FCA in July 2022, Liontrust has been working on ensuring we are delivering – and can evidence how we are doing so – on the four good consumer outcomes that cover products and services, price and value, consumer understanding, and consumer support.

Among the measures taken have been adding tools to the website to aid accessibility for users, updating our Target Market documentation and the EMT to take account of vulnerable consumers and any potential financial harm they could suffer, and continually expanding educational content.





93%

93% of professionals say it is extremely easy or fairly easy to find information on the Liontrust website

LIONTRUST AND FUND AWARDS

We are proud to announce the following awards for Liontrust and our fund management teams in the financial year ended 31 March 2023:

AJ Bell Fund IT Awards 2022
Best UK Smaller Companies Fund – Active

Financial News FM Awards 2022
Best UK Manager

Online Money Awards 2022
Best Investment Trust Group

Investment Week Fund Manager of the Year Awards 2022
Best Europe Fund

Investment Week Fund Manager of the Year Awards 2022
Group of the year

Professional Adviser Awards 2022
Best ESG Solution for Advisers

Professional Paraplanner Awards 2022
Best Active Investment Solution Provider

Professional Paraplanner Awards 2022
Best ESG Investment Solution Provider

UK Small-Cap Awards 2022
UK Smaller Companies Fund of the Year

Professional Pensions Investment Awards 2022
Sustainable Corporate Bond Manager of theYear

At Incisive Media's 2022 Fund Manager of the Year Awards, Liontrust won the Award for Global Group of the Year for the second year running. The European Dynamic Fund won the Award for Best Europe Fund, Liontrust won the award for Best UK Manager of the Year at Financial News' Excellence in Institutional Fund Management Awards 2022.

COMMUNITY ENGAGEMENT

There are currently three key objectives that we are aiming to achieve through the Liontrust community engagement programmes:

- Raise financial awareness and literacy throughout society
- Provide opportunities for young people
- Wildlife conservation

Financial education

Raising financial awareness and literacy throughout society is a key objective of the Liontrust community engagement programme, and we have partnered with both the Newcastle United Foundation (NUF) and 10ticks to achieve this.

Our partnership with the Newcastle United Foundation provides a numeracy programme, Financial Football. This is designed to give primary school children a head start in financial education.

The six-week programme has helped to break down any barriers that children face in understanding and learning about numeracy and finance, with the aim of improving children's understanding of money, as well as giving them the confidence to thrive in school maths lessons.

Financial Football uses the popularity and profile of Newcastle United football club to encourage primary school pupils to engage with maths problems, using real-life scenarios such as buying and selling football players and paying fines for red cards to teach concepts such as budgeting.

The Financial Football programmes have been used by 17 schools in the north-east, involving 756 pupils. Financial Football has led to significant improvements in solving money focused questions. Pupils are presented with five questions pre and post programmes and the results show there has been a significant improvement in the percentage of students who answered correctly:

Year 4 from 32% to 73%

Year 5/6 from 55% to 76%

Liontrust has also supported the building of Newcastle United Foundation's community home called NUCASTLE, which officially opened in March 2022. One of the classrooms at NUCASTLE is called Liontrust and is used to work with all members of the local community. Currently, Newcastle United Foundation is helping around 65,000 people across the northeast of England.

Through 10ticks, Liontrust delivers worksheets and new digital maths education to primary schools across the UK. 10ticks.com Mental Maths is a fun and engaging online resource designed to help support the instant recall of multiplication and division facts and lots of other mental maths topics with little teacher intervention. From challenging classmates online to playing live games across the globe, these stimulating activities are designed to engage pupils. The pupils can also create their own avatar and earn certificates and awards to inspire them to perfect their skills.

There are over 10,000 worksheets available to teachers covering a huge variety of pedagogical styles including problem solving, puzzles, games, investigations, consolidation, Action Maths and Mastery. Over 8,000 teachers have signed up.

2,103

primary schools have signed up to 10ticks.com, 10ticks.co.uk or both via Liontrust, meaning we reach 10% of the 20,800 primary schools we are targeting in the UK

2,103 primary schools have signed up to 10ticks.com, 10ticks.co.uk or both via Liontrust, meaning we reach 10% of the 20,800 primary schools we are targeting in the UK. There are approximately 4.5 million children in this sector so we are reaching potentially 450,000 children.

We have over 20% (948 schools) of secondary schools signed up to 10ticks.com, 10ticks.co.uk or both out of the targeted 4,171 schools. There are approximately 3.5 million children in this sector so the partnership is reaching potentially 700,000 children.

The average Liontrust pupil has logged into 10ticks.com 194 times, improved in speed by 49.4% and accuracy by 49.0%. To March 2023, 11.68 million questions have been answered by Liontrust pupils.

Blackpool FC Girls' Emerging Talent Centre

Liontrust has partnered with Blackpool Football Club Community Trust to become a principal partner and the front of shirt sponsor for the Girls' Emerging Talent Centre (ETC) for the 2023/24 season. The centre provides the chance for female players to develop their football skills and be offered a potential pathway all the way to the Lionesses.

This is part of our commitment to support social mobility through providing opportunities to young people. The Centre supports the development of young female players aged eight to 16 and provides a wider and more diverse talent pool for women's football.

The Girls' Emerging Talent Centre run by Blackpool FC Community Trust is designed to be a central hub, working with grassroots clubs, schools and local coaches to identify talented female players and is part of the FA Pathway towards the Lionesses. It is offered free to all, removing the financial burden often faced with elite level training.

With Liontrust's support, Blackpool FC Community Trust plans to offer a comprehensive approach to player development, giving all girls selected access to a high-quality training programme, strength and conditioning coaches, access to an onsite physiotherapist, nutritional advice and health and wellbeing support. Groups will also be invited to play in competitive games against other ETC programmes. Liontrust's focused support and investment via the ETC will improve accessibility and increase inclusivity for local young female footballers.

Wildlife conservation

We are proud sponsors of the global conservation charity ZSL and their efforts to protect the Asiatic lion from extinction, a partnership that stretches back nearly a decade. ZSL, through its science and conservation efforts in the field and at ZSL London Zoo, is working to ensure a future for Asiatic lions.

Liontrust has helped recently to bring together a newly matched pair of the big cats at ZSL London Zoo's immersive Land of the Lions exhibit. It is hoped that the pair will breed and boost the numbers of the critically endangered species – of which just over 600 remain in the wild.

The iconic big cats which once roamed across Asia – from Turkey to eastern India – are now found only in the Gir Forest in Gujarat, India. Thanks to conservation efforts, Asiatic lions were bought back from the brink of extinction and their numbers have risen slightly in the last decade, but their future is still precarious. Due to their limited range and reliance on a single habitat, Asiatic lions are particularly susceptible to disease outbreak or natural disaster.

Land of the Lions is home to a pair of Asiatic lions, male Bhanu and female Arya. Matched as part of the international breeding programme for endangered species, co-ordinated by EAZA's (European Association of Zoos and Aquaria) big cat specialists, the hope is that the two will breed in future.

The lions form a back-up population of the critically endangered species in an environment in which people are inspired to protect animals and where conservationists can learn both from and about animals. These learnings are shared with other zoos across the world and with conservationists in the field, who use this critical information to carry out their work in the wild.

OPERATIONS REVIEW

We are focused on maintaining an operations team that is efficient, scalable and that gives us the ability to continue to support our business model and strategic objectives for growth in future years; whilst also ensuing that they deliver value to all our stakeholders.

Our key operations teams (together, the "**Operations Team**") are:

Operational Oversight team, which is responsible for the oversight of our custody, middle office (transaction matching, corporate action management, derivatives management and reconciliations), fund accounting/valuation/pricing service providers and our transfer agency outsourced providers.

Technology & Data team, which focuses on the continued evolution and security of our high-quality, cloud-based technology infrastructure, provides IT support, and supports the business through the delivery of data solutions.

Property & Facilities team, which is responsible for managing our offices in London (2 Savoy Court, 10 Old Bailey), Edinburgh (24/25 Charlotte Square) and Luxembourg (18 Val Sainte Croix).

Product team, which is responsible for product development, product strategy and product governance including the management of our Assessment of Value Report process.

The Operations Team have, in the last 12 months, achieved the following:

- Successfully completed the transition of the Majedie Asset Management business onto Liontrust's operational infrastructure, including the transfer of fund accounting to BNYM, merger of the offshore management companies; and transition of the operational management of Edinburgh Investment trust.
- Completed the TUPE transfer of Majedie staff to Liontrust.
- Human Resources continued to work alongside the D&I Committee in delivering its action plan to support more inclusive and diverse working practices. Initiatives throughout the year are described in detail on page 66
- Enhanced internal HR communications, including dedicated HR intranet pages on Staff Engagement, Mental Health and Employee Benefits and the introduction of monthly Lunch & Learn webinars hosted by different internal Liontrust departments
- Transfer of Liontrust share register to Equiniti in November 2022 completed and implementation of Equiniti Employee Share Platform for staff incentive plans
- Rolled out laptops to all staff to support the efficiency of our flexible working practices
- Expanded our offering to institutional clients through the wider provision of our client-facing portal
- Continued to remain vigilant on Cyber threats and Disaster Recovery projects, including conducting successful data centre failover tests, having a physical cyber security sweep of the London office HQ and implementing and testing a Cyber Incident Response Plan
- Delivered a review of alternative office space for the business utilising workplace consultants to support our modern workplace strategy alongside improvements our office sustainability both within our offices and in our supply chain
- Managed the transition to a single overall cost disclosure for the funds, with the costs of all applicable underlying vehicles, including closed ended vehicles, being included in the Ongoing Charges Figure in line with Investment Association guidance
- Managed the change of name of the European Dynamic Fund (previously European Growth) and transitioned the fund to single pricing (July 2022) alongside the merger of the MA Strategic Bond Fund into the Strategic Bond Fund (October 2022)
- Designed and implemented a programme of enhancements to the Multi-Asset produce range including changes to names, investment objectives and policy, benchmarks and asset allocation changes across various products
- Managed the Assessment of Value process, culminating in the publication of the third AoV report in December 2022 and supported the wider business project to comply with the new Consumer Duty obligations
- Implementation of systems enhancements including Control Now for trade reporting, automation of onshore fund flow reporting; and Sunsystems for accounting and financial reporting


LIONTRUST
COURAGE • POWER • PRIDE

PRINCIPAL RISKS AND MITIGATIONS

The Group takes a cautious and pro-active approach to risk management, recognising the importance of understanding risks to the business, setting and monitoring risk appetite and implementing the systems and controls required to mitigate them. Liontrust has defined a Risk Universe and uses a Risk Appetite Statement as well as an Enterprise Risk Framework to capture the core risks inherent in our business and assess how they are managed and mitigated, the key indicators that would suggest if the risk is likely to materialise together with an assessment that each risk may have on our regulatory capital.

The Risk Department is a business function set up to manage the risk management processes on day-to-day basis and is responsible for the Group's Risk Management Framework and how it is integrated into the Group's internal control system. It is an essential part of the Group's corporate governance and management arrangements. It provides challenge, an objective review and an assessment of the risks Liontrust faces in seeking to achieve its objectives.

Liontrust's Risk Charter defines the mission, scope of work, organisation, accountability, authority and responsibilities of the Risk Department. It governs how the Chief Risk Officer and other staff of the department discharge their duties and conduct risk management activities within the overall Risk Management Framework of the Group.

Our Professional Indemnity Insurance covers us for losses, errors, and fraud. Our current assessment of our key operational risks and our risk management framework suggest that we are not at material risk of breaching our insurance limits, although all our risk appetite and prudential planning incorporates the scenario of a failure of insurance cover.

Risk Culture Statement

Our risk culture aligns with Liontrust's vision of enabling investors to enjoy a better financial future. This statement is a guide for employees and describes the key elements which make up the Liontrust Risk Culture.

Our Values and Risk Culture

EXCELLENCE

- We take personal responsibility for having the due skill and knowledge to do our jobs well.
- We own our risks and firmly understand how the risks we manage can impact the firm.
- We recognise positive risk culture as key element of successful performance management.
- We aim to correct the root cause of incidents, rather than implement temporary workarounds.
- We avoid excess complexity, appreciating that simple solutions are better and more effective.
- We are trusted and empowered to make decisions given we follow transparent, systematic, and thorough processes.

COURAGE

- We are encouraged to "speak up" about any risks or incidents we are concerned about and deal with issues before they become major problems.
- We understand that risk management is not about zero risk, but about taking balanced commercial decisions to achieve Liontrust's goals.
- We understand mistakes are inevitable and have the courage to own up to them.
- We understand that efficiently learning from mistakes and sharing our good practises is critical to our success.
- Potential incidents and near misses are treated seriously and seen as valuable learning opportunities.

RESPONSIBILITY

- We are encouraged to follow the spirit of the rules, not just the words.
- Senior management lead by example, demonstrating high integrity in and outside the workplace.
- We are encouraged to be transparent and open to provide our customers with information in a way that helps them make the right decision.
- We do not turn a blind eye to inappropriate behaviour.
- We uphold the highest standards of integrity in all of our actions, treating staff, clients and stakeholders fairly and with respect.
- We are committed to contributing to and benefiting the wider society.
- We believe that a diverse workforce promotes innovation and growth through independent thinking and new ideas.
- We believe that good governance and stewardship, sustainability and social impact of the companies in which we invest is an essential part of creating shareholder value and delivering investment performance for our clients.
- We have committed to integrating sustainability appropriately throughout the business.
- We believe climate change will be a defining driver of the global economy, society and financial markets in the future, and that investors will be unable to avoid the impacts of this.

Enterprise Risk Management Framework

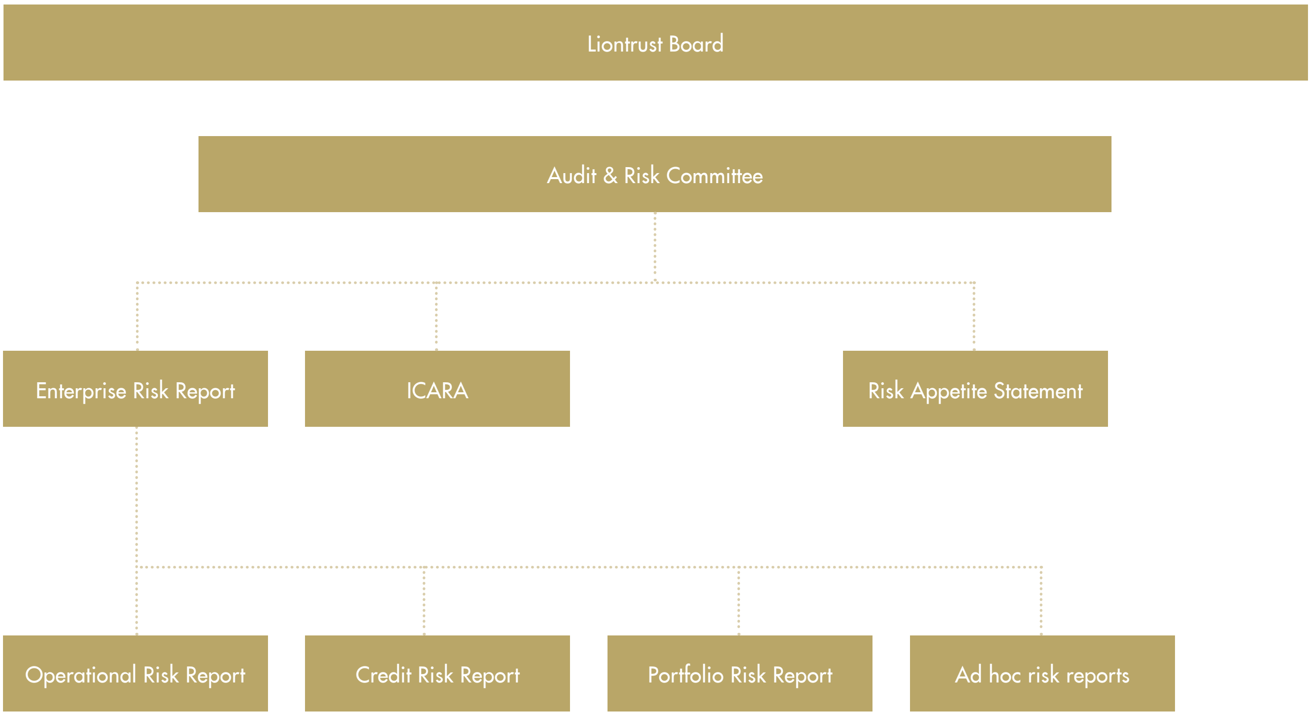
In order to ensure that the Group regularly reviews and monitors all the potential areas of risk to the business, including emerging risks, Liontrust has implemented an Enterprise Risk Management (ERM) framework which allows management, the Audit & Risk Committee and the Board to be kept fully informed of potential risks to the business and also how these risks would impact the group's capital adequacy.

The diagram below summarises the key elements of the Group's ERM Framework which is based around these risk areas to ensure a consistent approach across the framework.

There are three main elements to capturing and reviewing risk within the Group; the Risk Appetite Statement ("RAS"), the Internal Capital Adequacy And Risk Assessment ("ICARA") and the regular risk reporting. The ICARA superseded the Internal Capital Adequacy Assessment Process ("ICAAP") in 2022.

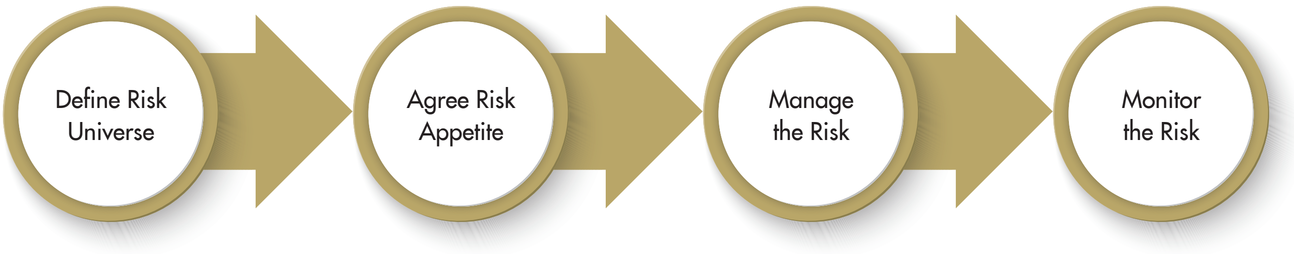
- The RAS identifies key risks, their materiality and their likelihood of occurrence and sets the amount of risk we want to take or are willing to accept in order to achieve our business objectives. Specific focus to be given around Reputational, Conduct and Sustainability related risks.
- The ICARA combines the RAS and the Group's financials together with scenario analysis and stress testing to determine how the realisation of risks might impact on the Group's capital and regulatory requirements.
- The Enterprise Risk Report brings together the ongoing risk identification, management, monitoring and risk reporting across the risk universe to ensure the changing risk environment and the Group's risk profile versus the RAS is communicated effectively to the Board.

The risk and uncertainties that affect the Group's business can also be broken down into risks that are within the management's influence and risks that are outside it. Risks that are within management's influence include areas such as the expansion of the business, prolonged periods of underperformance, loss of key personnel, human error, poor communication and service leading to reputation damage and fraud. Risks outside the management's influence include pandemics, regulatory change, climate change, falling markets, terrorism, a deteriorating UK economy, investment industry price competition and hostile takeovers.



Risk Management Process and Internal controls

The broad process for managing risk in the framework essentially follows these steps:



Risk Universe

The Group has identified 8 Risk Areas across the business activities and functions of the Group and uses these Risk Areas to define, measure and mitigate risk in the business. This forms our risk universe:

Risk	Description
Credit risk	Credit risk covers the risk of loss due to a debtor's inability to pay. The Liontrust Group maintains a liquidity policy document which identifies the credit risks that may affect any area of the business and details how these risks are monitored and controlled. These risks include: • failure of banks / significant counterparties; • failure of a client to pay fees; • failure of a client to pay funds for an investment; and • failure of a fund to pay redemption monies.
Market risk	Market risk is the risk that the value of assets will decrease due to the change in value of the market risk factors. Common market risk factors include asset prices, interest rates, foreign exchange rates, and commodity prices.
Operational risk	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The management of operational risk is formalised in a number of ways including risk assessments and scorecards, documented procedures and compliance manuals, a comprehensive compliance monitoring programme (both internal and external), issue tracking and a regular assessment of third party providers. Liontrust manages its operational risk with a framework based upon the Basel Committee on Banking Supervision's paper "Sound Practices for the Management and Supervision of Operational Risk" using seven operational risk event types that may result in substantial losses including:

Event Type	Description/Examples
Internal Fraud	Misappropriation of assets, tax evasion, intentional mismarking of positions, bribery
External Fraud	Theft of information, hacking damage, third-party theft and forgery
Employment Practices	Discrimination, workers' compensation, employee and workplace safety and wellbeing
Clients, Products, & Business practice	Market manipulation, antitrust, improper trade, product defects, fiduciary breaches, account churning
Damage to Physical Assets	Natural disasters, terrorism, vandalism
Business Disruption & System failures	Utility disruptions, software failures, hardware failures and disruption due to external events such as war or pandemic
Execution, Delivery & Process Management	Data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets

Risk	Description
Business risk	The potential strategic, business and legal risks arising from poor strategy, competitive pressure, inadequate due diligence, poor integration of acquisition targets and badly managed divestitures.
Client Management	The risks associated with poor distribution and poor client service including a failure to meet client needs and suitability / mis-selling.
Portfolio Management, Investment and Liquidity risk	The risks arising from poor investment returns, incorrect levels of investment risk or liquidity issues in the funds.
People / Talent Management	The risk of losing experienced and talented staff or a failure to develop or attract staff.
Regulatory, Compliance, Conduct and Financial Crime	The risk of legal penalties, financial forfeiture and material loss if Liontrust fails to act in accordance with industry laws and regulations.

There are some risks that cut across the risk universe and so are analysed separately such as sustainability risk, conduct risk and reputational risk. Our approach is to individually tag each of the identified risks in the universe if they are also one of these risk groupings and then analyse them separately.

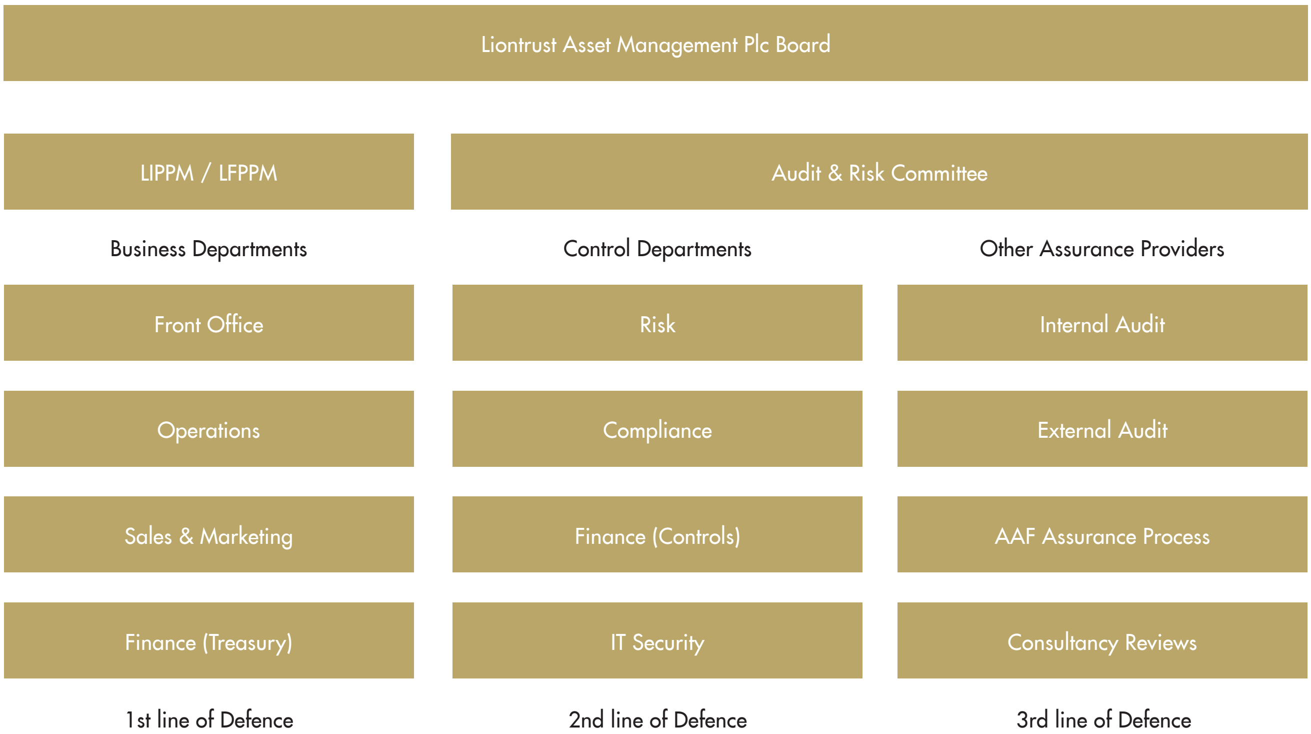
Risk Appetite

Liontrust have documented a Risk Appetite Statement for each of the Risk Areas. They identify the Key Risks facing the Group, define the Risk Appetite and detail a combination of qualitative and quantitative measures as appropriate to adequately track the identified risks. This includes identifying measures that are not only financially focused, but also measures that align to customer outcomes, reputation and operational risks.

The risk appetite approach is consistent across the Group. The risks of each business entity reflects the strategic direction as set by the Group for their risk appetite in the financial year ahead, and gives due consideration to the broad range of internal and external risk factors from the risk universe that impact them. Our overarching financial risk appetite is to have operational risks cost less than one percent of annual adjusted profits. This risk appetite guides our insurance excess and the amount of operational risk we tolerate.

Managing Risk

The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. The Group's internal control system is based on a "three lines of defence" model summarised in the diagram below:



Liontrust's Business Departments, supervised by the Partnership Committees, are responsible for identifying and managing risk and control activities within their business lines. This is the first line of defence. The Control Departments supervised by the Audit & Risk Committee develop and implement risk frameworks to support the front line and objectively challenge the identification of risk and the design of the controls within the business as a whole. The third line is a review of the risk and control activities in the Group by parties independent from the design, implementation and execution to highlight weaknesses, and provide assurance on the effectiveness and suitability of the internal controls.

Risk Registers and RCSAs

As part of the ERM framework, the Group maintains department / team level risk registers. Departments complete Risk and Control Self Assessments (RCSAs) in which they detail in the register what risks they own or face, describe the mitigating controls in place and rate the risks in terms of inherent (pre-control) risk and residual (post-control) risk. The resulting risk registers provide a Group-wide bottom-up view of the risks faced by Liontrust. The ERM framework defines a risk definition matrix which enables risks across all departments to be compared in terms of likelihood and impact.

Risk Monitoring

The Group uses a Risk Scorecard system to track Risk Indicators for measuring levels of risk or to determine levels of Risk Appetite or Risk Capacity in each of the Risk Areas. Each Key Risk has one or more risk indicators associated with it. The Risk Indicators are the key mechanism for tracking of Risk Appetite performance throughout the financial year from a top-down view. They highlight when the Group is approaching pre-defined appetite levels and highlight when action should be considered.

The risk registers form a prospective and complementary monitor of risk and are categorised using the Group-wide Risk Areas.

The individual risk scores and risk ratings are aggregated into Key Risks and then Risk Areas to produce a Risk Area scorecard and heat map respectively. This forms the Group's Risk Profile and is designed to allow the Board and senior management to quickly identify areas of concern and compliance with the Group's risk appetite. Where risk levels are approaching or exceeding appetite, an action plan is agreed, monitored and reported to the Audit and Risk Committee.

Risk Profile

Each risk register leverages off previous risk registers, various audits and industry sources to identify their risks. Over 800 risks were identified, assessed, and categorised into the standard Liontrust risk area taxonomy – with operational risk categories escalated one level. The following heat maps illustrate the highest risk rating within each risk area on the following basis:

- inherent risk rating (pre-control – assuming the listed controls were not in place) and
- residual risk rating 2023 (post-control – rating given the current effectiveness of controls)

The inherent vs residual heat maps show a general down and left movement which shows the effectiveness of the mitigating controls on our risks.

The heatmap has been divided into Low, Medium and High risk zones. The red line represents our risk appetite and risks in the high risk zone are hence beyond our risk appetite. On an inherent basis, there are several risks which sit beyond our risk appetite, however on residual basis, they are mitigated down to manageable levels.

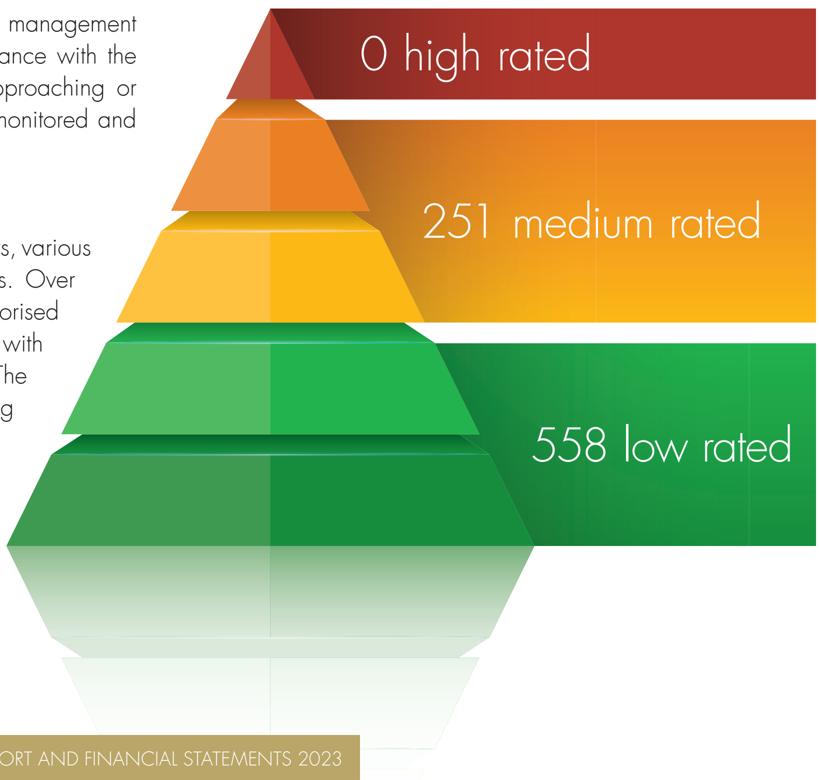
40 risk ratings increased

77 risk ratings decreased

In comparing the 2022 residual ratings to those from 2023, the highest risk ratings within each category remained the same. Of the risks which were rated last year, 40 risks have increased in rating, 672 have an unchanged rating and 77 have decreased. The change in the risk ratings is driven by a change in the business environment, increased comprehensiveness of the registers and/or increased understanding of the risks and controls.

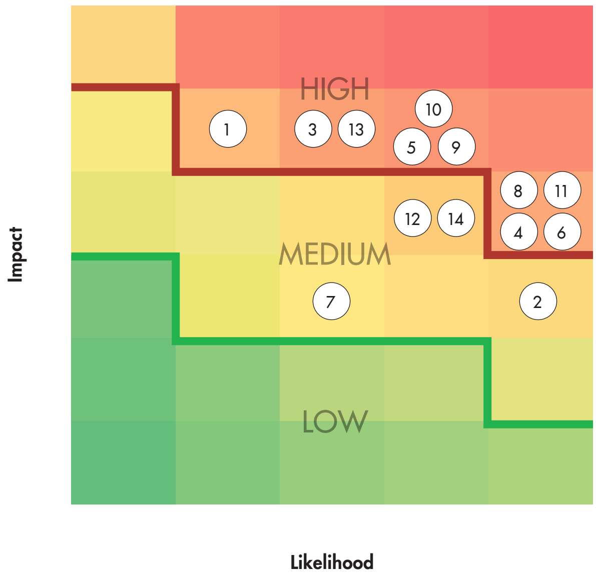
Number of residual risk ratings categorised as Low, Medium and High for 2023

No risks had an overall high rating and as such all risks were within our appetite. Any risk is rated high which is above our risk appetite and would require a risk mitigation plan to reduce its risk back to within our risk appetite.

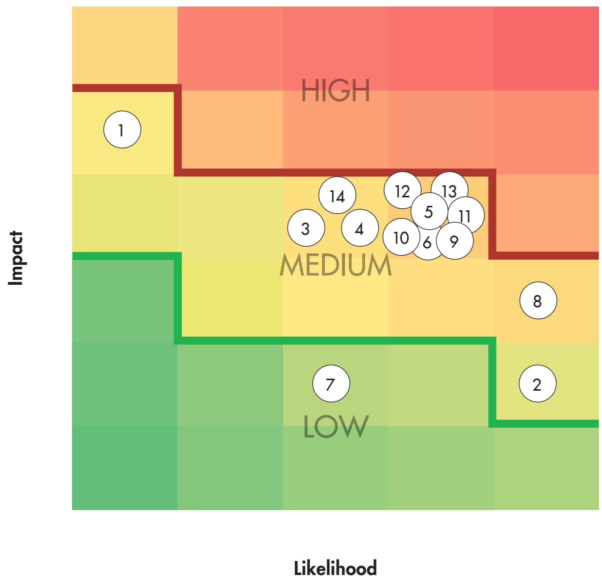


Risk Profile Charts

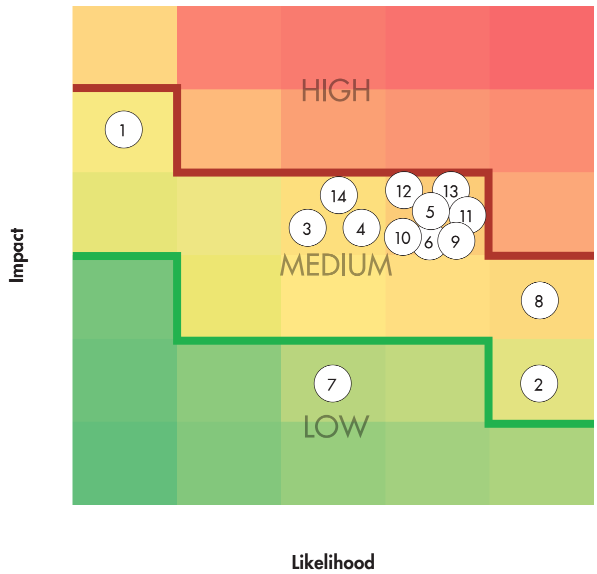
Inherent risk



Residual risk 2022



Residual risk 2023



Risk Areas

1. Credit Risk
2. Market Risk
3. Operational risk – Internal Fraud
4. Operational risk – External Fraud
5. Operational risk – Employment Practices and Workplace Safety
6. Operational risk – Clients, Products & Business Practice
7. Operational risk – Damage to Physical Assets
8. Operational risk – Business Disruption & Systems Failures
9. Operational risk – Execution, Delivery & Process Management
10. Business risk
11. Client management
12. Portfolio Management, Investment risk and Liquidity
13. People / Talent management
14. Regulatory, Compliance, Conduct and Financial Crime

Conduct and Sustainability Risk Profiles

Conduct and Sustainability risk cut across the risk universe, but due to their importance, we have analysed the Group's exposures to these risks. The risk registers enable detailed tracking of risks across the business. Each risk in the taxonomy has been tagged if it is conduct and/or sustainability related. The risks are filtered for those related to Conduct/Sustainability and used to generate Conduct and Sustainability risk profiles / heat maps.

For this analysis:

- Conduct related risks have been defined as risks which may lead to customer detriment or negatively impacts market stability.
- Sustainability related risks are defined as those which have environment, social or governance relation. The scope of which is the Liontrust Group, its staff, counterparties, and clients and those Sustainability related risks for investments that the Group makes on behalf of clients.

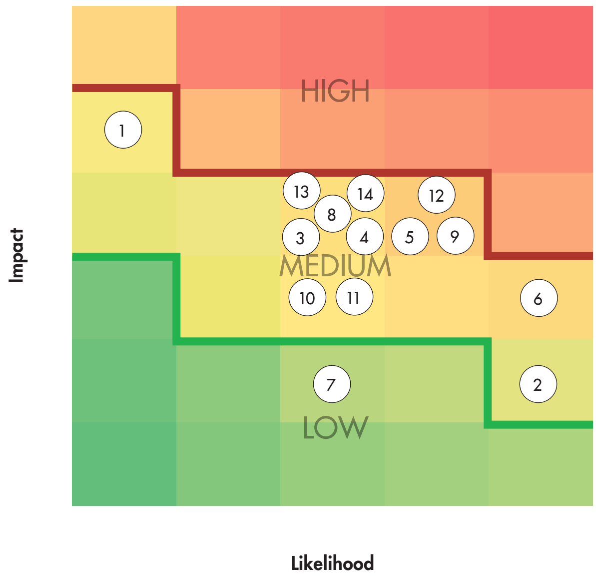
The purpose of the analysis is to provide insight into our conduct and sustainability risk profiles and how they compare to our overall business risk profile. We aim to build further on these profiles to better support our conduct and sustainability risk management. In comparison to the previous year, ratings marked **red** have relatively increased while those marked **green** have decreased.

For each, categories which are closely linked to clients' needs remain highly rated as they are significant for the business and related to conduct and sustainability. Conversely, categories relating to internal distribution targets are rated lower.

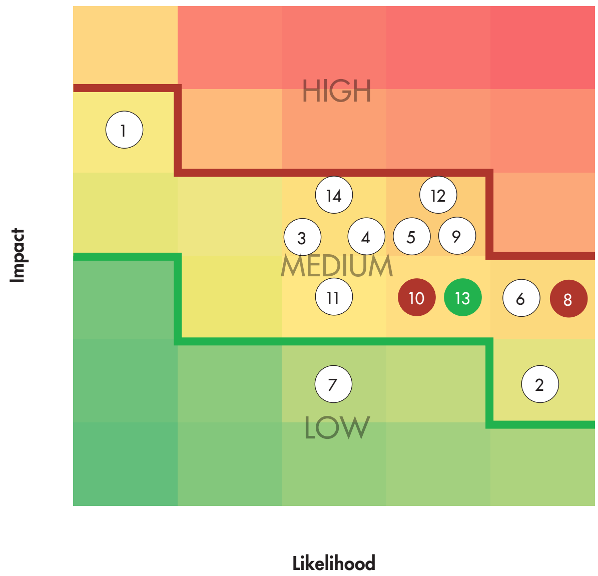
Conduct Risk 2022 vs 2023

Overall the key conduct related risk ratings are fairly similar to the previous year, driven by risks such as staff disputes, trading errors, system failures and regulatory breaches which may impact clients and our ability to meet their needs.

Conduct Residual Risk 2022



Conduct Residual Risk 2023



Risk Areas

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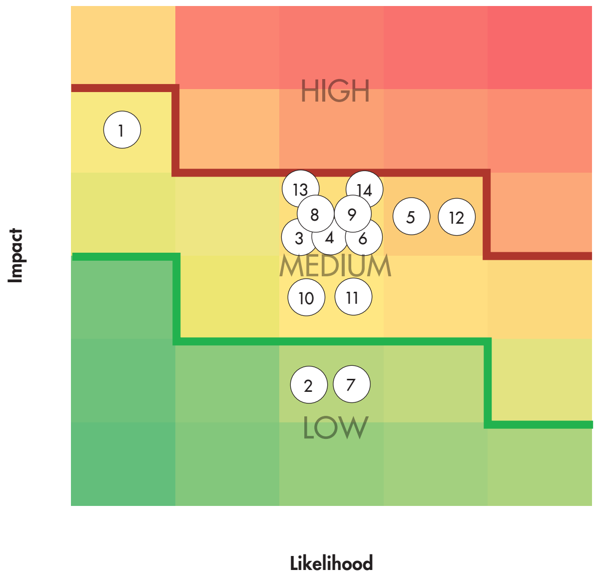
9. Operational risk – Execution, Delivery & Process Management
10. Business risk
11. Client management
12. Portfolio Management, Investment risk and Liquidity
13. People / Talent management
14. Regulatory, Compliance, Conduct and Financial Crime

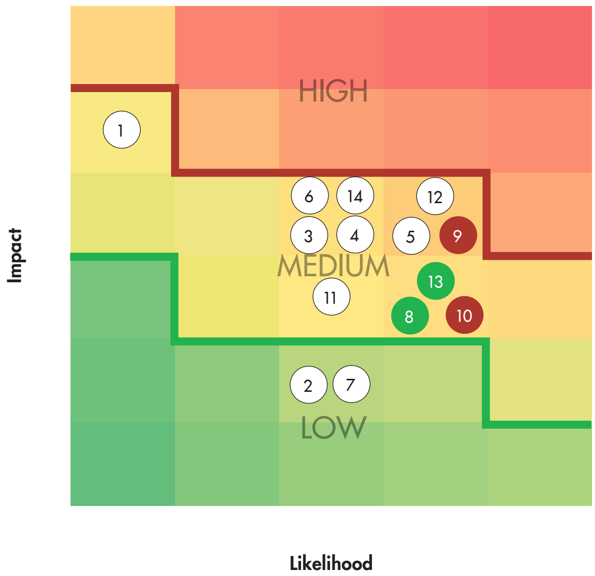
Sustainability 2022 vs 2023

Some change from the previous year, largely due to an increasing focus on Sustainability related risks. Key risks include evidencing Sustainability integration in our investments (as appropriate) and keeping up with regulatory change, staff disputes and inducement risk.

Sustainability Residual Risk 2022



Sustainability Residual Risk 2023



Risk Areas

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10. Business risk
11. Client management
12. Portfolio Management, Investment risk and Liquidity
13. People / Talent management
14. Regulatory, Compliance, Conduct and Financial Crime

Top Residual Risks

The top-rated risks facing the Group on a residual basis are detailed below. Many of the risks are commercial in nature, reflecting the impact on the Group should anything lead to a sustained decrease in AUM and as such, many of the key risks remain from last year.

Risk summary	Failure of Outsourced Service Providers	Strategic Link	Pillar 7 – Strong operations
Description	The failure of an outsourced provider may prevent the company from carrying out its business.	Trend	→
		Risk Area	Business Disruption
Controls	• Primarily deal with large institution which are very reliable or are prompt to fix issues. • Outsource Oversight framework, incident management, regular service reviews. • Some tolerances for limited outages.		
Comment	Operating model consolidates services with one primary provider which creates key dependencies and sensitivity to failure. Outsource oversight and engagement is our primary control to ensure services are robust.		

Risk summary	Order Management System (OMS) failure	Strategic Link	Pillar 7 – Strong operations
Description	Risk faced should our OMS fail – it is the most important system in our trading infrastructure.	Trend	→
		Risk Area	Business Disruption
Controls	• Trading Resilience Plan. • Direct contact with dealing desk. • Infrastructure continuity testing.		
Comment	The OMS is critical for Liontrust in managing our investment portfolios and meeting our client needs.		

Risk summary	Major economic decline / correction	Strategic Link	Pillar 2 – Investment Performance
Description	Major risk-off movement or correction leading to large net outflows.	Trend	→
		Risk Area	Business Risk
Controls	• Diversification of product offering. • Variable cost base. • Typically would expect markets to recovery in medium to long term. • Focus on communication and client retention.		
Comment	Commercial risk which has a high financial impact risk due to market sensitive AUM directly driving revenue generation. Further diversification of products will potentially help reduce impact.		

Risk summary	The risk of poor customer service	Strategic Link	Pillar 5 – Enhance investor experience
Description	Risk that inferior client service levels provided to Liontrust clients, failing to meet or exceed client expectations.	Trend	→
		Risk Area	Client management and mis-selling – poor service
Controls	• Clear investment processes which helps communicate and rationalise performance levels to investors reducing short term negative flows. • Well-resourced sales and marketing teams. • Investment team heavily involved with clients. • Development of digital channels to improve servicing of clients		
Comment	Poor service levels and delays lead to declining client expectations for Liontrust increasing risk of losing clients to higher performing competitors.		

Risk summary	Sustained redemptions year on year	Strategic Link	Pillar 5 – Enhance investor experience
Description	Redemption Mitigation & Management	Trend	→
		Risk Area	Client management and mis-selling – poor service
Controls	• All sales team members service clients with continual reference to our key holders lists. • Monitoring of sales, client engagement and increased marketing. • Well established brand. • Positive long term performance.		
Comment	Commercial risk of sustained redemption and declining AUM – high financial impact. The past year has demonstrated how market conditions can trigger and sustain the negative momentum on outflows.		

Risk summary	Loss of key/large clients	Strategic Link	Pillar 5 – Enhance investor experience
Description	Liontrust's top clients have considerable holdings which would have a notable impact if they were to withdraw.	Trend	→
		Risk Area	Client management and mis-selling – poor service
Controls	• Clarity around investment process and strategy. • Keeping clients informed, including webinars and other digital channels. • High client engagement and service levels.		
Comment	High touch engagement strategies by client service, high investment performance and diversification of clients are our key mitigations to reduce the impact on Liontrust.		

Risk summary	Risk of target net flows not met	Strategic Link	Pillar 5 – Enhance investor experience
Description	Missing targets, could result in profit warnings and reduced returns for Liontrust shareholders	Trend	→
		Risk Area	Client management and mis-selling – poor service
Controls	• Constant monitoring of sales against targets. • Engaging clients, increased marketing activity. • Well established brand.		
Comment	Strategic objective for continued growth, exposed to macro and style factors.		

Risk summary	Regulatory Breaches (CASS)	Strategic Link	Pillar 1 – Be a responsible company
Description	Failure to monitor Client Assets and follow CASS rules may result in fines and reputational damage.	Trend	→
		Risk Area	Clients, Products & Business Practice
Controls	• Procedures are in place to prevent breaches. • Significant investment in oversight and monitoring processing activities.		
Comment	Liontrust retains ultimate accountability for client assets and has a key focus client care and regulatory compliance.		

Risk summary	Staff disputes / legal action	Strategic Link	Pillar 1 – Be a responsible company
Description	Risk of wrongful or unfair dismissal, leading to legal action and costs and potential compensation. Reputational damage and adverse publicity.	Trend	→
		Risk Area	Employment Practices and Workplace Safety
Controls	• Terminations performed in accordance with procedures. • Close relationship with Employment lawyers. • Positive, inclusive and supportive workplace culture.		
Comment	Acquisitions and poor economic environment correlate with increased likelihood of potential employee disputes. Appropriate training of staff and HR management of people issues are key controls to reduce likelihood but impact is hard to reduce and may have significant reputation and financial impact.		

Risk summary	ESG Reporting – Investment process	Strategic Link	Pillar 1 – Be a responsible company
Description	Risk that we cannot effectively or efficiently audit the investment processes from an ESG perspective and hence cannot meet increasing reporting requirements.	Trend	→
		Risk Area	Execution, Delivery & Process Management
Controls	• Responsible Capitalism (RC) team work with investment teams on annual basis to collect evidence. Use of templates and training of investment teams on ESG reporting and evidencing. • ESG software to help audit investment process.		
Comment	Investment is required in order for Liontrust to meet the increasing standards of evidencing for our various ESG reports. Risk of downgrading should Liontrust not meet the requirements does not have direct financial impact but may have widespread reputation and brand damage.		

Risk summary	MPS Model Portfolios	Strategic Link	Pillar 7 – Strong operations
Description	Risk of error due to models being maintained on spreadsheet.	Trend	→
		Risk Area	Execution, Delivery & Process Management
Controls	• Spreadsheet contains controls, however they are limited compared to OMS. • Low turnover portfolios with only fund investments.		
Comment	Models are still maintained within spreadsheets due to technical difficulties managing the models within the OMS but project underway to build functionality to service MPS models in the OMS.		

Risk summary	Trading Errors	Strategic Link	Pillar 7 – Strong operations
Description	Trading Errors can occur and may result in substantial compensation payments especially if the transaction is large or not discovered in a timely manner.	Trend	→
		Risk Area	Employment Practices and Workplace Safety
Controls	• OMS is designed to minimise and mitigate the likelihood of error at all states including the initial order creation stage by the Fund Managers and the execution of the trades.. • The trades are automatically generated and allocated and rely on as little manual intervention as possible. • Suitable policies are in place on execution, aggregation and allocation. • Procedures have been designed to minimise the risks of trading errors occurring through continual improvements to the workflow and checking rules. • Suitable insurance is in place to cover tail risk events. • Training for Fund Managers and dealers is intended to ensure a clear understanding of the workings of the system. • Reduction of manual processes.		
Comment	Our trading process has robust and thoroughly tested controls, however due to the volume and value of trading completed, it is inevitable that some errors occur. The vast majority of these are small however empirically we can reasonably expected a more significant error in the next five years.		

Risk summary	**Employee engagement**	Strategic Link	**Pillar 6 – attract and develop talent**
Description	Risk that employee's goals are not aligned with the company objectives or otherwise disengaged from the company's mission.	Trend	→
		Risk Area	**People / Talent management**
Controls	• Smaller firm enables management to keep in touch with all staff. • Culture promotes the ability for anyone to raise and discuss issues . • Management espousing high performance and standards. • Co-operative and high-performance team. • Remuneration management.		
Comment	Engaging and retaining talent, especially for acquired firms, is challenging as they adjust to Liontrust's culture. Systems and performance issues can further compound and disengage staff.		

Risk summary	**Key man risk – Fund managers**	Strategic Link	**Pillar 6 – attract and develop talent**
Description	Loss of key fund managers which could immediately lead to suspension of buy ratings and likely redemptions.	Trend	→
		Risk Area	**People / Talent management**
Controls	• Positive, supportive, and inclusive workplace culture. • Revenue share and remuneration. • Emphasising the team approach rather than single individuals. • Increased communication with clients. • Succession planning.		
Comment	Certain clients associate their investment more heavily with the fund manager rather than the investment process or Group leading to significant redemptions on team changes.		

Risk summary	**Performance – Funds and segregated accounts**	Strategic Link	**Pillar 2 – Leading investment performance**
Description	Failure to deliver strong performance or meet client expectations.	Trend	→
		Risk Area	**Portfolio Management, Investment risk and Liquidity**
Controls	• Well documented investment processes. • Focus on longer term investing. • Marketing and Fund Manager communications to explain performance and what they're trying to achieve. • High touch service for major investors with direct engagement on questions.		
Comment	Commercial risk that despite sound long term investment processes, we risk underperformance over shorter periods which is often associated with increased redemptions.		

The most material sources of risk for Liontrust are:

Operational risk

The key operational risks that have been identified as potentially having a significant impact on our business or capital are as follows:

- Trading errors
- Breach of mandate restrictions
- Corporate action errors
- Failure of key supplier or system
- Suitability risk

Over recent years, Liontrust has successfully integrated the Architas and Majedie businesses. There has been a higher risk of operational failures over this period due to the change of systems, controls and procedures as well as changing staff responsibilities.

The Group made a significant investment in project oversight and appropriate resourcing, which has mitigated the risks and Liontrust has devoted considerable management time to minimise operational risk arising from the integration. The learnings from previous acquisitions enable Liontrust to more confidently take on larger and more complex acquisitions.

Cybersecurity and information technology risk

Liontrust is dependent on our IT infrastructure and systems. A successful cyber-attack could result in the loss of data; disrupt our ability to service our customers or in a worst-case scenario – a loss of clients' assets. Liontrust has included the management of cyber security into our governance framework for a number of years and have appointed a virtual Chief Information Security Officer to ensure we have the right infrastructure and defences in place. Liontrust also use specialist external consultants to review and test our IT infrastructure and security including penetration testing. All significant contracts, or those with sensitive data are subject to cybersecurity clearance.

Remote working brings additional challenges and vectors for cyber risk: a reliance on individual's internet connectivity, more digital controls, changes in sales techniques, more digital marketing, video client meetings and webinars. There are also the medium-term challenges of working digitally including reinforcing our culture remotely, developing and delivering online projects and improving productivity, recruiting talent and managing successful teams outside of the office.

Liontrust undertakes regular incident response training to ensure it is prepared in the event of a successful attack on ourselves or a key outsourced service provider. Beyond our comprehensive IT controls, our best defence against an attack is staff awareness and training to mitigate social engineered or phishing entry vectors. Liontrust demands the same commitment to tackling cybersecurity from its key outsourced providers.

Outsourcing Risk

As we outsource many of our labour intensive operational functions, we commit high levels of resource to the management of these third party providers. We work hard to ensure that the relationship is a collaborative one and that both parties are working together towards the same goals, via a dedicated relationship management team and through a comprehensive monitoring programme. Failure of any outsource provider presents a real threat to the business and our continuity planning incorporates a stepped approach to manage and control these risks.

Acquisition Risk

Liontrust has announced its intention to acquire Swiss based GAM, a global investment management firm. This acquisition will bring in considerable diversification of assets and distribution with a much larger international presence.

Liontrust will leverage its experience and learnings from previous acquisitions however GAM's integration will still present significant risks including:

- Sufficient expertise to ensure compliance with the broader and more complex regulatory environment.
- Challenges integrating the assets and operations into Liontrust's operating model.
- Cultural integration ensuring existing and incoming staff are aligned and engaged.
- Challenges retaining the key personnel and knowledge from GAM.
- Re-location risk of migrating existing Liontrust staff to the GAM office.
- Strain on existing resources to manage the integration on top of their BAU workload.

Leveraging the expertise of consultants to oversee and project manage the integration is a key control to ensuring the above risks are mitigated.

Sustainability Risk

Liontrust may be negatively impacted by an ESG event or issue. There are multiple impacts of ESG or climate on companies. Liontrust may be impacted directly, via our outsource partners or through our investments in companies on our clients' behalf. The impacts may come from physical risks (extreme weather events, or supply shortages) or from exposure to transition risks which arise from society's response to climate change (technological change, social upheaval or regulation). These can change business costs, alter the viability of products or services, or alter asset values. There are also legal costs and potential liabilities for climate-related actions.

This year we have worked on modelling these potential impacts into our Enterprise Risk Framework as described earlier. Further information on our efforts to manage this risk and integrate sustainability throughout our business is in the "Responsible Capitalism" section of this report on page 70.

Client Concentration and the risk of redemptions at short notice

Liontrust has several large, key clients and relationships. Should a large client leave (or conversely a new large client be acquired) there is a risk that earnings may be impacted. Liontrust has successfully grown our client base over the last few years and this has reduced the impact of a single client redeeming. Clients are also able to withdraw their assets at short notice. The retail funds have daily liquidity and most institutional mandates have no lock in periods or liquidity constraints. This may mean that in times of crisis assets under management may fall quickly increasing the potential volatility of earnings. This is mitigated by the Group's variable cost base as described in the Market risk section above.

Competitive Environment

Liontrust operates within a highly competitive environment with both local and global businesses, many of which have greater scale and resources. The changes to the regulatory and business landscape have resulted in a greater focus on fees & charges, a growing importance of brand & marketing and distributor relationships. Initiatives such as Consumer Duty and the Assessment of Value promote transparency and enable clients to better compare funds. Failure to compete effectively in this environment may result in loss of existing clients and a reduced opportunity to capture new business which may have a material adverse impact on the Group's financial wellbeing and growth. Our governance and leadership help to ensure that the Group remains competitive and does not lose focus.

General macro-economic and political risk including the invasion of Ukraine by Russia and recent bank credit concerns

The Group is susceptible to any economic downturn, policy, increased interest rates, exchange rate fluctuations, geo-political conditions, volatility and or/price increases in energy/commodity markets and volatility in world markets. Such changes in macroeconomic and political conditions may result in a large fall in the value of assets and therefore substantially and adversely affect the financial performance of the Group.

In common with the asset management industry as a whole, the Enlarged Group may be faced with increasingly challenging investment market conditions with higher interest rates and inflation. Two recent events, the invasion of Ukraine by Russia and the credit issues faced by banks including SVB, Credit Suisse and First National have caused significant volatility in certain financial and commodities markets worldwide.

Such events may also adversely impact the ability of the Enlarged Group to operate, for example the invasion of Ukraine has restricted the ability to trade and value assets relating to Russian companies. Economic sanctions and the repercussions from the conflict continue to impact companies globally across a variety of sectors, including energy, financial services and defence, among others.

The performance of all funds, not just the Russia fund, may also be impacted negatively should the war escalate further, even if they have no direct exposure to the regions involved in the conflict. We continue to consider the impact of these scenarios and any other emerging risks in our business decisions as well as in our capital planning. Liontrust is well capitalised and positioned to weather these changes and take advantage of the opportunities arising. All investment teams consider the investment risks and opportunities that arise as a result of long-term trends in respect to their portfolios.

People

People are a key part of our business and the stability of our investment and operational expertise is critical to our success.

The Group takes appropriate steps to manage expectations and minimise the loss of good quality staff. Any departure of significant personnel may result in a loss of funds under management, especially the loss of one of our fund management teams.

Liontrust believes building and maintaining our distinct culture as well as providing a good working environment is key to the future success of our business and the engagement and retention of our staff. We invest significantly in our people, including through ongoing training and qualifications, providing competitive benefits, promoting diversity and inclusion while conducting regular workforce engagement surveys to track our progress

SUMMARY OF CONTROLS

The main elements of the Internal Controls which have operated throughout the year are as follows:

- a clear division of responsibilities and lines of accountability, allowing adequate supervision of staff;
- detailed procedures and controls for each department;
- the development and implementation of specific accounting policies;
- preparation of annual plans and performance targets in light of the overall Group objectives;
- an operational risk scorecard measuring risk levels across the Group;
- reports from the Executive Directors to the Board on the actual performance against plans;
- reports from the Chief Risk Officer highlighting the Principal risks faced by the Group detailing the exposures, controls and mitigations in place;
- reports from the Chief Compliance Officer detailing the robustness of procedures and controls for each department;
- reports from the Head of Finance on controls and risks concerning client money and assets;
- reports from the Money Laundering Reporting Officer (MLRO) detailing the arrangements in place for anti-money laundering and financial crime prevention;
- reports from the virtual Chief Information Security Officer (vCISO) on cybersecurity and data protection measures;
- reports from Internal Audit on the effectiveness of the Group's systems and controls to the Board;
- reports to the Board in respect of the management of, and results of visits to, third parties to whom functions have been outsourced;
- compliance by all members of staff with the Group's policies and statement of business conduct, which seeks to ensure business is conducted in accordance with the highest standards; and
- capture and evaluation of failings and weaknesses and confirmation that necessary action is taken to remedy the failings, particularly those categorised as 'significant'.

Effectiveness of Risk Management and Internal Controls

The Board has reviewed the effectiveness of the Group's system of internal controls for the financial year and up to the date of this annual report and financial statements. The Board has carried out a robust assessment of the emerging and principal risks affecting the business , including the principal risks as noted above and has a process in place within the business to control and monitor risks on an ongoing basis, in accordance with the guidance from the Financial Reporting Council's Guidance on risk management, internal control and related financial and business reporting ('GRM').

The Board is of the view that all necessary actions have been, or are being, taken to address matters identified as part of the ongoing risk management process and that no significant weaknesses were identified during the year.

ASSURANCE PROCESS

The senior management arrangements, systems and controls environment in place across the Group are reviewed by the Board and Audit & Risk Committee each year. The Group appoint an internal audit function to monitor the appropriateness and effectiveness of its systems and controls. The Audit & Risk Committee and the Internal Auditors have agreed a rolling three year Internal Audit plan. This includes the following Audit areas: front office controls; data protection, security and governance; risk management; significant financial systems; outsourcing arrangements and client assets.

On an annual basis, Liontrust commissions an external accountancy firm, to perform testing of integrity of aspects of the Group-wide control environment. Liontrust has adopted the principles established in the "Assurance Reports on internal controls of service organisations made available to third parties" as recommended by the Institute of Chartered Accountants of England and Wales in the January 2020 technical release of AAF 01/20. RSM UK Group LLP were appointed to test the controls and to produce the AAF report. The results of this testing, including any exceptions identified, are made available to senior management, the Board, the Audit & Risk Committee and our institutional clients.

STAKEHOLDERS

The Group has a significant number of stakeholders whose futures are linked to the success of our business.

These significant stakeholders are:

- shareholders;
- clients;
- members & employees;
- service providers including those that provide the Group with outsourced functions;
- regulators & industry bodies; and
- wider society.

Each of these groups presents different opportunities and uncertainties and the Group ensures that there is regular contact and monitoring of the various bodies. They are all integral to the future success of the business, detailed below is a summary of why they are important and how we engage with them:

- We aim to provide our shareholders with sustainable growth and increasing returns. We regularly engage with our shareholders to support the long-term objectives of our business.
- Clients are core to the success of our business. We strive to provide long term performance and meet the needs and expectations of our clients. Treating customers fairly, providing good service and good value is central to how we conduct business across the Group and we continually strive to improve our offering and service.
- Liontrust is proud of our people and our culture and they help us to deliver on our vision and obligations to our stakeholders. We continue to invest in our staff to attract, retain, incentivise, develop and encourage the individuals in our company to meet and surpass our current and future objectives.
- Outsourcing is an integral part of the Liontrust operating model. Liontrust outsources in two key areas, Transfer Agency and Fund Accounting & Fund Valuation Services across two main jurisdictions. Regular meetings and reviews helps to ensure that the relationship continually improves.
- Liontrust acknowledges the importance of working closely and constructively with our regulators and our industry bodies to ensure we run our business in a compliant way and helps to improve the wider financial environment for clients in the longer term.
- Liontrust also recognises the wider responsibility we have to society and the importance of doing the right thing. We continue to invest and improve our governance and corporate responsibility including via our community engagement projects to show the positive impact our investment management and corporate activities can have on our clients and wider society.

The Section 172 Report within the Corporate Governance statement on page 91 provides engagement outcomes and insight into some of the initiatives undertaken and engagement activity with significant stakeholders during the year.

OUR PEOPLE

Liontrust is committed to building a sustainable business and intends that our principles are embedded into our policies and practices, to the benefit of stakeholders as well as the wider community.

OUR PEOPLE

Liontrust's key assets are our people. We are proud of everyone who works at Liontrust and we invest in their training, qualifications and development as part of our strategy to retain talented fund managers and staff.

Everyone at Liontrust is personally accountable for their commitments, and actions and for, delivering on our promises. We are responsible for supporting each other, collaborating and being open to challenge and debate.

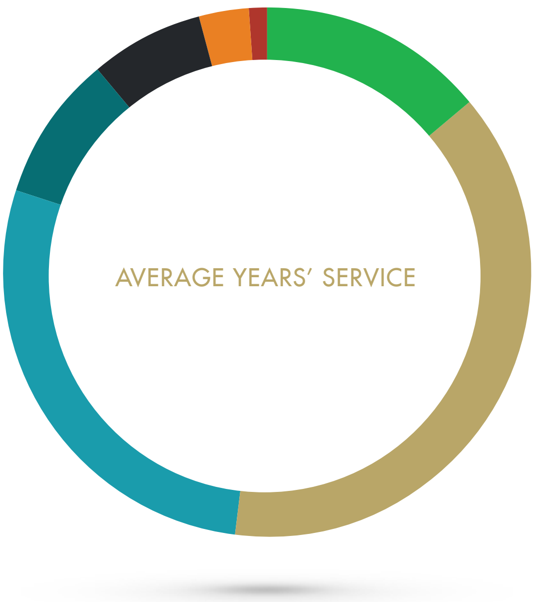
All staff have a responsibility to act in the best interests of investors, shareholders and other stakeholders. We seek to uphold the highest standards of integrity in all of our actions.

We treat all our staff with respect. We are committed to the development of our people and encourage everyone to fulfil their talent and potential. Liontrust recognises the importance of an appropriate work-life balance, both for the health and welfare of employees and for the business.

Everyone is encouraged to make decisions. Not every decision will be right, and we have to be confident enough to recognise when they are wrong and change them. Many businesses fail because people don't make decisions.

Employee Engagement

Liontrust have a highly engaged, experienced and stable workforce, with over half (56%) of staff having been with the firm for five years or more. Unplanned turnover to March 2023 was 11 % (2022: 11%). We focus on keeping our most talented employees, and our retention of high-performing employees remains strong at 100 % (2022: 99%).



Less than 1 year	14%
1–5 years	38%
6–10 years	28%
11–15 years	9%
16–20 years	7%
21–25 years	3%
Over 26 years	1%

56%

of employees having been with the firm for five years or more

Overall turnover in 2023 was

11%

Our retention of high-performing employees

100%

Liontrust encourages open communication and an inclusive culture. Liontrust's Executive team hold regular town hall style meetings to provide employees with company updates and to explain and discuss corporate strategies. The Chair and the Non-executive Directors are active in these meetings.

The members of our Management Committee have an open-door policy. We also encourage feedback from employees to senior management through more formal forums, including regular team meetings and off-sites to discuss our strategy, as well as through the annual performance appraisal process. Managers throughout Liontrust have a continuing responsibility to keep their teams informed of developments and progress.

Workforce Advisory Forum

Liontrust's Workforce Advisory Forum has representatives from across the business and includes a Non-executive director. To maintain links with business strategy, the Forum, is chaired by the Deputy Head of Finance and supported by HR, serves as an advisory Forum to the Management Committees and the Board on matters relating to the workforce of Liontrust. The Forum supports the Company in two-way information sharing on matters of workforce importance which may include engagement, appropriate strategies for the recognition and development of a diverse workforce and development opportunities for colleagues. The Forum engages and supports other committees which may have complementary agendas for example, the Diversity & Inclusion Committee.

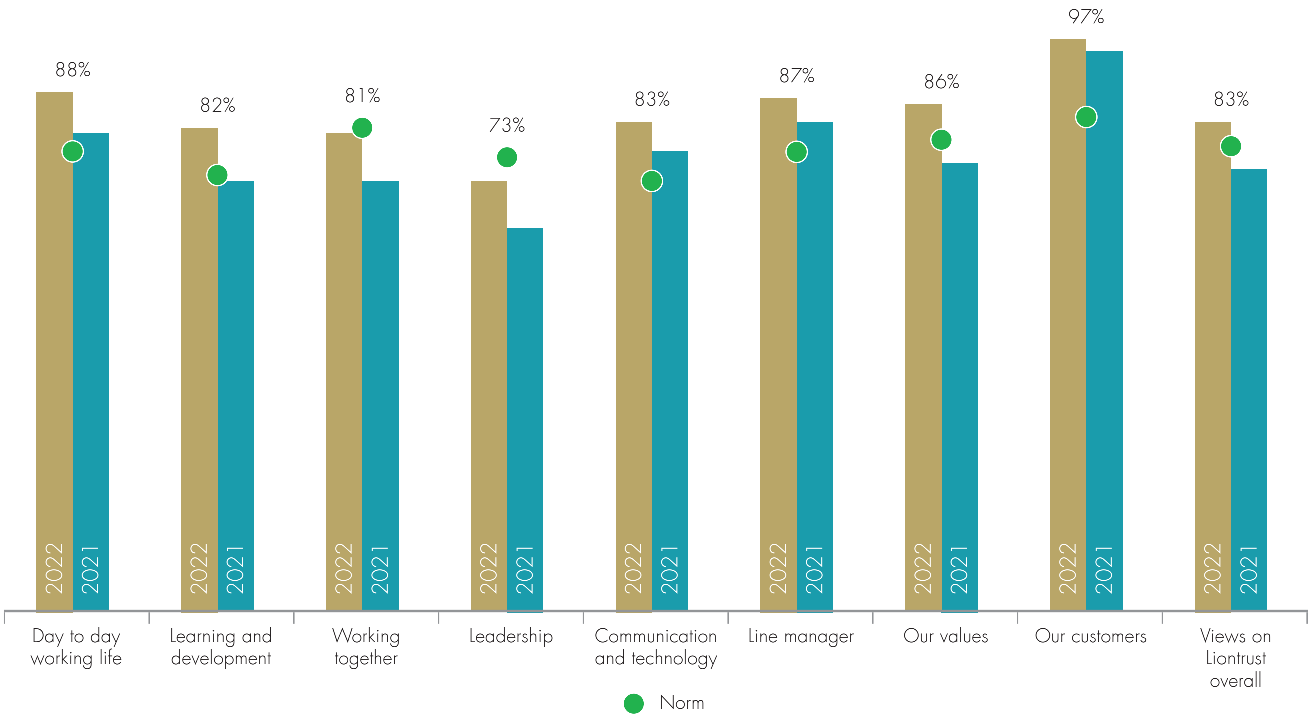
Workforce engagement survey

In December 2022, we partnered with an external firm to complete our most recent workforce engagement survey. The overall response rate was 82%, versus an industry average of the mid 60s%. Our engagement index was 84%, which is at the norm Liontrust has been compared with a general normative database of survey responses from over 150 organisations across a variety of sectors. All surveys have been conducted within the last three years.

The survey was benchmarked against six key areas of engagement: Engaging Managers; Employee Voice; Realising Potential; Organisational Integrity, Compelling Leadership and Health and Wellbeing – we improved our scores year on year across every area.

Engaging managers | Compelling leadership | Realising potential | Organisational integrity | Employee voice | Health and Wellbeing

Following the 2022 survey the external firm presented the results to all staff in a webinar. This gave everyone the same information and with the expert presentation of the results. During the session employees were able to post and ask questions.



We can see that the action taken after the 2021 survey has impacted scores and we have received more positive feedback than 2021.

Equal Opportunities, Diversity and Inclusion

Liontrust believes that its people should be appointed to their roles based on skills, merit and performance and makes all appointments within the guidelines of its equal opportunities policy. We are committed to greater diversity, including gender and ethnicity, and the benefits that this will bring to the business.

We are an equal opportunities employer and it is our policy to ensure that all job applicants and employees are treated fairly and on merit regardless of their race, gender, marital status, age, disability, religious belief or sexual orientation. During the year, we reviewed and updated our diversity policy; Senior Management and the Board continue to believe that greater diversity will enhance the performance of the business.

Liontrust is committed to building a workplace that fosters diversity, inclusion and equity for its employees. Achieving diversity and inclusion is an ongoing objective and one that the financial sector has had to continually work to achieve, especially in terms of recruiting women and individuals from under-represented ethnic and/or educational backgrounds. Obviously, it takes time for D&I related efforts to feed through, from recruitment to training to progression. While there is still progress to be made, Liontrust is more cognisant of the areas for improvement in this area and is working to make progress in these, over time. Importantly, Liontrust's executive remuneration is linked to D&I, with a 30% allocation to ESG as part of the remuneration scorecard for 2022/23. Within this 30% allocation, 10% focuses on having a joined up approach to increasing the diversity and inclusiveness of Liontrust.

Diversity and Inclusion Committee

During 2021, we established the Diversity and Inclusion Committee (D&I Committee) chaired by our COO/CFO which provides feedback and recommendations to the Management Committees, Nomination Committee and the Board. The purpose of the Committee is to address the challenges and opportunities arising from the following topics:

- Preventing and eliminating discrimination, including unconscious bias.
- Raising awareness of the importance and benefits of diversity enhancing our culture and innovation.
- Ensuring policies and procedures promote diversity across the company.
- Increasing awareness through training, mentoring and coaching.
- Highlighting changes required to promote diversity.
- Attracting people from diverse backgrounds to join Liontrust and the asset management industry in general.

The Committee meets regularly to make progress across this important area. At the outset of the committee we partnered with GP Strategies (was PDT Global) to deliver the first Liontrust diversity audit. The recommendations and conclusions from this audit are influential in the Committee in developing its strategy.

To continually build on Liontrust's inclusion, the Committee have organised all staff training sessions on:

- Allyship
- Understanding Autism
- Unconscious Bias
- Microaggressions

In addition to the training mentioned above, course aimed at Heads of Department on Inclusion as a Strategic Driver, the objective of which was to consider how the leaders approach diversity and inclusion at a strategic level
The Committee have hosted events through the year to ensure an inclusive culture and somewhere where everyone can be themselves:

- Bringing Pride to life at Liontrust, encouraging visible support of LGBTQ+ issues through our website and internal events
- Events during Black History month including showcasing works by a local artist, talks on Black History in Art and keynote speaker on Racial Inequality in the Workplace
- Recognising International Women's day throughout March with webinars on and a keynote speaker discussing equality and their leadership journey
- Mindful Mondays over the course of 6 weeks. The sessions were designed to give staff an introduction to mindfulness and how it can help to improve overall health and wellbeing.

During the year we have partnered with Mental Health at Work to develop a well-being and mental health approach. Mental Health at Work, a not for profit, Community Interest Company (CIC) and a subsidiary of the Mental Health Foundation help companies like Liontrust to create a bespoke programmes and based on feedback from our managers and staff.

The Board regularly reviews the gender split across the Group and has asked management to address the issue of under representation of women in senior management. Liontrust has improved the diversity of the Board over the last few years currently with 33% female representation. The Board will continue to work to ensure the composition of the Board and the workforce as a whole is representative of wider society. As part of the Executive Directors' strategic objectives, there is a commitment to gender-balanced shortlists of candidates at the beginning of a recruitment process.

Liontrust's current gender balance is broadly 15:9 male:female with men predominating in more senior positions. This reflects the history of the asset management industry, the companies we have acquired and is typical of the financial industry as a whole. The Board and senior management are actively seeking to address this, and have appointed 3 women to the management team in the past year. Senior management continue to focus on attracting and retaining female talent

33%

Liontrust has improved the diversity of the Board over the last few years currently with 33% female representation by updating policies and creating a culture to address the gender balance and gap at Liontrust.

As at the 31st March 2023, Liontrust's workforce was broken down between employees and partners as follows:

2023	Male		Female	
Employees	126	59%	86	41%
Members of LLPs	25	86%	4	14%
Total	**151**	**63%**	**90**	**37%**

For the same period, seniority was broken down as follows:

2023	Male		Female	
Executive Directors	2	100%	–	n/a
Senior Managers[1]	12	80%	3	20%
Direct Reports to Executive Directors & Senior Managers	40	59%	28	41%
Other Staff	97	62%	59	38%
Total	**151**	**63%**	**90**	**37%**

[1]Senior managers are identified as the heads of operational departments, all being direct reports to the CEO, CFO/COO or Deputy COO

We ensure there is a good gender mix of candidates in all recruitment, removing all-male recruitment processes, providing training to staff on diversity, reviewing our policies to remove unconscious bias and encourage diversity and offering flexible maternity, paternity and shared parental leave and flexible working policies to help support staff.

Liontrust tracks and analyses our gender pay gap (the percentage male employees overall are paid more than female employees), and it is more than the average for the financial services sector. Although the gender pay and bonus gaps between female and male employees could be expected to decline gradually as we continue to recruit and develop senior female talent across the business both the Board and senior management are seeking to transition the business more quickly.

The McGregor-Smith review on 'Race in the Workplace', noted that in 2016, 14% of the working age population are from a BAME background, with this expected to increase to 21% by 2051. BAME individuals made up only 10% of the UK workforce and held only 6% of top management positions in the UK.

As at the 31st March 2023, Liontrust's total of 241 staff was broken down as follows:

2023	
White	177
Black	9
Asian	30
Other Ethic or Mixed Group	16
Prefer not to say	9

We will continue to encourage our staff to voluntarily disclose this information as we believe it is important to measure the effectiveness of our initiatives to allow us to make further progress where necessary.
The Parker Review sets out achievable objectives and timescales to encourage greater diversity and provides practical tools to support Board members of UK companies to address the issue. The Review recommends that an increase the ethnic diversity of UK Boards by proposing each FTSE 100 Board to have at least one director from an ethnic minority background by 2021 and for each FTSE 250 Board to do the same by 2024. Liontrust already meets this recommendation.

Investment 20/20 Internship Programme

Liontrust first partnered with the Investment Association in 2019 for its Investment 20/20 Internship programme, which introduces young people to the asset management industry on a fixed term contract basis. The initiative helps interns to gain industry knowledge and experience and to develop relationships, enabling them to progress in their careers and providing them with skills to secure a permanent role.

As part of the Investment 20/20 programme, trainees have opportunities to meet and network with over 200 of their peers across the industry and participate in social and insight events. Investment 20/20 also provides training on technical and soft skills.

During 2022 we hired 3 further trainees in support areas. Trainees receive hands-on support and training. They have established themselves well in their roles and are actively supporting and contributing to the performance of the teams. Liontrust is committed to supporting our graduates to study and gain qualifications as well as offering a range of personal and professional training opportunities during the placements.

Mentoring and Coaching Programme

Liontrust has offered coaching to its staff for a number of years and is working in 2023 to introduce a formal mentoring programme. The aim of the programme is to support managers and staff to enhance skills, attitudes and behaviours that support their ongoing growth and development as well as the overall performance of the business.

In addition to using our learning management system which enhances our internal training, we encourage all our staff to acquire business relevant qualifications and offer support packages to enable them to do so.

Our investment professionals are required to achieve standards above the regulatory minimum with a particular focus on the CFA's Investment Management Certificate (IMC) qualification for investment staff.

Senior Leadership Development Programme

During 2022 we invested in a development programme for our employees, the objectives of the programme is to increase the effectiveness of leadership at Liontrust, focusing on:

- Purpose
- Leadership Identity
- How to leverage strengths, recognising weaknesses and preferences
- Establishing shared leadership standards and behaviours
- Decision making
- Conflict confidence

One the outputs of the 2022 attendees is a 'Leadership Charter' which defines the Liontrust leadership purpose, values, identity traits and desired behaviours. This will be used to establish a framework for the development of future talent through 2023.

Remuneration

We maintain a remuneration approach that promotes a strong customer-centric culture, as well as risk awareness and performance with a good alignment of staff, investor and shareholder interests.

Our benefits package provides a generous array of financial, health and well-being, lifestyle and family-friendly options for employees:

- We encourage a good work-life balance with generous annual leave and other benefits including cycle to work, season ticket loans and freely available fresh fruit in the offices
- We introduced a cash 'wellbeing allowance' which is paid monthly for staff to put towards any wellbeing initiative they want
- Private medical insurance, comprehensive health checks, eye care, an employee assistance programme with access to confidential counselling support, and a further range of health and well-being options.
- Health cash plan which gives access to additional health services not covered under the traditional private medical scheme, such as alternative therapies
- Employer pension contributions to a defined contribution pension scheme.
- Life assurance policy and income protection scheme from the first day of employment, providing financial security and protection for when it really matters.

We ensure our staff are aware of all the benefits afforded to them and have held webinars with the provider to showcase the terms.

All-employee Tax Efficient Share Schemes

Our SIP (Share Incentive Plan) offers the opportunity for employees to purchase Liontrust shares tax free. To further enhance this, for every share an employee purchases, Liontrust purchases two shares on their behalf. This benefit is offered within the maximum limits as set by HMRC, allowing employees to 'buy into' the success of the company in a tax efficient way and is available to all employees who have at least three months service. As of 31 March 2023, 77% of employees opted to participate in the SIP. To give employees the tools to understand how their investment is performing we have consolidated all employee share schemes into a single employee share schemed platform in partnership with Equiniti, who act as our registrar.

Work-life balance, health and well-being

Liontrust recognises the importance of an appropriate work-life balance, both to the health and welfare of employees and to the business. Physical and mental wellbeing are important to Liontrust. Offering private health care that includes mental health support, physical health assessments and access to an employee assistance programme that provides a 24/7 counselling service, supports employees. Liontrust also encouraged staff to take breaks from work during the lockdown by providing additional holiday allowances over the period and allowing staff to carry additional unused vacation days over at year end.

Liontrust is actively developing a wellbeing and mental health strategy, supported by the D&I Committee.

Liontrust offers informal flexible working arrangements of a 3:2 split between the office and home. All staff have the option to make use of the informal flexible work arrangements, where their role allows for this.

Liontrust continues to offer additional ad hoc flexible working over and above the informal flexible working policy where necessary.

Living Wage

Liontrust is committed to offering fair pay to all by paying staff at least the London Real Living Wage. This means that every member of staff based in London, including contracted maintenance and reception teams, earns at least a "living wage" which is an hourly rate higher than the UK minimum wage that is set independently, updated annually and based on the cost of living in London.

Our two offices outside London employ staff who are remunerated above applicable minimum or living-wage requirements.

Liontrust does not use zero hours contracts.

Liontrust's Equal Opportunities and Diversity Policies outline that all Liontrust employees (temporary and permanent), partners, contract workers and job applicants are treated fairly and are offered equal opportunity in selection, training, career development, promotion and remuneration.

RESPONSIBLE CAPITALISM

Responsible Capitalism is the platform on which Liontrust brings together its ESG integration, stewardship, and sustainability-related activities.

Responsible Capitalism is about focusing on what matters most to our clients, our employees, our wider stakeholders and our investments. Liontrust points to its investment teams and their respective investment processes in determining what matters most. Each team is expert in managing its funds and understanding its holdings. Where material issues arise, the teams often focus on these topics during engagement and take that engagement into consideration when making investment decisions. Using this focus on materiality, engagement, and (as appropriate) issue management, Liontrust and its investment teams can more accurately determine what to spend time and energy on to provide the best service to our clients across every aspect of our operations.

For Liontrust's business, we take account of the exposures that the Group faces and work to manage these effectively. Liontrust aims to be transparent about the risks and opportunities it faces as a business and provide information on how we manage these. Details on our own exposures are on page 46. For Liontrust, two areas to which the Group has exposure are: attracting and retaining talent and the financed emissions that we hold in our funds. During the year, Liontrust took action on both of these exposures.

ATTRACTING AND RETAINING TALENT

Attracting and retaining talent continues to be a key objective for Liontrust. The group seeks to achieve this by:

Offering employees opportunities for career development/advancement

Providing a range of employee benefits

Undertaking an annual employee survey conducted every December to monitor employee engagement levels

Increasing its focus on D&I

Striving for "one culture" to help bridge Groups and teams post acquisitions; understanding issues as they arise across the Group

These are explored in more detail in the previous section – Our People

FINANCED EMISSIONS

Liontrust's Commitment to Net Zero

Liontrust – across its business and investments – is committed to achieving net zero greenhouse gas emissions by 2050. The Group has undertaken this commitment as part of its fiduciary duty to clients – to understand the key exposures that its investments face and to make well informed decisions. The Group also feels that this commitment helps it promote well-functioning financial systems as it makes informed investment decisions and takes responsibility for its own financed emissions.

Net Zero Asset Managers (NZAM) initiative

In May 2022, Liontrust joined the Net Zero Asset Managers' (NZAM) initiative to adopt formally this goal. Liontrust will submit its first report to NZAM by the end of May 2023, which will set out the initial percentage of AuMA that the Group commits to the goal. This percentage will increase over time. As data becomes more reliable and available, Liontrust's investment teams will have a clearer understanding of how to account for carbon emissions across all asset classes, and the investment teams should see more clearly the impact of net zero efforts on their funds' investments. The speed at which Liontrust's funds move towards net zero will vary between the teams, depending on each investment process. Following the Group's first submission to NZAM before the end of May 2023, Liontrust will report annually on its progress against targets, either through CDP's annual assessment or via the PRI's annual reporting tool. Liontrust plans to submit a report in the summer of 2023.

The Group has an engagement plan for investments that are high emitters and which are held in funds that have committed to the Group's net zero goal.

RESPONSIBLE CAPITALISM TEAM

Liontrust's six-strong Responsible Capitalism team, led by the Head of Responsible Capitalism, has a remit to implement the Group's Responsible Capitalism strategy across its operations. The Responsible Capitalism team provides investment teams (as appropriate and needed) with information on material exposures that their investee companies may face. These material exposures include, but are not limited to, ESG-related exposures that could impact the prospects of a company. The Responsible Capitalism team oversees Responsible Capitalism-related policies (which are approved by the Responsible Capitalism committee and include the Group's Environmental policy, Engagement policy, Proxy Voting policy, Corporate Governance guidelines, and ESG integration policy); administers Liontrust's proxy voting (as agreed with each investment team); reports annually on Liontrust's Responsible Capitalism activities; helps to deliver ESG reporting for the Group and the funds, including reports required under European and UK regulations; and plans and implements Liontrust's net zero commitments across its operations and investment funds committed to net zero.

LIONTRUST'S RESPONSIBLE CAPITALISM OBJECTIVES FOR CALENDAR YEAR 2023

Liontrust aims to enhance Responsible Capitalism across the Group and its investments in a number of ways in 2023. These objectives link directly with the Group's purpose and also with its overall strategy to grow the business by way of its seven strategic pillars listed on page 16.

Plc / Investments	Area	Description
Investments	Data and insights	• The Responsible Capitalism team will continue to assist the investment teams in assessing and reporting on materiality for holdings and engagement. • The Responsible Capitalism team will continue to capture the insights from the investment teams to build a data set for analysis, auditing, and reporting purposes and to enable the teams to evidence more effectively what they do.
	IT systems	The Responsible Capitalism team, working with the business, will work towards developing a bespoke system to house data and ESG-related insights for our investment teams (and/or for its Responsible Capitalism team) for the purposes of auditing, analysis and tracking the data and for reporting to clients.
	Carbon scenario testing	For teams committing AuMA to the Group's net zero commitment (with NZAMi), Liontrust will review creating functionality that will enable investment teams to understand the potential impact of their investment decisions on fund carbon metrics.
Group	Training and mentoring	The Responsible Capitalism team will work closely with Liontrust's HR department to continue developing Liontrust's mentoring programme, internship and graduate training programmes (or similar).
	Environmental footprint – waste and water	The Responsible Capitalism team may measure the Group's current (baseline) environmental footprint for waste, water (and other related areas) and set targets for these reductions.
	Carbon and risk	The Group may consider more effective ways to undertake carbon scenario testing in Liontrust's risk management framework and explore science based targets (SBT) for the Group's operations.
	Senior Leadership Training	The Group will continue the work started in 2022 for training senior leaders across the business in terms of collaborative working practices, mentoring and supporting teams, and ensuring a cohesive culture.

For further information on the Group's Responsible Capitalism approach and performance, please refer to the Liontrust Responsible Capitalism Report for the calendar year 2022 and FRC Stewardship Code Response, which is available on our website.

THE GROUP'S GHG EMISSIONS

The following information summarises the Group's direct and indirect environmental performance for the calendar year ending 31 December 2022:

Category	Source	2022 GHG emissions (tCO2e)	*Restated 2021 GHG emissions (tCO2e)	Reported 2021 GHG emissions (tCO2e)	% year on year change 2022 vs Restated 2021
SCOPE 1					
Stationary combustion	Heating Oil UK Offices – zero Luxembourg office – 14 (tCO2e)	14 △	13	13	8%
SCOPE 2					
Electricity (location-based)	UK offices – 62 (tCO2e) Luxembourg office <1 (tCO2e)	62 △	59	2,600	5%
Electricity (market-based)	UK offices – 3 (tCO2e) Luxembourg office – zero	3 △	4	249	-25%
SCOPE 3					
	Goods & Services	5,258	–	–	–
Purchased goods & services	Water	<1	–	–	–
Fuel-and-energy-related activities	Purchased electricity	8	–	–	–
	Stationary combustion	3	–	–	–
Waste	Landfill	<1	–	–	–
	Waste to energy	<1	–	–	–
	Recycling	<1	–	–	–
Employee commuting	Air travel	246	37	37	565%
	Rail travel	12	4	4	200%
	Road travel	46	20	20	130%
	Hotel stays	33	–	–	–
	UK commuting	118	–	–	–
	UK working from home (WFH)	59	–	–	–
	Luxembourg commuting	7	–	–	–
	Luxembourg WFH	2	–	–	–
Scope 1& 2 (location-based)		76	72	2,612	5%
Scope 1 & 2 (market-based)		17	17	262	0%
Total (location-based)		5,869	133	2,673	–
Total (market-based)		5,810	78	323	–
Scope 1& 2 intensity per FTE (location-based)**		0.35 △	0.36	13.19	-4%
Scope 1& 2 intensity per FTE (market-based)**		0.08 △	0.09	1.32	-11%

*Calculation of Liontrust's 2022 Scope 2 emissions uncovered large year-on-year changes in results. Upon further investigation into the reasons driving these changes, it was discovered that the electricity consumption data for 2021 emissions was mis-calculated. Therefore, Liontrust has taken steps to re-calculate Scope 2 emissions for 2021 and restate its 2021 Scope 2 location-based and Scope 2 market-based metrics in its 2022 report. As a result of this restatement, the Scope 1 & 2 location-based FTE intensity and Scope 1 & 2 market based FTE intensity metrics have also been re-calculated and restated.

**The emission intensity calculation is based on a figure of 218 FTE employees in 2022. Overall, emissions for scope 1 & 2 emissions (location-based) were 0.35 tCO2e and scope 1 & 2 emissions (market-based) were 0.08 tCO2e.

**The emission intensity calculation is based on a figure of 198 employees in 2021. Overall, restated scope 1 & 2 emissions (location-based) were 0.36 tCO2e and restated scope 1 & 2 (market-based) were 0.09 tCO2e.

△ represents KPMG's independent limited assurance over Scope 1 and 2 metrics for the 2022 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE3410. The assurance opinion provided by KPMG can be found on page 126 of the Responsible Capitalism report on our website.

Liontrust reporting criteria for greenhouse gas emissions is available on page 130 of its 2023 Responsible Capitalism report.

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Liontrust has prepared the calendar year 2022 TFCD report in accordance with Listing Rules on Disclosure of Climate-Related Financial Information under the FCA rule (captured under LR 9.8.6R (8) and LR 9.8.7R). The report is standalone and is available on our website. For calendar year 2022, Liontrust acknowledges that it is not wholly compliant due to lack of reporting on scenario analysis. The Group plans to develop its approach in this area during 2023 and aims to develop its TCFD reporting accordingly. The 2022 TCFD report has also been prepared in the context of current FCA Consumer Duty requirements. As an asset manager, Liontrust is required to inform its clients of the risk exposures in their portfolios and to communicate this in its FRC Stewardship Code response and bespoke client reporting. The below table summarises Liontrust's disclosures according to the principal TCFD recommendations:

TCFD Category	Key Recommended Disclosures	Liontrust's Response
Governance Disclose the organization's governance around climate related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	• The group's board has oversight of all Liontrust's risks and opportunities, including those related to climate change. • The potential impact of climate change on the business and future strategy, and in particular, on the group's ability to deliver long-term superior performance, is regularly discussed at board level. • The Chief Executive is accountable to the Board for overall Group performance, including climate-related risks and opportunities.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	• While over the short to medium term Liontrust does not have high exposure to climate change- related risks (compared to the exposure it has in other areas), the group does have exposure to different risks related to climate change. • Risks and opportunities have been considered at both the group level (Liontrust plc) and for financed emissions (Liontrust's investments) and in the context of short, medium and long-term time horizons. • In May 2022, Liontrust joined the Net Zero Asset Managers' (NZAM) initiative to adopt formally its goal to achieve net zero greenhouse gas emissions by 2050, across its business and investments. • Liontrust has spent some time on undertaking climate scenario planning and expects to continue development in this area going forward.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	• At Liontrust, climate-related risk is considered in terms of three main risk categories by the Risk team; Enterprise Risk, Investment Risk and Prudential Risk. • Climate-related risks are integrated into Liontrust's overall ERM framework and considered in terms of materiality in line with other risks identified in the risk-assessment process. • Liontrust's exposure to climate change-related risk at the group level is far less significant than its exposure via its investments. At the investments level, each investment team identifies and manages climate-related risks according to its investment process. • Various climate-related scenarios are included in Liontrust's internal capital adequacy assessment program to simulate the impact of climate change on the Group's prudential modelling
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	• Liontrust engaged Good Business to calculate its Scope 1, Scope 2, and Scope 3 (purchased goods & services, fuel and energy-related activities, waste, business travel, and employee commuting) GHG emissions for the calendar year 01 January 2022 to 31 December 2022. • Liontrust commits to reduce its Scope 1 & 2 (market-based) GHG emissions by 42% by 2030 from a 2022 base year. • Liontrust utilises MSCI Carbon Analytics modules for all investment teams (excluding Multi-Asset funds) to provide detailed carbon emissions analysis across all portfolios. • In committing to NZAM, Liontrust has established definitions of 'aligned' and 'aligning' with regard to net zero. • Liontrust has set targets for the proportion of its AUM that has committed to NZAM.


LIONTRUST
RESPONSIBLE
CAPITALISM
REPORT
for the calendar year 2022
and FRC Stewardship Code response
LIONTRUST
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GOVERNANCE

BOARD OF DIRECTORS

The biographies of the Directors of the Board are listed below and demonstrate the skills and experience of each Director. The Directors work effectively together to contribute to the long-term sustainable success of the Company, both for its shareholders and wider stakeholders. The Board prides itself on its effective and entrepreneurial approach to developing strategy and collectively, with the leadership of the Chair establishes the purpose, values and culture of the Group.

CHAIR
Alastair Barbour
Non-executive Chair

Appointed: Alastair joined the Board in April 2011 and was appointed Non-executive Chair in September 2019.

Committees: Chair of the Nomination Committee.

Skills and experience: Alastair has extensive knowledge and experience advising on accounting and financial reporting, corporate governance and management in the financial services sector, both within the UK and internationally. He has over 30 years of audit experience and is a chartered accountant, having trained with Peat, Marwick, Mitchell & Co, a former partner of KPMG in both Bermuda and London.

Alastair has core skills and expertise in the areas of mergers and acquisitions, accounting and financial reporting, corporate governance and management. Alastair's breadth of experience, focus on culture and strong corporate governance expertise allow him to provide constructive challenge and oversight. Alastair's in-depth knowledge combined with his prior board experience, having held senior board level positions in several high profile financial services organisations, enable him to lead the Board effectively and are key to the delivery of the Liontrust strategy and the long-term sustainable success of the Company.

Other directorships and commitments: Phoenix Group Holdings Plc (Interim Chair until November 2023). Lead Independent Director of the Bank of N.T. Butterfield & Son Limited (NYSE listed)

EXECUTIVE DIRECTORS

John Ions
Chief Executive

Appointed: John joined the Board in May 2010.

Skills and experience: John has significant leadership and management experience in the financial services sector and in-depth knowledge of the asset management sector. He was previously Chief Executive of Tactica Fund Management, Joint Managing Director of SG Asset Management and the Chief Executive of Société Generale Unit Trusts Limited, having been a co-founder of the business. John was also formerly Head of Distribution at Aberdeen Asset Management.

John has core skills and expertise in the areas of mergers and acquisitions, the integration of acquired businesses, regulation, sales and distribution. John is a skilled leader and draws on his substantial experience and knowledge of the sector to lead the Group as its Chief Executive. John's strong leadership skills, focus on strategic decisions and substantial asset management experience are integral to the delivery of Liontrust's strategy and the long-term sustainable success of the Company.

Other listed directorships: John has no external directorships.

Vinay Abrol
Chief Operating Officer and Chief Financial Officer

Appointed: Vinay joined the Board in September 2004.

Skills and experience: Vinay has significant knowledge of financial services having held a number of senior roles within the sector. Vinay joined Liontrust in 1995 and has in-depth expertise in finance, information technology, operations, risk and compliance. After obtaining a first-class degree in computing science from Imperial College London, Vinay worked for W.I. Carr (UK) Limited specialising in the development of equity trading systems for their Far East subsidiaries, HSBC Asset Management (Europe) Limited where he was responsible for global mutual funds systems and at S.G. Warburg and Co.

Vinay has core skills and expertise in the areas of mergers and acquisitions, the integration of acquired businesses, finance, operations and regulation. Vinay's financial and operational expertise and his experience of integrating businesses is vital to the delivery of Liontrust's strategy and the long term sustainable success of the Company.

Other listed directorships: Vinay has no external directorships.

NON-EXECUTIVE DIRECTORS

Mandy Donald
Non-executive Director

Appointed: Mandy joined the Board in October 2019.

Committees: Chair of the Audit & Risk Committee. Member of the Nomination Committee and Remuneration Committee.

Skills and experience: Mandy has extensive experience in both complex organisations and early stage environments, and brings a background of strategic planning, financial and operational management to the Company. Through experience gained in previous roles, Mandy's broad knowledge across a range of subjects allows her to support the Board and its Committees on delivering the Liontrust strategy whilst providing effective oversight and constructive challenge. Mandy spent 18 years with EY before steering her focus towards the growth of new companies, serving on the boards of a diverse range of start-up businesses. Mandy is a chartered accountant and holds a Financial Times Non- Executive Diploma with a focus in corporate governance.

Mandy is Liontrust's Consumer Duty Champion and designated workforce liaison to the Board.

Other directorships and commitments: Begbies Traynor Group Plc. JP Morgan US Smaller Companies Investment Trust Plc.

Rebecca Shelley
Senior Independent Director

Appointed: Rebecca joined the Board in November 2021.

Committees: Member of the Nomination Committee, Audit & Risk Committee and Remuneration Committee

Skills and experience: Rebecca has a wealth of experience acquired through a number of senior and leadership roles held throughout her career. Having been Investor Relations and Corporate Communications Director at Norwich Union Plc from 1998-2000, Rebecca moved to Prudential Plc in 2000, starting as Investor Relations Director, and then becoming Group Communications Director with a seat on their Group Executive Committee. Rebecca also held the role of Group Communications Director of Tesco Plc and was a member of their Executive Committee. Rebecca has held positions on the board of the British Retail Consortium and was a trustee of the Institute of Grocery Distribution. Most recently Rebecca spent three years at TP ICAP plc as Group Corporate Affairs Director and was a member of their Global Executive Committee.

Rebecca's breadth of experience and in-depth knowledge of effective communication ensures she provides oversight, constructive challenge and support to the Board and its Committees to achieve Liontrust's strategy and the long term sustainable success of the Company.

Rebecca is Liontrust's named Non-executive Director for Responsible Capitalism, including all ESG matters.

Other directorships and commitments: Sabre Insurance Group Plc. Hilton Food Group Plc.

George Yeandle
Non-executive Director

Appointed: George joined the Board in January 2015.

Committees: Chair of the Remuneration Committee. Member of Nomination Committee and Audit & Risk Committee.

Skills and experience: George is a chartered accountant with over 30 years' experience having specialised throughout most of his career in advising clients on executive pay and remuneration. George trained with Coopers & Lybrand (now PricewaterhouseCoopers LLP) before being admitted as a partner in 1989. More recently, George was Operational Leader of the London Region Human Resource Services Business and a Senior Partner of PricewaterhouseCoopers LLP, retiring in December 2013.

George has held a number of leadership roles within the financial services sector and uses his in-depth understanding and knowledge of remuneration matters in his role as Chair of the Remuneration Committee. George brings constructive challenge and independent oversight to the Board and its Committees.

Other directorships and commitments: George has no other listed directorships

DETAILS OF THE BOARD'S RESPONSIBILITIES CAN BE FOUND ON PAGE 103

RISK MANAGEMENT AND INTERNAL CONTROLS REPORT

The Board is ultimately responsible for determining the risk appetite, risk strategy and risk management framework of the Group. The FCA have noted that it is for each individual firm to determine, based on its nature, scale and complexity, as well as its attitude to exposure to risk, whether or not to establish a Risk Committee of the governing body. The Group has determined not to establish a separate Risk Committee but to combine it with the Audit Committee, although this is reviewed on an annual basis.

The Audit & Risk Committee, on behalf of the Board, is accountable for, and responsible for, overseeing the Group's financial reporting, risk management and system of internal controls, including suitable monitoring procedures, which are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Audit & Risk Committee, on behalf of the Board, is also responsible for keeping under review the scope, results, fees and the independence of the external auditors.

Edward Catton, Chief Risk Officer, is responsible for overseeing all risk management of the Group and monitors the Group's risks in a pro-active manner, with all departments fully aware of and managing the key risks appropriate to their responsibilities. All material risks to the business are monitored, appropriate mitigations for each risk are recorded and identified to the Board with markers for those with increased risk levels. Management recognise the importance of risk management and view risk management as an integral part of the management process which is tied into the business model and is described further in the Principal risks and mitigations section of the Strategic Report on pages 46 to 63.

GOVERNANCE FRAMEWORK – COMMITTEE STRUCTURE AND DELEGATION OF POWERS

The Corporate Governance report on page 86 details the Board's and the Chief Executive's responsibilities for organising and implementing the strategy of the Company. The Board has delegated a number of its responsibilities to three subcommittees; the Audit & Risk Committee, the Nomination Committee and the Remuneration Committee.

The Board reviews and evaluates the ongoing long-term success of the Company ensuring all policies, processes and delegation of powers remain aligned and supports the long-term success of the Company. The Board has delegated the authority for the executive management of the Group to the Chief Executive except where any decision or action requires approval as a Reserved Matter in accordance with the Schedule of Matters Reserved for the Board. The Schedule of Matters reserved for the Board is maintained and reviewed on an annual basis, with the last review date being 20 January 2023. The Group has set up two management committees to assist the Chief Executive and manage the affairs of the respective limited liability partnership in accordance with its members' agreement. The Board regularly reviews the ongoing work of the management committees to ensure the implementation of the Group's purpose, values and strategy remain aligned. Details of the two management committees are as follows:

Liontrust Fund Partners LLP Partnership Management Committee ("LFPPM")

Areas of Oversight

Retail and institutional distribution and marketing, advertising, promotion of Liontrust Funds, Transfer Agency, Information Technology (including business continuity), Treating Customers Fairly (shortly to be updated to the Consumer & Conduct Committee in line with the Consumer Duty regulation, effective from 31 July 2023), Compliance & Financial Crime Prevention, Human Resources, Finance, product development and other asset gathering related powers.

Liontrust Investment Partners LLP Partnership Management Committee ("LIPPM")

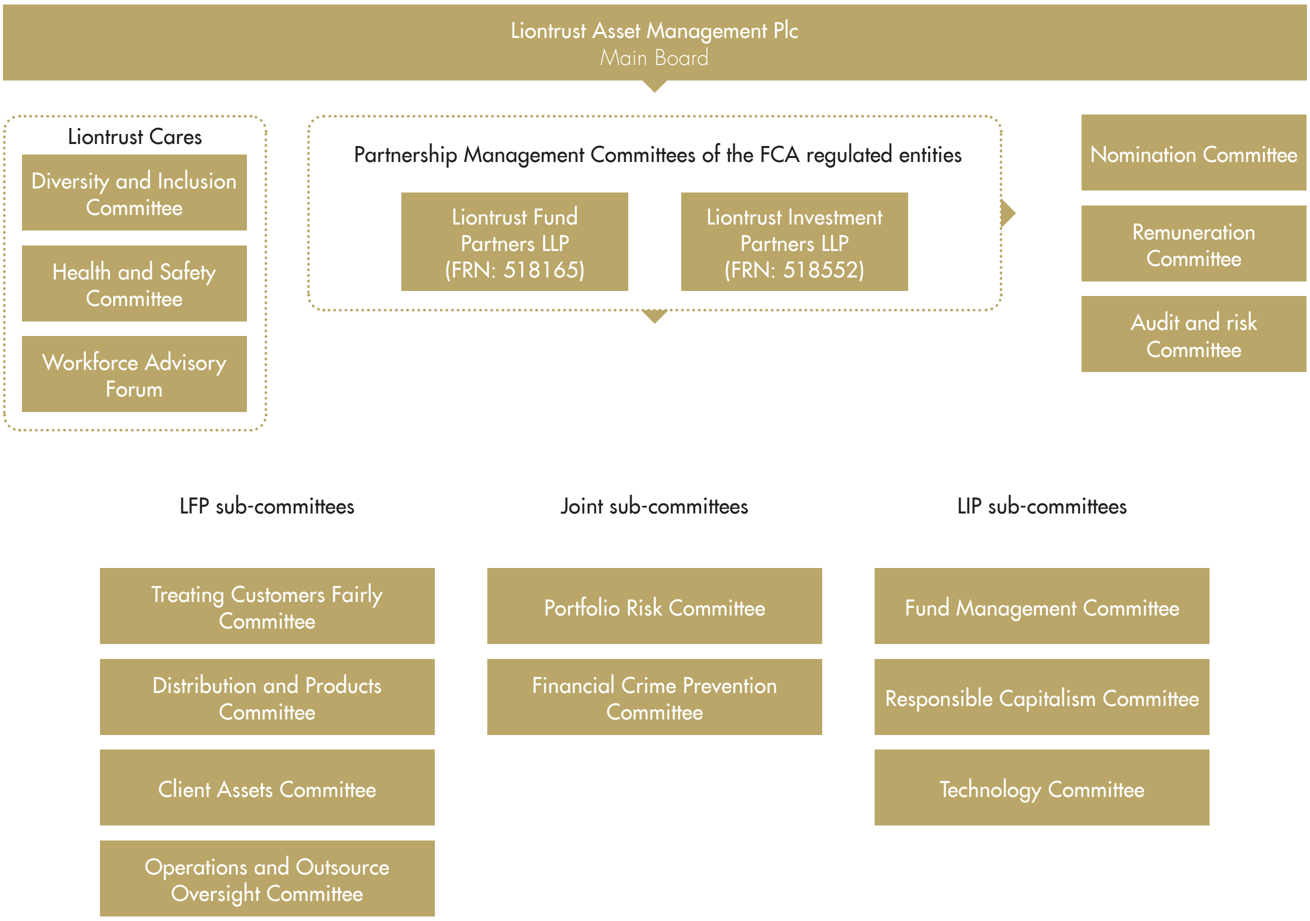
Areas of oversight

Fund management, dealing, trading systems, research tools (including fund management data services), investment operations, risk management (including portfolio risk), and investment processes (including performance of the process, outlook, amendments or enhancements to the investment processes and new instruments within funds).

Partnership Management Committee Meetings are held regularly over the course of a financial year.

The management committees each have several sub-committees that have been delegated oversight of specific areas and report on these areas to the respective management committee. The sub-committees have been established to help govern and manage the business and assist with the effective oversight of the implementation of the Group's strategy for the benefit of its stakeholders.

Board and Management committees and sub-committees



Sub-committees & Other Committees	Overview
Client Assets Committee	This Committee is responsible for overseeing client money and reviewing how assets are held by the Group and its outsourced providers. The Committee monitors the identifying of client assets, control and procedures in place for handling assets and overseeing any associated risks.
Distribution & Product Committee	This Committee is responsible for distribution, marketing, and product strategy for the Group, alongside product development, reviews and approvals.
Diversity & Inclusion Committee	This Committee is responsible for the implementation of diversity focus and inclusion – related initiatives, across a broad range of topics, including mental health throughout the Group. The Committee works to promote inclusivity, tolerance and an open and accessible environment for all employees and partners within the Group.
Financial Crime Prevention Committee	This Committee is responsible for the management and oversight of all matters relating to the prevention of financial crime for the Group, alongside overseeing any financial crime related risk assessment for the Group.
Fund Management Committee	This Committee is responsible for ensuring fund management teams receive updates from Trading, Operations, Risk and Compliance on all matters relating to change, governance and regulatory issues impacting the Group.
Health & Safety Committee	This Committee is responsible for all Health and Safety matters for the Group including the Health and Safety Policy Statement, Risk Assessments, First Aid requirements, Fire Safety and emergency procedures amongst others.
Oversight & Governance of Third-Party Services	This Committee is responsible for the oversight of all outsourced functions provided by third parties, including those undertaken by BNYM.
Portfolio Risk Committee	This Committee is responsible for monitoring and overseeing risk and portfolio performance within the Group. The Committee establishes the Group's approach to risk management through the implementation of the Risk Management Process, including overseeing risk limits and controls.
Responsible Capitalism Committee	This Committee is responsible for advising the Group on all matters relating to ESG integration, sustainability, stewardship and ensuring responsible capitalism is interwoven into the Group's strategy.
Technology Committee	This Committee is responsible for monitoring and oversight of Technology and Cyber Security across the Group along with ensuring the systems employed within the Group are fit for purpose.
Treating Customers Fairly Committee *	This Committee agrees and monitors the Group's approach to clients and how the Group's responsibilities are discharged. The Committee reviews the suitability of products and monitors customer outcomes. The Committee remains focused on delivering the six outcomes identified by the regulator.
Workforce Advisory Forum **	This forum discusses all matters impacting the workforce of the Group. A two-way information sharing on matters of workforce importance which may include engagement, appropriate strategies for the recognition and development of a diverse workforce and development opportunities for colleagues.

*This Committee will be reformatted to meet the upcoming Consumer Duty regulation implementation. From 31 July 2023, this Committee will become the Consumer & Conduct Committee responsible for oversight of Consumer Duty requirements for the Group.

**The Board and management committees place significant focus on engagement with the workforce and embedding culture within the Group, as such, Mandy Donald is the designated Board member for the workforce engagement.

CORPORATE GOVERNANCE

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The Board recognises the key value of good corporate governance in ensuring the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. Good corporate governance is critical to the successful management of a sustainable business. The Company is committed to the principles of corporate governance contained in the UK Corporate Governance Code (2018) (the "Code") and applies them as appropriate to the Company.

A review of the Company's compliance with the Code has been carried out and the Company has applied the principles of the Code and complied with the provisions of the Code, except as detailed below.

Further information on how the Company has applied the principles of the Code is set out in this Corporate Governance report and details of the cross referenced sections are set out below.

Board Leadership and Company Purpose	Annual Report Reference
Provides shareholders with information on the Board, an overview of the work undertaken by the Board to promote the long-term sustainable success of the Company and how the Board has considered stakeholders interests	See pages 86
Division of Responsibilities	
Provides shareholders with information on the division of responsibilities between members of the Board and the committees of the Board and details the effective operation of the Board	See page 86
Composition, Succession and Evaluation	
Provides an overview of the Board composition, the work of the Nomination Committee which includes succession planning and details of the Board evaluation process	See page 78 and the Nomination Committee Report on page 103
Audit, Risk and Internal Control	
Provides a report from the Audit and Risk Committee on the work undertaken during the year to oversee the Company's external audit and internal audit, the integrity of the financial statements, risk management oversight and review of the risks that the Company is willing to take to achieve its long-term strategic objectives	See the Audit and Risk Committee Report on page 108 Risk management and internal controls page 83 Principal risks on page 46
Remuneration	
Provides a report from the Remuneration Committee on decisions made by the Remuneration Committee and the oversight of the Group's remuneration practices to ensure that they are linked with the successful and sustainable delivery of the Company's long-term strategy	See the Remuneration Committee Report on page 112

THE BOARD

The Company is led by an effective and entrepreneurial board whose role is to promote the long-term sustainable success of the company, generate value for shareholders and contribute to wider society. The Board is responsible for organising and directing the affairs of the Company and the Group in a manner that is in the best interests of the shareholders, meets legal and regulatory requirements and is also consistent with good corporate governance practices.

Details of the Board's consideration of its stakeholders are set out in the Section 172 Statement on page 91.

Division of responsibilities

The division of responsibilities between the Chair, Alastair Barbour, Senior Independent Director, Rebecca Shelley, and the Chief Executive, John Ions, are clearly established by way of written role statements, which have been approved by the Board. The Chair's main responsibilities are to lead the Board, ensure that shareholders are adequately informed with respect to the Company's affairs and that there are constructive relations and communication channels between management, the Board and shareholders. The Chair liaises as necessary with the Chief Executive on developments and ensures that the Chief Executive and his executive management team have appropriate objectives and that their performance against those objectives is reviewed. The Chair holds meetings with the Non-executive Directors without the Executive Directors present on a regular basis.

The Chief Executive's main responsibilities are the executive management of the Group, liaison with the Board and shareholders, the development and management of the strategy of the Group, the management of the senior management team, oversight of the sales and marketing teams, and to be an innovator and facilitator of change. The Chief Executive discharges certain of his responsibilities in relation to the executive management of the Group via two partnership management committees as detailed in the Risk management and internal controls report on page 83.

The Senior Independent Director's main responsibilities are to provide a sounding board to the Chair, lead discussions related to the succession of the Chair and serve as an intermediary for the other directors and shareholders.

The Non-executive Directors role has the following key elements:

- constructively challenging, and contributing to, the development of the strategy of the Company and the Group;
- providing well considered and constructive opinions and specialist advice to the Board based on significant industry experience;
- scrutinising the executive management team's performance in meeting agreed goals and objectives, and monitoring the reporting of performance of the Board;
- satisfying themselves that financial information is accurate and that financial controls and risk management systems are robust and defensible; and
- being responsible for determining appropriate levels of remuneration for executive directors and a prime role in appointing (and where necessary removing) senior management and in succession planning.

Committees

The Board has established an Audit and Risk Committee, Nomination Committee and Remuneration Committee. The composition of these committees complies with the provisions of the Code.

The Chair is not a member of the Audit and Risk Committee or the Remuneration Committee, but attends these meetings at the invitation of the chair of the respective committee.

Each committee of the Board has formally documented the duties and responsibilities delegated to it, by way of terms of reference, which are available on the Company's website.

Board Composition

As at 31 March 2023, the Board comprised six directors: the Chair, three independent Non-executive Directors and two Executive Directors. As previously announced, two independent Non-executive Directors, Quintin Price and Emma Howard Boyd resigned from the Board on 23 March 2023. At all times throughout the relevant reporting period, at least half of the Board, excluding the Chair, comprised independent Non-executive Directors.

Diversity and inclusion have continued to be a key focus for the Board and Company. While the Board complies with the Hampton-Alexander Review target of 33 per cent. female representation on the Board, it no longer complies with the FCA's gender representation target of 40 per cent. female representation on the Board following the resignation of Emma Howard Boyd. Further details of succession planning and recruitment are provided in the Nomination Committee Report, where it is noted that diversity will be considered in future Board appointments to address this. The Company complies with the recommendations of the Parker Review and with the remaining two of the FCA's diversity targets with Rebecca Shelley serving as Senior Independent Director and Vinay Abrol serving as Chief Financial Officer & Chief Operating Officer.

The Board has determined that the balance achieved between the Executive Directors and Non-executive Directors is appropriate and effective for the control and direction of the business. The Non-executive Directors continue to bring objectivity, constructive challenge and independent oversight to the Board and complement the Executive Directors' skills, experience and detailed knowledge of the business.

No individual or group of individuals dominates the Board or its decision making.

George Yeandle, Rebecca Shelley and Mandy Donald have been determined by the Board to be independent. In making such determination, the Board found each Non-executive Director to be independent in both character and judgment. There are no relationships or circumstances which are likely to affect or appear to affect the independence of these Non-executive Directors. The Board has considered the length of service of each of these Non-executive Directors. Accordingly, the Board considers these Non-executive Directors to be independent.

In line with best practice set out in the Code, the Board requires that all Directors retire and offer themselves for re-election annually at the Company's Annual General Meeting. The skills, competencies and experience of each Director is set out on page 78 in support of each Directors re-election.

Operation of the Board

The Board meets on a scheduled basis six times per annum and on an ad-hoc basis to consider specific items of business as the need arises.

At each scheduled Board meeting, a report from the Chief Executive, John Ions, and Chief Financial Officer and Chief Operating Officer, Vinay Abrol, are tabled for discussion. The Chair of each Board Committee reports on its activities since the last Board meeting.

The Chair, the Executive Directors and Company Secretary liaise sufficiently in advance of each meeting to finalise the agenda. A comprehensive set of papers are circulated before Board and Committee meetings.

The Board has a formal schedule of matters reserved for its decision which it has reviewed and approved in the past year. Examples of these matters include the approval of the Group's strategy, acquisitions and disposals, approval of half-year and full year financial statements, approval of major capital contracts, property leases, appointments to the Board and the oversight of corporate governance matters.

Board & Committee Attendance

During the year, the Board held 9 Board meetings, which include both scheduled and ad-hoc meetings to approve specific transactions, as well as meetings to approve the Company's full and half year results. Board and Committee Member attendance at meetings is set out below:

	Board (including ad–hoc)	Audit & Risk	Remuneration	Nomination
Meetings held in the year	9	6	9	6
Directors throughout the year (Committee membership shown in brackets)				
Alastair Barbour (Nomination)	9/9	–	–	5/6
Rebecca Shelley (ARC, Nomination, Remuneration)	9/9	6/6	9/9	6/6
Mandy Donald (Remuneration from 1st January 2023, ARC, Nomination)	9/9	6/6	2/2	6/6
George Yeandle (ARC from 23rd March 2023, Nomination, Remuneration)	9/9	1/1	9/9	6/6
Vinay Abrol (No Committees)	9/9	–	–	–
John Ions (No Committees)	9/9	–	–	–
Directors for part of the year				
Emma Howard Boyd (until 23rd March 2023: ARC, Nomination, Remuneration)	7/8	5/5	7/8	6/6
Quintin Price (until 23rd March 2023: ARC, Nomination, Remuneration)	8/8	5/5	8/8	6/6

Alastair Barbour recused himself from one Nomination Committee meeting due to a conflict of interest as the topic of discussion related to his tenure. Alastair Barbour was updated on the outcome of the discussion after the meeting.

Prior to resigning, Emma Howard Boyd was unable to attend one Board and one Remuneration meeting due to a diary clash. Emma Howard Boyd was updated on the outcomes following the meetings.

Where a Board or Committee Member was unable to attend a meeting, they were provided with the meeting materials, given the opportunity to raise questions to be tabled at the meeting (if appropriate) and were briefed on the discussions held, actions assigned and outcomes following the meeting.

Directors may attend a Committee meeting for information purposes at the invitation of the Chair of that Committee. They are not part of the deliberations or decisions of that Committee. Where a Director attends a Committee of which they are not a member, this has been excluded from this analysis. Executive Directors attend Committee meetings at the invitation of the Chair of the Committee and when required if they are presenting matters for the Committee to consider.

Resources

The Company Secretary advises the Board on all governance matters. All Directors have access to the Company Secretary's service and advice. The appointment and removal of the Company secretary is determined by the Board.

Directors may take additional independent professional advice at the Group's expense in furtherance of their duties.

Commitment

The Board requires all Directors to devote sufficient time to their duties and to use their best endeavours to attend meetings. The Board reviews the policies, processes, information, time and resources it needs in order to function effectively and efficiently and confirms all Board members have had sufficient time to meet their board responsibilities and that they are able to provide constructive challenge, strategic guidance and oversight of management.

Where an ad hoc meeting is called on short notice, it may not be possible for all Directors to attend this meeting. In these circumstances, papers are circulated to all Directors, the views of the Director are sought in advance of the meeting and a report provided to the Director after the meeting. Meeting times are set to maximum attendance.

Neither of the Executive Directors are on the board of a FTSE 100 company.

The Non-executive Directors have disclosed to the Company Secretary their significant commitments other than their directorship of the Company and have confirmed that they are able to meet their respective obligations to the Company. The appointment process for Non-executive Directors is led by the Nomination Committee and considers other demands on Directors' time. Additional external appointments are required to be approved in advance by the Nomination Committee. The Nomination Committee Report contains further details in respect of the time commitments of the Non-executive Directors.

Culture

The Board is responsible for setting the purpose, values and strategy of the Company and for ensuring that these are aligned with the Group's culture. The Board strives to ensure that the Company's culture promotes integrity and openness, values diversity and is responsive to the views of shareholders and stakeholders. The Directors act with integrity and lead by example, setting high standards to promote the desired culture across the Group.

The Board assesses and monitors culture regularly through the reports received from senior management, the HR reports received and discussed at the Nomination Committee, Compliance reports received by the Audit and Risk Committee and through the work of the internal auditors. The Board and Nomination Committee considered the results of the workforce engagement survey and a review of conduct and culture was undertaken by the internal auditors. Compliance training is provided on the FCA's conduct rules and annual certification is undertaken for all certified staff and senior managers in accordance with SM&CR, which includes a fitness and propriety assessment. A report from the Chief Compliance Officer is provided to the Remuneration Committee to ensure that conduct is considered as part of the reward assessment process. The Board seeks assurance from the Executive Directors and senior management that conduct matters are appropriately dealt with and escalated if necessary.

Conflicts of interest

Directors are aware that they have to inform the Board of any conflict of interest they might have in respect of any item of business and absent themselves from consideration of any such matter. The Group has in place a conflicts of interest policy which has been approved by the Board.

Performance Evaluation

The Board conducts a formal review and rigorous evaluation of its own performance and that of its committees. The evaluation process is constructively used to improve Board effectiveness, maximise strengths and address any weaknesses. For the year to 31 March 2023 the evaluation process is has been undertaken by an independent external consultant, Constal Limited and is discussed in the Nomination Committee Report.

The Executive Directors have been subject to a formal performance appraisal. These appraisals were carried out in 2023 and in all cases their performance was appraised as continuously effective. The performance of the Non-executive Directors during the year to 31 March 2023 has been reviewed by the Chair. The review has confirmed that the performance of the Non-executive Directors is effective and appropriate.

Further details are provided in the Nomination Committee Report.

Professional development and training

Every Director is entitled to receive appropriate training and guidance on their duties and responsibilities. Continuing professional development is offered to all Directors and the Board is given guidance and training on new developments, such as new regulatory requirements.

In order to promote awareness and understanding of the Group's operations, the Chair ensures there are additional opportunities for the Non-executive Directors to meet with senior management outside of the Board and its Committees.

2022 AGM vote

At the Company's Annual General Meeting held on 22 September 2022, the resolution to approve the Directors' Remuneration Report received 53.43% of votes cast and the resolution to approve that general meetings (other than the AGM) be called on not less than 14 clear days' notice received 73.5% of the votes cast.

The Company provided a detailed explanation of the steps it had taken to understand the views of its shareholders on the Directors' Remuneration Policy and the impact of that feedback on the decisions taken by the Remuneration Committee in its announcement dated 22 September 2022. It provided a further update to shareholders in March 2023. The resolution to approve that general meetings (other than the AGM) be called on not less than 14 clear days' notice was a special resolution and was therefore not carried.

The Remuneration Committee has considered shareholder feedback when determining the remuneration outcomes for the Executive Directors this year. It has balanced risk and reward and considered our shareholder experience over the past year when determining remuneration outcomes to ensure that our remuneration structures drive outstanding value creation, reward exceptional corporate performance over the short and long term and are linked to the delivery of the Company's long-term strategy. Further detail of this can be found in the Directors' Remuneration Report on pages 112 to 140.

The Company has confirmed that it would not use a short notice period to call a general meeting to consider a remuneration policy in the future. The Company reiterates this and confirms that if this authority is approved in the future, short notice will not be used to call a general meeting where approval of a remuneration policy is sought.

Explanation of non-compliance with the Code

Provision 19 of the Code sets out that the Chair should not remain in post beyond nine years from the date of their first appointment to the Board except in limited circumstances. The tenure of the Chair exceeds this recommended period. The Nomination Committee Report provides a detailed explanation for this departure from the Code and of the succession planning steps that will be taken to bring about effective succession and ensure the development of a diverse Board.

Shareholder engagement

The Chief Executive and Chief Operating Officer and Chief Financial Officer have regular meetings with existing and potential new shareholders. The Chair and/or Senior Independent Director may meet with shareholders at their request.

Each year, in advance of the Company's AGM, we the Company engages with our key shareholders to seek their voting intentions and to offer further engagement with our Executive and Non-executive Directors. In addition, we the Company further engages with the major proxy advisor organisations in order to ensure their voting recommendations are fair and reasonable and take full account of the published information available to them through our the Company's published financial report and accounts and our website.

SECTION 172 REPORT

Introduction

Section 172(1) of the Companies Act 2006 requires the Company to articulate how the Directors, acting in good faith, aim to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to the likely consequences of a decision in the long term and the interest of its stakeholders. Liontrust has sought to build closely aligned and trusted relationships with its shareholders, to act responsibly, openly and successfully when managing investments for its clients, to be known as a good employer, to engage justly with suppliers and to take account of its wider responsibilities for the community and environment. Whilst the publication of a Section 172 Statement is a statutory requirement, the Board believes that maintaining a reputation for high standards in these areas should naturally be embedded in the culture and business practices of a reputable investment management business, and that seeking a measured balance between the interests of all members is more likely to promote the long term success of the business as a whole than the over prioritisation of the interests of any one party. The Board's decision making process considers both risk and reward in the pursuit of delivering the long term success of the Company and the interests of the Company's stakeholders. The Board engages with stakeholders through a combination of information provided to it by management and direct engagement with stakeholders where appropriate.

The Strategic Report from pages 12 to 76 sets out in depth our strategy, our principal strategic objectives and our values, whilst describing some of the actions, initiatives and contributions made by different parts of the firm; together setting out how these interact for the benefit of our significant stakeholders. The following provides engagement outcomes and insight into some of the initiatives undertaken and engagement activity with significant stakeholders during the year.

Shareholders

Shareholder interaction facilitates the discussion of strategic developments and to understand shareholder views on the performance of the Group against its strategic objectives.

The Executive Directors routinely attend meetings with major shareholders, including roadshows following the annual and half year results announcements. The Chair also routinely meets major shareholders, either alongside the Executive Directors or without their attendance to enable more direct feedback. Other Board members interact with shareholders through general meetings or on ad hoc matters, such as the engagement by the Chair of the Remuneration Committee on remuneration matters throughout this year. The Board routinely receives and reviews reports summarising shareholder interaction and feedback thereon.

During the year the Executive Directors hosted or attended meetings with over fifty shareholder groups, estimated to represent a significant majority of our shareholder base. In September 2022 the Company's AGM was open for all institutional and individual shareholders to attend in person providing opportunity for direct interaction between shareholders, the Board and other Liontrust senior managers. The 2023 AGM is to be held in London in September 2023 as detailed on page 101.

Liontrust seeks to keep shareholders appraised of corporate developments through its public website via a combination of published shareholder information, trading updates, results presentations and other RNS announcements. Shareholder engagement is also undertaken on behalf of the Group by its appointed corporate brokers, whilst research published by a number of other brokers, with whom the CFO/COO frequently liaises, provides additional coverage. Additionally, each year we engage an investor relations company to liaise with key shareholders to seek their voting intentions ahead of the AGM and to offer further engagement with our Executive and Non-executive Directors, whilst we engage directly with the major proxy advisor organisations in order to ensure their voting recommendations are based on accurate, fair and reasonable information. The Company demonstrated the importance placed upon shareholder engagement following the outcome of the February 2022 General Meeting. Several amendments were made to the Directors Remuneration Report following engagement by the Remuneration Committee Chair with many of the Company's larger shareholders. Direct engagement with shareholders and gaining a greater understanding of their views in relation to the report allowed the Company to make appropriate amendments, incorporating feedback received.

Clients

Our clients are the investors in Liontrust funds, the entities for whom we manage segregated investment mandates and the industry professionals that utilise our model portfolio service; together the overwhelming source of Group revenues.

All Liontrust investment strategies have clearly defined objectives, and our reporting thereon is transparent and regular through our public website, dedicated client web portals and data venues deemed to be appropriate to our clients.

We pride ourselves on the quality and the longevity of our relationships across the breadth of our client base. Trust, built over time through our client interactions, is the cornerstone of these relationships. We seek to validate the trust our clients have placed in us by always behaving fairly, honestly and with transparency. Each year we undertake three types of surveys and market research with professional intermediaries, clients and retail investors. These include near monthly surveys on the Liontrust brand and marketing content. semi-annual research on investors' viewpoints on various topic including Liontrust services, and annual research on whether Liontrust is providing value for money, with outcomes shared with clients through the annual Assessment of Value Report, which is available on the Liontrust website.

The Liontrust sales team is highly active, maintaining direct relationships with professional clients and the advisors of retail investors, with thousands of interactions each year. Engagement is through routine and ad hoc meetings, video and audio calls, as well as presentations at industry conferences and our own investor events. Sales team specialisms, which cover multi asset, single investment strategies and sustainability, include individuals with dedicated institutional and specific geographical areas of focus in the UK and continental Europe.

During the year fund managers presented to professional investors at approximately 50 large scale events attended by over 1,500 investors and advisors. Such events include Liontrust specific presentations, industry-wide seminars and client specific conferences. As part of its autumn 2022 and spring 2023 World Market Review series, the Liontrust Multi-Asset team has hosted presentations in over 50 towns and cities throughout the UK, as well as participating at partner events hosted by large distributors. Collectively over 700 investment advisors attended these events.

An important element to our client engagement is via digital media, available via our website and other platforms. Our podcasts and webinars have each received over 2,000 viewers and listeners, whilst our investment videos have been watched over 500,000 times. The website has a dedicated webpage in relation to educational content which is routinely expanded. The Liontrust webpage is available for personal investors when they visit the website and for distributors to use with their clients. The Liontrust website has separate customer journeys for different users, including one for professional advisers based in the UK and another for personal investors. A review of the wording across the personal investor website and the accessibility to information has been completed with a view on the client experience. Changes to content especially around the risks and benefits of Liontrust funds (such as the recommendation to invest for at least five years, and the fact they do not have exit fees and can be redeemed at any time) have also been implemented.

Members and Employees

The Board recognises the importance of ensuring the Group attracts and retains an engaged, committed and talented workforce.

The Board seeks to continually inform and engage with members and employees and is committed to their ongoing training and development.

Mandy Donald has been designated as the non-executive director responsible for overseeing employee and member engagement and throughout the year attends committees and forums established to support employees and members. Mandy Donald and Rebecca Shelley also held a series of senior women events to promote, support and develop the talent of women working at Liontrust

We seek two-way engagement throughout the firm; structured between the Board and line managers through Board sub-committees and between line managers and their reports through routine team meetings and performance appraisals. More so, as a firm of our size and few office locations, there is natural interaction between colleagues across department and levels of seniority, which is encouraged and supported by the Board through a programme of 'lunch and learn' events, aimed at developing collaboration across departments. We aim for a positive working experience with remote working enabling a considered work-life balance, family friendly policies, training & development plans and providing support for physical and mental wellbeing. A monthly financial wellbeing allowance was introduced to all in July 2022.

The Directors have overseen and supported the Company's actions in maintaining a talented workforce, including the development of a Senior Leadership programme to enhance current skills, ensure future 'bench strength' and engender commitment through common purpose and values. The Board understands the importance of ensuring employees feel part of the success and development of the Group. We routinely encourage the provision of feedback through staff surveys. Firmwide surveys were undertaken this year on diversity & inclusion and the workplace environment, as well as the annual workforce engagement survey (as further detailed on page 64). The annual survey was overseen in collaboration with the internal audit function as part of a culture review for the Board. The Remuneration Committee has increased its focus on the Executive management team remuneration metrics including components linked to diversity & inclusion within the Company and ensure appropriate targets are set accordingly. The Nomination Committee receives information at every meeting in relation to recruitment, retention, promotion and talent development of employees and members within the Company with a focus on increasing diversity & inclusion.

It has been a particularly active year for the Diversity & Inclusion Committee, which continues to deliver its action plan to support more inclusive and diverse working practices. Initiatives during the year, in addition to the firmwide D&I survey mentioned above have included championing Women at Work through women's networking events and International Women's Day, supporting LGBTQ+ PRIDE month in June 2022 and Black History month in October 2022. Firmwide training sessions were delivered on Unconscious Bias, Allyship, Micro Aggressions, Autism Awareness and Psychological Safety alongside an increased focus on mental health with the planned introduction of 'mental health first aiders' to ensure employees and members have the support they need and access to professional services, if required.

In 2020 Liontrust established a Workforce Advisory Committee to advise management of issues relating to the workforce. This year this has been reconfigured as a Workforce Forum. These forums, which have sought representation across departments and locations met a number of times during the financial year. A particular focus in 2023 has been in liaising between senior management and sectors of the business to communicate the annual workforce engagement survey and to help more fully understand its results and desired actions thereon.

The Liontrust Social Committee continues to arrange events that provide opportunities for colleagues across the firm to engage. Three firmwide social events were held in London, as well as localised events in Edinburgh and Luxembourg. In addition, the committee arranges regular engagement in areas of interest outside work, such as a book club, sports participation and other interest events. During the year a charitable giving policy was introduced, assisting the workforce through time off and financial matching to personally support charities and community-led organisations that have a positive impact on the issues that matter most to us. Further details of the Liontrust Community Engagement programme are detailed In the Wider Society section below.

Service providers, including those that provide outsourced functions

The provision of high-quality services to us by our key suppliers is integral in enabling us to deliver our services to our clients.

We seek to conduct ourselves justly and to maintain a reputation as a trusted and reliable partner.

The Group is committed to procuring work and services from suppliers in an ethically, sustainable and environmentally sensitive way and seeks to ensure that suppliers follow similar practices. The Group encourages competition amongst suppliers whilst purchasing is undertaken in a reasonable and objective manner. We seek to pay our suppliers promptly and if in dispute, to engage openly to ensure fair resolution in a timely manner.

The day-to-day responsibility of managing supplier relationships sits with the head of each business area; for example, the trading team engages with brokers, the IT team engages with network and communication suppliers and the operations team engages with fund governance and administration providers, fund platforms and other areas of our operational investment infrastructure delivery. Heads of department communicate the effectiveness or otherwise of external service partners to the Board, either directly or via appropriate Board sub-committees.

Liontrust has in place a contract management system that integrates due diligence for appropriate standards on Modern Slavery in our contract approval procedures. We periodically seek evidential confirmation from our key outsource providers and service providers that they also follow a policy of zero tolerance of slavery or human trafficking. All Liontrust staff are required to undertake mandatory training. No breaches were identified in the year.

In recent years the Company has appointed a single fund administrator, the Bank of New York Mellon ("BNYM"), with whom the Compliance and Operations teams have naturally frequent interaction. BNYM has established a Client Advisory Board as a body to liaise with its key clients; our CFO/COO serves as a member on this body.

Regulators and industry bodies

Constructive engagement with our regulators helps to ensure a fair financial framework for our business and our clients.

Our core activities are undertaken by group entities that are authorised and regulated by the Financial Conduct Authority ("FCA"). We also undertake activities under the jurisdiction of other regulators or state authorities, including the Central Bank of Ireland, the Commission de Surveillance du Secteur Financier (Luxembourg) and the Securities and Exchange Commission (USA) and the Information Commissioner's Office (UK) with regards our obligations under data protection. We are aware of and abide by the rules as applicable to our activities in each territory, and ensure our engagement is appropriately open, timely and transparent.

We engage directly with our regulators through periodic mandatory reporting and on an ad hoc basis in response to broader FCA consultations or as warranted by regulatory change or events. During the financial year we participated in an industry thematic review in which Liontrust were one of a number of firms invited to contribute. The FCA uses thematic reviews to help assess current or emerging risks across a sector or market.

We also engage indirectly with regulators via a number of routes, such as:

- the management companies of our Irish investment funds
- external regulatory audit processes such as CASS audit reporting in the UK and Long-form reporting in Luxembourg.
- active participation through our trade body, the Investment Association, including Liontrust representation on over fifteen IA led committees, working groups and discussion forums.

The Board and Audit Committee receives periodic reports from the Compliance and Risk departments, detailing our risk management framework, our regulatory processes and our periodic engagement with regulators, with further review and reporting undertaken by our Internal Audit function.

The focus by the Company of being the guardian of client assets is paramount, as demonstrated by the effective and transparent implementation of the FCA's Consumer Duty regulation. The Board has received regular updates through the planning and implementation stages, whilst Mandy Donald acts as our Consumer Duty Champion. In the coming months we shall be establishing a Consumer & Conduct Committee which will replace the existing Treating Customer Fairly Committee, with the new committee being structured around the four Consumer Duty outcomes; cross-cutting rules, culture, conduct and competence. We have recently undertaken distributor & manufacturer due diligence to further ensure the continuation of good consumer outcomes. Further details, including actions taken to enhance our client proposition, are set out in the Liontrust Responsible Capitalism 2023 Report and via the Liontrust Consumer Duty dedicated webpage on the Liontrust website.

Wider society

As an asset manager, we have two main scopes of activity: our investment activity and our own business operations.

In our investment activity we aim to uphold the values of human rights, encourage positive labour practices, promote sustainable environmental impacts, and support corporate behaviour that ensures the wellbeing of each business and its wider stakeholders. We aim to help our clients achieve their financial goals by producing a return on their investment, offering a range of funds, including many with specific sustainability-related objectives which enable investors to invest in funds that direct capital to companies helping to solve global problems. We have committed to integrating ESG considerations throughout our fund range, with each fund management team taking its own approach to incorporating these factors into their investment processes and engaging with the managers of investment holdings on areas the managers deem material. We are a signatory to the PRI, a UN supported network of investors which works to promote responsible investment through the incorporation of environmental, social and governance (ESG) factors into investment decision-making. Liontrust is also a signatory of IIGCC and the Stewardship Code, supporters of the Net Zero Asset Managers Initiative, TCFD and Climate Action 100+. The Board supports the Company's commitment in striving for carbon neutrality across the business and in our portfolios by 2050. Our ESG aims, integration processes, engagement outcomes and proxy voting records are set out in detail within the Responsible Capitalism section of our website.

Just as we expect our investee companies to think critically about their ESG risks and opportunities, we do this with our own business too: by turning the lens on ourselves, we aim to operate in a way that is sustainable and supports our local community and wider society. Liontrust is operationally carbon neutral, offsetting our Scope 1 and 2 market-based emissions (our direct emissions and the indirect emissions arising from the generation of purchased energy) by supporting projects to provide clean water access for families in Laos and solar cooking for refugee families in Chad. We are committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner in line with global efforts to limit warming to 1.5C in Scope 3 emissions (including all indirect emissions occurring in the value chain). We actively work with our industry associations to provide expertise and time to help others understand ESG and Sustainability as it relates to investments, the finance industry and to society. We are helping groups in our sector's value chain to discover ways of lowering their footprint; two notable examples including:

- Net Zero Financial Advisers Protocol – we are working with Net Zero Now to fund and create the Net Zero Financial Advisors Protocol. Its goal is to support financial advisers in their efforts to measure, reduce and compensate for carbon emissions in an effort to reach net zero, setting an industry standard against which efforts can be assessed and certified.
- Sustainable Trading – we are a founding member of Sustainable Trading (founded in 2022); a group dedicated to devising practical solutions to ESG issues of trading, such as the environmental impact of builds, maintains, and operates financial trading infrastructure, along with social issues such as diversity, equality and inclusion, employee wellbeing, and engagement with communities.

Our Responsible Capitalism report, which summarises our approach as an investor and as a Company, is updated each calendar year and published on our website.

We seek to contribute to societal positive outcomes through the Liontrust Community Engagement programme. This has had three key objectives: raising financial awareness and numeracy throughout society, providing opportunities for young people and wildlife conservation. Support has been given over a number of years through our work with Newcastle United Foundation, 10ticks, ZSL London Zoo, Tusk and The Purpose Coalition on a Levelling Up Impact report. Looking forward, in early 2023 the Board approved the establishment and multi-year funding of the Liontrust Foundation, a registered charity further aiming to empower disadvantaged young children and to advance the preservation of biodiversity.

Liontrust embraces routes into the industry for individuals from different backgrounds including though continued support of Investment 20/20. Three individuals have joined Liontrust through Investment 20/20 this financial year, whilst all four Investment 20/20 joiners in the previous year have since become permanent employees.


LIONTRUST
COURAGE · POWER · PRIDE
SPRING 2023
LIONTRUST
views
A STAGE FOR AN AGE
How to adapt your strategy for different stages of life

DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements of Liontrust Asset Management PLC for the year ended 31 March 2023.

Principal activities

The Company's principal activity is to act as a holding company for a group of investment management companies. The Company's shares are quoted on the Official List of the London Stock Exchange. The Company is domiciled in the UK and is incorporated in England and Wales. The Group operates principally in the United Kingdom with an international operating subsidiary in Luxembourg.

It has four operating subsidiaries as follows:

Subsidiary name	% owned by the Company	Subsidiary principal activities
Liontrust Fund Partners LLP	100%	A financial services organisation managing unit trusts and is the authorised corporate director for Liontrust's UK domiciled funds. It is authorised and regulated by the Financial Conduct Authority.
Liontrust Investment Partners LLP	100%	A financial services organisation offering investment management services to professional investors directly, through investment consultants and through other professional advisers, which is authorised and regulated by the Financial Conduct Authority. Liontrust Investment Partners LLP is also approved as an Investment Manager by the Central Bank of Ireland and is an SEC Register Adviser.
Liontrust International (Luxembourg) S.A.	100%	A distribution business authorised and regulated by the CSSF in Luxembourg
Liontrust Portfolio Management Limited	100%	A financial services organisation offering investment management services to professional investors directly, through investment consultants and through other professional advisers. It is authorised and regulated by the Financial Conduct Authority and is an SEC Register Adviser. Formerly Majedie Asset Management acquired on 1 April 2022, and transferred it's activities to other group entities with effect from 1 October 2022.

In addition to the principal operating subsidiaries listed above, the Company has the following other 100% owned subsidiaries:

- Liontrust Investment Funds Limited and Liontrust Investment Services Limited which act as the corporate member in Liontrust Fund Partners LLP and Liontrust Investment Partners LLP respectively
- Liontrust Investment Management Limited, acquired pursuant to the acquisition of Neptune Investment Management Limited in October 2019
- Liontrust Advisory Services Limited and Liontrust Multi–Asset Limited, acquired as part of the acquisition of the Architas business and are currently being liquidated

RESULTS AND DIVIDENDS

Profit before tax was £49.3 million (2022: £79.3 million). Adjusted profit before tax was £87.1 million (2022: £96.6 million) after adding back expenses including, severance compensation and related legal costs, acquisitions related costs, professional services (restructuring, acquisition related and other) and intangible asset amortisation, and is reconciled to profit before tax in note 7 to the financial statements.

The Directors declare a second interim dividend of 50 pence per share (2022: 50 pence per share). This results in total dividends of 72 pence per share for the financial year ending 31 March 2023 (2022: 72 pence per share).

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

A review of the business and future developments is set out in the Chair's statement, Chief Executive's report and Strategic Report on 12 to 74.

DIRECTORS

The Directors of the Company during the year and up to the date of the signing of the financial statements were as follows. Their interests in the share capital of the Company at 31 March 2023 are set out in the Remuneration report on page 129.

Vinay Abrol
Alastair Barbour
Mandy Donald
Emma Howard Boyd CBE (resigned 23 March 2023)
John Ions
Quintin Price (resigned 23 March 2023)
Rebecca Shelley
George Yeandle

DISCLOSURE REQUIRED UNDER THE LISTING RULES AND DISCLOSURE GUIDANCE AND TRANSPARENCY RULES

DTR 4.1.5.R and DTR 4.1.8 R and DTR 4.1.11R

Information which is the required content of the management report can be found in the Strategic Report and in this Directors' Report.

LR 9.8.4R / DTR 7.2

The following table is disclosed pursuant to Listing Rule 9.8.4R and DTR 7.2. The information required to be disclosed, where applicable to the Company, can be located in these Annual Report and Financial Statements at the references set out below:

Information required	Location
Interest capitalised	Not applicable
Shareholder waiver of dividends	Note 23
Shareholder waiver of future dividends	Note 23
Agreements with controlling shareholders	Not applicable
Provision of services by a controlling shareholder	Not applicable
Key contracts	Risk Management and Internal Controls Report
Details of long-term incentives schemes	Remuneration Report
Waiver of emoluments by a Director	Not applicable
Waiver of future emoluments by a Director	Not applicable
Non-pre-emptive issues of equity for cash	Allotment of nil fully paid ordinary shares of 1p each under the terms of the Liontrust Long-Term Incentive Plan.
Non-pre-emptive issues of equity for cash in relation to major subsidiary	Not applicable
Participation by parent of a placing by a listed subsidiary	Not applicable
Streamlined Energy and Carbon Reporting (SECR)	Strategic Report page 72
Corporate Governance code and practices applied DTR 7.2.2 DTR7.2.3	Corporate Governance Report
Main features of the internal control and risk management systems DTR 7.2.5	Risk Management and Internal Controls report
Significant shareholders, rights, voting, appointment of directors, significant agreements DTR 7.2.6	Corporate Governance report; Directors' Report
Administrative, Management and Supervisory Bodies and their Committees DTR 7.2.7	Risk Management and Internal Controls Report

All the information cross referenced above is incorporated by reference into this Directors' Report.

DTR 7.2 Structure of capital and voting rights

As at 31 March 2023, there were 64,935,384 fully paid ordinary shares of 1p amounting to £649,354. Each share in issue is listed on the Official List maintained by the FCA in its capacity as the UK Listing Authority.

The Company has one class of ordinary shares which carry the right to attend, speak and vote at general meetings of the Company. The holders of ordinary shares have the right to participate in dividends and other distributions according to their respective rights and interests in the profits of the Company and a return of capital on a winding-up of the Company. Full details regarding the exercise of voting rights in respect of the resolutions to be considered at the Annual General Meeting to be held on 21 September 2023 are set out in the Notice of Annual General Meeting.

To be valid, the appointment of a proxy to vote at a general meeting must be received not less than 48 hours before the time appointed for holding the meeting. None of the ordinary shares carries any special rights with regard to control of the Company.

Under Resolution 18 of the Annual General Meeting held on 22 September 2022, the shareholders authorised the Company to purchase its own shares pursuant to section 701 of the Companies Act 2006. This authority is limited to the maximum number of 6,493,538 Ordinary shares of 1 pence each (equivalent to approximately ten per cent of the issued share capital of the Company). This authority expires at this year's Annual General Meeting of the Company or 22 December 2023 (whichever is the earlier). The maximum price that may be paid for an Ordinary share will be the amount that is equal to 5 per cent above the average of the middle market prices shown in quotations for an Ordinary share in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary share is purchased. The minimum price which may be paid for an ordinary share is 1 pence.

There have been no share buybacks during the period. The Company does not hold any shares in treasury.

SHARES HELD IN AN EMPLOYEE BENEFIT TRUST

The Liontrust Asset Management Employee Trust (the "EBT") owns 1,146,288 shares in the Company as at 31 March 2023. Dividends on these shares are waived by the trustee of the EBT.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2023, as far as known to the Company the following persons (other than a director) were directly or indirectly interested in 3 per cent or more of the issued share capital of the Company.

Share Register as at: 31 March 2023

Name	Number of shares held	Percentage of issued share capital
Hargreaves Lansdown, stockbrokers	3,930,774	6.05
Sanford Deland Asset Management	3,775,000	5.81
BlackRock	3,749,872	5.77
Martin Currie Investment Management	3,748,000	5.77
abrdn	3,509,955	5.41
Vanguard Group	2,932,832	4.52
Canaccord Genuity Wealth Management	2,494,252	3.84
Slater Investments	2,378,551	3.66
Legal & General Investment Management	2,053,153	3.16

As at 31 May 2023 (being the latest practicable date prior to the publication of this document), so far as is known to the Company the following persons (other than a director) were directly or indirectly interested in 3 per cent or more of the issued share capital of the Company.

Share Register as at: 31 May 2023

Name	Number of shares held	Percentage of issued share capital
Hargreaves Lansdown, stockbrokers	4,196,158	6.46
Martin Currie Investment Management	3,748,000	5.77
Sanford Deland Asset Management	3,475,000	5.35
abrdn	3,433,176	5.29
BlackRock	3,034,521	4.67
Vanguard Group	2,931,751	4.51
Slater Investments	2,378,551	3.66
Canaccord Genuity Wealth Management	1,980,430	3.05

The Company is not aware of and has not been notified of any shareholding representing, directly or indirectly, 3 per cent. of more of the share capital of the Company. The Company is not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise, control over the Company.

CORPORATE GOVERNANCE

DTR 7.2.1 requires that the Company's disclosures on corporate governance are included in the Directors' Report. A report on corporate governance appears on pages 86 to 95, which is incorporated by reference into this Directors' Report and is deemed to form part of this Directors' report.

RISKS AND UNCERTAINTIES

A report on principal risks and how they are managed appears in the Strategic Report on pages 46 to 63 and a report on the risk management and internal controls appear on pages 83 to 85.

CORPORATE SOCIAL RESPONSIBILITY

Liontrust aims to be recognised as an organisation that is transparent and ethical in all its dealings as well as making a positive contribution to the community in which it operates. The Board recognises the Group's impact, responsibilities and obligations on and towards society and aims to promote equal opportunities and human rights, reduce environmental risk and operate in a sustainable manner.

The Group is committed to the highest standards of business conduct. Policies and procedures are in place to facilitate the reporting of suspect and fraudulent activities, including money laundering and anti-bribery policies.

The Group's health and safety policy aims, insofar as it is reasonably practical, to ensure the health and safety of all employees and other persons who may be affected by the Group's operations and provide a safe and healthy working environment. The Group has a good record of safety.

A report on Responsible Capitalism can be found on Pages 70 to 74. This includes environmental performance data, including Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions data and the Company's TCFD Report.

Liontrust aims to be recognised as an organisation that is transparent and ethical in all its dealings as well as making a positive contribution to the community in which it operates.

Information on the consideration of stakeholder interests is set out in the Section 172 statement on page 91 to 95.

EMPLOYEES

The Group gives fair consideration to any application for employment from disabled persons, where the person can adequately fulfil the job's requirements. Should any existing employee become disabled, the Group will aim to ensure, as far as is practicable, to provide continuing employment under normal terms and conditions and to provide training and career development to disabled employees.

Details of Equal Opportunities, Diversity and Inclusion can be found on page 68.

FINANCIAL INSTRUMENTS

The Group's financial instruments at 31 March 2023 comprise cash and cash equivalents, financial assets and receivable and payable balances that arise directly from its daily operations.

Receivables arise principally in respect of fees receivable on funds under management, cancellations of units in unit trusts and sales of units in unit trusts, and shares of ICVCs title to which are not transferred until settlement is received. The Group's credit risk is assessed as low.

Financial assets comprise assets held at fair value through profit or loss.

Assets held at fair value through profit or loss are unit trust units held in the 'manager's box' to ease the calculation of daily creations and cancellations, and shares in the sub-funds of the Liontrust Global Funds plc.

Payables (excluding deferred income) represent amounts the Group is due to pay to third parties in the normal course of business. These include expense accruals as well as settlement accounts (amounts due to be paid for transactions undertaken). Trade payables are costs that have been billed, accruals represent costs, including remuneration, that are not yet billed or due for payment. They are initially recognised at fair value and subsequently held at amortised cost.

Cash flow is managed on a daily basis, both to ensure that sufficient cash is available to meet liabilities and to maximise the return on surplus cash through use of overnight and monthly deposits. The Group is not reliant on income generated from cash deposits.

Deposit banks are selected on the basis of providing a reasonable level of interest on cash deposits together with a strong independent credit rating from a recognised agency. Any banks selected for holding cash deposits are selected using a detailed counterparty selection and monitoring policy which is approved by the Board.

Based on holding the financial instruments as noted above the Group does not feel subject to any significant liquidity risk.

Full details of the Group's financial risk management can be found in note 2 on page 152 to 156.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held in the Pinafore room at the Savoy Hotel, Strand, London, WC2R 0EZ on 21 September 2023 at 2.00 p.m. A notice convening this meeting will be sent to shareholders in August 2023.

SECTION 992, COMPANIES ACT 2006

The following information is disclosed in accordance with section 992 of the Companies Act 2006:

- The Company's capital structure, voting rights and
- Details of substantial shareholders in the Company are listed on page 99.
- The rules concerning the appointment and replacement of Directors are contained in the Company's articles of association and are discussed on page 89.
- There are: no restrictions concerning the transfer of the securities in the Company; no special rights with the regard to control attached to securities; no agreement between holders of the securities regards their transfer known to the Company; and no agreement which the Company is party to that might affect its control following a takeover bid.
- There are no agreements between the Company and its Directors concerning compensation for loss of office as at 31 March 2023.

BASIS OF FINANCIAL STATEMENTS

Having given consideration to the uncertainties and contingencies disclosed in the financial statements, the Directors have satisfied themselves that the Group has adequate resources to continue in operation for at least 12 months from approval of the financial statements and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

INDEPENDENT AUDITORS

A resolution to reappoint KPMG LLP as auditors to the Company and to authorise the Directors to fix their remuneration will be proposed at the 2023 Annual General Meeting.

POLITICAL DONATIONS

The Group made no political donations or contributions during the year. (2022: £nil).

EVENTS AFTER THE REPORTING PERIOD

On 4 May 2023, the Company announced that it has conditionally agreed to acquire the entire issued share capital of GAM Holding AG. Further details of the transaction are set out in the Company's announcement dated 4 May 2023.

On 13 June 2023 the circular related to the proposed acquisition of GAM was mailed to shareholders, and on the same day the Swiss offer prospectus setting out the terms and conditions of the proposed acquisition to the GAM Holding AG shareholders was also published. Also, on 13 June 2023 Liontrust announced that it had mailed a circular to shareholders in connection with the proposed cancellation of the entire amount currently standing to the credit of the Company's share premium account.

By order of the Board

Sally Buckmaster
Group Company Secretary
20 June 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements on the same basis.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

Responsibility statement of the Directors in respect of the annual financial report We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make themself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board

Vinay Abrol
Chief Operating Officer & Chief Financial Officer
20 June 2023

NOMINATION COMMITTEE REPORT

INTRODUCTION

On behalf of the Nomination Committee (the "Committee"), I am pleased to present our report for the financial year ended 31 March 2023. This report is intended to provide a summary of the Committee's principal duties, as well as giving further insight into its workings, approach and key activities during the year and beyond.

PRINCIPAL DUTIES

The Committee's principal duties are to regularly review the composition of the Board and its committees to ensure the correct balance of skills, experience and diversity is in place and to make recommendations for change. This includes assessing the skills, expertise and experience of the Board, undertaking Board succession planning and leading the selection process for new Board appointments. In fulfilling this duty the Committee gives due consideration to the performance of the Directors, the skills, experiences and time commitment required of Board and committee members, potential conflicts of interest and the benefits of diversity to enable the Board to effectively discharge its duties. The Committee periodically monitors workforce matters, including firmwide engagement with staff, supporting an inclusive culture and the identification and development of a diverse pipeline for potential succession.

The terms of reference of the Committee, which set out its role and the authority delegated to it by the Directors, are available on the Company's website or upon request from the Company Secretary. They were most recently updated in November 2022. The terms of appointment of the Directors shall be available for inspection at the 2023 Annual General Meeting.

NON-EXECUTIVE CHAIR OF THE LIONTRUST BOARD

It is important that I address my own role as Non-executive Chair of the Board early in this report. I first became a Non-executive Director of Liontrust in April 2011 so have been on the Board for over twelve years, albeit only four since my appointment to the Chair in September 2019. We are all cognisant that the 2018 UK Corporate Governance Code (the "Code") recommends that a Non-executive Chair should not ordinarily remain in situ beyond nine years from the date of their first appointment to the Board. The Code sets out that this period can be extended for a limited time, particularly in those cases where the Chair was an existing Non-executive Director on appointment, to facilitate effective succession planning and the development of a diverse Board.

In considering whether to extend my tenure as Chair the Committee undertook an independent internal review. This was led by our Senior Independent Director, Rebecca Shelley. Naturally, other than confirming my willingness to continue serving Liontrust as Chair if the Board considered that to be appropriate, I did not participate in the review nor was I present when it was discussed by the Committee. The review was mindful of the significant expansion of the Company in recent years, and the need to ensure that the foundations of the firm best enable it to meet its strategic objectives over the medium term. Expansion has been achieved through a combination of organic and inorganic growth, the latter including the acquisition and integration of Neptune Investment Management in October 2020, the Architas UK Investment Business in October 2020 and Majedie Asset Management in April 2022. As a result the Company has considerably increased its AUMA base, broadened the product range and enhanced its distribution offering to clients in the UK and overseas, whilst a number of operational departments have been restructured and the workforce headcount nearly doubled. The period has not been without macroeconomic hurdles, including the challenges presented by COVID and continuing evolution of the regulatory environment in the UK and overseas whilst the pending acquisition and integration of GAM present further circumstance for which future Board stability is merited.

The Committee has also been mindful of changes to the Board itself, with three new Non-executive Directors joining in recent years, the recent departures of Emma Howard-Boyd and Quintin Price, and further appointees expected over the short and medium term as set out below. Whilst my fellow Directors have added to the skills, experience and diversity of the Board, the average Non-executive tenure excluding me and George Yeandle, who intends to retire from the Board next year, is less than three years. In this context, it has deemed my longstanding experience as a Non-executive Director and Chair, and my deep understanding of the asset management industry and Liontrust itself to be particularly important in this stage of the Company's evolution. The Committee, supported by the Executive Directors, has therefore concluded that it is in the best interests of Liontrust for my role to continue for the time being, to provide immediate stability through the Company's continued evolution phase and the opportunity for effective succession planning for the Board and the role of Chair. This period should not however be without limit; it is thus proposed, subject to approval by our shareholders, that I remain as Non-executive Chair for a maximum of two years, standing down no later than the AGM in September 2025. Following this year's AGM, we will commence the recruitment process for my successor. Finding the right person to take on this important role may take time, but we do not expect that I will remain as Chair for the full maximum two-year period described above.

COMMITTEE MEMBERS AND ATTENDANCE

During the financial year to 31 March 2023, the Committee comprised me as Chair, along with the other independent Non-executive Directors that served during the year; Mandy Donald, Emma Howard Boyd, Quintin Price, Rebecca Shelley and George Yeandle. The Executive Directors are not Committee members although may attend meetings by invitation. The Committee met six times during the year, with all Committee members attending every meeting as detailed in the table on page 88 except for my absence at a meeting chaired by Rebecca Shelley at which the Committee members' views on the continuation of my role were determined.

RECRUITMENT AND FUTURE DEVELOPMENT

The Committee was particularly active in the previous financial year, overseeing the processes that culminated in the appointment of three new independent Non-executive Directors in Emma Howard Boyd, Rebecca Shelley and Quintin Price. As such, no further Board recruitment activity was undertaken in this financial year.

With two of the Non-executive Directors having left the Board in March 2023,George Yeandle signalling his intention to retire from the Board in 2024 and to plan for the succession of the Chair, the Committee has carefully considered and reflected upon the composition of the Board, the skills and experience required by the Board and the diversity of the Board. The output of the Committee's review has been discussed by the Board and further consideration given to the dynamic of the Board and its effective operation during a time of corporate change.

As a result of this, we have appointed a recruitment firm to commence a search for a new Non-executive Director. We anticipate this appointment will increase diversity on the Board. The principle objective of this search is to identify a candidate that can in time take on George's role as Chair of the Remuneration Committee. The Company has no connection with the appointed recruitment firm, Teneo People Advisors. Following our AGM, we further intend to commence the search for a new Chair. The Committee will continue to review the Board's size and composition and may in due course, following the successful recruitment described above, seek to recruit a further independent Non-executive Director.

DIVERSITY & INCLUSION

The Committee fully believes in the benefit that diversity brings in terms of broader perspectives, beneficial insight and challenge to the Board and throughout the Group and is actively seeking to develop and maintain a diverse business in terms of gender, ethnicity and educational background, including at Board level. The Group operates a policy of equal opportunity, details of which can be found in the Corporate Social Responsibility section of the Strategic Report.

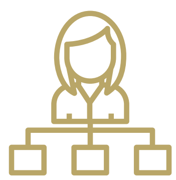
Diversity & inclusion – Board of Directors

It remains an overriding prerequisite that each Director or proposed Director must have the skills, experience and character to contribute individually and collectively to the effectiveness of the Board and the success of the Company. Subject to this principle, managed through the continued maintenance and development of a Board Skills Matrix, the Board believes that diversity amongst its members is of great value. It is thus the Company's policy to give careful consideration to issues of overall Board balance and diversity in making new appointments to the Board. The Committee considers diversity, including gender and ethnic diversity, when looking to appoint additional Directors and encourages all the Directors to create an inclusive culture within the Group in which difference is recognised and valued. This approach is set out in the Board Diversity Policy.

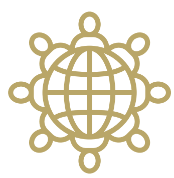
The Hampton-Alexander Review recommends that women should represent at least 33% of Board members whilst the Parker Review sets recommends that at least one Board member should be from an ethnic minority background. Liontrust continues to meet both targets, with 33.3% of Board Directors being women (2022:37.5%) and one Director being Asian British (2022: one).

The Committee notes the three targets set out in the FCA's April 2022 Policy Statement 22/03, that at least:

40% of the board are women;



one of the senior board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is a woman; and



one member of the board is from a minority ethnic background.

Liontrust currently meets two of these three targets with Rebecca Shelley serving as Senior Independent Director and Vinay Abrol serving as Chief Financial Officer & Chief Operating Officer. As noted above, with two of six Directors, women represent 33.3% of the Board rather than 40% as targeted by the FCA. It is anticipated that the search currently underway for a new Non-executive Director will increase diversity on the Board.

	Number of board members	Percentage of the board	Number of senior positions on the board (Chair, CEO, CFO, SID)
Men	4	66.7%	3
Women	2	33.3%	1
Other categories	–	–	–
Not specified/ prefer not to say	–	–	–
White British or other White (including minority white groups)	5	83.3%	3
Mixed/ Multiple Ethnic Groups	–	–	–
Asian/ Asian British	1	16.7%	1
Black/ African/ Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/ prefer not to say	–	–	–

Details of the male:female and ethnic composition of Liontrust on a firmwide basis are set out in the People section on page 64.

Diversity & inclusion – Firmwide

In 2021 Liontrust established a Diversity & Inclusion Committee; membership includes representation from across the business in terms of seniority, departments, geographical location, age, gender and ethnic background. This committee, which meets monthly and is chaired by Vinay Abrol, reports directly developments to this Committee and to the Board, and liaises closely with Mandy Donald, the Non-executive Director responsible for Employee Engagement and overseeing firmwide Diversity & Inclusion matters on behalf of the Board.

The Committee has continued to support the D&I Committee as it delivers its action plan to support more inclusive and diverse working practices throughout the firm. Developing from the D&I Audit by a third party in 2021, initiatives during the year have included supporting World Mental Health day in October, PRIDE through June 2022 and Black History throughout October 2022, with key note speakers and featured artist Mary Osinibi. The D&I Committee arranged a series of events on and around International Women's Day in March 2023 championing the "Embrace Equity" theme; again with a keynote speaker, networking and webinars.

In building a more inclusive culture the D&I committee have hosted firmwide training sessions on Unconscious Bias, Allyship, Micro Aggressions, Autism Awareness and Psychological Safety. The impact of these initiatives can be seen in our Engagement scores (see Our People section on page 64). As an adjunct to the Leadership Training (below) senior leaders attended training on 'Inclusion as a Strategic Driver' for leaders to consider diversity and inclusion at a strategic level.

The Chair of the D&I committee has recently announced to the firm a partnership with Mental Health at Work, a Mental Health and Wellbeing adviser to enhance mental health and wellbeing practices. This initiative will run through 2023 with training and support to all staff. This builds on the 'Mindful Mondays' sessions available to all staff in Q1 2023.

COMPANY TALENT AND SUCCESSION PLANNING

The Committee oversees the firm's succession planning for senior management, including the adequacy of emergency cover and identification and development of talent. During the year the Committee received reports considering the experience and capabilities of individuals in key roles and the potential succession pipeline, The Committee monitors learning and development activities across the group to develop the skillsets and wellbeing of our workforce.

In 2022 the Committee oversaw the establishment of a Senior Leadership Training Programme, which is now well advanced. The objective of this programme has been to increase the effectiveness of leadership at Liontrust, initially focusing on the leadership team purpose and identity, leveraging the team's strengths and addressing weaknesses, and embedding shared standards and behaviours throughout the workforce and as a framework for the development of future talent. Further training groups, representing a balance of gender, ethnicity, seniority and department, have been identified for the next round of the programme throughout this financial year. This training will not be a replica of the initial sessions; rather than define what Leadership means at Liontrust, the focus is to implement the defined values and behaviours, supporting how leaders and managers model the leadership charter to all.

EMPLOYEE ENGAGEMENT

In 2020 Liontrust established a Workforce Advisory Committee to advise Management of issues relating to the workforce. This year this committee has been reconfigured as a Workforce Forum. The forum, which acts as the Board's formal workforce advisory panel and has representation across departments and office locations, met a number of times during the financial year. A particular focus in 2023 was liaising between senior management and the business to encourage employees to participate in the annual workforce engagement survey, to help understand its results more fully and to share the actions which were taken as a result of the survey. Mandy Donald acts as the Non-executive Director responsible for overseeing employee and member engagement matters on behalf of the Board.

RESPONSIBILE CAPITALISM AND ESG AT BOARD LEVEL

In March 2023 Rebecca Shelley took over from Emma Howard Boyd as the Non-executive Director responsible for overseeing the Company's policy and practices in respect of ESG matters on behalf of the Board and to engage on ESG related matters with the relevant areas of Group. John Ions is the Executive Director with responsibility for ESG matters (see page 70, Strategic Report – Responsible Capitalism).

BOARD AND COMMITTEE EVALUATION

Constal Limited ("Constal") again carried out an independent evaluation of the Board and its committees in respect of the year to 31 March 2023, to review progress since last year and evaluate performance; in view of the director changes the review was deferred until May 2023.

As last year, Constal's approach was to take stock of progress since the last Board review and to consider:

- what to focus on to help the Board be more effective and to it the next level; and
- how the Board can constructively assist executive management achieve the Group's strategy in a way that ensures long-term sustainable success for stakeholders.

The review was based on confidential interviews with the members of the Board and the Company Secretary. Through interviews Constal asked participants to reflect on various aspects of the Board and its committees, including the quality of debate and decision-making, the information they receive, how well Board discussion time is spent, how the committees are working, how to achieve and manage the aims for Group and how the Board might have to adapt to make sure it is best prepared to meet those challenges.

The key recommendations from the review, which have been adopted by the Board, are:

- Continue to develop process for monitoring progress against strategy and goals ensuring sufficient time to consider options;
- With respect to the GAM acquisition, maintain a close focus on integration, ensuring clarity around milestones and plans for integration and information needed to monitor appropriately. Build in board time to hear from heads of function to aid understanding and monitoring of progress around integration;
- Continued focus on enhancing Board and Committee papers and reports;
- Ensure sufficient time allocated to oversight of culture and talent development and milestones for their achievement;
- Review time allocated for Committees and responsibilities and timing of reporting with respect to the people agenda; and
- Agree size and shape of board and timelines for succession planning and onboarding.

INDEPENDENCE AND CONFLICTS OF INTEREST

It is important that the Non-executive directors of an asset management firm are not only knowledgeable and experienced, but have the skills, integrity, scope and absence of conflicts of interest to undertake such senior roles. I am satisfied that such requirements are met. In advance of accepting any new roles each Director is required to discuss potential conflicts arising from and time commitments expected of the new appointment.

TIME COMMITMENT

As part of the Board and Committee Evaluation, the Committee reviewed the time required of our Non-executive Directors to effectively discharge their responsibilities. Any significant new appointments are required to be approved by the Committee. By way of example, the Committee considered my appointment as interim chair of a UK listed company and was satisfied that I have sufficient time to dedicate to Liontrust. This is an interim role and is anticipated to end at the end of 2023. The Committee is satisfied that all Directors have sufficient time to dedicate to their duties and have clearly demonstrated this throughout the year.

FOCUS FOR THE 2024 FINANCIAL YEAR

During the remainder of 2023 and into 2024 the Committee will continue to evolve a succession timetable for the Board, and continue to oversee the identification and development of management talent at senior and mid management levels.

Alastair Barbour
Chair of the Nomination Committee
20 June 2023

APPENDIX: BOARD COMPOSITION AND TENURE STATISTICS

As at 31 March 2023, using the composition at that date. A search for another Non-executive Director is underway.

Balance between Non-executive and Executive Directors

The balance of the Board between Executive and Non-executive Directors is four Non-executive Directors (66.7%) (2022: 75.0%) and two Executive Directors (33.3%) (2022: 25.0%):

Non-executive Directors (4)	66.7%
Executive Directors (2)	33.3%

Gender diversity

The gender diversity of the Board is with four male Directors (66.7%) (2022: 62.5%) and two female Directors (33.3%) (2022: 37.5%):

Male (4)	66.7%
Female (2)	33.3%

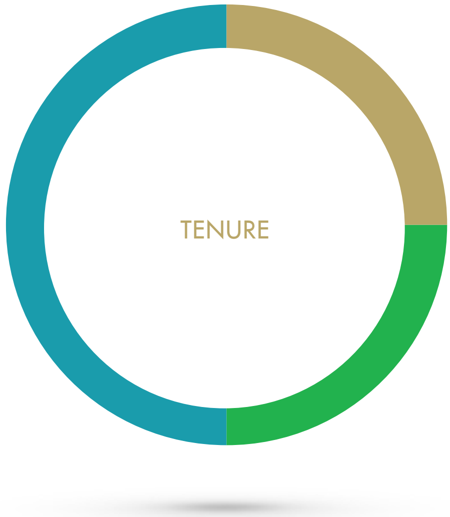
Ethnic diversity

The ethnic diversity of the Board is five White British Directors (83.3%) (2022: 87.5%) and one Asian British Director (16.7%) (2022: 12.5%):

White British Directors (5)	83.3%
Asian British Directors (1)	16.7%

Tenure

The tenure of the four Non-executive Directors (including the Non-executive Chair) is one having served less than 3 years, one having served between 3 and 6 years and two having served over 6 years, breaking down as 25.0% vs 25.0% vs 50.0% respectively (2022: 66.7% vs 0.0% vs 33.3%):



<3 years (1)	25%
3–6 years (1)	25%
>6 years (2)	50%

AUDIT & RISK COMMITTEE REPORT

Introduction by the Chair of the Audit & Risk Committee

Dear shareholder,

On behalf of the Audit & Risk Committee (the "Committee"), I am pleased to present the Audit & Risk Committee report for the financial year ended 31 March 2023. The Committee has had a full agenda, undertaking the Committee's core responsibilities, as well as overseeing a number of ad-hoc projects including the onboarding of a new internal auditor, Grant Thornton. Grant Thornton were appointed in October 2022 and the Committee is pleased with the transition to the new team. Further details of this appointment and other key projects are discussed in the report.

The Committee continues to focus on assisting the Board in its presentation of the Group's financial results; and focuses on a number of key responsibilities, including; continuing to review the effectiveness of the Group's system of internal controls and risk management systems; monitor and periodically review the Group's procedures for ensuring compliance with regulatory and financial reporting requirements; monitor the effectiveness of internal audit and keep under review the independence and objectivity of the external auditors.

The terms of reference of the Committee, which explain its role and the authority delegated to it by the Board of Directors is reviewed annually, with the last review undertaken in January 2023. The Committee's terms of reference are published on the Company's website and are available upon request from the Company Secretary. Whilst no shareholders have requested specific matters to be discussed by the Committee, maintaining an open relationship with shareholders remains a commitment of the Committee.

The Committee has continued to work closely with the Board throughout the year. All recommendations made by the Committee have been accepted by the Board. The Committee continues to meet the requirements of the UK Corporate Governance Code and FRC Financial Reporting standards.

The Committee continues to maintain an effective and open relationship with the Group's external auditors, alongside enhancing the oversight, reporting and challenge the Committee undertakes. The Committee has noted the upcoming FRC Audit Committee and the External Auditors: Minimum Standard publication and has reflected throughout the report where the Group already meets many of the new reporting requirements.

I hope that you find this report a useful insight into the work of the Committee and I look forward to meeting with shareholders at our AGM on 21 September 2023.

Mandy Donald
Chair of the Audit & Risk Committee
20 June 2023

Key responsibilities

The Committee's key responsibilities remain unchanged during the year and continue to be:

- assist the Board in its presentation of the Group's financial results and position through review of the interim and full year financial statements before they are approved by the Board. The Committee focuses on compliance with accounting principles and policies, changes in accounting practice and major matters of judgement;
- keep under review the effectiveness of the risk framework that is used to monitor the Group's system of internal controls and risk management systems. This includes suitable monitoring procedures for the identification, assessment, mitigation and management of all risks including liquidity, market, regulatory, credit, legal, operational and strategic risks, with particular emphasis on the principal risks faced by the Group. Such procedures are designed to provide reasonable, but not absolute, assurance against material misstatement or loss;
- as part of the suite of risk management procedures, the Committee reviews and recommends to the Board for approval, the Group's Internal Capital Adequacy And Risk Assessment ("ICARA") to fulfil its regulatory obligations under the Capital Requirements Directive and assess whether the Pillar 2 assessments and Pillar 3 disclosures remain appropriate;
- monitor and periodically review the Group's procedures for ensuring compliance with regulatory and financial reporting requirements, including relationship with the relevant regulatory authorities;
- review the Group's arrangements for the deterrence, detection, prevention and investigation of financial crime, including whistle blowing arrangements;
- monitor and review the effectiveness of the Group's internal audit function and agree the scope of the internal audit plan; and
- oversee the appointment, performance, remuneration and independence of the external auditors.

Composition and attendance

The Committee is comprised solely of Non-executive Directors:

- Mandy Donald
- Quintin Price (resigned – 23 March 2023)
- Rebecca Shelley
- Emma Howard Boyd (resigned – 23 March 2023)
- George Yeandle (appointed 23 March 2023)

The attendance record of members of the Committee during the year is shown on page 88.

The Committee as a whole are considered by the Board to be appropriately experienced and sufficiently qualified to fulfil their duties and have competence relevant to the sector in which the Group operates. The Board considers Mandy Donald has recent and relevant financial experience in addition to her professional qualification as a chartered accountant. Details of the Committee members' profiles are set out in full in the Board members' biographies.

The Chief Operating Officer & Chief Financial Officer, Chief Compliance Officer, Head of Finance and Chief Risk Officer were regular attendees at the Committee meetings and reported on their respective areas and support the Committee members, where appropriate, with their responsibilities although the agenda and items for discussion during a Committee meeting is led by the Chair. The external auditor, KPMG LLP have attended all Committee meetings and met privately with the Committee and Committee Chair.

Key Activities during the year

The Committee has a formal programme of matters which it covers during the year. This programme is formulated by the Committee Chair and the Chief Operating Officer & Chief Financial Officer and is designed to ensure that all matters that fall within the Committee's remit are reviewed during the year. The Committee has access to external independent advice at the Company's expense.

During the financial year to 31 March 2023 and up to the date of this report, the Committee met six times and its activities, amongst other things, covered the following matters:

- Reviewing the annual financial statements for the year ended 31 March 2022 and 2023 and half year financial statements for the six months to 30 September 2022 with particular emphasis on their fair presentation, challenging the reasonableness of management's judgements made and the valuation of assets and liabilities. There were no significant issues identified during the period in relation to the financial statements.
- The appropriateness of the accounting policies used in drawing up the Group's financial statements.
- Review and discussion of the Alternative Performance Measures used in the 31 March 2023 financial statements.
- Consideration of the Group's taxation requirements.
- Review of the Group's governance, risk framework, risk management, risk management processes and related policies.
- Approval of Enterprise Risk Management framework.
- Review and approval of the Group's ICARA.
- Review of the Group's compliance monitoring programme, compliance manual (including whistle blowing arrangements) and annual anti-money laundering report.
- Review and discussion of regular reports on financial reporting, key risks, compliance, Client Money & Assets ("CASS") and financial crime from the Head of Finance, Chief Risk Officer and Chief Compliance Officer respectively.
- Review and consideration of the external auditors' reports on Client Money & Assets.
- Consideration of the external auditors' report on the financial year ending 31 March 2022 audit and discussion of their findings with them.
- Review of the internal audit plan in the context of the Company's overall risk management programme detailed above.
- Reviewed and discussed the findings of 9 internal audit reports, ensuring appropriate follow up by management of points raised. These internal audit areas included: Systems and Controls, Compliance, Front Office and Trading Teams, Regulatory Reporting, Share Schemes, Operational Resilience, Competition, Stewardship Code, Distribution Procedural Review
- Approval of the external audit plan for 2023.
- Assessment of the performance, independence and objectivity of the external auditors, concluding that the Committee was satisfied with the quality and effectiveness of the audit; and noting that the auditors had appropriately challenged management's assumptions and estimates.
- Review and approval of all non-audit services to be carried out by the external auditors.
- Review of the Committee's terms of reference.
- Review of the suspension of Liontrust Russia fund, as detailed on page 110.
- Review of ESG reporting and metrics. The Committee discussed the impact of climate on the audit with the auditors.
- Share based payments are a focus for the Committee in view of the complexity of accounting, interpretation of the reporting standard and valuation of awards. The Committee receives information and explanations from management which is discussed with them and with the auditors, taking into account the results of the auditors' work. This does not give rise to any material estimates or judgements.

Significant accounting matters

Acquisitions

Accounting for acquisitions are considered by the Committee, given the complexity of the accounting and the judgmental nature of assumptions that are taken into account in the calculation of accounting models in relation to the valuation of intangible assets, goodwill and review of impairment. The Committee receives information and explanations from management which is discussed with them and the external auditors, taking into account the results of the auditors work.

Impairment of Goodwill and Intangible assets

Goodwill arising on acquisitions is capitalised in the consolidated balance sheet. Goodwill is carried at cost less provision for impairment.

The costs of acquiring intangible assets such as fund management contracts are capitalised where it is probable that future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. The assets are held at cost less accumulated amortisation. An assessment is made at each reporting date, on a standalone basis for each intangible asset, as to whether there is any indication that the asset in use may be impaired.

During the year indicators of impairment were identified by management for the Architas and Majedie intangible assets due to higher than expected outflows and lower market returns. Subsequently management retested the value of these intangible assets at 30 September 2022 resulting in impairments on these 2 intangible assets. The Committee considered management's assessments and the views of the external auditors and are satisfied that the correct accounting treatment has been followed.

Other significant issues

FRC Letter and Interaction

In February 2022, the Group received a letter from the FRC, requesting information to give them a better understanding of the accounting for share based payments in our 31 March 2021 annual report. We provided the information as requested to the FRC An important part of the role of the Committee is to provide non- executive oversight to ensure management has an appropriate focus on high quality corporate reporting, and therefore in the 2022 financial statements, have provided additional clarification where it has been determined appropriate to ensure the Committee continues to enhance reporting, where possible.

Review of the suspension of Liontrust Russia Fund

Following Russia's invasion of the Ukraine, the Committee has reviewed the global sanctions imposed and the impact these have had on Liontrust funds and namely the Liontrust Russia fund. The Committee has reviewed the Group's Russia fund valuation process, alongside all other funds impacted to ensure appropriate controls were in place to protect clients. The Committee received updates on cyber-security, which remains a standing agenda item to be discussed at every Committee meeting. The Committee members duly discussed the increase risk of cyber-attacks by foreign nations and completed training on cyber-security.

Internal audit

The Committee undertook an Internal Audit tender process in the summer of 2022 and following the outcome of this process, the Committee selected Grant Thornton (the "Internal Auditor") to be appointed in October 2022, replacing Minerva Consulting. The Committee considered Grant Thornton to provide the most robust and effective internal audit service to meet the requirements of the Group. The internal auditor is appointed to carry out a programme of internal audit work as set by the Committee. As part of the Committee's assessment of the effectiveness of the role of Internal Auditor, the Committee reviewed trends and current risk factors relevant to the Group when assessing the appointment of an Internal Auditor and developing the audit programme. The Committee understands the importance of ensuring the existing management monitoring processes in relation to these risks continues to provide sufficient and objective assurance.

Internal Auditors Effectiveness

The Internal Auditor has a direct reporting line to the Chair of the Committee. The Committee continues to review the effectiveness of the internal audit function, ensuring the appointment of an external firm as internal auditors is well resourced and staffed by competent individuals and be independent of the day-to-day activities of the Group, whilst still having appropriate access to records.

The Committee and the Internal Auditors have agreed a rolling three year Internal Audit plan, this includes the following Audit areas: front office controls; data protection, security and governance; risk management; significant financial systems; outsourcing arrangements corporate culture and CASS. The Internal Auditors will also perform a full systems and controls review every three years, with all management feedback to findings being independently reviewed and challenged by the Committee before being approved.

The Committee regularly meets with the Internal Auditor, with and without management present, throughout the year to receive updates and to review its findings. Each year the Committee considers the scope of the internal audit plan and the performance of the Internal Auditors prior to the commencement of the next year's internal audit programme to ensure they remain consistent with the Group's requirements.

Internal audit Oversight conclusion

The Committee is pleased with the transition to Grant Thornton as Internal Auditors and the robust and effective audits that have been held, to date. The Committee agree that Grant Thornton remains effective to undertake the audit with integrity and sufficient challenge and remains independent.

External auditors

As previously reported, the Committee undertook an Audit tender process in 2021 of which KPMG was selected as External Auditor, with Jatin Patel being appointed audit lead the same year. The tender was conducted in accordance with the FRC's Best Practice Guide to Audit Tendering. In line with requirements, the Company intends to undertake a further competitive audit tender no later than 2026 .

External Audit Effectiveness

The Committee has considered the effectiveness of the external audit process throughout the year and included the activities and steps detailed below.

Each year the auditors present to the Committee the proposed scope of their full year audit plan, including their assessment of the material risks to the Group's audit and their proposed materiality levels. This plan is reviewed by the Committee and consideration is given to its coverage and the identification of risks. The Committee was satisfied that the audit plan proposed provided appropriate coverage and that the identification of material risks to the Group's audit are covered by the audit plan.

The Committee assesses the quality of the interactions of the Audit team with the Committee, including the provision of technical and industry knowledge.

The audit partner attends the Committee meetings. In addition, the Committee met twice with the external auditors without management present.

Each year, the Committee assesses the performance and independence of the external auditors prior to proposition of a resolution on their reappointment and remuneration at the Annual General Meeting. This assessment includes the review of the auditor's challenge of management's assumptions to ensure that the auditor has demonstrated professional scepticism. The Committee has concluded that KPMG have carried out their audit for the year-ended 31 March 2023 effectively.

Based on the satisfactory conclusion of the work described above carried out by the Committee to assess the performance of the external auditors and safeguard their independence, the Committee has recommended their reappointment to the Board and a resolution will be proposed at the 2023 Annual General Meeting for the reappointment of KPMG as external auditors.

The Committee will consider the FRC's Audit Quality Inspection and Supervision Report for KPMG LLP for 2023 when it has been published. If the Committee deems it necessary, the outcome of the report will be raised with the audit partner for further discussion.

Non-audit services

The Committee has implemented a policy and guidelines on provision of non-audit services by the external auditors to safeguard their objectivity and independence. This policy has been approved by the Board. The policy provides that provision of certain types of non-audit services are not permitted under any circumstances ("Prohibited Services") whilst others allowed ("Allowed Services"). The Chair and Head of Finance regularly review any non-audit services and have a twostep sign off process to agree if work can commence. The Committee ensures the independence of the auditors is maintained at all times and this sign off process agree each individual aspect of work ensures independence is safeguarded and the auditors objectivity is maintained.

Prohibited Services are those where the Committee considers that the possibilities of a threat to auditor independence is high. Allowed Services are those considered to have a low threat to auditor independence. Nonetheless, Allowed Services still need the Committee's approval in advance. All services are reviewed and ratified by the Committee.

The policy also sets out certain disclosures the external auditors must make to the Committee, restrictions on employing the external auditors' former employees, partner rotation and the procedures for approving non-audit services provided by the auditors. The policy is reviewed regularly and updated to ensure compliance with all applicable regulations.

During the year, the external auditors were, on a number of occasions, engaged as advisers. The services provided related to the regulatory CASS (client money) audits, interim review, ESG disclosures assurance and work related to the merger and closure of authorised investment funds. The Committee is satisfied that the external auditors were best placed to provide these services because of their familiarity with the relevant areas of Group's business and that there are no matters that would compromise the independence of the external auditors or affect the performance of their statutory duties.

The Committee receives a regular report setting out the non-audit services provided by the external auditors during the year and the fees charged.

Details of fees paid to the auditors can be found in Note 6 of the financial statements. The non-audit services as identified in Note 6 have all complied with the policy as detailed above.

External Audit oversight conclusion

The Committee concludes that KPMG is effective, undertakes the audit with integrity and sufficient challenge and remains independent.

REMUNERATION REPORT

Dear shareholder,

On behalf of the Remuneration Committee (the "Committee"), I am pleased to present the Remuneration Report for the year ended 31 March 2023. This letter is intended to provide a summary of key events during the year from a Committee perspective and to give further insight into the workings of the Committee and its approach. The Annual Report on Remuneration and this statement will be subject to an advisory vote at our 2023 Annual General Meeting, to be held on 21 September 2023.

DIRECTORS' REMUNERATION POLICY

This year marks the first full year in the operation of our most recent Directors' Remuneration Policy ("DRP"). which was approved by Shareholders at a General meeting in February 2022. The DRP is available on the Company's website (in the Investor Relations section) and we have, therefore, only included the DRP's Elements of Reward table in this report.

The Board and the Committee are acutely aware of the votes cast against the Company's new DRP and at the Remuneration Report at the September 2022 AGM .

The Committee undertook a detailed analysis of all the feedback (including from those shareholders who voted in favour of the DRP) and whilst there was no single consistent theme with differing shareholders liking or having problems with different elements of the DRP the main concerns were over the quantum and calibration of performance metrics. After further shareholder consultation the Committee made several amendments to the DRP and the operation of the variable remuneration arrangements including increasing the threshold performance target of adjusted diluted EPS and in the calculation of Adjusted Profit before Tax.

The Committee is committed to implementing the DRP in a way that addresses shareholder concerns whilst being in the best interests of Liontrust.

I have consistently maintained that although the DRP is critical in establishing the framework for Executive Remuneration the Committee should be judged on how it implements that policy. It is the actual outcome that matters rather than the theoretical one. In that respect I have set out below how the DRP has been implemented including where changes have been made either by the Committee using its judgement or exercising its discretion to impact pay outcomes. Our guiding principle remains that only exceptional, stretch performance will receive exceptional reward.

IMPLEMENTATION OF THE 2022 DRP

I remain committed to openness and with transparency of performance metrics and their associated weighted outcomes and how, in turn, this affects annual bonus. We have also set out full disclosure of the performance conditions on granted LTIP awards.

VARIABLE REMUNERATION FOR 2023

Annual Bonus

This is the first year of the operation of a more 'traditional' scorecard for the annual bonus. In particular:

- shareholders universally welcomed the hard cap on the annual bonus and the removal of the direct link and funding from a pool linked to Adjusted Profit before tax:
- the Financial and Business measures (70% in total) based on a target outcome of 100% for achieving actual and budgeted performance which was set following a very strong FY22 performance; and
- the Committee firmly believes that ESG metrics (the 'how' as well as the 'what' and representing 30% of the total) plays an important role within the annual bonus scorecard to help continuous compounding improvement in this area.

The Committee undertook a review of outcome against all bonus metrics, both quantitative and qualitative.

As Shareholders will be aware this was a difficult year for many asset managers but the Committee considered that no adjustments should be made to the Financial metrics on account of difficult trading conditions. However, it did exercise its judgement to include performance fees in to the adjusted profit metric and will do so consistently in the scorecard for the future. The principal reasoning behind this decision is:

- performance fees are included in the workforce bonus pool and there has been great focus on the alignment of Executive Director pay with that of Senior management and the rest of the workforce over the year;
- with the acquisition of the Majedie business performance fees have become relatively more important to the business as a whole and as business as usual are included in the normal budgetary process; and
- analysts' consensus projections for Adjusted profit before tax, and against whom the Committee 'cross checks' to ensure the Financial metrics are sufficiently stretching, routinely include performance fees in their numbers.

The outturn for the Financial Metrics, as fully disclosed later, was 10% vesting compared with the maximum opportunity of 70%.

For the ESG metrics the Committee assessed performance overall as above target, once again as fully disclosed later in the Report. However, given the overall disappointing Financial performance in the year the Committee decided to use its discretion to limit the vesting of the ESG metrics at the achievement of an 'on target' outcome. This produces a vesting of 15% compared with the maximum opportunity of 30%.

In summary, the vesting of the annual bonus for both John Ions and Vinay Abrol will be at a level of 25% of the maximum opportunity.

The cash element of the bonus is restricted to 50% with the remaining 50% deferred into a range of Liontrust Funds which the Committee believes aligns the Executive Directors with the experience of those who invest in our funds.

In order to satisfy itself further that the outturn of the annual bonus for 2023 was appropriate the Committee referenced that

- there was no adjustment necessary when considering the overlay of risk management, compliance, conduct and personal performance;
- aggregate annual bonus for all staff, including the Executive Directors, for the financial year ended 31 March 2023 has decreased. The pool is this year 12.5% of pre-cash bonus Adjusted Profit before tax (2022: 20.5%);
- annual bonus for the Executive Directors as a percentage of the aggregate annual bonus pool for all staff (including fund managers) significantly decreased by 76% this year, at 1.6% for the financial year ended 31 March 2023 (2022: 6.6%), with 1.0% allocated to John Ions (2022: 4.3%) and 0.6% to Vinay Abrol (2022: 2.3%);
- the annual dividend for the year to 31 March 2023 has been maintained; and
- the outturn for the Executive Directors was at the lower end when benchmarked with our peers notwithstanding that the financial result for the year was ahead of market expectations.

In summary our wider stakeholders including the entire workforce and our Shareholders received a greater share of the earnings this year relative to the Executive Directors.

LTIP

The FY20 LTIP award vested in the period with 58.3% of awards vesting. See section 3.1 for further information.

Fixed remuneration in 2024

Fixed remuneration under the DRP for the Executive Directors is capable of rising in line with that of the wider workforce. In recognition of the broader, societal context for pay awards the Committee resolved to increase base pay for the Executive Directors at a rate which is materially lower (6%) than for staff generally (11%) and can be summarised as follows:

- salary for John Ions and Vinay Abrol to increase to £583,600 and £445,600 respectively for the financial year ending 31 March 2024; and
- pension/cash payments in lieu of pension for the Executive Directors to be the same as and in no case higher than for the majority of the workforce. The Company is in the process of aligning upwards pension contributions from at least 10% to at least 12.5%, recognising the importance for its staff of long term retirement savings and the crucial role that asset managers should play in that process. Therefore the pension/cash in lieu of pension for the Executive Directors will increase from 10% to 12.5% in line with the workforce.

Annual bonus for 2024

The Committee intends to operate the assessment of annual bonus for 2024 on a very similar basis to 2023 with 70% of the scorecard focused on Financial Metrics split between Adjusted operating profit (including performance fees) of 50%, Distribution effectiveness (flows) of 10%; and investment performance of 10%.

There will continue to be metrics to ensure that the Executive Directors lead and oversee the components of ESG what we know as "Responsible Capitalism" in the business. In particular:

- Liontrust is a mainstream fund manager with multiple investment teams and not just one that focuses on Responsible Capitalism. We will measure how investment teams, as well as our own business, have made progress on integrating and evidencing their Responsible Capitalism practices.
- There will be metrics around diversity and inclusion and in particular building of the results of our workforce engagement survey and further work on the outcomes of coaching and development programmes.
- Further work to communicate the 'reward deal' with the workforce particularly as regards past and any future acquisitions.

LTIP for 2024

The LTIP award for the Executive Directors for the year ending 31 March 2024, in line with the DRP, will once again be a fixed number of shares and can be summarised as follows:

- LTIP awards for the financial year ended 31 March 2024 of 153,130 and 112,295 for John Ions and Vinay Abrol respectively. Note that no adjustment has been made for the relative recent weakness of the share price and the awards represent for John Ions a multiple of c.200% of base pay. This supports the Committee's view that the LTIP is about the long term transformation of the business in the next age of Liontrust and certainly does not reward short term volatility
- The Group will make these awards as soon as possible after the announcement of the Group's annual results. The performance criteria for these LTIP awards will be fully measurable being earnings per share (60%) and relative TSR growth (40%).

DEVELOPMENTS IN LEGISLATION AND GOVERNANCE

The DRP, as approved by shareholders at our February 2022 General Meeting, and subsequently amended following consultation, remains appropriate and no changes are proposed this year.

The Annual Report on Remuneration is subject to an advisory shareholder vote at our 2023 Annual General Meeting. Additionally, the Committee has considered the various requirements under the latest Corporate Governance Code in relation to justification of Executive Director pay in the context of strategic rationale, internal and external measures, and Company-wide pay policies. I am satisfied that the provisions of paragraph 41 of the code have been met and, in particular, that the policy has operated this year as intended in terms of the Group's performance and following the decisions of the Committee as to quantum.

The Committee specifically considered progress across the Company in gender equality when assessing bonus outcomes. The Committee is using the Workforce Advisory Forum to engage with the wider staff group, generally and specifically, on how Executive remuneration aligns with the wider company pay policy. I can also confirm that I meet regularly with the Workforce Advisory Forum to present and discuss remuneration matters. Further details on our progress on workforce engagement is contained within the Nomination Committee report.

Mandy Donald, the Non-executive Director responsible for workforce engagement provides valuable feedback to the Committee on engagement matters.

SHAREHOLDER ENGAGEMENT

I have always welcomed feedback from our shareholders on all aspects of Executive Director remuneration and will be continuing engagement with them in the run up to the AGM and beyond. I believe changes through iteration is a strength not a weakness. We hope that we will earn your support in respect of our Remuneration Report for 2023 at the forthcoming AGM.

THE ROLE OF THE COMMITTEE AND ITS COMPOSITION

The Committee is charged with determining in remuneration policy for, and setting pay and other benefits of, the Executive Directors of the Company and reviewing pay and other benefits of the Group's workforce.

All of its recommendations are referred to the Board. Any Director, who has an interest in the matter which is the subject of a recommendation to the Board, abstains from the Board's vote in relation to that matter and takes no part in its deliberations. The Committee may use external advisors if required. The terms of reference of the Committee, which explains its role and the authority delegated to it by the Board, are available on the Company's website or upon request from the Company Secretary.

George Yeandle
Chair of the Remuneration Committee
20 June 2023

Annual report on remuneration

This remuneration report details the remuneration outcomes for the financial year ended 31 March 2023 across Liontrust and specifically for the Executive and Non-executive Directors and compares them to remuneration across the wider group, remuneration outcomes for the previous financial year; and proposals for Executive remuneration for the forthcoming financial year. The Directors' remuneration for the year ended 31 March 2023 was managed in line with the Directors' remuneration policy ("DRP") which was approved by shareholders at the 2022 DRP General Meeting. Proposed remuneration for the year ended 31 March 2024 is in accordance with the DRP approved at the February 2022 General Meeting.

The report sets out:

1. Remuneration outcome for the year to 31 March 2023 – including the context for the Directors' remuneration and the performance metrics that the Committee considered when setting the overall annual bonus pool.
2. Allocation of variable remuneration – information on how the annual bonus pool awards were allocated across the Group.
3. Deferral of variable remuneration – Directors' deferred remuneration rights under the LTIP and DBVAP.
4. Proposed remuneration for the financial year ending 31 March 2024.
5. Returns to shareholders and Executive remuneration – returns over the past 10 years are compared with the total remuneration of the Chief Executive over the same period.
6. Directors' shareholdings – the share interests of Directors and their connected persons.
7. Other disclosures and historical information.
8. Directors' remuneration policy.

To aid the reader of this report the term "salary" is used as a collective term for employee salary and member fixed allocation; and "annual bonus" to refer to annual bonus for employees and variable allocation for members.

1. REMUNERATION OUTCOME FOR THE YEAR TO 31 MARCH 2023

1.1 Single total figure for remuneration

Executive Directors (audited information)

	Jon Ions Year to 31 March		Vinay Abrol Year to 31 March	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
A. Fixed pay				
Base salary	550	348	420	328
Benefits in kind -private medical insurance	4	4	5	5
Cash in lieu of pension	55	35	42	33
Total Fixed pay	609	387	467	366
B. Annual Bonus				
Cash bonus	310	870	184	786
DBVAP	310	1,915	184	786
Total Annual Bonus	620	2,785	368	1,572
C. Total pay for the financial year				
Sub-total (A+B)	1,229	3,172	835	1,938
D. Vesting of LTIP awards				
Base value element of vested LTIP awards	508	863	334	569
Share price appreciation and dividend equivalent elements on vested LTIP awards	192	1,975	127	1,301
Total LTIP awards vesting	700	2,838	461	1,870
E. Other				
SIP matching shares	4	4	4	4
Total Other	4	4	4	4
Total remuneration (C+D+E)	1,933	6,014	1,300	3,812
Of which: Total variable remuneration (B + D)	1,320	5,623	829	3,442

1.1 Single total figure for remuneration (continued)

Non-executive Directors (audited information)

	Alastair Barbour Year to 31 March		Mandy Donald Year to 31 March		George Yeandle Year to 31 March	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Basic Non-executive Director fee	–	45	65	45	65	45
Fee for Non-executive Chair	210	65		–	–	–
Fee for Senior Independent Director	–	–	–	–	–	–
Fee for Sub-committee Chair / membership:						
Audit & Risk Committee	–	–	20	8	–	4
Nomination Committee	–	4	5	4	5	4
Remuneration Committee	–	–	2	4	20	8
Fee for membership of other Group Committees	–	–	17	12	9	10
Benefits[1]	–	–	–	–	–	–
Total	**210**	**114**	**109**	**73**	**99**	**71**

	Quintin Price[2] Year to 31 March		Rebecca Shelley Year to 31 March		Emma Howard Boyd[3] Year to 31 March	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Basic Non-executive Director fee	65	34	65	18	65	8
Fee for Non-executive Chair	–	–	–	–	–	–
Fee for Senior Independent Director	–	–	12	–	–	–
Fee for Sub-committee Chair / membership:						
Audit & Risk Committee	9	3	9	2	9	1
Nomination Committee	5	3	5	2	5	1
Remuneration Committee	9	3	9	2	9	1
Fee for membership of other Group Committees	18	7	–	–	5	–
Benefits[1]	–	–	–	–	–	–
Total	**106**	**50**	**100**	**24**	**93**	**11**

[1]Non-executive Directors are entitled to the reimbursement of expenses in relation to the performance of their duties, such expenses are reported above grossed up for income tax and national insurance.

[2]Resigned 23 March 2023.

[3]Resigned 23 March 2023.

1.2 Annual bonus

The annual bonus for the financial year ended 31 March 2023 were based on the following key performance metrics. The performance outcomes for each key performance indicator are also shown below:

Performance Metric	Weighting	Threshold	Target	Max	Actual	Weighted Result %
Financial Measures (70%)						
Change in Adjusted Profit Before Tax (excluding Performance fees profits) and performance fees above 3Y average	40.0%	9.9%	11.0%	12.1%	(12%)	0.0%
	10.0%	10%	20%	30%	103%	10.0%
Distribution effectiveness - Net flows compared to budget of £900 million	10.0%	90%	100%	110%	(592%)	0.0%
Investment performance, percentage of AuM over 1, 3 and 5 years in 1st or 2nd Quartile). Weighted 30% for 1Y, 40% for 3Y and 30% for 5Y performance.	10.0%	67.5%	75%	82.5%	44%	0.0%
ESG inc Risk, Personal Performance Measures (30%)						
Ensuring ESG considerations are more fully integrated into our mainstream fund management processes (10%)	10.0%	N/a	N/a	N/a	80%	15.0%
Supporting joined up efforts to increase the group's diversity and inclusiveness (10%)	10.0%	N/a	N/a	N/a	75%	See comments
Align Executive Director and broader workforce pay under the new DRP (10%)	10.0%	N/a	N/a	N/a	50%	See comments
Totals	100.0%					25.0%

Notes
A negative return due to markets and outflows, so scores 0%.
The Committee used its judgment to amend Adjusted Profit to include Performance fee profits when comparing with the budgeted forecast for the Group for the financial year ended 31 March 2023 .The Adjusted profit before tax was £87.1m versus the forecast of £94.6m. The performance was 92% so the result was between the threshold and target with the outcome being assessed as 10%.
Net outflows for the financial year versus a budget for net inflows, so scores 0%.
It continued to be a very difficult year for Quality Growth and short term performance remained challenging, so scores 0%.
John Ions and Vinay Abrol championed the need to evidence the work that the individual investment teams do in integrating ESG considerations and showing the link (where possible) between these considerations and investment decisions. We have produced 2 Responsible Capitalism reports in the past year which lay out these processes and highlight the ESG components of each 4 of the (now) 7 teams have signed up some or all of their funds to the group's net zero pledge. John Ions and Vinay Abrol have been integral in the assessment of technology to enable the investment teams to store information for audit and reporting purposes including both a Research Management System and capabilities for investment teams to trade in environments where Fund Managers would be able to understand the carbon impacts of their investment decisions (on WACI) before trades are actually instructed. Actual outcome was 80%, but given the outcome on Financial Measures the Committee used its discretion and reduced the outcome to 50%, so scores 15%
John Ions and Vinay Abrol have both personally been very active in promoting D&I this year. Vinay has sponsored educational sessions, coaching, guest speakers, and other opportunities for all staff to learn more about D&I. The impact of this leadership 'from the top' has been critical in raising staff perception of the importance of D&I at Liontrust as evidenced by the improved results of the latest workforce engagement survey Actual outcome was 75%, but given the outcome on Financial Measures, as above, this was reduced to 50%, so scores 5%
The remuneration arrangements for the senior leadership team has been amended and aligned with the Directors' Remuneration Policy with the introduction of a cap on Bonuses, and mandatory deferral with a a bias toward long term incentivisation. The percentage of variable remuneration deferred is at least 50%. Pension contributions/payments in lieu for all staff has been increased from at least 10% to at least 12.5% with the medium term aim to standardise the percentage for all staff (current range is 10% to 17%). Actual outcome was 50%, and given the outcome on Financial Measures, this was held at 50%, so scores 5%

The Committee also considered that no further adjustments up or down should be made on account of the risk and personal performance moderator.

Executive Director	Key performance in the financial year ended 31 March 2023
John Ions	John Ions has led the senior leadership team to achieve strong financial performance in a very difficult environment. Although Adjusted Profit before tax (excluding performance fees) decreased by 12% compared to last year, performance fee revenues of £18.5 million (2022: £12.5 million) were earned. Net flow performance was disappointing at £4.8 billion of net outflows. However, gross flows have remained strong and sales engagement with clients has been excellent and Liontrust's marketing team did an excellent job in promoting the brand, with Liontrust being the 6th most recognisable brand in the UK. Alongside Vinay Abrol, successfully led project to integrate Majedie Asset Management Limited, including the alignment of outsourced administration arrangements onto our Target Operating Model. Alongside Vinay Abrol, has been hugely active in promoting D&I this year. Alongside Vinay Abrol, led external shareholder relations, with excellent positive feedback from these meetings, and developing a strong relationship with our larger shareholders. Always ensured that risk and compliance were important factors when managing the Group, including meeting with the Chief Risk Officer, Chief Compliance Officer and Internal Audit on a regular basis.
Vinay Abrol	Vinay Abrol has shown strong leadership of the Finance, Operations, Risk, Compliance, Technology & Data, Property & Facilities, Product, Human Resources and Trading functions. Delivered budget and cost controls in the financial year and led the Group through the annual and half-year reporting cycles. During the year, Vinay appointed Chris Simmons as Deputy COO delegating responsibility for the HR and Company Secretarial functions to Chris, and supported by Chris led the recruitment of a new Head of HR (Louise Dilworth) and Group Company Secretary (Sally Buckmaster), thereby increasing diversity in the Senior Leadership Team. Vinay Abrol has been instrumental in leading the Group's relationships with the Financial Analysts, with regular meetings with the analysts from Singer Capital Markets, Panmure Gordon, Numis, Barclays and Berenberg. During the year Barclays initiated coverage bringing analyst coverage back to six firms, following KBW's decision to cease coverage during the year. Alongside John Ions, has been hugely active in promoting D&I this year. Vinay has sponsored educational sessions, coaching, guest speakers, and other opportunities for all staff to learn more about D&I. The impact of this support has been critical in raising staff perception of the importance of D&I at Liontrust. Vinay has also chaired the Diversity & Inclusion Committee throughout the year. Alongside John Ions, successfully led project to integrate Majedie Asset Management Limited, including the alignment of outsourced administration arrangements onto our Target Operating Model. Alongside John Ions, led external shareholder relations, with excellent positive feedback from these meetings, and developing a strong relationship with our larger shareholders. Always ensured that risk and compliance were important factors when managing the Group, including meeting with the Chief Risk Officer, Chief Compliance Officer and Internal Audit on a regular basis.

This bonus pool for the Executive Directors translates into individual annual bonuses to the Executive Directors of between 88% and 113% of base remuneration (2022: 480% and 800%). The Committee also set the level of deferral into Group managed funds at 50% for John Ions (2022: 69%) and 50% for Vinay Abrol (2022: 50%) over the period 20 June 2023 to 1 April 2023 to 1 April 2026; and therefore linked to the performance of the relevant Liontrust funds. The vesting of deferred awards are not subject to any performance condition but are subject to continuous service conditions and also to malus and claw back provisions.

The level of deferral means that the cash bonus/variable allocation for John Ions and Vinay Abrol is 56% and 44% of base remuneration respectively (2022: 250% and 240%).

1.3 Malus and claw back

For the annual bonus in respect of the financial year ended 31 March 2016 and onwards, malus and claw back provisions apply whereby the payment of such cash bonus, and the unvested amount deferred into Group managed funds can be reduced, withheld or reclaimed in the exceptional event of: misstatement or misleading representation of performance, a significant failure in risk management and control, or serious misconduct for which the individual is personally responsible or directly accountable. Malus provisions apply for a period from the date of grant to the relevant vesting date of the relative award and claw back provisions apply for a period of 2 years from date of vesting of the relevant award.

For the LTIP awards, claw back and malus provisions will apply whereby the LTIP awards can be reduced, withheld or reclaimed in the exceptional event of: misstatement or misleading representation of performance, a significant failure in risk management and control, or serious misconduct for which the individual is personally responsible or directly accountable.

1.4 Pensions (audited information)

All staff (including Executive Directors) are eligible to receive pension contributions of at least 10% of base salary (rising to 12.5% from July 2023).

None of the Executive Directors have a prospective entitlement to a defined benefit pension by reference to qualifying service. As stated in last years Remuneration Report, The Committee clarified its approach set out in the current DRP with regard to the provision of pensions to the Executive Directors. The shareholders approved the current DRP which is fully compliant with corporate governance best practice in that the Executive Directors may participate in pension arrangements, or receive cash in lieu, which are fully aligned with that of the Liontrust workforce. Employees of Liontrust have flexibility and choice, in certain circumstances, over the balance between employer pension contributions and cash in lieu, with options to take cash, some or all of the amount the Company would otherwise contribute to the pension plan. The Company is in the process of aligning upwards pension contributions from 10% to 12.5%, recognising the importance for its workforce of long term retirement savings and the crucial role that asset managers should play in that process. Therefore the pension/cash in lieu of pension for the Executive Directors will increase from 10% to 12.5% in line with the workforce.

2. ALLOCATION OF ANNUAL VARIABLE REMUNERATION

Annual bonus for the Executive Directors as a percentage of the aggregate annual bonus pool for all staff (including fund managers) has decreased again this year, at 4.3% for the financial year ended 31 March 2023 (2022: 6.6%), with 2.7% allocated to John Ions and 1.6% to Vinay Abrol.

2.1 Percentage change in Directors' remuneration

The percentage change in all Directors' pay (defined for these purposes as salary, fees for non-Executives, taxable benefits, annual bonus and DBVAP awards in respect of the relevant year) between the year ended 31 March 2023 and the prior year and the same information, on an averaged basis, for all staff (excluding the Chief Executive and Directors) is shown in the table below:

	Directors percentage change year ended 31 March 2023	Directors percentage change year ended 31 March 2022	All staff year ended 31 March 2023[1]	All staff year ended 31 March 2022
Salary	67%[2]	2%	11%	12%
Benefits[3]	55%	0%	14%	7%
Bonus	-77%	0%	-38%	103%

[1]Based on a consistent population of the workforce who received a full year's remuneration in each year

[2]Increase due to the implementation of the 2022 DRP and realignment of Non-executive Director fees in the period (see 4.1)

[3]Benefits comprise private medical insurance, pension contributions and other sundry benefits.

2.2 Chief Executive pay ratio

The table below shows the ratio of Chief Executive's pay to Lower quartile, median and upper quartile for the workforce:

	Ratio for year ended 31 March 2023	Ratio for year ended 31 March 2022	Ratio for year ended 31 March 2021	Ratio for year ended 31 March 2020
Lower quartile ratio	21x	69x	84x	78x
Median ratio	13x	39x	45x	43x
Upper quartile ratio	7x	16x	22x	18x

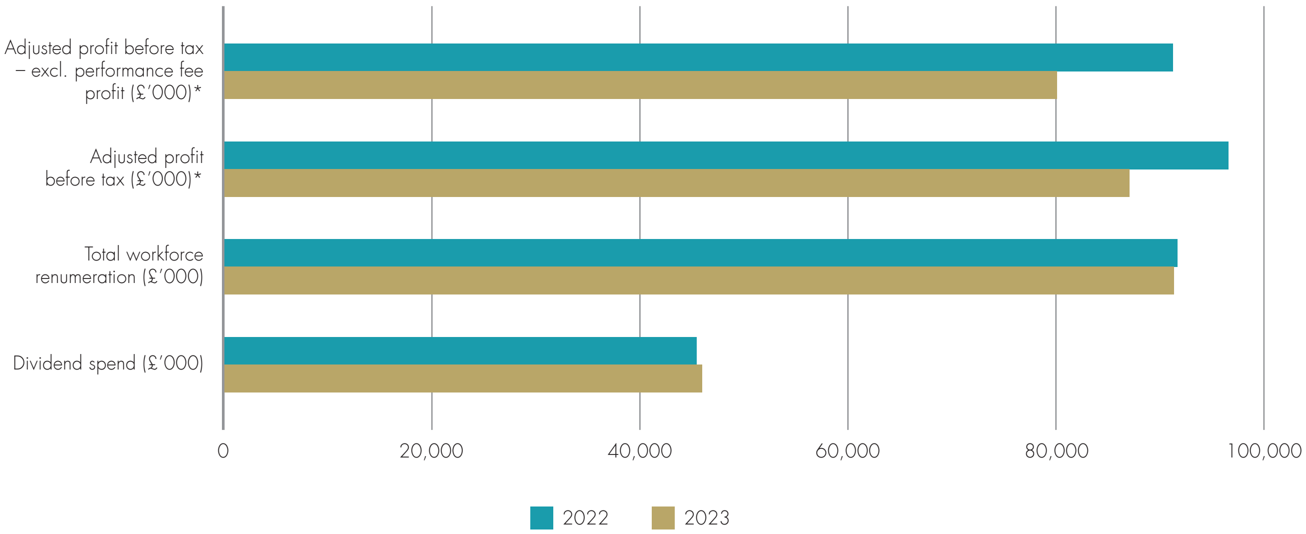
Based on full time equivalent staff

The Group uses 'Option A' to calculate the Chief Executive pay ratio. This method uses the individual pay and benefits of all UK staff, and is therefore consistent and comparable with the approach that must be used for the CEO single figure. It allows a like-for-like comparison to take place between the pay data of the CEO and workforce at the lower, median and upper quartiles. For the purpose of this disclosure, the Company has chosen 31 March 2022 as the reference date on which the pay for all staff was calculated, consistent with our approach in prior years.

	Lower quartile £'000	Median £'000	Upper quartile £'000
CEO single figure	–	3,034	–
Workforce single figure	93	145	268
Workforce salary component	64	100	140

2.3 Relative importance of spend on pay

The following chart shows the Group's Adjusted Profit before tax (excluding and including performance fee profits), total workforce remuneration and dividends declared on Ordinary shares for the financial year ended 31 March 2023 and 31 March 2022.



*These are alternative performance measures ('APM'). Note 7 on page 160.

2.4 Wider workforce remuneration and engagement

The Committee is closely involved in considering the remuneration policies and levels of the wider Liontrust workforce. The Committee's work involves debate, discussion and ultimate approval of the Group-wide annual bonus/variable allocation and long-term incentives; as well as the salary/fixed allocation increases for all staff, with consideration given to the amounts and proportions of total remuneration allocated to different areas of the business. Part of this discussion requires an assessment of the financial performance of the business, including Adjusted Profit before tax, net flows and fund performance, all of which are also key metrics under the bonus/variable allocation scorecard for Executive Directors.

One of the recurring exercises undertaken by the Committee on an annual basis is a review of external compensation benchmarking data, giving an overview of fixed and total remuneration levels for all staff relative to the wider market. This data allows the Committee to challenge remuneration decisions at a more granular level and make proposals to the Executive Directors in respect of an upcoming remuneration review round. The Committee approves all compensation for Code Staff, including for fund managers. Whilst this process is a regulatory driven requirement, it involves a detailed and robust discussion. The Committee is also provided with data illustrating the mean and median annual bonus levels and salary increase percentage split by gender for the current and previous financial year, in order that it can also analyse the outcomes from a gender pay perspective.

During the financial year ended 31 March 2021, Liontrust established a workforce advisory group, whose Chair meets with the Committee Chair to discuss remuneration related matters. The group has been reconstituted as the Workforce Advisory Forum (WAF) in 2023. This engagement is Liontrust's method for ensuring a formal dialogue exists between the workforce and the Committee. The group has been renamed the Workforce Advisory Forum and reconstituted in the year to 31 March 2023. It provides the opportunity for all staff to engage with the Committee via the WAF on any relevant workforce remuneration matters.

Collectively this work helps demonstrate the Committee's considerations in appropriately balancing the remuneration outcomes for the wider employee and member population with its decisions regarding Executive Director Remuneration.

One of the recurring exercises undertaken by the Committee on an annual basis is a review of external compensation benchmarking data, giving an overview of fixed and total remuneration levels for all staff relative to the wider market. This data allows the Committee to challenge remuneration decisions at a more granular level and make proposals to the Executive Directors in respect of an upcoming remuneration review round. The Committee approves all compensation for Code Staff, including for fund managers. Whilst this process is a regulatory driven requirement, it involves a detailed and robust discussion. The Committee is also provided with data illustrating the mean and median annual bonus levels and salary increase percentage split by gender for the current and previous financial year, in order that it can also analyse the outcomes from a gender pay perspective.

3. DEFERRAL OF VARIABLE REMUNERATION

The significant deferral of variable remuneration (deferral of bonus and LTIP awards) is an important component of the Company's remuneration policy, and I am pleased to be able to confirm that John Ions and Vinay Abrol are deferring at least 79% of their variable remuneration:

Director	Type of variable remuneration	Value (£'000)	% deferred
John Ions	Cash bonus	310	n/a
	DBVAP	310	15%
	LTIP award FY2023[1]	1,439	70%
	Total	**2,059**	**85%**
Vinay Abrol	Cash bonus	184	n/a
	DBVAP	184	13%
	LTIP award FY2023[1]	1,056	74%
	Total	**1,424**	**87%**

[1]Awarded 23 June 2022

3.1 Vested LTIP Awards

Background

The LTIPs for the financial year ended 31 March 2020, which were granted on 12 August 2019, and vested on 12 August 2022, to John Ions and Vinay Abrol over 114,206 and 75,259 Ordinary shares respectively. 66,608 shares for John Ions and 43,894 shares for Vinay Abrol vested (58.3%), with 66,605 and 43,891 Ordinary shares released on 12 August 2022.

Performance measures and vesting

Condition	Test	Result	% vesting
TSR Performance (40%) Absolute TSR performance (% growth per annum): Below 10% per annum then nil vests, at 10% per annum growth 10% vests and at 15% per annum and above 100% vests. Straight line vesting between 10% per annum and 15% per annum growth	Start of the performance period: 12 August 2019, Starting share price: 780.73p, End of the performance period: 12 August 2022.	Three-month average share price to end of performance period is 947.6p, meaning an annualised TSR over the period of 10.9% versus a Target of 15% so 27% vests	5.7%
Relative TSR performance (% growth per annum): Below 10% per annum then nil vests, at 10% per annum growth 20% vests and at 15% per annum and above 100% vests. Straight line vesting between 10% per annum and 15% per annum growth	Start of the performance period: 12 August 2019, with starting FTSE all share total return index value is 7494.08 which is the 30-day average to the day before grant date and staring share price is 780.73p, End of the performance period: 12 August 2022.	30-day FTSE all share total return index value is 8131.62 and three-month average share price is 939.22p both to end of performance period , meaning an annualised TSR over the period of 7.83% versus a Target of 15% so 0% vests	0%
EPS Performance (30%) EPS growth per annum: Below 10% per annum then nil vests, at 10% per annum growth 10% vests and at 15% per annum and above 100% vests. Straight line vesting between 10% per annum and 15% per annum growth	Starting EPS (Diluted Adjusted EPS excluding performance fees): 46.87p for the financial year ending 31 March 2019	Adjusted diluted EPS excluding performance fees for the financial year ended 31 March 2022 was 120.7p, which is an annualised return of 37% versus a Target of 15% so 100% vests.	30%
Strategic Objectives Performance (30% or 7.5% each) Net inflows compared to target: Below 75% of target nil vests, at 75% of target 10% vests and at 125% of target and above 100% vests. Straight line vesting between 75% of target and 125% per annum growth.	Starting year for net inflows: Year ending 31 March 2019. Ending year for net inflows: Year ending 31 March 2022.	Target net inflows of £7,136 million, actual net inflows of £8,681 million, so 122% versus a Target of 125% so 94% vests.	14.1%
Investment performance: Below 50% of funds in 1st or 2nd quartile nil vests, at 50% of funds 10% vests and at 75% of funds and above 100% vests. Straight line vesting between 50% of funds and 75% of funds	Starting year for investment performance: Year ending 31 March 2020. Ending year for investment performance: Year ending 31 March 2022	FY20, 83% of relevant AuMA in 1st or 2nd quartile; FY21, 51% of relevant AuMA in 1st or 2nd quartile; FY22 20% of relevant AUM in 1st or 2nd quartile. Average over the period is 51% versus a Target of 75% so 15% vests.	1.2%
1. Developing existing staff and recruiting new talent (25% of 7.5%). 2. Providing the products and services that clients require (25% of 7.5%). 3. Broadening the client base in the UK and internationally (25% of 7.5%). 4. Maintaining an appropriate risk controls and compliance environment (25% of 7.5%).	1. Limit senior staff losses and strengthen the management team. 2. Broaden the product range. 3. Expand out multi-asset and international franchise. 4. Strong risk controls and create a positive compliance environment.	1. Over the period there have been very few senior staff losses and some good hires (e.g. Head of Institutional Business, Head of Product Development, Head of Portfolio & Data Insights, Chief Technology Officer). 2. Acquired the Global Equity team as part of Neptune acquisition; Architas acquisition bolstered multi-asset range and AUMA to over £6bn. 3. Over the period Multi-Asset AuMA grew from £844m to £6,660m (inc-Architas), international AUMA increased from £1,649m to £2,412m with the Majedie acquisition (nearly 4x). Overall 90%. 4. Vinay and John have maintained appropriate risk controls, carefully considering management decisions in light of risk considerations, and spending time on a very regular basis with the Heads of Risk and Compliance, and with Internal Audit. 98% vests	7.3%
			58.3%

Retention requirements

On vesting, 58.3% of the LTIP awards vested. The exercise price for the LTIP awards was nil pence and the exercised shares are subject to a two year holding period.

Year ended 31 March 2023

	LTIP awards that vested	Value on grant	Gain result from share price appreciation and dividend equivalent payments on vested LTIP awards over the vesting period	Value on vesting
John Ions	66,605	£507,530	£192,888	£700,418
Vinay Abrol	43,891	£334,457	£127,121	£461,578

Year ended 31 March 2022

	LTIP awards that vested	Value on grant	Gain result from share price appreciation and dividend equivalent payments on vested LTIP awards over the vesting period	Value on vesting
John Ions	146,397	£863,113	£1,974,559	£2,837,672
Vinay Abrol	96,473	£568,776	£1,301,222	£1,869,998

Option exercise details (audited information)

For John Ions and Vinay Abrol, LTIP awards were exercised on 30 August 2022. The market value of:

- John Ions share options on the date of exercise were £618,671 (66,605 share options at 928.9p per share); and
- Vinay Abrol share options on the date of exercise were £407,688 (43,891 share options at 928.9p per share).

3.2 LTIP Awards for the financial year ending 31 March 2023 (audited information)

The Company's shareholders approved the LTIP, under which awards were granted during the financial year, on 16 February 2022 and the LTIP was adopted by the Board on 24 March 2022. The rules of the LTIP state that awards may be granted to participants within the 42-day period following the date of publication of the annual results of the Company, approval of the LTIP by shareholders, or such other period as may be determined by the Committee in exceptional circumstances.

LTIP awards for the financial year ending 31 March 2023

	Percentage LTIP award of base remuneration	LTIP awards granted	Value on grant	Date of grant	Vesting date (subject to performance conditions being met)
John Ions	262%	153,130	£1,439,422	23 June 2022	23 June 2025
Vinay Abrol	251%	112,295	£1,055,573	23 June 2022	23 June 2025

These LTIP awards are subject to continued employment and achievement of a range of balanced and holistic performance conditions that are linked closely to the Company's business strategy/KPIs. The performance criteria for these LTIP awards are:

- Diluted adjusted earnings (excluding performance fees) per share (60%)

  Starting EPS (Diluted Adjusted EPS excluding performance fees): 120.68p for the financial year ending 31 March 2022. End of the performance period is 31 March 2025.

  Performance will be assessed against the following targets:

EPS	Vesting (% of maximum)
Entry level performance: 8.5%	10%
Target performance: 11%	50%
Stretch performance: 16.75%	100%

There will be straight line vesting between targets.

- Relative TSR growth versus FTSE250 ex-IT (40%)

  Performance will be assessed against the FTSE250 index. Performance will be assessed against the following targets:

Relative TSR growth p.a. versus FTSE250	Vesting (% of maximum)
Entry level performance: median performance	10%
Stretch performance: upper quintile performance	100%

There will be straight line vesting between targets.

4. PROPOSED REMUNERATION FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024

Remuneration for the year ended 31 March 2024 has been set in accordance with the current DRP approved by shareholders at the February General Meeting in 2022.

4.1 Annual fixed remuneration

The Committee has set the salary of the Executive Directors at £583,600 for John Ions and £445,600 for the Vinay Abrol, in accordance with the current DRP. The salary increases place John Ions at or below the median of the FTSE 250 peer group and below upper quartile of the peer group for the Vinay Abrol. The annual increase is 6% which is substantially less than the annual increase for the workforce of 11%. Any salary increases in future years will be no more than the average for the wider workforce for that year.

The Board itself determines the fees of the Non-executive Directors of the Company, each of whom abstains in respect of matters relating to their own position. As part of the implementation of the new DRP the Board has increased the fees for the Non-executive Directors to more closely align with the median fee structure of other FTSE 250 financial services companies.

In accordance with the latest DRP, the Non-executive Chair fee is £210,000 and the base Non-executive Director fee is £65,000 plus fees for other roles as noted below. The Non-executive Chair's aggregate fee is capped at £210,000 and hence the Chair waives any other fees for other roles and committees that would otherwise be payable. Non-executive directors aggregate fees are capped at £150,000.

Role	Fee
Senior independent director	£12,000
Audit & Risk Committee chair / member	£20,000 / £9,000
Nomination Committee chair / member	£15,000 / £5,000
Remuneration Committee chair / member	£20,000 / £9,000
Other committees	£9,000
Engagement roles	£5,000

Non-executive Directors will be encouraged to use a percentage of their annual fee to purchase and hold shares in Liontrust.

4.2 Annual bonus

Annual bonus for the financial year ending 31 March 2024 will be determined using the current DRP. In summary, this will comprise a balanced scorecard of financial and non-financial measures including ESG, with assigned weightings; and introduction of a minimum weighting of financial measures where financial measures will account for at least 50%. 50% will be deferred into shares with pro-rata vesting over three years (vesting 1/3 each year) unless the Executive's shareholding is greater than 10 times base salary, in which case the Executive can elect to defer into funds.

4.3 LTIP awards

LTIP awards for the financial year ending 31 March 2024 will be determined using the current DRP with 153,130 nil price options for the John Ions and 112,295 nil price options for Vinay Abrol. The performance period will be from 1 April 2023 to 31 March 2026 with performance conditions as noted below; and subject to a two year post-vest holding period:

- Diluted adjusted earnings (excluding performance fees) per share (60%)

  Starting EPS (Diluted Adjusted EPS excluding performance fees): 101.39p for the financial year ending 31 March 2023. End of the performance period is the financial year ending 31 March 2026.

  Performance will be assessed against the following targets:

EPS growth p.a.	Vesting (% of maximum)
Entry level performance: 8.5%	10%
Target performance: 11%	50%
Stretch performance: 16.75%	100%

There will be straight line vesting between performance level thresholds. NIL vesting for performance below entry level.

- Relative TSR growth versus FTSE250 ex-IT (40%)

  Performance will be assessed against the FTSE250 index. Performance will be assessed against the following targets:

Relative TSR growth versus FTSE250	Vesting (% of maximum)
Entry level performance: median performance	10%
Stretch performance: upper quintile performance	100%

There will be straight line vesting between entry level and stretch performance. NIL vesting for performance below entry level.

4.4 Cap on total remuneration

The Business, Energy and Industrial Strategy Committee report on Executive Pay, released in March 2020, suggested an overall cap on total remuneration for executives in any year. Whilst not a requirement to include it currently, I can confirm that the Committee considered introducing a cap on total remuneration, and decided against currently doing so. However, the Committee intends to re-consider the appropriateness of implementing a total remuneration cap for a business of our size, and will update shareholders in due course on the results of its further consideration.

5. RETURNS TO SHAREHOLDERS AND EXECUTIVE REMUNERATION

5.1 Pay versus performance

Share price performance

The graph below illustrates the performance of the Group, based on share price returns, compared to FTSE All-Share and FTSE 250 indices, from 1 April 2012. These indices have been chosen to put the Group's performance into the context of the overall UK stock market, and in the context of more similar sized operating companies.

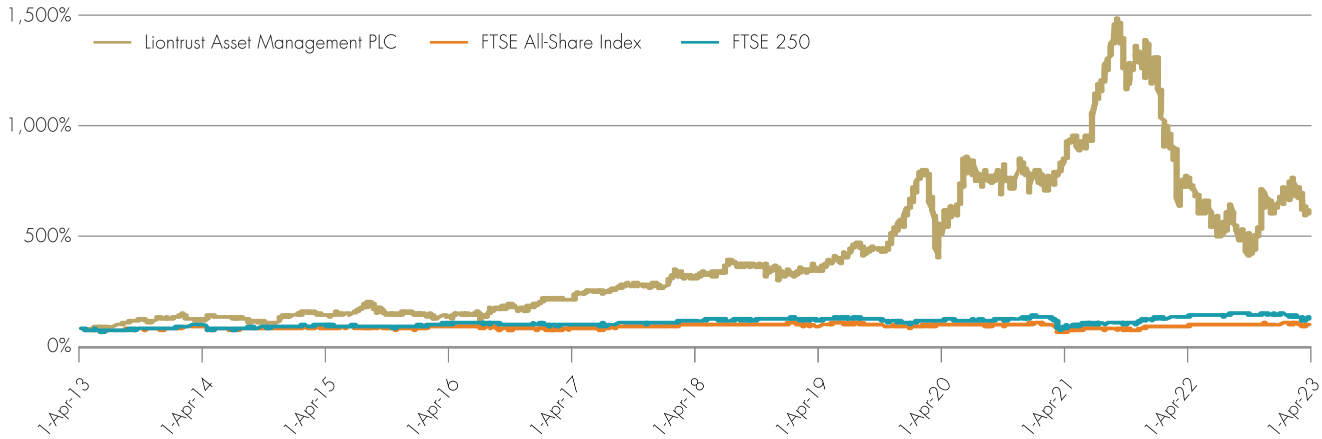


Table of historic levels of Chief Executive remuneration

The table below shows the percentage change in the Chief Executive's remuneration package over the past ten years:

Year ended 31 Mar	Name	Single figure of total remuneration (£'000)	Long term incentive vesting rates (as % maximum opportunity)
2023	John Ions	1,933	58%
2022	John Ions	6,014	99%
2021	John Ions	6,648	100%
2020	John Ions	4,555	100%
2019	John Ions	4,419	100%
2018	John Ions	2,191	Nil
2017	John Ions	1,751	Nil
2016	John Ions	1,572	Nil
2015	John Ions	1,544	Nil
2014	John Ions	2,271	100%

6. DIRECTORS' SHAREHOLDINGS

6.1 Shareholding requirement (audited information) and Fund holding information

A key component of the Company's remuneration policy is a shareholding requirement of 4 times salary for Executive Directors. As at 31 March 2023 the Executive Directors and their closely associated persons held:

Executive Directors	Ordinary shares held	Vested but unexercised options	Value at 31 Mar 2023 (£'000)	Multiple of salary
John Ions	848,615	29,279	8,813	15x
Vinay Abrol	947,292	19,294	9,774	22x

The value of the vested but unexercised options is after income tax and national insurance using basic salaries as at 1 April 2023.

6.2 Directors' Shareholdings (audited information)

The interests of the Directors and their closely associated persons in the share capital of the Company at 31 March 2023 were as follows:

	Ordinary shares	Unvested Ordinary shares	Total Ordinary shares	Vested but unexercised options	Options subject to perf. conditions	Total options over Ordinary shares
Executive Directors						
John Ions	847,811	804	848,615	29,279	268,238	297,517
Vinay Abrol	946,488	804	947,292	19,294	188,148	207,442
Non-executive Directors						
Alastair Barbour	34,175	–	34,175	–	–	–
Mandy Donald	1,579	–	1,579	–	–	–
Rebecca Shelley	1,544	–	1,544	–	–	–
George Yeandle	20,000	–	20,000	–	–	–

There were the following changes to the Directors' interests between 1 April 2023 and 20 June 2023:

Other than the above, there were no other changes.

SIP Shares (audited information)

		Awards held start of year				Awards held at the end of the year	
Director	Tax year	Number of shares as at 1 Apr 2022	Face value	Grant/Vesting date	Number of shares granted/ (vested)	Number of shares as at 31 Mar 2023	Earliest vesting date
John Ions	2019/20	546	£3,600	30-Apr-22	(546)	–	30-Apr-22
	2020/21	336	£3,600			336	27-Apr-23
	2021/22	468	£3,600			468	04-May-24
	2022/23	–	£3,600	27-Apr-22	468	468	27-Apr-25
Vinay Abrol	2019/20	546	£3,600	30-Apr-22	-546	–	30-Apr-22
	2020/21	336	£3,600			336	27-Apr-23
	2021/22	468	£3,600			468	04-May-24
	2022/23	–	£3,600	27-Apr-22	468	468	27-Apr-25

The vesting of SIP shares awarded are subject to continuous performance and claw back conditions. Vested shares may remain in the SIP after vesting.

6.3 Post-employment shareholding requirements

With effect from 1 April 2020, the Executive Directors will be required to maintain their shareholding in the Company at a level equal to the lower of the shareholding requirement immediately prior to departure or the actual shareholding on departure for at least two years.

7. OTHER DISCLOSURES AND HISTORICAL INFORMATION

7.1 Remuneration Committee composition and attendance

During the year, the Committee comprised entirely independent Non-executive Directors:

- George Yeandle (Chair)
- Mandy Donald (appointed 1 January 2023)
- Alastair Barbour
- Quintin Price (resigned 23 March 2023)
- Rebecca Shelley
- Emma Howard-Boyd (resigned on 23 March 2023)

The attendance record of members of the Committee during the year is shown in the table on page 88.

Activities during the year

In the financial year to 31 March 2023, the Committee met seven times and discussed, amongst other things, the subjects described below:

- approval of the 2022 Remuneration Report;
- review and approval of the bonuses for the Executive Directors for the financial year ended 31 March 2022;
- review and approval of the bonuses for the workforce (excluding the Executive Directors) for the financial year ended 31 March 2022;
- approval of salary changes for the senior members of the fund management teams;
- approval of allocations under the Liontrust Company Share Option Plan ("CSOP") in June 2022;
- approval granting of DBVAP awards for the financial year ended 31 March 2022;
- review and approval of the Bonus Methodology, deferral methodology and Metrics for the financial year ending 31 March 2023;
- approval of LTIP allocation for the financial year ending 31 March 2023 for the Executive Directors and key executives;
- reviewing regular reports from HR and Compliance;
- approval of the vesting of the 2020 LTIPs granted in August 2019;
- review of proxy voting agency and shareholder comments and feedback on the new DRP;
- review of bonus/remuneration capping and bonus performance metrics for the year ended 31 March 2023;
- review of the bonus methodology, related Executive Director remuneration and market practices on Executive Director remuneration;
- approval of Director, workforce appraisal process for the financial year ended 31 March 2023; and
- review and approval of relevant Group policies, in particular the enhanced Maternity and Paternity policies.
- Approved the development of a Group SAYE scheme, subject to shareholder approval, to be launched in the year ended 31 March 2024.

7.2 Service Contracts

The Director service contracts (Director appointment letter and limited liability partnership ("LLP") Deed of Adherence) are as follows:

Director	Type of contract	Date of contract	Notice period
Executive Directors			
John Ions	Director Letter of appointment	23-Jan-14	6 months
	LLP membership deed of adherence	08-Jul-10	6 months
Vinay Abrol	Director Letter of appointment	23-Jan-14	12 months
	LLP membership deed of adherence	08-Jul-10	12 months
Non-executive Directors			
Alastair Barbour[1]	Director Letter of appointment	19-Nov-19	3 months
Mandy Donald[2]	Director Letter of appointment	18-Jul-19	3 months
Rebecca Shelley	Director Letter of appointment	01-Nov-21	3 months
George Yeandle	Director Letter of appointment	16-Dec-14	3 months

[1]Alastair joined the Board in April 2011 and was appointed Non-executive Chair in September 2019.
[2]Mandy joined the Board in October 2019.

7.3 Compensation for loss of office (audited information)

No payments for loss of office were made during the financial year ended 31 March 2023 (2022: Nil).

7.4 Payments to former Directors (audited information)

There have been no payments to former Directors and no payment for loss of office.

7.5 Dilution and employee benefit trust

Our policy regarding dilution from employee share awards and member incentivisation has been, and will continue to be, to ensure that dilution will be no more than 10% in any rolling ten-year period.

The Committee intends to utilise the Company's existing discretionary employee benefit trust (the "Employee Trust") to reduce and manage dilution.

The Employee Trust will have full discretion about the application of the trust fund (subject to recommendations from the Committee). The Company will be able to fund the Employee Trust to acquire shares in the market and/or to subscribe for shares at nominal value in order to satisfy option awards granted under the LTIP and Liontrust CSOP. Any shares issued to the Employee Trust in order to satisfy awards will be treated as counting towards the dilution limit. For the avoidance of doubt, any shares acquired by the Employee Trust in the market will not count towards these limits. Share awards under the SIP and Liontrust Company Share Option Plan CSOP are satisfied by market purchased shares, so have no dilutive effect.

7.6 Shareholder voting outcomes for 2022 Directors' Remuneration Report

The table below shows the advisory vote on the 2022 Directors' Remuneration Report at the Annual General Meeting held on 22 September 2022:

	Votes for	%	Votes against	%	Votes withheld
2022 Annual report on remuneration	23,389,659	53.54%	20,294,895	46.46%	661,795

7.7 Shareholder voting outcomes for 2022 Directors' Remuneration Policy

The table below shows the advisory vote on the 2022 Directors' Remuneration Report (DRP) at the Annual General Meeting held on 16 February 2022:

	Votes for	%	Votes against	%	Votes withheld
Directors' remuneration policy	24,896,831	54.06	21,155,267	45.94	520,989

The DRP, as approved by shareholders at our February 2022 General Meeting, remains appropriate and no changes are proposed this year.

7.8 Advisers

The Committee invites individuals to attend meetings as it deems beneficial to assist it in reviewing matters for consideration. During the year, these individuals included the Chair of the Company, the Chief Executive, the Chief Financial Officer & Chief Operating Officer and the Group Company Secretary.

In the performance of its duties, the Committee can seek assistance from external advisers. At the January 2021 meeting of the Committee the approved the appointment of PricewaterhouseCoopers LLP to conduct a review of Executive Director remuneration.

7.9 Compliance with the FCA Remuneration Code and the UK Corporate Governance Code

During the reporting period, Liontrust was subject to the FCA's BIPRU, UCITs and AIFM remuneration codes and the Committee ensured these were appropriately reflected in the Remuneration Policy and adhered to on an ongoing basis. As of 1st April 2022, Liontrust was no longer be subject to BIPRU remuneration requirements and instead covered by MIFIDPRU following implementation of the FCA's Investment Firms Prudential Regime (IFPR). The Company has followed the requirements of the UK Corporate Governance Code.

7.10 Historical Information

LTIP Awards (audited information)

Directors	Financial year ended 31-Mar	Face value	Share price used to determine the award	Number of options held at 1 Apr 2022	Options forfeit	Options granted or exercised	Number of options held at 31 March 2023	Exercise Price	Date of grant	End of performance period
John Ions	2018 (in respect of 2018/19/20)	£828,750	450.2p	36,814		(36,814)	–	Nil	22-Jun17	22-Jun20
	2019 (in respect of 2019/20/21)	£870,250	589.6p	58,558		(29,279)	29,279	Nil	26-Jun-18	26-Jun-21
	2020 (in respect of 2020/21/22)	£870,250	762.0p	114,206	(47,601)	(66,605)	–	Nil	12-Aug-19	12-Aug-22
	2021 (in respect of 2021/22/23)	£870,250	1410.0p	61,719		–	61,719	Nil	8-Jul-20	8-Jul-23
	2022 (in respect of 2022/23/24)	£870,250	1630.0p	53,389		–	53,389	Nil	23-Jun-21	23-Jun-24
	2023 (in respect of 2023/24/25)	£1,439,000	940.0p	–		153,130	153,130	Nil	23-Jun-22	23-Jun-25
Vinay Abrol	2018 (in respect of 2018/19/20)	£546,175	450.2p	24,262		(24,262)	–	Nil	22-Jun17	22-Jun20
	2019 (in respect of 2019/20/21)	£573,475	589.6p	38,588		(19,294)	19,294	Nil	26-Jun-18	26-Jun-21
	2020 (in respect of 2019/20/21)	£573,475	762.0p	75,259	(31,368)	(43,891)	–	Nil	12-Aug-19	12-Aug-22
	2021 (in respect of 2021/21/23)	£573,475	1410.0p	40,671		–	40,671	Nil	8-Jul-20	8-Jul-23
	2022 (in respect of 2022/23/24)	£573,475	1630.0p	35,182		–	35,182	Nil	23-Jun-21	23-Jun-24
	2023 (in respect of 2023/24/25)	£1,056,000	940.0p	–		112,295	112,295	Nil	23-Jun-22	23-Jun-25

The share price used to determine the award is the 30 day average closing share price prior to the Committee meeting that approved the granting of the awards. Claw back and malus provisions apply, see DRP elements of reward table for further details.

LTIP Performance Conditions (audited information)

Financial year ended 31 March 2021 (in respect of 2021/22/23) granted 8 July 2020:

Absolute Shareholder Return target (20%)

Performance condition: TSR performance (% growth per annum): Below 10% per annum then nil vests, at 10% per annum growth 10% vests and at 15% per annum and above 100% vests. Straight line vesting between 10% per annum and 15% per annum growth.

Required outcome: Start of the performance period: on 8 July 2020, with the starting share price being 1,356.33p, which is the 30-day average to the day before the date of grant. The end of the performance period: 8 July 2023.

Relative Shareholder Return target (20%)

Performance condition: Relative performance vs the FTSE All-Share Index Total Return (% growth per annum in excess of the index return): Below 10% per annum then nil vests, at 10% per annum growth 10% vests and at 15% per annum and above 100% vests. Straight line vesting between 10% per annum and 15% per annum growth.

Required outcome: Using the same starting price as above, performance will be assessed against FTSE All Share Total Return Index (starting index value 6,531.22. which is the 30-day average to the day before the date of grant). The end of the performance period: 8 July 2023.

EPS target (30%)

Performance condition: EPS growth per annum: Below 10% per annum then nil vests, at 10% per annum growth 10% vests and at 15% per annum and above 100% vests. Straight line vesting between 10% per annum and 15% per annum growth.

Required outcome: Starting EPS (Diluted Adjusted EPS excluding performance fees): 56.21p for the financial year ending 31 March 2020. End of the performance period is 31 March 2023.

Strategic targets (30%)

Performance condition 1 (15%): Net inflows compared to target (25% of Strategic targets portion): Below 75% of target nil vests, at 75% of target 20% vests and at 125% of target and above 100% vests. Straight line vesting between 75% of target and 125% per annum growth.

Required outcome: Starting year for net inflows: Year ending 31 March 2021. Ending year for net inflows: Year ending 31 March 2023. Actual target for net inflows are commercially sensitive and will disclosed after initial vesting in the 2023 Annual Report on Remuneration.

Performance condition 2 (7.5%): Investment performance (25% of Strategic targets portion): Below 50% of funds in 1st or 2nd quartile nil vests, at 50% of funds 10% vests and at 75% of funds and above 100% vests. Straight line vesting between 50% of funds and 75% of funds.

Required outcome: Starting year for investment performance: Year ending 31 March 2021. Ending year for investment performance: Year ending 31 March 2022.

Performance condition 3 (7.5%): Other strategic targets.

Financial year ended 31 March 2022 (in respect of 2022/23/24) granted 23 June 2021:

Absolute Shareholder Return target (20%)

Performance condition: TSR performance (% growth per annum): Below 10% per annum then nil vests, at 10% per annum growth 10% vests and at 15% per annum and above 100% vests. Straight line vesting between 10% per annum and 15% per annum growth.

Required outcome: Start of the performance period: on 23 June 2021, with the starting share price being 1559.53p, which is the 30-day average to the day before the date of grant. The end of the performance period: 23 June 2024.

Relative Shareholder Return target (20%)

Performance condition: Relative performance vs the FTSE All-Share Index Total Return (% growth per annum in excess of the index return): Below 10% per annum then nil vests, at 10% per annum growth 10% vests and at 15% per annum and above 100% vests. Straight line vesting between 10% per annum and 15% per annum growth.

Required outcome: Using the same starting price as above, performance will be assessed against FTSE All Share Total Return Index (starting index value 7,862.94 which is the 30-day average to the day before the date of grant). The end of the performance period: 23 June 2024.

EPS target (30%)

Performance condition: EPS growth per annum: Below 10% per annum then nil vests, at 10% per annum growth 10% vests and at 15% per annum and above 100% vests. Straight line vesting between 10% per annum and 15% per annum growth. Required outcome: Starting EPS (Diluted Adjusted EPS excluding performance fees): 79.67p for the financial year ending 31 March 2021. End of the performance period is 31 March 2024.

Strategic targets (30%)

Performance condition 1 (15%): Net inflows compared to target (25% of Strategic targets portion): Below 75% of target nil vests, at 75% of target 20% vests and at 125% of target and above 100% vests. Straight line vesting between 75% of target and 125% per annum growth.

Required outcome: Starting year for net inflows: Year ending 31 March 2022. Ending year for net inflows: Year ending 31 March 2023.

Performance condition 2 (7.5%): Investment performance (25% of Strategic targets portion): Below 50% of funds in 1st or 2nd quartile nil vests, at 50% of funds 10% vests and at 75% of funds and above 100% vests. Straight line vesting between 50% of funds and 75% of funds.

Required outcome: Starting year for investment performance: Year ending 31 March 2022. Ending year for investment performance: Year ending 31 March 2023.

Performance condition 3 (7.5%): Other strategic targets.

Required outcome: Actual target for other strategic objectives are commercially sensitive and will disclosed after initial vesting in the 2024 Annual Report on Remuneration. However, include objectives in relation to personal performance, talent development, product, risk management, compliance and promoting a compliant culture; and improving gender diversity in the business.

Details of the awards granted on 23 June 2022 for the financial year ended 31 March 2023 are on page 133.

DBVAP Awards (audited information)

Directors	Financial year ended 31-Mar	Basis of award % of annual bonus	Face value	Issue date	Exercise dates
John Ions	2020 (in respect of 2019)	61%	£870,000	27 June 2019	27 June 2020/21/22
	2021 (in respect of 2020)	80%	£1,392,000	8 July 2020	8 July 2021/22/23
	2022 (in respect of 2021)	69%	£1,915,000	23 June 2021	23 June 2022/23/24
	2023 (in respect of 2022)	69%	£1,915,000	22 June 2022	22 June 2023/24/25
Vinay Abrol	2020 (in respect of 2019)	50%	£492,000	27 June 2019	27 June 2020/21/22
	2021 (in respect of 2020)	80%	£786,000	8 July 2020	8 July 2021/22/23
	2022 (in respect of 2021)	69%	£1,085,000	23 June 2021	23 June 2022/23/24
	2023 (in respect of 2022)	50%	£786,000	22 June 2022	22 June 2023/24/25

The DBVAP awards nil price options over shares/units in a portfolio of Liontrust Group managed funds. The share/unit price used to determine the number of shares/units which shall be subject to the option grant is calculated using the unit price on the date of grant. The portfolio of funds each year is determined by the Committee. A minimum of 50% of the annual bonus is deferred into the DBVAP scheme with higher levels of deferral at the discretion of the Committee. No further performance conditions apply to DBVAP awards as in determining the original annual bonus, the Committee is satisfied that performance objectives have been met. One third of the awards are exercisable on the exercise dates noted.

8. DIRECTORS' REMUNERATION POLICY

This section of the Remuneration Report provides an overview of the key remuneration elements in place for Executive Directors. After the support received from shareholders at the February 2022 General Meeting at which the revised Directors' Remuneration Policy (the "DRP") was approved, we have not made any changes to our DRP and as such remain bound by the DRP. We have not reproduced the full DRP in this report. The summary below presents our approved Elements of Reward table for Executive Directors' and Non-executive Directors' for reference. A copy of our full DRP as approved by shareholders can be found in the February 2022 Notice of General Meeting, available on our website: www.liontrust.co.uk in the Investor Relations/Governance/Governance Policies section.

8.1 Elements of Reward

The following table summarises each of the elements of Liontrust's total compensation package and the ongoing remuneration policy for the Executive Directors:

	Objective and Link to strategy	Operation
Base salary	To provide a satisfactory base salary within a total package comprising base salary and bonus. The level of base salary reflects the value of the individual, their role, skills and experience. It is also designed to attract and retain talent in the market in which the individual is employed and/or a member.	Salaries are reviewed annually and become effective in April taking account of market levels, corporate performance, individual performance subject to the maximum increase set out on the right. Reference is made to the median level within the FTSE 250 and FTSE 250 FS.
Annual bonus	The annual bonus rewards good performance of the Group and individual Executive Directors and is based on a balanced scorecard of financial and non-financial measures which align with the performance and delivery of annual objectives. Deferral ensures a link to longer term performance and risk management and aligns the interests of Executive Directors with those of shareholders.	Executive Directors are eligible to participate in the annual bonus at the discretion of the Committee. The performance period for the annual bonus will be 1 April - 31 March each year. Performance measures and weightings are determined annually but will include a mix of financial and non-financial measures. Awards may be deferred into Liontrust shares and/or funds. Deferral will be in line with current regulatory landscape, with a minimum 50% deferral, vesting annually over three years (subject to a continuing employment and/or membership requirement). Deferral will automatically be made into Liontrust shares unless the shareholding is greater than 1,000% of base salary in which case, executives can elect to defer into funds. Where required by regulation, the element of the bonus deferred into shares and/or funds may be subject to a retention period after the awards vests. Dividend equivalents may be awarded on deferred shares in respect of dividends paid during the deferral period.

Maximum opportunity	Performance measures and assessment
The Committee will ensure that the percentage of any annual increases in base salary will be no more than the average percentage increase for the wider workforce for that year.	Not applicable.
Chief Executive: Maximum award is 450% of base salary. CFO/COO: Maximum award is 350% of base salary.	Awards are subject to continued employment and a balanced scorecard of measures, with assigned weightings and targets set each year. A mix of financial and non-financial criteria will be used each year and may include financial, strategic, operational and ESG measures. Financial measures will account for at least 50% of the annual bonus. Payout at target performance will be set at 50% of maximum award while payout at entry level performance will be set at 10% of maximum award. Individual risk and compliance behaviour is also considered in detail for relevant roles and factored into the assessment of performance and the determination of the bonus awarded Discretion may be exercised in cases where the Committee believes that the bonus outcome is not a fair and accurate reflection of business performance. The exercise of this discretion may result in a downward or upward adjustment in the amount of the bonus payout resulting from the application of the performance measures. Any adjustments will be disclosed in the relevant annual report. The Committee also retains discretion in exceptional circumstances to change performance measures and targets part-through a financial year if there is a significant and material event which causes the Committee to believe the original measures are no longer appropriate. Any adjustments of or discretion applied by the Committee will be fully disclosed in the following year's Remuneration Report.

	Objective and Link to strategy	Operation
Long Term Incentive Plan ("LTIP")	The annual bonus rewards good performance of the Group and individual Executive Directors and is based on a balanced scorecard of financial and non-financial measures which align with the performance and delivery of annual objectives. Deferral ensures a link to longer term performance and risk management and aligns the interests of Executive Directors with those of shareholders.	Executive Directors are eligible to participate in the annual bonus at the discretion of the Committee. The performance period for the annual bonus will be 1 April – 31 March each year. Performance measures and weightings are determined annually but will include a mix of financial and non-financial measures. Awards may be deferred into Liontrust shares and/or funds. Deferral will be in line with current regulatory landscape, with a minimum 50% deferral, vesting annually over three years (subject to a continuing employment and/or membership requirement). Deferral will automatically be made into Liontrust shares unless the shareholding is greater than 1,000% of base salary in which case, executives can elect to defer into funds. Where required by regulation, element of the bonus deferred into shares and/or funds may be subject to a retention period after the awards vests. Dividend equivalents may be awarded on deferred shares in respect of dividends paid during the deferral period.
Shareholding requirement	The shareholding requirement aligns the interests of Executive Directors with those of shareholders. The post-employment shareholding requirement further aligns the interests of Executive Directors with those of shareholders and encourages the Executive Directors to focus on sustainable long-term performance.	The shareholding requirement is 500% of base salary for all Executive Directors. In addition to personally owned shares, any unvested shares which are not subject to performance conditions (such as shares deferred under the annual bonus) and vested shares subject to a holding period will count towards the shareholding requirement, net of tax. In the case of incoming Executive Directors the shareholding requirement must be met within five years of an Executive Director's appointment. The post-employment shareholding requirement is to continue to hold for a period of two years after cessation the lower of the i) shareholding requirement immediately prior to cessation or ii) actual shareholding on cessation.
Share Incentive Plan ("SIP")	The SIP allows the Executive Directors to purchase Company shares with a matching element, to build up an interest in Company shares and increase alignment of interests with shareholders.	An all-employee HMRC approved share plan that allows the Executive Directors to purchase shares, in a tax efficient manner and subject to limits, which are matched by the Company. In line with the normal operation of a SIP envisaged by HMRC, there are no performance conditions on matching shares.
Benefits	To provide benefits which are appropriately competitive.	Executive Directors are entitled to a range of benefits including: • Private Medical Insurance • Life Insurance; • Disability Assurance; • Travel Insurance; and • access to a Workforce Assistance Programme Where relocation payments or allowances are paid it will be limited to 50% of salary.
Pension	To provide competitive levels of retirement benefit aligned with the wider workforce.	Executive Directors' pension contributions are made at 10% of base salary into the Liontrust Group Pension Plan. Executive Directors have the choice of taking an equivalent cash payment in lieu of pension contributions.

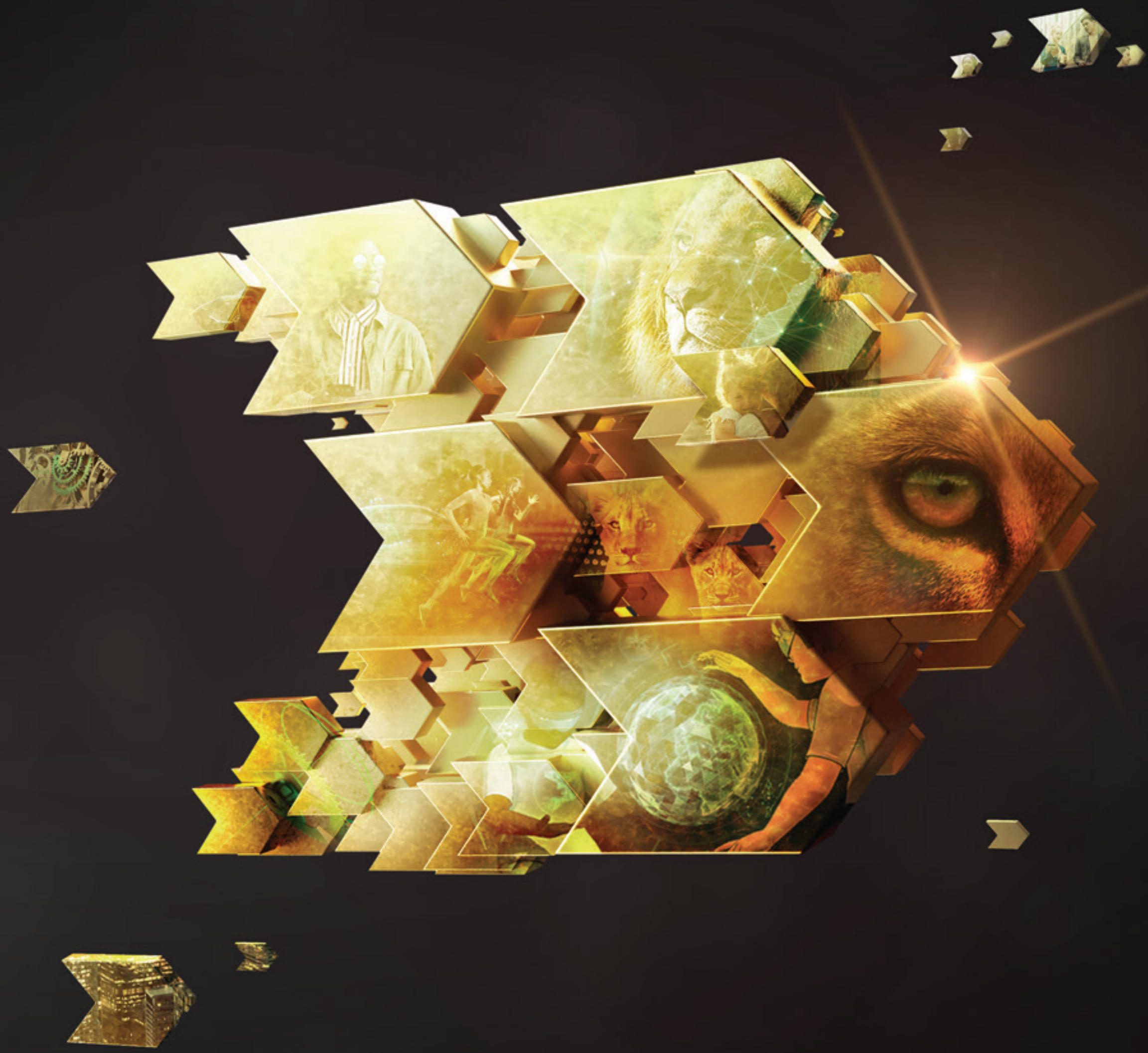
Maximum opportunity	Performance measures and assessment
The maximum number of shares subject to the three annual LTIP awards which may be granted under this Policy is: For the Chief Executive, annual awards of shares equal to 0.25% (a total of 0.75%) of the issued share capital on the date of the adoption of the LTIP. CFO/COO, annual awards of shares equal to 0.18% (a total of 0.55%) of the issued share capital on the date of the adoption of the LTIP.	The vesting of awards is subject to continued employment and achievement of performance conditions linked closely to financial performance and shareholder return as set out below. The current performance measures are: i) relative total shareholder return vs. FTSE 250 (Excluding Investment Trusts) ("TSR") with a 40% weighting; and ii) adjusted earnings per share excluding performance fees ("EPS") with a 60% weighting. Entry level performance payout at 10% of maximum (for relative TSR this will be median). Target payout of 50% of stretch performance applies to EPS measure (for relative TSR will be straight line vesting between entry level and stretch performance, where stretch performance equates to upper quintile performance). In line with the UK Corporate Governance Code the Committee has the discretion to adjust formulaic outcomes on the LTIP to reflect overall corporate performance. Any adjustments of or discretion applied by the Committee will be fully disclosed in the following year's Remuneration Report.
Not applicable.	Not applicable.
Up to a maximum of £1,800 to purchase Partnership Shares which are matched by the Company on a 2 for 1 basis.	Not applicable.
The maximum opportunity for other benefits is defined by the nature of the benefit itself and the cost of providing it. As the cost of providing such insurance benefits varies according to premium rates and the cost of other benefits is dependent on market rates and other factors, there is no formal maximum monetary value.	Not applicable.
The maximum percentage that the Executive Directors can receive as a pension contribution or cash equivalent payment is 10% of base salary.	Not applicable.

8.2 Non-executive Directors

The following table summarises each of the elements of Liontrust's total compensation package and the ongoing remuneration policy for the Non-executive Directors:

	Objective and Link to strategy	Operation	Maximum opportunity	Performance measures and assessment
Fees	To provide a market competitive level of Non-executive Director fees which is sufficient to attract and retain individuals with appropriate knowledge and experience to review and support the implementation of the Group's strategy.	Non-executive Director fees (including the Non-executive Chair) are reviewed annually with changes effective from April. The annual fees comprise the following elements: Base Fee and Additional fees, which may also apply in respect of Senior Independent Director status, committee Chairship and committee membership. The policy is to position Non-executive Director fees at, generally, around what the Executive Directors and Chair of the Board believe is median in the market for a company of similar size and complexity from the FTSE 250 FS. This may also include fees for membership/ Chairship of subcommittees of the Board or other Group committees. The Executive Directors and Chair of the Board are responsible for setting the remuneration of the Non-executive Directors. The Chair of the Board's fee is set by the Committee. Non-executive Directors do not participate in any variable remuneration element.	Non-executive Chair fees are capped at £210,000. Other Non-executive Director fees are capped at £150,000. Fee increases are determined by reference to individual responsibilities, inflation and an appropriate comparator group.	Not applicable.

George Yeandle
Chair of the Remuneration Committee
20 June 2023



FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2023

	Note	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Revenue	4	243,339	245,571
Cost of sales	4	(13,569)	(14,252)
Gross profit		**229,770**	**231,319**
Gain on write back of Majedie acquisition provision		1,848	–
Unrealised gain on financial assets		618	26
Administration expenses	5	**(183,210)**	**(151,916)**
Operating profit	6	49,026	79,429
Interest receivable	8	358	4
Interest payable	16	(83)	(142)
Profit before tax		**49,301**	**79,291**
Taxation	10	(9,973)	(20,088)
Profit for the year		**39,328**	**59,203**
Other comprehensive income:			
Total comprehensive income		**39,328**	**59,203**
		Pence	Pence
Earnings per share			
Basic earnings per share	12	61.45	97.65
Diluted earnings per share	12	61.21	97.61

The notes on pages 146 to 179 form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 March 2023

	Note	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Assets			
Non current assets			
Intangible assets	15	90,629	75,171
Goodwill	14	38,586	27,577
Property, plant and equipment	16	3,378	3,658
Total non current assets		**132,593**	**106,406**
Current assets			
Trade and other receivables	17	241,682	235,496
Financial assets	18	9,921	4,168
Cash and cash equivalents	1i	121,037	120,852
Total current assets		**372,640**	**360,516**
Liabilities			
Non current liabilities			
Deferred tax liability	11	(21,493)	(16,601)
Lease liability	16	(2,168)	(2,775)
Total non current liabilities		**(23,661)**	**(19,376)**
Current liabilities			
Trade and other payables	19	(255,460)	(255,669)
Corporation tax payable		(5,131)	(7,709)
Total current liabilities		**(260,591)**	**(263,378)**
Net current assets		**112,049**	**97,138**
Net assets		**220,981**	**184,168**
Shareholders' equity			
Ordinary shares	20	648	612
Share premium		112,510	64,370
Capital redemption reserve		19	19
Retained earnings		121,341	128,859
Own shares held	22	(13,537)	(9,692)
Total equity		**220,981**	**184,168**

The notes on pages 146 to 179 form an integral part of these consolidated financial statements.

The financial statements on pages 142 to 179 were approved and authorised for issue by the Board of Directors on 20 June 2023 and signed on its behalf by V.K. Abrol, Chief Operating Officer and Chief Financial Officer.

Company Number 2954692

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2023

	Note	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Cash flows from operating activities			
Cash received from operations		236,362	219,544
Cash paid in respect of operations		(174,437)	(112,949)
Net cash generated from changes in unit trust receivables and payables		(1,387)	(508)
Net cash generated from operations		60,538	106,087
Interest received		358	4
Tax paid		(17,479)	(12,500)
Net cash generated from operating activities		**43,417**	**93,591**
Cash flows from investing activities			
Purchase of property and equipment	16	(253)	(507)
Acquisition of Majedie net of cash acquired		13,596	–
Gain on liquidation of Architas		827	–
Purchase of DBVAP Financial Asset		(2,701)	(3,125)
Sale DBVAP Financial Asset		–	1,183
Purchase of Seeding investments		(2,193)	(170)
Sale of Seeding investments		1,990	84
Net cash used in investing activities		**11,266**	**(2,535)**
Cash flows from financing activities			
Payment of lease liabilities		(1,328)	(1,889)
Purchase of own shares		(7,100)	(5,000)
Dividends paid	9	(46,070)	(35,213)
Net cash used in financing activities		**(54,498)**	**(42,102)**
Net increase in cash and cash equivalents*		**185**	**48,954**
Opening cash and cash equivalents*		120,852	71,898
Closing cash and cash equivalents*		**121,037**	**120,852**

*Cash and cash equivalents consist only of cash balances.

The notes on pages 146 to 179 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

	Note	Ordinary shares £ '000	Share premium £ '000	Capital redemption £ '000	Retained earnings £ '000	Own shares held £ '000	Total Equity £ '000
Balance at 1 April 2022 brought forward		612	64,370	19	128,859	(9,692)	184,168
Profit for the year		–	–	–	39,328	–	39,328
Total comprehensive income for the year		–	–	–	39,328	–	39,328
Dividends paid	9	–	–	–	(46,070)	–	(46,070)
Shares issued	20	36	48,140	–	–	–	48,176
Purchase of own shares		–	–	–	–	(7,100)	(7,100)
Sale of own shares		–	–	–	(2,692)	3,255	563
Equity share options issued	23	–	–	–	1,916	–	1,916
Balance at 31 March 2023		648	112,510	19	121,341	(13,537)	220,981

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

	Note	Ordinary shares £ '000	Share premium £ '000	Capital redemption £ '000	Retained earnings £ '000	Own shares held £ '000	Total Equity £ '000
Balance at 1 April 2021 brought forward		610	64,370	19	104,207	(5,818)	163,388
Profit for the year		–	–	–	59,203	–	59,203
Total comprehensive income for the year		–	–	–	59,203	–	59,203
Dividends paid	9	–	–	–	(35,947)	–	(35,947)
Shares issued	20	2	–	–	(2)	–	–
Purchase of own shares		–	–	–	–	(5,000)	(5,000)
Sale of own shares		–	–	–	(1,042)	1,126	84
Equity share options issued	22	–	–	–	2,440	–	2,440
Balance at 31 March 2022		612	64,370	19	128,859	(9,692)	184,168

The notes on pages 146 to 179 form an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with IFRS requires the directors of the Company to make significant estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial information and the reported income and expense during the reporting periods. Although these judgements and assumptions are based on the directors' best knowledge of the amount, events or actions, actual results may differ from these estimates. The accounting policies set out below have been used to prepare the financial information. All accounting policies have been consistently applied.

The financial information has been prepared based on the IFRS standards effective as at 31 March 2023. There have been no significant changes issued to IFRS that would affect the Group and Company during the year.

b) Going concern

The consolidated financial information presented within these financial statements has been prepared on a going concern basis (See 'Basis of financial statements' on page 101) under the historical cost convention (except for the measurement of financial assets at fair value through profit and loss and DBVAP liability which are held at their fair value). The Group is reliant on cash generated by the business to fund its working capital. The Directors have assessed the prospects of the Group and parent company over the forthcoming 12 months, including an assessment of current trading; budgets, plans and forecasts; the adequacy of current financing arrangements; liquidity, cash reserves and regulatory capital; and potential material risks to these forecasts and the Group strategy. This assessment includes a review of the ongoing impact of the global geopolitical tensions; and consideration of a severe but plausible downside scenario in which AuMA falls by 20% with nil net sales. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

c) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group has control of an entity if, and only if it has all of the following:

- power over the entity;
- exposure, or rights to, variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect its returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an entity, including: the purpose and design of an entity, its relevant activities, substantive and protective rights, and voting rights and potential voting rights. There is no fixed minimum percentage at which the Group consolidates, and each exposure is reviewed individually.

Subsidiaries comprise operating and holdings companies, partnerships and those funds where the Group acts as fund manager and which are consolidated as a result of additional exposure to the variable returns of the funds through seed investment. Such seed investments are typically small as a proportion of the aggregate capital of fund and at the date of the report no investee funds are considered subsidiaries and consolidated.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Uniform accounting policies are applied across all Group entities. Inter-company transactions, balances, income and expenses on transactions between Group entities are eliminated on consolidation. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated on consolidation.

d) Significant accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements used in preparing the financial statements are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates may not equal the related actual results. There are no significant judgements. The Directors make a number of estimates, these include leases (note k) and share based payments (note p), neither of which are considered to be significant. In addition, the Directors make estimates to support the carrying value of goodwill and intangibles that arise on acquisition. These estimates are set out below:

Accounting estimates and judgements

(i) Acquisition of Majedie Investment Management Limited

The consideration paid for Majedie is allocated between the intangible assets related to the fund management contracts, segregated client portfolios and goodwill, being the excess of the consideration and the amount recognised for non-controlling interests, over the net identifiable assets acquired and liabilities assumed. The significant estimate is in relation to certain unobservable inputs supporting the carrying value of the intangible assets and goodwill. Details of the key assumptions used are provide in noted 14 and 15.

(ii) Impairment of Goodwill and Intangible assets

Goodwill arising on acquisitions is capitalised in the consolidated balance sheet. Goodwill is carried at cost less provision for impairment. The carrying value of goodwill is not amortised but is tested annually for impairment or more frequently if any indicators of impairment arise. Goodwill is allocated to a cash generating unit (CGU) for the purpose of impairment testing, with the allocation to those CGUs that are expected to benefit from the business combination in which the goodwill arose (see note 14).

The costs of acquiring intangible assets such as fund management contracts are capitalised where it is probable that future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. The assets are held at cost less accumulated amortisation. An assessment is made at each reporting date, on a standalone basis for each intangible asset, as to whether there is any indication that the asset in use may be impaired. If any such indication exists and the carrying value exceeds the estimated recoverable amount at the time, the assets are written down to their recoverable amount. The recoverable amount is measured as the greater of fair value less costs to sell and value in use. Further information on the impairment testing and estimates used are contained in note 14.

The fund management contracts and segregated clients contracts relating to the assets acquired as part of the acquisitions of Alliance Trust Investments Limited; Neptune Investment Management Limited; Architas Multi-Manager Limited and Architas Advisory Services Limited (together "Architas") and Majedie Investment Management Limited are recorded initially at fair value and recorded in the consolidated financial statements as intangible assets, they are then amortised over their useful lives on a straight-line basis. Management have determined that the useful life of these assets is between 5 and 10 years owing to the nature of the acquired products. Impairment is tested through measuring the recoverable amount against the carrying value of the related intangible asset. Impairment testing is only required if there is an impairment trigger. The recoverable amount is the higher of the fair value less costs to sell and its value in use. The Directors assess the value in use using a multi-period excess earnings model which requires a number of inputs requiring management estimates, the most significant of which include: future AumA growth, useful economic life and discount rates. In the current period, significant estimates were only required for the intangible assets and goodwill in relation to Architas and Majedie (see notes 13,14 and 15 for further detail).

e) Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation. The cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Leasehold improvements are included at cost and are depreciated on a straight line basis over the lower of the estimated useful life and the remaining lease term.

Office equipment is depreciated on a straight line basis over the estimated useful life of the asset, which is between three and ten years.

Computer equipment is depreciated on a straight line basis over the estimated useful life of the asset which is three years.

At each reporting date management reviews the assets' residual values and useful lives, and will make adjustments if required.

f) Trade and other receivables

Trade and other receivables include prepayments as well as amounts the Group is due to receive from third parties in the normal course of business. These include fees as well as settlement accounts for transactions undertaken. These receivables are normally settled by receipt of cash. Trade and other receivables are initially recognised at fair value and then at amortised cost after deducting provisions for expected credit losses. The Group applies the IFRS9 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. There is no ECL recognised in the year so no material difference. The ECLs on trade receivables are calculated based on actual historic credit loss experience and is adjusted for forward-looking estimates. Prepayments arise where the Group pays cash in advance for services. As the service is provided, the prepayment is reduced and the operating expenses are recognised in the Consolidated Statement of Comprehensive Income.

Purchase orders from customers for units in managed funds are initially recognised as receivables pending receipt of cash to fund the purchase on a trade date basis. Settlement of the transaction occurs through exchange of cash for units in the underlying fund which are received from the registrar in exchange for this consideration. Correspondingly, redemptions of units in funds are recognised as payables from trade date until receipt of sales proceeds from the registrar. This purchase and sale process and settlement cycle results in significant, but largely offsetting, receivable and payable balances on the Group balance sheet. A breakdown of these amounts is provided in notes 17 and 19. Any balances not settled on due date are segregated within client money accounts separate from the assets of the Group.

g) Trade and other payables

Trade and other payables (excluding deferred income) represent amounts the Group is due to pay to third parties in the normal course of business. These include expense accruals as well as settlement accounts (amounts due to be paid for transactions undertaken as noted above). Trade payables are costs that have been billed. Accruals represent costs, including remuneration, that are not yet billed or due for payment. They are initially recognised at fair value and subsequently held at amortised cost.

h) Financial assets

The Group holds the following assets at fair value through profit or loss:

For the UK Authorised unit trusts, units are held in the 'manager's box' are to ease the calculation of daily creations and cancellations of units. These box positions are not held to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create speculative proprietary positions but are managed in accordance with specified criteria and authorisation limits. The units in the 'manager's box' are accounted for on a trade date basis. These units are valued on a bid price basis.

For the UK ICVCs, the shares held in the 'manager's box' are to facilitate the calculation of daily creations and cancellations of shares. These box positions are not held to create speculative proprietary positions but are managed in accordance with specified criteria and authorisation limits. The shares in the 'manager's box' are accounted for on a trade date basis. These shares are valued on a mid-price basis.

Units in Liontrust UK Authorised unit trusts, shares in the sub funds of the Liontrust Global Funds Plc; and shares in the Liontrust ICVCs are held by the Liontrust Asset Management Employee Trust (an Employee Benefit Trust 'EBT') in respect of the Deferred Bonus and Variable Allocation Plan (DVBAP). The units and shares are accounted for on a trade date basis and are valued on a mid (unit trust) or bid (ICVC) basis.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

i) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Under IFRS cash and cash equivalents are included in the consolidated cash flow statement.

j) Own shares

Own shares held by the EBT and The Liontrust Members Reward Partnership LP are valued at cost and are shown as a deduction from the Group's shareholders' equity. No gains or losses are recognised in the Consolidated Statement of Comprehensive Income.

k) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset (ROU) and a lease liability at the lease commencement date. The ROU asset is initially measured at cost. which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the ROU asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate (IBR). Generally, the Group uses its IBR as the discount rate.

The Group determines its IBR by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a significant event or change in circumstances that is within the control of the Group that affects the determination of the lease term, and therefore in future lease payments. This could arise from a change in and index or rate, if there is a change in Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU has been reduced to zero.

l) Income and expenses

Income

Income and expenses are accounted for on an accruals basis when they become receivable or payable in accordance with IFRS 15. The Group's primary source of revenue is fee income from investment management activities. These fees are generally based on an agreed percentage of the valuation of the AuMA and are recognised as the service is provided and it is probable that the fee will be received. Contractual rebates payable to customers are deducted from revenue.

Management and administration fees are earned over a period of time, and revenue is recognised in the same period in which the service is performed.

Performance fees are earned in respect of certain contracts only and are recognised when the fee amount can be estimated reliably and it is highly probable that it will not be subject to significant reversal. Performance fees can include terms that a proportion of the fee earned is deferred until the next performance fee is payable. As there is no certainty that such deferred fees will be collectable in future years, the Group's accounting policy is to include performance fees in income only when they become due and collectable in accordance with IFRS 15.

Revenue is also earned from the net value of sales and redemptions, and liquidations and creations, of units and shares in units trusts and open-ended investment companies; and from the operation of a box of units in the unit trusts ("box profits") – being the "at risk" trading profit or loss arising from changes in the valuation of holdings of units in Group Unit Trusts to help manage client sales into, and redemptions from the trust. Box profits are recognised as incurred.

Management, administration and performance fees are forms of variable consideration, however there is no significant judgement or estimation.

Expenses

Operating expenses represent the Group's administrative expenses and are recognised as the services are provided. Front end fees received and commissions paid on the sales of units in unitised funds are amortised over the estimated life of the unit.

DBVAP – in accordance with regulatory requirements and good market practice the Group defers a proportion of senior staff annual bonuses and variable allocations over a period of 3 years. At the inception of the deferral period the company purchases units in a portfolio of Liontrust funds to match the future liability arising from these awards which is recognised in the EBT as a financial asset. The DBVAP does not have any further performance conditions but has a continuous service condition. The costs of purchasing these units is recognised over the vesting period. Further details are disclosed in the Directors Remuneration Policy Elements of Reward table on page 115.

m) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income, or directly in equity; in these cases, the related tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted, or substantively enacted, at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for, if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date and are expected to apply when the related deferred income tax asset is realised; or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

n) Members drawings

Members drawings are paid on account during the period plus any share of profits paid out after the period end, accounted for as an expense in the period in which they are incurred.

o) Pensions

The Group operates defined contribution schemes for its employees. The assets are invested in individual Self Invested Pension Plan accounts and are held separately from the Group. The costs of the pension scheme are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred. The Group has no further payment obligations once the contributions have been paid.

p) Employee share options and Member incentive awards

The Group operates a number of equity-settled and cash-settled, share-based compensation plans, under which the entity receives services from employees and members as consideration for equity instruments of the Group. The fair value of the services received in exchange for the awards is recognised as an expense, and credited to equity reserves for equity settled awards, and provisions for cash settled awards, over the vesting period. For equity settled awards the total amount to be expensed is determined at the date of grant by reference to the fair value of the awards granted. For cash settled awards the amount to be expensed is remeasured at each balance sheet date. Monte Carlo and Black-Scholes models have been used to calculate the fair value of the awards. The models require estimates to be made to determine the fair value of the awards the most significant of which are as follows:

Liontrust Long Term Incentive Plan ('LTIP') and Liontrust Members Reward Plan ('LMRP') with market based performance conditions attached: a Monte Carlo simulation model is used to value the award with the following assumptions having been made:

- the fair values spread over the vesting period of 3 years with an exercise price of nil;
- the options are expected to be exercised at the point they become exercisable;
- the risk-free interest rate has been based on the implied yield of zero-coupon government bonds (UK strips) with a remaining term equal to the expected term; and
- the expected volatility is based on the Company's historical volatility

Employee Liontrust Long Term Incentive Plan ('eLTIP') and Members Liontrust Long Term Incentive Plan ('mLTIP') with non-market based performance conditions attached; Liontrust Company Share Option Plan ("CSOP") and Phantom share awards:

- a Black-Scholes model is used to value the award with the following assumptions having been made:
- the fair value is spread over the vesting period which is 3 years with an exercise price of nil (eLTIP/mLTIP/Phantom), or set at the time of issue of the award for CSOP awards;
- the eLTIP/mLTIP/Phantom awards are expected to be exercised at the point they become exercisable;
- the CSOP awards are estimated to be exercised at the mid-point between vest (3 years) and lapse (10 years);
- the risk-free interest rate of has been based on the implied yield of zero-coupon government bonds (UK strips) with a remaining term equal to the expected term;
- the expected volatility is based on the Company's historical volatility
- dividend yield of nil for eLTIP/mLTIP/Phantom awards as dividend equivalents are paid out in shares on vesting of these awards; and
- dividend yield estimated based on the current expectation and history of dividends paid for CSOP awards.

Based on historic experience, no reduction in the expense has been taken for expected award lapses from staff leaving the Group.

q) Dividends

An interim dividend never becomes a liability of the company because the directors can rescind the declaration before payment. Thus, an interim dividend is recognised in the accounts when it is paid.

r) Foreign currency gains/losses

Items in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (The 'functional currency'). The consolidated financial statements are presented in Sterling ('£') which is the Group and Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

s) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t) Employee Benefit Trusts ('EBTs')

EBTs are accounted for under IFRS 10 and are consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included on the Company balance sheet and shares held by the EBT in the Company are presented as a deduction from equity.

2 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign exchange risk), credit risk, liquidity risk and capital risk. The Group's overall risk management programme understands the unpredictable nature of financial markets and seeks to minimise any potential adverse effects on the Group's financial performance. The Group uses a number of analytical tools to measure the state of the business. The financial review on pages 30 to 33 of the Strategic Report identifies some of these measures.

a) Market risk

i) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as current financial assets (held at fair value through profit).

The Group holds the following types of investment as assets held at fair value through profit or loss (see note 18):

Operational investments:

1. Units in UK Authorised unit trusts;
2. shares in the sub-funds of Liontrust Global Funds Plc;
3. Shares in the sub-funds of Liontrust Global Fundamental PLC;
4. shares in the sub-funds of Liontrust Investment Funds ICVC; and
5. shares in the sub-funds of Liontrust Sustainable Funds ICVC.

Investments held by the EBT

1. Units in UK Authorised unit trusts; and
2. shares in the sub-funds of Liontrust Sustainable Funds ICVC.

For UK Authorised unit trusts and the ICVC's, the units and shares held in the 'manager's box' are to ease the calculation of daily creations and cancellations of units or shares . These box positions are not held to create speculative proprietary positions but are managed in accordance with specified criteria and authorisation limits. The manager's box for each fund is reviewed daily. If there is a negative box position then units or shares are created to bring the box level positive. Three control levels of the manager's box exist for each fund and each level is required to be signed off by progressively more senior staff. There are clearly defined maximum limits, over which manager's box levels cannot exceed.

The units in the 'manager's box' are accounted for on a trade date basis. These units are valued on a bid price basis and held at fair value through profit and loss. The shares in the 'manager's box' are accounted for on a trade date basis. These units are valued on a mid price basis and held at fair value through profit and loss.

For UK Authorised unit trusts, the units held in the EBT are selected as part of the DBVAP to align the interests of the Directors with the wider business. The units are accounted for on a trade date basis and valued on a bid price basis and held at fair value through profit and loss.

For the shares in the sub-funds of Liontrust Sustainable Funds ICVC held in the EBT are selected as part of the DBVAP to align the interests of the Directors with the wider business. The shares are accounted for on a trade date basis and valued on a single price basis and held at fair value through profit and loss.

The operational investment in the sub-funds of Liontrust Global Funds PLC, (an Ireland domiciled open ended investment company) have been undertaken as an investment to aid incorporation and will be redeemed when the sub funds grow in size. The Group has a regular review process for the investments which identifies specific criteria to ensure that investments are within agreed limits.

Management consider, based on historic information, that a sensitivity rate of 10% is appropriate. Based on the holdings in the Liontrust Global Funds at the balance sheet date a price movement of 10% would result in a movement in the value of the investment of £280,700 (2022: £67,000). Based on the holdings in the Liontrust Authorised Unit Trusts and UK ICVC'sat the balance sheet date a price movement of 10% would result in a movement in the value of the investment of £711,000 (2022: £350,000).

The Group monitors its investments with respect to its regulatory capital requirements and reviews its investments' values with respect to overall Group capital on a monthly basis.

ii) Cash flow interest rate risk

Interest rate risk is the risk that the Group will sustain losses from the fair value or future cash flows of adverse movements in interest bearing assets and liabilities and so reduce profitability.

The Group holds cash on deposit in GBP. The interest on these balances is based on floating rates. The Group monitors its exposure to interest rate movements and may decide to adjust the balance between deposits on fixed or floating interest rates, or adjust the level of deposits. Management consider that given current interest rate levels a sensitivity rate of 1% is appropriate for GBP cash. Following a review of sensitivity based on average cash holdings during the year a 1% increase or decrease in the interest rate will cause a £1,154,000 increase or a decrease to nil in interest receivable (2022: £951,000 increase or decrease to nil).

iii) Foreign exchange risk

Foreign exchange risk is the risk that the Group will sustain losses through adverse movements in currency exchange rates. The Group's policy is to hold the minimum currency exposure required to cover operational needs and, therefore, to convert foreign currency on receipt.

The Group is currently exposed to foreign exchange risk in the following areas: Investments denominated in US Dollars and Euros and income receivable in Euro and US Dollars, these amounts are not considered to be material.

In calculating the sensitivity analysis below it has been assumed that expenses/income will remain in line with budget in their relative currencies year on year.

Management consider that a sensitivity rate of 10% is appropriate given the current level of volatility in the world currency markets. In respect of investments denominated in foreign currencies a 10% movement in the UK Sterling vs. the relevant exchange rate would lead to an exchange gain or loss as follows:

Sterling vs. Euros - a movement of 10% would lead to a movement of £13,000 (2022: £15,000).

Sterling vs. US Dollar - a movement of 10% would lead to a movement of less than £4,000 (2022: less than £8,000).

In respect of Income receivable in Euro a 10% movement in the exchange rate would result in a movement of £559,782 (2022: £494,000) in the income statement.

In respect of Income receivable in US Dollar a 10% movement in the exchange rate would result in a movement of £262,169 (2022: £414,000) in the income statement.

b) Credit risk

Credit risk is managed at a Group level. The Group is exposed to credit risk primarily on its trade receivables and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Fees receivable arise mainly from the Group's investment management business and amounts are monitored regularly. Historically, default levels have been insignificant and the Group's maximum exposure to credit risk is represented by the carrying value of its financial assets.

Maximum exposure to credit risk	31-Mar-23 £'000	31-Mar-22 £'000
Cash and cash equivalents	121,037	120,852
Trade receivables	241,682	235,496

For banks and financial institutions only independently rated parties with a minimum rating of 'A-2' are used and their ratings are regularly monitored by the Portfolio Risk Committee.

For receivables the Group takes into account the credit quality of the client and credit positions are monitored. The Group has three main types of receivables: management and performance fees, settlement due from investors in its funds and from the funds themselves for unit/share liquidations. For management and performance fee receivables, the Group proactively manages the invoicing process to ensure that invoices are sent out on a timely basis and has procedures in place to chase for payment at pre-determined times after the despatch of the invoice to ensure timely settlement. For receivables due from investors, the Group has rigorous procedures to chase investors by phone/letter to ensure that settlement is received on a timely basis. For settlement due from the fund for liquidations, the settlement of these types of receivables are governed by regulation and are monitored on an exception basis. In all cases, detailed escalation procedures are in place to ensure that senior management are aware of any problems at an early stage.

During the year there have been no losses due to non-payment of receivables and the Group does not expect any losses from the credit counterparties as held at the balance sheet date.

c) Liquidity risk

Prudent liquidity risk management requires the maintenance of sufficient net cash and marketable securities. The Group monitors rolling forecasts of the Group's liquidity reserves (comprising readily realisable investments and cash and cash equivalents) on the basis of expected cash flows.

The Group has categorised its financial liabilities into maturity Groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

As at 31 March 2023	Due within 3 months £'000	Due between 3 months and one year £'000	Due in over one year £'000
Payables	255,460	–	2,168

As at 31 March 2022	Due within 3 months £'000	Due between 3 months and one year £'000	Due in over one year £'000
Payables	255,669	–	2,775

d) Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders whilst maintaining an optimal company structure to reduce the cost of capital and meet working capital requirements.

The Group's policy is that it and its subsidiaries should have sufficient capital to meet regulatory requirements, keep an appropriate standing with counterparties and meet working capital requirements at both a Group and subsidiary level. Management reviews the Group's assets on a monthly basis and will ensure that operating capital is maintained at the levels required. In order to maintain or adjust the capital structure the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back shares or sell financial assets which will increase cash and reduce capital requirements.

Regulatory risk capital (unaudited)

Recognised regulatory bodies, such as the FCA in the UK, oversee the activities of a number of the Group's operating subsidiaries and impose capital requirements on the subsidiaries. The Group is regulated by the FCA as a UK consolidation Group. The FCA issued new rules on capital adequacy following the implementation of the Investment Firm Prudential Regulation (IFPR) which came into force on 1 January 2022. Liontrust is subject to the MIFIDPRU regulations.

The FCA requires the Group to hold more regulatory capital resources than the Overall Financial Threshold Requirement (OFTR) which is the total capital requirement as defined in the IFPR. The OFTR for the Group is made of the Own Funds Requirement (the regulatory minimum) and any Additional Own Funds Requirement identified during the Internal Capital Adequacy and Risk Assessment (ICARA) process, which replaced the previous Internal Capital Adequacy Assessment Process (ICAAP).

The Own Funds Requirement for the Group is the higher of:
A) the new IFPR K-Factor Requirement; and
B) the Fixed Overhead Ratio (FOR) Requirement

A summary of the Own Funds Requirement for Liontrust is shown in the table below:

Own Funds Requirement	Liontrust Asset Management Plc £000's
(A) K-Factor Requirement	7,069
- Risk-to-Client (sum of K-AUM, K-CMH and K-ASA)	6,837
- Risk-to-Market (sum of K-NPR, K-CMG, K-TCD, and K-CON)	–
- Risk-to-Firm (sum of K-COH and K-DTF)	232
(B) Fixed Overhead Ratio Requirement (FOR)	**25,906**
Own Funds (Capital) Requirement – Higher of (A) and (B)	**25,906**

The Group determines the OFTR during the Liontrust ICARA process. The Group produces the ICARA annually, or more frequently if there is a fundamental change to our business. The OFTR is determined by the higher of:

- Harms from Ongoing Operations
- Harms from a Wind-Down

The Harms from Ongoing Operations for Liontrust includes material risks of the Group such as operational and credit risks. The Harms from a Wind-Down is an estimated cost analysis of an orderly wind-down of the Group within a stressed market environment. The OFTR as at 31 March 2022 for the consolidated Group was £39.6m which was driven by Harms from Ongoing Operations.

The ICARA also considers other various risks inherent in our business, such as concentration risk, obligations to fund any deferred benefit pension schemes and non-MIFID and/or unregulated activities that the Group is not explicitly holding capital for. The ICARA process details how all material risks are being managed to ensure that the risks are tolerable in terms of potential impact should they materialise, including any impact on our OFTR. The assessment draws upon the results of our risk management controls and includes scenario analysis and stress testing that considers the Group's exposure to extreme events.

The preparation of the ICARA is managed by the Chief Risk Officer alongside the Chief Executive and Chief Operating Officer / Chief Financial Officer, together with key input from senior managers within the business. The ICARA is reviewed and approved by the Audit and Risk Committee and the Group Board.

As at 31 March 2023, the Group has regulatory capital (own funds) resources of £91.8 million (2022: £81.4 million), significantly in excess of the Group's OFTR. The regulatory capital is all comprised of common equity tier 1 capital such as retained earnings, ordinary shares and the share premium line items on the balance sheet. During the period, the Group and its subsidiary entities complied with all regulatory capital requirements under the IFPR. In compliance with MIFIDPRU 8.4, the table below illustrates a composition of regulatory capital (own funds) resources:

Composition of Regulatory Capital

	Item	Amount (GBP thousands)
1	**REGULATORY CAPITAL**	**91,766**
2	**TIER 1 CAPITAL**	**91,766**
3	**COMMON EQUITY TIER 1 CAPITAL**	**234,518**
4	Fully paid up capital instruments	648
5	Share premium	112,518
6	Retained earnings	121,341
7	Accumulated other comprehensive income	–
8	Other reserves	19
9	Adjustments to CET1 due to prudential filters	–
10	Other funds	–
11	**(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1**	**142,752**
19	CET1: Other capital elements, deductions and adjustments	–
20	**ADDITIONAL TIER 1 CAPITAL**	–
21	Fully paid up, directly issued capital instruments	–
22	Share premium	–
23	**(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1**	–
24	Additional Tier 1: Other capital elements, deductions and adjustments	–
25	**TIER 2 CAPITAL**	–
26	Fully paid up, directly issued capital instruments	–
27	Share premium	–
28	**(-) TOTAL DEDUCTIONS FROM TIER 2**	–
29	Tier 2: Other capital elements, deductions and adjustments	–

The table on the next page reconciles the composition of regulatory capital in the table above to the audited balance sheet of this report.

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

Flexible template – rows to be reported in line with the balance sheet included in the audited financial statements of the investment firm.

Figures below are in GBP thousands unless noted otherwise

Item	a Balance sheet as in published / audited financial statements 31-Mar-23	c Cross-reference to Composition of Regulatory Capital table
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements		
Intangible assets	90,629	Line 11
Goodwill	38,586	Line 11
Property, plant and equipment	3,378	
Trade and other receivables	241,682	
Financial assets	9,921	
Cash and cash equivalents	121,037	
Total Assets	**505,233**	
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements		
Deferred tax liability	(21,493)	
Lease liability	(2,168)	
Trade and other payables	(255,460)	
Corporation tax payable	(5,131)	
Total Liabilities	**(284,252)**	
Shareholders' Equity – Breakdown by shareholders' equity classes according to the balance sheet in the audited financial statements		
Ordinary shares	648	Line 4
Share premium	112,510	Line 5
Retained earnings	121,341	Line 6
Capital redemption reserve	19	Line 8
Own shares held	(13,537)	Line 11
Total Shareholders' Equity	**220,981**	

3 SEGMENTAL REPORTING

The Group operates only in one operating segment – Investment Management.

Management offers different fund products through different distribution channels. All key financial, business and strategic decisions are made centrally by the Board, which determines the key performance indicators of the Group. The Group reviews financial information presented at a Group level. The Board, is therefore, the chief operating decision-maker for the Group. The information used to allocate resources and assess performance is reviewed for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

Revenue by location of customer	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
United Kingdom	226,267	232,191
Europe (ex UK)	16,854	13,158
Canada	21	24
Australia	197	198
	243,339	245,571

During the year ended 31 March 2023 the Group had one customer contributing more than 10% of total revenue with an amount of £25,043k (2022: no customer).

4 REVENUE AND COST OF SALES (GROSS PROFIT)

The Group's main source of revenue is management fees. Management fees are for investment management or administrative services and are based on an agreed percentage of the AUM. Initial charges and commissions are for additional administrative services at the beginning of a client relationship, as well as ongoing administrative costs. Performance fees are earned from some funds when agreed performance conditions are met.

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Revenue	224,855	232,976
Performance fee revenue	18,484	12,595
Total revenue	**243,339**	**245,571**
Cost of sales	(13,569)	(14,252)
Gross profit	**229,770**	**231,319**

Total revenue from customers includes:

- Investment management on unit trusts, open-ended investment companies sub-funds, portfolios and segregated account.
- Performance fees on unit trusts, open-ended investment companies sub-funds, portfolios and segregated accounts.
- Fixed administration fees on unit trusts and open-ended investment companies sub-funds.
- Net value of sales and repurchases of units in unit trusts and shares in open-ended investment companies (net of discounts).
- Net value of liquidations and creations of units in unit trusts and shares in open-ended investment companies sub-funds.
- Box profits on unit trusts - the "at risk" trading profit or loss arising from changes in the valuation of holdings of units in Group Unit Trusts to help manage client sales into, and redemptions from the trust.
- Less contractual rebates paid to customers.

The cost of sales includes:

- Operating expenses including (but not limited to) keeping a record of investor holdings, paying income, sending annual and interim reports, valuing fund assets and calculating prices, maintaining fund accounting records, depositary and trustee oversight and fund auditor fees.
- Sales commission paid or payable.
- External investment advisory fees paid or payable.

Performance fee revenue:

Performance fee revenue include fees that are subject to arrangements whereby fees are deferred from prior periods but are only recognised and received following another period of outperformance. During the year £18.5 million of performance fees are recognised. In future periods another £1.5 million may be received. As there is no certainty that such deferred fees will be collectable in future years, the Group's accounting policy is to include performance fee revenue in income only when they become due and collectable and therefore the element (if any) deferred beyond 31 March 2023 has not been recognised in the results for the year.

5 ADMINISTRATION EXPENSES

	FY 2023 £'000 Fixed	FY 2023 £'000 Variable	FY 2023 £'000 Total	FY 2022 £'000 Fixed	FY 2022 £'000 Variable	FY 2022 £'000 Total
Staff related expenses						
Wages and salaries			30,178			35,221
Fund management	5,109	2,963	8,072	3,606	10,962	14,568
Other staff	16,559	5,547	22,106	12,045	8,608	20,653
Social Security costs			4,105			4,539
Fund management	1,300	–	1,300	2,782	–	2,782
Other staff	2,805	–	2,805	1,757	–	1,757
Pensions			2,388			1,745
Fund management	442	–	442	421	–	421
Other staff	1,946	–	1,946	1,324	–	1,324
Share incentivisation expense			2,354			3,446
All staff	–	2,354	2,354	–	3,446	3,446
DBVAP expense			2,777			2,405
All staff	–	2,777	2,777	–	2,405	2,405
Severance compensation[1]			3,995			704
All staff	–	3,995	3,995	–	704	704
Member related expenses						
Members drawings charged as an expense			59,507			54,639
Fund management	14,449	35,359	49,808	7,263	34,232	41,495
Other members	5,501	4,198	9,699	5,308	7,836	13,144
Share incentivisation expense members			1,225			1,257
All members	–	1,225	1,225	–	1,257	1,257
Non-staff related expenses						
Professional services[1]			8,026			6,920
Depreciation and Intangible asset amortisation & impairment			31,492			12,115
Other administration expenses			37,163			28,925
			183,210			151,916

[1]Includes acquisition and re-organisation related costs for Architas, Neptune and Majedie.

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Share incentivisation expense		
- Share option expense employees	1,485	2,477
- Share option NIC expense	175	274
- Share incentive plan expense	455	380
- Share option related expenses	239	315
	2,354	3,446
- Share option expense members	1,225	1,257
	3,579	4,703

The average number of staff of the Group (as calculated on a weighted average basis over the year), excluding Non-executive Directors, was 247 (2022: 198). All staff are involved in the investment management business of the Group.

Average number of staff during the year	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Investment management	57	49
Management and operations	120	87
Sales and Marketing	70	62
Non-executive Directors	6	5
	253	203

6 OPERATING PROFIT

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
The following items have been included in arriving at operating profit:		
Foreign exchange (losses)/gains	(192)	(72)
Depreciation	3,883	2,474
Amortisation of intangible asset	27,608	9,641
Costs relating to Directors and staff (Note 5)	106,530	103,956
Auditors remuneration:		
Fees payable to the Company's auditors and its associates for the audit of the parent Company and consolidated financial statements	599	444
Fees payable for subsidiary audits	150	80
Fees payable to the Company's auditors and its associates for other services:		
- services pursuant to legislation	219	228
- other services	154	50

The Group also pays audit fees for the funds as part of fund expenses costs, the total costs during the year amounted to £592,000 including £10,000 relating to non audit services (2022: £522,000, no non audit services).

7 ADJUSTED PROFIT

Adjusted profit seeks to exclude the effects of non-recurring, non-operating (financing/ capital/ non-cash) and exceptional items from the statutory measures. A reconciliation of the adjusted amounts to the IFRS reported amounts is shown below. Further details can be found in our explanation of Alternative Performance Measures on page 34

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Profit before tax	49,301	79,291
Write back of Majedie acquisition provision	(1,848)	–
Severance compensation and staff reorganisation costs[1]	3,995	704
Professional services[2]	8,026	6,920
Intangible asset amortisation and impairment	27,609	9,641
Adjustments	37,782	17,265
Adjusted profit before tax	87,083	96,556
Interest receivable	(358)	(4)
Adjusted operating profit	86,725	96,552

[1]Staff redundancy, settlement and professional fees in relation to Majedie acquisitions and fund disposals.

[2]Includes professional services fees incurred in the acquisition and re-organisation of Majedie and Architas and re-organisation related costs for Neptune. Other professional services fees incurred in the normal course of operations are not included in this adjustment.

Adjusted earnings per share is reconciled in the tables below:

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Basic earnings per share	**61.45**	**97.65**
Adjustments:		
Taxation	15.58	33.13
Write back of Majade acquisition provision	(2.89)	–
Severance compensation and staff reorganisation costs[2]	6.24	1.16
Professional services[2]	12.54	11.41
Depreciation, Intangible asset amortisation and impairment	43.14	15.91
Adjustments:	74.61	61.61
Taxation at 19%	(25.85)	(30.26)
Adjusted basic earnings per share	**110.21**	**129.00**
Performance fees[3]	(8.83)	(7.02)
Adjusted basic earnings per share (excluding performance fees)	**101.38**	**121.98**

[1]Performance fee revenues contribution calculated in line with operating margin of 38% (2022: 41%) and a taxation rate of 19% (2022: 19%).

[2]Staff redundancy, settlement and professional fees in relation to Architas and Neptune acquisitions and fund disposals.

[3]Includes professional services fees incurred in the acquisition and re-organisation of Majedie and Architas and re-organisation related costs for Neptune. Other professional services fees incurred in the normal course of operations are not included in this adjustment.

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Diluted earnings per share	**61.21**	**96.61**
Adjustments:		
Taxation	15.52	32.78
Write back of Majedie acquisition provision	(2.88)	–
Severance compensation and staff reorganisation costs[2]	6.22	1.15
Professional services[3]	12.49	11.29
Depreciation, Intangible asset amortisation and impairment	42.97	15.74
Adjustments:	74.32	60.96
Taxation at 19%	(25.75)	(29.94)
Adjusted diluted earnings per share	**109.78**	**127.63**
Performance fees[1]	(8.80)	(6.95)
Adjusted diluted earnings per share (excluding performance fees)	**100.98**	**120.68**
Adjusted operating profit	86,724	96,552
Gross profit	229,770	231,319
Adjusted operating margin	**37.7%**	**41.7%**

[1]Performance fee revenues contribution calculated in line with operating margin of 38% (2022: 42%) and a taxation rate of 19% (2022: 19%).

[2]Staff redundancy, settlement and professional fees in relation to Architas and Neptune acquisitions and fund disposals.

[3]Includes professional services fees incurred in the acquisition and re-organisation of Majedie and Architas and re-organisation related costs for Neptune. Other professional services fees incurred in the normal course of operations are not included in this adjustment.


2023
2001
2006
2017

8 INTEREST RECEIVABLE

Disclosures relating to the Group's financial instruments risk management policies are detailed in note 2. Cash earns interest at floating or fixed rates based on daily bank deposit rates. The weighted average effective interest rate on cash is 1.2% (2022: 0.0%).

9 DIVIDENDS

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Ordinary Shares		
Prior year second interim 50 pence per share (2022: 36 pence)	32,000	21,839
Dividend equivalent paid on exercise of options	–	736
First interim at 22 pence per share (2022: 22 pence)	14,070	13,372
Total	46,070	35,947

In addition, the Directors are proposing a second interim dividend in respect of the financial year ending 31 March 2023 of 50p per share which will absorb an estimated £32.5m of shareholders' funds. It will be paid on 4 August 2023 to shareholders who are on the register of members at 30 June 2023, with shares going ex-dividend on 29 June 2023.

10 TAXATION

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
(a) Analysis of charge in year		
Current tax:		
UK corporation tax at 19% (2022: 19%)*	13,991	17,109
Adjustment in respect of prior periods	1,005	(186)
Total current tax	14,996	16,923
Deferred tax:		
Deferred tax originated from timing differences	(5,023)	(1,460)
Adjustment in respect of prior periods to reflect tax rate change	–	4,625
Total charge in year	9,973	20,088

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
(b) Factors affecting current tax		
Profit on ordinary activities before tax	49,301	79,291
Profit on ordinary activities at UK corporation tax at 19% (2022: 19%)*	9,367	15,065
Effects of:		
Expenses not deductible for tax purposes	421	341
Depreciation in excess of capital allowances	–	(37)
Partnership tax adjustments	196	389
Tax relief on exercise of unapproved options	(80)	(321)
Overseas losses not deductible	(429)	212
Effect on deferred tax balances from change in corporate tax rates	–	4,625
Other adjustments	(653)	–
Income not chargeable for tax purposes	(351)	–
Write off of acquired deferred tax	497	–
Adjustment in respect of prior periods	1,005	(186)
Total taxation	9,973	20,088

No deferred tax asset has been recognised in respect of overseas losses as it is not expected that such losses will be deductible in future periods. Aggregate unused tax losses not recognised are £2.1m and have no expiry date.

11 DEFERRED TAX

Deferred tax assets	2023 £'000	2022 £'000
Balance as at 1 April	1,612	1,984
Acquired Deferred tax on Majedie Acquisition	497	–
Deferred tax on option IFRS2 charge	(447)	(372)
Deferred tax acquired LPML	(497)	–
Balance as at 31 March	1,165	1,612

Deferred tax liability	2023 £'000	2022 £'000
Balance as at 1 April	(18,213)	(15,420)
Deferred tax prior year adjustment to reflect new rates	–	(4,625)
Deferred tax recognised on acquired intangible asset (See note 13)	(10,412)	–
Deferred tax on intangible assets	5,967	1,832
Balance as at 31 March	(22,658)	(18,213)
Net deferred tax liability	(21,493)	(16,601)

The deferred tax position as at 31 March 2023 has been calculated based on the tax rate of 25%.

12 EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit after taxation for the year and the weighted average number of Ordinary Shares in issue for each year. The weighted average number of Ordinary Shares was 63,998,999 for the year (2022: 60,628,715). Shares held by the EBT are not eligible for dividends and are treated as cancelled for the purposes of calculating earnings per share.

Diluted earnings per share are calculated on the same bases as set out above, after adjusting the weighted average number of Ordinary Shares for the effect of options to subscribe for new Ordinary Shares or Ordinary Shares held in the EBT that were in existence during the year ended 31 March 2023. The adjusted weighted average number of Ordinary Shares so calculated for the year was 64,250,561 (2022 : 61,277,480). This is reconciled to the actual weighted number of Ordinary Shares as follows:

	As at 31-Mar-23 number	As at 31-Mar-22 number
Weighted average number of Ordinary Shares	63,998,999	60,628,715
Weighted average number of dilutive Ordinary shares under option:		
- to the Liontrust Long Term Incentive Plan	247,003	625,902
- to the Liontrust Option Plan	4,559	22,863
Adjusted weighted average number of Ordinary Shares	64,250,561	61,277,480

Details of the options outstanding at 31 March 2023 to Directors are set out in the Directors' Remuneration Report on page 133.

13 ACQUISITION OF MAJEDIE ASSET MANAGEMENT AND NEPTUNE

Majedie

The following table summarises the consideration paid for Majedie Asset Management ('Majedie'), the fair value of the assets acquired and the liabilities assumed at the Completion Date.

Consideration at 1 April 2022	£'000
Fair value of consideration payable:	
Equity instruments (3,683,220 shares issued on completion)	48,175
Cash	4,036
Contingent consideration	1,849
Total consideration	**54,060**

Recognised amounts of identifiable assets acquire and liabilities assumed:	
Fixed assets	90
Cash and cash equivalents	17,633
Trade and other receivables	10,650
Trade and other payables	(17,976)
Intangible assets - Investment Management contracts	27,056
Intangible assets - Segregated clients	16,010
Deferred tax liabilities	(10,412)
Goodwill	11,009
Net assets acquired	**54,060**

On 1 April 2022 the Company acquired the entire issued share capital of Majedie Asset Management Limited ("Majedie") for a cost of £54.060 million. The consideration was funded by an issue of 3,683,220 shares raising £48.175 million. The acquisition adds a further highly regarded investment team and distinct investment process, the Global Fundamental team; and provides broader distribution and growth opportunities in our institutional and investment trust business. The goodwill of £11.009 million relating to from the acquisition, allocated to the Global Fundamental fund management team CGU, is attributable to the new business relating to investment management contracts and segregated clients and the expected economies of scale, growth opportunities and efficiencies from combining the operations of Majedie with the Group.

Reorganisation costs of £8.459 million have been charged to administrative expenses in the consolidated statement of the comprehensive income for the period to 31 March 2023. These costs have been included within note 7.

Two further tranches of deferred consideration are payable subject to conditions:

1. Performance fee consideration – a maximum of 538,674 shares in Liontrust is payable if performance fee targets are met by 31 March 2025 subject to an AUM target at 31 March 2023. At 31 March 2023 the AuMA target had not been met and therefore the performance fee consideration is not payable.
2. Client consideration – a maximum of £20 million payable subject to Liontrust being appointed as investment manager by a specified client before 31 March 2023. The expected value of this consideration, based on a probability weighted expected returns model, is £1.849 million. As at 31 March 2023 the Client had not appointed Liontrust as investment manager and therefore the Client consideration is not payable. The fair value assigned to this consideration has therefore been written back resulting in income of £1.849 million.

The identifiable assets acquired are accounted for at fair value. The fair value of intangible assets acquired was calculated using a Multiple Periods Excess Earnings Model ('MPEEM') which takes into account the future expected revenue and costs linked to the assets acquired. Due to the different characteristics of fund management contracts and segregated client relationships the related intangible assets were modelled separately. The MPEEM model assisted the Group in arriving at the valuation of £27,056 million for the fund management contracts and £16.010 million for segregated client relationships which management believe is appropriate.

The material accounting judgements used by management in the MPEEM included the useful economic life of the assets (10 years for funds, 5 years for segregated), the discount rate (12.7%), and net AuMA growth rate (effective, -1.9% and -8.5% for funds and segregated respectively).

Neptune

On 1 October 2019 ("Completion Date") the Company acquired the entire issued share capital of Neptune Investment Management Limited. The Share Purchase Agreement in relation to the acquisition provided that an earnout of 661,813 Liontrust Shares ("Tranche Two Consideration Shares") is payable if the AuMA managed by the acquired team exceeded £4bn on the 3rd anniversary of the Completion Date. The seller could extend this term if the MSCI World Index fell by 10% or more in the preceding 12 months prior to the 3rd anniversary of the completion date. As at 1 October 2022 the MSCI World Index had fallen by more than 10% and therefore the earnout provision will be retested at 1 October 2023. At 31 March 2023 the fair value of the Tranche Two Consideration Shares was assessed as NIL and no contingent liability has been recognised.

14 GOODWILL

Goodwill is allocated to the CGU to which it relates as the underlying funds acquired in each business acquisition are clearly identifiable to the ongoing investment team that is managing them. For all four CGUs, an assessment was made in relation to impairment of the goodwill where the recoverable amount, based on a value in use, was calculated using an earnings model which used key assumptions such as discount rate, terminal growth rate and net AuMA growth rate. For ATI and Neptune, no reasonable changes made to key assumptions lead to an impairment. The projected cash flows used within the goodwill model is based on a 5-year period where the terminal growth is used for years beyond that, and forecasts have been approved by senior management. The discount rate was derived from the Group's weighted average cost of capital and takes into account the weighted average cost of capital of other market participants. The net AuMA growth rate is a combination of three variables: AUM market growth rate, fund flows and fund attrition. The net AuMA growth rate is determined by using external sources to estimate future growth based on historic equities/bonds performances. In addition, the terminal growth rate is also based on external sources too and based on long term inflation expectations. See table below for details.

CGU	Goodwill 2023 £'000	Goodwill 2022 £'000	Discount Rate 2023	Discount Rate 2022	Terminal Growth Rate 2023	Terminal Growth Rate 2022	Net AuMA Growth Rate 2023	Net AuMA Growth Rate 2022
ATI	11,873	11,873	13.80%	13.00%	2%	2%	7%	8.47%
Neptune	7,753	7,753	13.80%	13.00%	2%	2%	5.5%	9.38%
Architas	7,951	7,951	13.80%	13.50%	2%	2%	0.2%	5.41%
Majedie	11,009	N/A	13.80%	N/A	2%	N/A	3.5%	N/A
Total	**38,586**	**27,577**						

Based on key assumptions in the table, Architas recoverable amount was £41,738m and the headroom above impairment was £0.10m. Majedie's recoverable amount was £46,954m and the headroom above impairment was £2.59m. In relation to Architas CGU, the headroom would be reduced to nil if the AuMA growth was reduced by less than 0.1% or if the discount rate was increased by less than 0.1%. For Majedie CGU, the headroom would be reduced to nil if the AuMA growth was reduced from 3.5% to 2.6% or if the discount rate was increased from 13.8% to 14.5%. The reasonable plausible downside scenario in the terminal growth rate does not lead to a material impairment. The Majedie net AuMA growth rate of 3.4% is higher than the acquisition assumptions of -1.9% for funds and -8.5% for segregated accounts used at acquisition due to changes in economic and market conditions and high levels of outflows experienced in the period.

Sensitivity analysis was carried out on the Architas and Majedie Goodwill models to assess the impact of reasonable plausible downside scenarios on the discount rate, the AuMA effective growth rate assumptions and new business assumptions. In relation to Architas sensitivity, changing the discount rate from 13.8 % to 14.5%, AuMA effective growth rate from 0.2% to -4.0% and new business from £5,000k to £Nil would lead the Goodwill being fully impaired. For Majedie Goodwill (Funds and Segregated Clients combined) the discount rate being changed from 13.8% to 14.5%, the AuMA effective growth rate from 3.4% to -2.5% and new business assumption from £300,000k to £50,000k also leads to the Goodwill being fully impaired.

15 INTANGIBLE ASSETS

The Group recognises five intangible assets relating to investment management contracts and segregated clients arising on business acquisitions. An assessment is made at each reporting date, on a standalone basis for each intangible asset, as to whether there is any indication that an asset in use may be impaired. If any such indication exists and the carrying value exceeds the estimated recoverable amount at the time, the assets are written down to their recoverable amount. The recoverable amount is measured as the greater of fair value less costs to sell and value in use. The valuation models used the same assumptions as those in the goodwill impairment review detailed in note 14. The assessment made at 31 March 2023 did not indicate any indicators of impairment in the value of the ATI or Neptune intangible assets.

For Majedie, indicators of impairment were identified for both the investment management contracts and segregated clients intangible assets as at 31 March 2023 due to higher than expected fund outflows and negative market returns leading to actual revenues being lower than originally forecast. The value of the intangible assets have therefore been tested for FY23 which has resulted in a higher carrying value than value in use hence an impairment of the Majedie investment management contract intangible of £4.016 million.

For Architas, indicators of impairment were identified due to higher than expected fund outflows and negative market returns leading to forecast revenues being lower than originally forecast. The value of the intangible assets have therefore been tested for FY23 which has resulted a higher carrying value than value in use hence an impairment of the Architas investment management contract intangible of £8.800 million.

As at 31 March 2023

Description	Carrying value £'000	Remaining amortisation period
Investment management contracts acquired as part of ATI acquisition	4,800	4 Years
Investment management contracts acquired as part of Neptune acquisition	19,682	6½ Years
Investment management contracts acquired as part of Architas acquisition	32,793	7½ Years
Investment management contracts acquired as part of Majedie acquisition - Funds	20,546	9 Years
Investment management contracts acquired as part of Majedie acquisition - Segregated	12,808	4 Years

	Investment management contracts 2023 £'000	Segregated clients 2023 £'000	Total 2023 £'000	Total Investment management contracts 2022 £'000
Cost				
Balance as at 1 April	115,113	–	115,113	115,113
Additions:				
Additions arising on acquisition of Majedie*	27,056	16,010	43,066	–
Balance as at 31 March	142,169	16,010	158,179	115,113
Accumulated amortisation and impairment				
Balance as at 1 April	39,942	–	39,942	30,301
Amortisation for the year	11,590	3,202	14,792	9,641
Impairment for the year	12,816	–	12,816	–
Balance as at 31 March	64,348	3,202	67,550	39,942

Net Book Value

	£'000
As at 31 March 2023	90,629
As at 31 March 2022	75,171
As at 31 March 2021	84,812

*See note 13

Sensitivity analysis was carried out on the Architas and Majedie models to assess the impact of reasonable plausible downside scenarios on both the discount rate, and the net AuMA growth rate assumptions. In relation to Architas sensitivity, changing the discount rate from 13.8 % to 14.5% leads to an impairment of £1,834k and changing the net AuMA growth rate from 1.4% to -1.4% leads to an impairment of £5,561k. The impact of both of these scenarios leads to an impairment of £6,0815k.

For Majedie the discount rate sensitivity applied for both Funds and Segregated Clients is consistent with Architas (13.8% to 14.5%) leading to an reduction in headroom of £1,040k and £897k but no impairment respectively. Decreasing the AumA effective rate from 0.4% to -0.8% for the Majedie Funds would lead to a reduction in headroom of £2,194k and for reducing the AumA effective rate from 1.7% to -4.0% for Segregated Client Intangible would lead to a reduction in headroom of £5,558k. The cumulative impact of the change in discount rate and increase AumA effective rate would lead to an impairment of £440k on the Majedie Fund Contract and a reduction in headroom of £6,237k Segregated Client Intangible combined.

16 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is made up of leasehold improvements, office equipment, computer equipment and right-of-use (ROU) assets.

Property, plant and equipment is stated at cost, less accumulated depreciation and any provision for impairment.Depreciation is calculated on a straight-line basis to allocate the cost of each asset over its estimated useful life:

Leasehold improvements	lower of the estimated useful and the remaining lease term on straight-line basis
Office equipment	3-10 years on a straight-line basis
Computer equipment	3 years on a straight-line basis
ROU assets	lease term on a straight-line basis

The useful economic lives and residual values are reviewed at each financial period end and adjusted if appropriate. Specific items are derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal of an asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement in the year the item is sold or retired.

Year to 31 March 2023	ROU Assets £'000	Leasehold Improvements £'000	Office Equipment £'000	Computer Equipment £'000	Total £'000
Cost					
As at 31 March 2022	7,962	1,107	557	1,128	10,754
Majedie acquisition	1,281	899	403	762	3,345
Additions	–	16	12	230	258
As at 31 March 2023	9,243	2,022	972	2,120	14,357
Accumulated depreciation					
As at 31 March 2022	4,997	924	449	726	7,096
Majedie acquisition	495	869	368	755	2,487
Charge for the year	1,001	105	77	213	1,396
As at 31 March 2023	6,493	1,898	894	1,694	10,979
Net Book Value					
As at 31 March 2023	2,750	124	78	426	3,378
As at 31 March 2022	2,965	183	108	402	3,658

Year to 31 March 2022	ROU Assets £'000	Leasehold Improvements £'000	Office Equipment £'000	Computer Equipment £'000	Total £'000
Cost					
As at 31 March 2021	7,597	1,013	485	784	9,879
Additions	1,656	94	72	344	2,166
Impairment loss	(1,291)	–	–	–	(1,291)
As at 31 March 2022	7,962	1,107	557	1,128	10,754
Accumulated depreciation					
As at 1 April 2021	2,880	752	413	577	4,622
Charge for the year	2,117	172	36	149	2,474
As at 31 March 2022	4,997	924	449	726	7,096
Net Book Value					
At 31 March 2022	2,965	183	108	402	3,658
At 31 March 2021	4,717	261	72	207	5,257

Depreciation has been included in the Consolidated Statement of Comprehensive Income within administration expenses.

Lease liability	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Opening balance	3,667	5,016
Additions	1,306	1,506
Transfer to trade and other payables	–	(1,203)
	4,973	5,319
Rent & interest charge for the year	(1,385)	(1,652)
Closing balance	3,588	3,667

Measurement of lease liability

All existing lease agreements as at 1 April 2016 were re-evaluated for the purposes of IFRS 16. Management considered the break clauses and expiry dates for all the London office floor leases and as a result there was a significant increase in the lease liability at the date of initial application.

Lease liability	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Current	1,420	892
Non-current	2,168	2,775
	3,588	3,667

The undiscounted cash payments that will be made until end of the lease term are as follows:

	£'000
Within 1 year	1,435
Between 2 to 5 years	1,820
More than 5 years	333

Measurement of ROU asset

At the initial application date, 1 April 2019, the ROU asset was measured at the amount equal the lease liability with an IFRS 16 reserve adjustment made to retained earnings for the lease prepayments accounted for in the prior financial year ending 31 March 2019.

ROU asset	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Office space	2,750	2,965
	2,750	2,965
Depreciation on ROU asset	1,496	2,117
Finance costs	83	142
Cash outflow for leases for the year	1,328	1,889

Additional profit or loss and cash flow information

The Group did not sublease any office premises during the current financial year.

Sale and leaseback transactions

There have been no sale and leaseback transactions in the current financial year.

17 TRADE AND OTHER RECEIVABLES

	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Trade receivables		
- Fees receivable	20,732	29,989
- Unit trust sales and cancellations	212,001	200,754
Prepayments and accrued income	8,949	4,753
	241,682	235,496

All financial assets listed above are non-interest bearing. The carrying amount of these non-interest bearing trade and other receivables approximates their fair value.

As at 31 March 2023, trade receivables of £nil (2022: £nil) were past due but not impaired. Expected credit losses are immaterial.

18 FINANCIAL ASSETS

The Group holds financial assets that have been categorised within one of three levels using a fair value hierarchy that reflects the significance of the inputs into measuring the fair value. These levels are based on the degree to which the fair value is observable and are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at the balance sheet date all financial assets are categorised as Level 1.

Under IFRS9 all financial assets are categorised as Assets held at fair value through profit and loss

The Group's financial assets represent shares in the GF Global Strategic Equity Fund, The GF European Smaller Companies Fund, The GF European Strategic Equity Fund, The GF Asia Income Fund, and The GF UK Growth Fund (all sub-funds of Liontrust Global Funds PLC) and are valued at bid price); and units in the Liontrust Global Income Fund, The Liontrust Macro Equity Income Fund, The Liontrust Asia Income Fund and The Liontrust UK Growth Fund. The gain on the fair value adjustments during the year net of tax was £618,000 (2022 : £26,000). Foreign currency assets are translated at rates of exchange ruling at the balance sheet date.

	As at 31-Mar-23 Assets held at fair value through profit and loss £'000	As at 31-Mar-22 Assets held at fair value through profit and loss £'000
Financial assets in Level 1		
UK Authorised unit trusts & UK authorised ICVCs	7,114	3,498
Ireland Open Ended Investment company	2,807	670
Total Financial Assets	**9,921**	**4,168**

19 TRADE AND OTHER PAYABLES

	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Current Liabilities		
Trade payables – unit trust repurchases and creations	211,791	201,931
Other payables including taxation and social security	1,422	549
Lease liability	1,420	893
DBVAP liability	2,438	2,404
Other payables	38,389	49,892
	255,460	255,669

	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Non current Liabilities		
Lease liability	2,168	2,775

20 ORDINARY SHARES

	2023 Shares	2023 £'000	2022 Shares	2022 £'000
Allotted, called up and fully paid ordinary shares of 1 pence				
As at 1 April	61,252,164	612	61,058,960	610
Issued during the year	3,683,220	36	193,204	2
As at 31 March	64,935,384	648	61,252,164	612

21 RELATED UNDERTAKINGS

The Companies Act 2006 requires disclosure of certain information about the Group's related undertakings which is set out in this note. Related undertakings comprise subsidiaries, joint ventures, associates and other significant holdings. Significant holdings are where the Group either has a shareholding greater than or equal to 20% of the nominal value of any share class, or a book value greater than 20% of the Group's assets.

a) The direct related undertakings of the Company as at 31 March 2023 are listed below

Name of undertaking	Country of incorporation	% held
Liontrust Investment Funds Limited	UK[1]	100%
Liontrust Investment Services Limited	UK[1]	100%
Liontrust Investment Management Limited	UK[1]	100%
Liontrust Portfolio Management Limited	UK[1]	100%
Liontrust International Luxembourg SA	Luxembourg[2]	100%
GF European Strategic Equity Fund CF	Ireland[3]	100%
GF European Smaller Companies CF	Ireland[3]	100%
GF SF Euro Corporate Bond Fd CF FOUNDERACC	Ireland[3]	100%
GF High Yield Bond Fund A5 Dist Hdg	Ireland[3]	100%
GF Absolute Return Bond Fund A1 AC	Ireland[3]	100%
GF SF Global Growth Fund A1 AC EUR Acc	Ireland[3]	100%
GF SF Global Growth Fund A8 AC EUR Acc	Ireland[3]	100%
GF SF Global Growth Fund D1 A CHF Acc	Ireland[3]	100%
GF SF Global Growth Fund C1 D GBP Acc	Ireland[3]	100%
GF SF Global Growth Fund D8 CHF Acc	Ireland[3]	100%
Liontrust Monthly Income Bond Fund Z Gross Inc	UK	100%
Liontrust UK Growth Fund S Acc	UK	100%
Liontrust UK Growth Fund S Inc	UK	100%
GF SF Global Growth Fund C8 D GBP Acc	Ireland[3]	100%
Liontrust GF International Equity Fund Class F Acc	Ireland[3]	66%
Liontrust GF Sustainable Future Multi Asset Global Fund D5 CHF ACC	UK	60%
GF SF European Corporate Bond Fund A5	Ireland[3]	56%
GF SF European Corporate Bond Fund A1	Ireland[3]	36%
Liontrust European Dynamic Fund I Class (Acc)	UK	35%
GF SF Global Growth Fund A8 EUR Dist	Ireland[3]	34%

b) The indirect related undertakings of the Company as at 31 March 2023 are listed below

Name of undertaking	Country of incorporation	% held
Liontrust Fund Partners LLP*	UK[1]	100%
Liontrust Investment Partners LLP*	UK[1]	100%

[1]Registered office: 2 Savoy Court, London, WC2R 0EZ
[2]Registered office: 18 Val Sainte Croix, Luxembourg L-1370
[3]Registered office: 1 Dockland Central, Guild Street, International Financial Services Centre, Dublin 1, Ireland
*Consolidated entities'

22 OWN SHARES AND OPTIONS

Approval was given at a General Meeting in February 2016 for the grant of options under the Liontrust Long Term Incentive Plan (the "LTIP"). The Board adopted the Liontrust Company Share Option Plan (the "CSOP") in June 2018. The options granted under the LTIP and CSOP, including to the Executive Directors, were as follows:

The CSOP scheme is an HMRC approved company share option plan that is aimed at those employees not covered by the LTIP scheme. The options become exercisable between the 3rd and 10th anniversary of the issue date.

The phantom award scheme is an historic unapproved scheme to cover international employees. It is a cash settled scheme arranged to mirror the LTIP arrangements.

Issue Date	1 April 2022	Options Granted	Options Exercised	Lapsed	31 March 2023	Exercise price	Scheme
22 June 2017	75,923	–	(75,923)	–	–	Nil	LTIP
27 June 2018	110,008	–	(54,000)	–	56,008	Nil	LTIP
8 April 2019	33,173	–	–	(33,173)	–	Nil	Phantom
12 August 2019	283,621	–	(166,207)	–	117,414	Nil	LTIP
12 August 2019	24,928	–	(15,744)	–	9,184	£7.62	CSOP
8 July 2020	190,503	–	–	–	190,503	Nil	LTIP
12 June 2020	19,552	–	–	–	19,552	£13.30	CSOP
23 June 2021	155,130	–	–	–	155,130	Nil	LTIP
8 July 2021	17,193	–	–	(5,731)	11,462	£19.18	CSOP
23 June 2022	–	390,287	–	–	390,287	Nil	LTIP
2 Sept 2022	–	51,600	–	(1,200)	50,400	£8.33	CSOP

Issue Date	1 April 2021	Options Granted	Options Exercised	Lapsed	31 March 2022	Exercise price	Scheme
5 September 2017	117,281	–	(117,281)	–	–	Nil	LTIP
22 June 2017	151,846	–	(75,923)	–	75,923	Nil	LTIP
27 June 2018	272,013	–	(162,005)	–	110,008	Nil	LTIP
27 June 2018	29,304	–	(29,304)	–	–	6.14	CSOP
8 April 2019	33,173	–	–	–	33,173	Nil	Phantom
12 August 2019	283,621	–	–	–	283,621	Nil	LTIP
12 August 2019	27,552	–	–	(2,624)	24,928	7.62	CSOP
8 July 2020	190,503	–	–	–	190,503	Nil	LTIP
12 June 2020	21,056	–	–	(1,504)	19,552	£13.30	CSOP
23 June 2021	–	155,130	–	–	155,130	Nil	LTIP
8 July 2021	–	17,714	–	(521)	17,193	£19.18	CSOP

Under the Liontrust Members Long term Incentive Plan ('mLTIP'), certain individual members have been entitled to a variable allocation in the financial year, a proportion of which is paid early and applied on the Member's behalf in acquiring ordinary shares in the capital of LAM , which entitle such individual member to a future amount dependant on performance conditions being met. The amount of the award to the member is calculated on the basis of a percentage of fixed allocation. The amounts awarded, in terms of total number of Ordinary shares, to individual members were as follows:

Issue Date	1 April 2022	Granted	Exercised	Lapsed	31 March 2023	Exercise price	Scheme
22 June 2017	35,652	–	(35,652)	–	–	Nil	mLTIP
22 June 2018	18,896	–	(3,779)	–	15,117	Nil	mLTIP
12 August 2019	94,411	–	(66,090)	–	28,321	Nil	mLTIP
7 July 2020	57,605	–	–	–	57,605	Nil	mLTIP
19 July 2021	33,700	–	–	–	33,700	Nil	mLTIP
23 June 2022	–	84,854	–	–	84,854	Nil	mLTIP

Issue Date	1 April 2021	Granted	Exercised	Lapsed	31 March 2022	Exercise price	Scheme
22 June 2017	75,878	–	(40,226)	–	35,652	Nil	mLTIP
22 June 2018	18,896	–	(11,338)	–	7,558	Nil	mLTIP
12 August 2019	94,411	–	–	–	94,411	Nil	mLTIP
7 July 2020	57,605	–	–	–	57,605	Nil	mLTIP
19 July 2021	–	33,700	–	–	33,700	Nil	mLTIP

Details of the LTIP options can be found in the Directors' Remuneration report.

At 31 March 2023, the EBT owned 1,146,288 shares (2022: 767,971) at a cost of £13,536,517 (2022: £7,674,252). Dividends on these shares have been waived and they are treated as cancelled for the purposes of calculating the earnings per share of the Group. As at 31 March 2023 the market value of the shares was £11,715,000 (2022: £9,784,000).

23 SHARE BASED PAYMENTS

Liontrust Asset Management PLC ("Company", "LAM") currently operates a number of equity-settled, and cash-settled, share-based compensation plans under which the entity receives services from employees and members as consideration for equity-linked instruments (share options, phantom share awards and share awards with vesting conditions).

(a) The Company Share Option Plan ("CSOP") permits the Company to grant share options with a strike price set at the market price at the date of issue over ordinary shares in the capital of LAM to qualifying employees. The equity settled options vest after 3 years and do not have any performance conditions attached.

(b) The Employees Long Term Incentive Plan ("eLTIP") is intended to provide long term reward, incentivise strong performance and retain Executive Directors and senior employees employed by LAM. The eLTIP issues nil-priced options with vesting, exercise and holding conditions. The equity settled options vest after 3 years subject to various performance targets detailed below:

- Absolute TSP performance condition – 20% of the award vest subject to the Company's absolute Total Shareholder Return ("TSR") performance from the grant date to the vesting date.
- Relative TSR performance condition – 20% of the award vest subject to the Company's relative TSR performance compared to the FTSE All Share Index ("Index") with the Index price calculated based on the 30 day average preceding, and at the end of, the performance period.
- EPS performance condition – 30% of the award will vest subject tot he Company's diluted earnings per share ("EPS") performance with EPS growth and vesting at the same thresholds as the TSR vesting percentages.
- Strategic performance condition – 30% of the award will vest subject to the Company's performance against certain strategic targets which include growth in assets under management, investment performance, and personal appraisal/HR performance.

(c) The Members Long Term Incentive Plan ("mLTIP") is intended to provide long term reward, incentivise strong performance and retain senior management executives who are members of Liontrust Investment Partners LLP ("LIP") and Liontrust Fund Partners LLP ("LFP"). The mLTIP awards equity settled options to members with vesting, exercise and holding conditions aligned to those of the eLTIP.

(d) The Phantom Awards are intended to provide long term reward, incentivise strong performance and retain senior management employed by Liontrust International (Luxembourg) S.A. ("LILSA"). Phantom awards are contractual arrangements to provide equivalent reward and incentivisation as the eLTIP to employees of the Luxembourg subsidiary. These options are cash settled.

	Number of shares	Weighted average exercise price
Unvested options for the year:		
Outstanding at 1 April 2022	1,126,620	
Granted during year	526,741	
Exercised during year	(417,395)	0.29
Lapsed during year	(40,104)	
Outstanding at 31 March 2023	**1,195,862**	**0.81**
Excerciseable at 31 March 2023	–	–

	Number of shares	Weighted average exercise price
Unvested options for the year:		
Outstanding at 1 April 2021	1,418,827	
Granted during year	206,544	
Exercised during year	(6,657)	0.37
Lapsed during year	(458,921)	
Vested but not exercised during year	(33,173)	
Outstanding at 31 March 2022	**1,126,620**	**0.69**
Excerciseable at 31 March 2022	–	–

Valuation approach

The fair value of the options granted during the year were calculated at the measurement date using the valuation models:

- **Monte Carlo** – for options subject to the absolute and relative TSR performance conditions in the eLTIP, mLTIP and Phantom Awards; and
- **Black Scholes** – for options under the eLTIP, mLTIP and Phantom Awards with non-market based performance conditions, and for all CSOP options.

The specific adjustments made to value the share options subject to the absolute TSR performance condition are as follows:

1. simulated one possible path of the daily share price (assuming nil) dividends) from the grant/measurement dates to the end of the performance period;
2. calculated the 30 day average Company share at the end of the performance period;
3. used the total Company share price calculated in step 2 to calculate the share price return over the performance period;
4. calculated the percentage of options vesting on the vesting date using the vesting criteria;
5. assessed the Company share price on vesting at the vesting date and the present value of a nil-cost option over a single share at that date, discounted at the grant/measurement date using a risk-free rate;
6. applied the percentage of options calculated in step 4 to the present value of the nil-cost call option in step5; and
7. run steps 1 to 5 for 100,000 iterations and taken the mean-average outcome to arrive at the assessed fair value per option.

The specific adjustments made to value the share options subject to the relative TSR performance condition are as follows:

1. simulated one possible path of the daily Company share price and one possible path of daily index price from the grant/ measurement dates to the end of the performance period. Company and index prices are not correlated;
2. calculated the 30 day average Company share price and 30 day average index price at the end of the performance period;
3. used the total Company share price and Index price calculated in Step 2 to calculate the share price return and Index return over the Performance Period;
4. measured the difference between the Company share price return and Index return to calculate the percentage of options vesting on the vesting date using the vesting criteria;
5. assessed the Company share price on vesting at the vesting date and the present value of a nil-cost option over a single share at that date, discounted to the grant date/measurement date using a risk-free rate;
6. applied the percentage of options calculated in Step 4 to the present value of the nil-cost call option in Step 5; and
7. run steps 1 to 5 for 100,000 iterations and taken the mean-average outcome to arrive at the assessed fair value per option.

Measurement date

- Equity settled transactions – date the awards were granted
- Cash settled transactions – financial reporting date

Inputs common to both valuation models

Plan	Valuation date	Share price at valuation date	Exercise price at valuation date	Option life	Expected volatility	Dividend yield	Risk free interest rate
CSOP	02-Sep-22	£8.33	£8.33	3.0 years	45.12%	8.53%	2.87%
eLTIP	23-Jun-22	£9.40	£nil	3.0 years	43.68%	0.00%	1.94%
mLTIP	23-Jun-22	£9.40	£nil	3.0 years	43.68%	0.00%	1.94%

Fair value conclusion

Plan	Number of shares	Weighted average fair value £
Options granted during year to 31 March 2023:		
CSOP	50,400	39,816
eLTIP	390,287	922,638
mLTIP	84,854	200,595
	525,541	1,163,049

Share incentivisation expense by plan type

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Share based payment plan – equity settled		
IFRS2 charge – employees	1,485	1,886
IFRS2 charge – members	431	554
Share based payment plan – cash settled		
Employees	455	480
Equity share options issued	2,371	2,920
Option settlement expense	794	704
Share option NIC expense	175	354
Cost of matching SIP shares	455	410
Plan administration costs	239	315
	4,034	**4,703**

24 RELATED PARTY TRANSACTIONS

During the year the Group received fees from unit trusts and ICVCs under management of £203,091,000 (2022 : £228,832,000). Transactions with these funds comprised creations of £12,244,561,000 (2022 : £7,276,647,000) and liquidations of £12,244,476,000 (2022 : £4,699,727,000). Directors can invest in funds managed by the Group on commercial terms that are no more favourable than those available to staff in general. As at 31 March 2023 the Group owed the funds £211,790,000 (2022 : £201,931,000) in respect of creations and was owed £232,733,000 (2022 : £230,743,000) in respect of cancellations and fees.

During the year the Group received fees from offshore funds under management of £13,234,000 (2022 : £8,776,000). Transactions with these funds comprised purchases of £0 (2022 : £0) and sales of £0 (2022 : £0). As at 31 March 2023 the Group was owed £1,177,000 (2022 : £873,000) in respect of offshore fund fees.

Compensation to key management personnel (Directors) is disclosed in table 1.1 of the directors in table 1.1 of the Directors' Remuneration Report on page 117. The aggregate gains made by Directors on the exercise of share options is disclosed in the table in section 3.1 of the Directors Remuneration Report on page 124. The charge recognised in the statement of the comprehensive income in relation to Directors share options was £497,000 (2022: £1,125,000).

Interests in structured entities

IFRS 12 requires certain disclosures in respect of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Group has assessed whether the funds it manages are structured entities and concluded that funds managed by the Group are structured entities unless substantive removal or liquidation rights exist.

The Group has interests in these funds through the receipt of management and other fees and, in certain funds, through ownership of fund units. The Group's investments in these funds are subject to the terms and conditions of the respective fund's offering documentation and are susceptible to market price risk. The investments are included in financial assets at fair value through profit or loss in the balance sheet. Where the Group has no equity holding in a fund it manages, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future fees and any uncollected fees at the balance sheet date. Where the Group does have an equity holding, the maximum exposure to loss constitutes the future and uncollected management fees plus the fair value of the Group's investment in that fund.

	Number of funds	Net AuMA of funds £bn	Financial assets at FVTPL £m	Fees received in the year £m	Fees receivable £m
as at 31 March 2023	74	25.7	9.9	204.0	16.1
as at 31 March 2022	63	30.4	4.2	228.8	30.0

25 CONTINGENT ASSETS AND LIABILITIES

The Group can earn performance fees on some of the segregated and fund accounts that it manages. In some cases a proportion of the fee earned is deferred until the next performance fee is payable or offset against future underperformance on that account. As there is no certainty that such deferred fees will be collectable in future years, the Group's accounting policy is to include performance fees in income only when they become due and collectable and therefore the element (if any) deferred beyond 31 March 2023 has not been recognised in the results for the year.

26 POST BALANCE SHEET EVENT

On 4 May 2023, Liontrust conditionally agreed to acquire the entire issued share capital of GAM Holding AG ("GAM"), a global investment management group (the "Proposed Acquisition"), by way of public exchange offer with ordinary shares of 1 pence each in the capital of Liontrust ("Liontrust Shares" , and each individually a "Liontrust Share") to be issued to GAM shareholders for a total consideration representing a valuation of the entire issued share capital of GAM of CHF 107 million (£96 million) (the "Consideration"), equivalent to CHF 0.6723 per publicly held registered shares (Namenaktien) of GAM with a nominal value of CHF 0.05 each ("GAM Shares", and each individually a "GAM Share"), on completion of the Proposed Acquisition ("Completion").

As part of the transaction, Liontrust has agreed to provide GAM with two tranches of short-term secured financial support in an aggregate amount of up to £17.8 million ("Financial Support"). The main purpose of this Financial Support is to enable the acceleration of restructuring activity within GAM and between GAM group entities. These arrangements will terminate on 31 December 2023 if the Proposed Acquisition has not completed by that date.

On 13 June 2023 the circular related to the proposed acquisition of GAM was mailed to shareholders, and on the same day the Swiss offer prospectus setting out the terms and conditions of the proposed acquisition to the GAM Holding AG shareholders was also published. Also, on 13 June 2023 Liontrust announced that it had mailed a circular to shareholders in connection with the proposed cancellation of the entire amount currently standing to the credit of the Company's share premium account.

COMPANY BALANCE SHEET

as at 31 March 2023

	Note	31-Mar-23 £'000	31-Mar-22 £'000
Assets			
Non current assets			
Property, plant and equipment	30	3,328	3,638
Investment in subsidiary undertakings	31	177,522	142,902
Loan to Employee Benefit Trust	29	18,374	11,172
Total non current assets		**199,224**	**157,712**
Current assets			
Trade and other receivables	32	12,883	19,622
Financial assets	33	2,687	670
Deferred tax assets		1,165	1,613
Cash and cash equivalents		60,618	21,286
Total current assets		**77,353**	**43,191**
Liabilities			
Non current liabilities			
Lease liabilities		(2,167)	(2,774)
Total non current liabilities		**(2,167)**	**(2,774)**
Current liabilities			
Trade and other payables	34	(55,733)	(46,877)
Corporation tax payable		(2,318)	(3,479)
Total current liabilities		**(58,051)**	**(50,356)**
Net current assets		**19,302**	**(7,165)**
Net assets		**216,359**	**147,773**
Shareholders' equity			
Ordinary shares	35	648	612
Share premium		112,510	64,370
Capital redemption reserve		19	19
Retained earnings		103,182	82,772
Total equity		**216,359**	**147,773**

The profit after taxation for the year ended 31 March 2023 for the Company was £66.8m (year ended 31 March 2022: £33.3m profit after taxation).

The notes on pages 183 to 187 form an integral part of these Company financial statements.

The financial statements on pages 180 to 187 were approved and authorised for issue by the Board of Directors on 20 June 2023 and signed on its behalf by V.K. Abrol, Chief Operating Officer and Chief Financial Officer.

Company Number 2954692

COMPANY CASH FLOW STATEMENT

for the year ended 31 March 2023

	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Cash flows from operating activities		
Cash inflow from operations	19,481	496
Cash outflow from operations	(184)	1,132
Net cash used in operations	19,297	1,628
Interest received	204	1
Tax paid	(17,272)	(12,500)
Net cash (used in)/generated from operating activities	2,229	(10,871)
Cash flows from investing activities*		
Purchase of property and equipment	(253)	(507)
Acquisition of Majedie	(4,037)	–
Gain on liquidation of Architas	827	–
Loan to the EBT	(9,801)	(8,125)
Loan repaid by the EBT	–	1,183
Purchase of seeding investments	(2,193)	(170)
Sale of seeding investments	153	84
Cash received on liquidation of subsidiary	–	17
Dividends received from subsidiaries	101,000	70,000
Issue of shares	(1,251)	–
Net cash used in investing activities	84,445	62,482
Cash flows from financing activities		
Payment of lease liabilities	(1,272)	(1,817)
Dividends paid	(46,070)	(35,213)
Net cash used in financing activities	(47,342)	(37,030)
Net decrease in cash and cash equivalents	39,332	14,581
Effect of exchange rate changes	–	–
Opening cash and cash equivalents*	21,286	6,705
Closing cash and cash equivalents	**60,618**	**21,286**

* Cash and cash equivalents consist only of cash balances.

The notes on pages 183 to 187 form an integral part of these Company financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

	Ordinary shares £ '000	Share premium £ '000	Capital redemption £ '000	Retained earnings £ '000	Total Equity £ '000
Balance at 1 April 2022 brought forward	612	64,370	19	82,772	147,773
Profit for the year				66,760	66,760
Dividends paid	–	–	–	(46,070)	(46,070)
Shares issued	36	48,140	–	–	48,176
Sale of own shares	–	–	–	(1,765)	(1,765)
Equity share options issued	–	–	–	1,485	1,485
Balance at 31 March 2023	648	112,510	19	103,182	216,359

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

	Ordinary shares £ '000	Share premium £ '000	Capital redemption £ '000	Retained earnings £ '000	Total Equity £ '000
Balance at 1 April 2021 brought forward	610	64,370	19	83,492	148,491
Profit for the year	–	–	–	33,342	33,342
Dividends paid	–	–	–	(35,947)	(35,947)
Shares issued	2	–	–	(2)	–
Equity share options issued	–	–	–	1,887	1,887
Balance at 31 March 2022	612	64,370	19	82,772	147,773

The notes on pages 183 to 187 form an integral part of these Company financial statements..

27 SIGNIFICANT ACCOUNTING POLICIES

The company financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on the going concern basis under the historical cost convention. The principle accounting policies are the same as those set out in note 1. Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own statement of comprehensive income.

Investment in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Notes 28 to 37 reflect the information for the Company.

28 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including price risk, cash flow interest rate risk and foreign exchange risk), credit risk, capital risk and liquidity risk. The Company is covered by the Group's overall risk management programme. The risk management policies are the same as those set out in note 2 and elsewhere in the report and financial statements.

The specific risks affecting the Company are as follows:

Market risk

The investments in the sub-funds of Liontrust Global Funds PLC and Liontrust Global Fundamental PLC are valued on a daily basis at mid price. The investments are held at fair value and any permanent impairment in the value of the shares held would be taken to revenue.

Management consider, based on historic information, that a sensitivity rate of 10% is appropriate. Based on the holdings in the Liontrust Global Funds at the balance sheet date a price movement of 10% would result in a movement in the value of the investment of £280,700 (2022: £67,000).

Cash flow interest rate risk

The Company holds cash on deposit. The interest on these balances is based on floating rates and fixed rates. The Company monitors its exposure to interest rate movements and may decide to adjust the balance between deposits on fixed or floating interest rates, or adjust the level of deposits. Following a review of sensitivity based on average cash holdings during the year a 1% increase or decrease in the interest rate will cause a £265,000 increase or decrease in interest receivable (2022 : £86,000).

In addition to the risks covered by the Group risk management polices. The Company is subject to some specific risks relating to its interaction with other Group companies. The company reviews its balances due to and from other Group companies on a regular basis.

Prudent liquidity risk management required the maintenance of sufficient cash and marketable securities. The Company monitors rolling forecasts of the it's liquidity reserves (comprising readily realisable investments and cash and cash equivalents) on the basis of expected cash flow.

The Company has analysed its financial liabilities into maturity Groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

As at 31 March 2023	Within 3 months £'000	Between 3 months £'000	Over one year £'000
Payables	55,733	–	2,167

As at 31 March 2022	Within 3 months £'000	Between 3 months £'000	Over one year £'000
Payables	45,946	–	2,774

29 LOAN TO THE EMPLOYEE BENEFIT TRUST

The company is the sponsor of Liontrust Asset Management Employee Trust (the 'Trust'). The value of the loan to the EBT is treated as a financial instrument held at fair value through profit and loss. An annual review was carried out under the appropriate accounting standards and the value of the loan to the EBT was calculated at £18,374,000 (2022 : £11,172,000) . The current value of the shares in the trust are disclosed in Note 22.

30 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is made up of leasehold improvements, office equipment, computer equipment and right-of-use (ROU) assets.

Property, plant and equipment is stated at cost, less accumulated depreciation and any provision for impairment.Depreciation is calculated on a straight-line basis to allocate the cost of each asset over its estimated useful life:

Leasehold improvements	lower of the estimated useful and the remaining lease term on straight-line basis
Office equipment	3-10 years on a straight-line basis
Computer equipment	3 years on a straight-line basis
ROU assets	lease term on a straight-line basis

The useful economic lives and residual values are reviewed at each financial period end and adjusted if appropriate. Specific items are derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal of an asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement in the year the item is sold or retired.

Year to 31 March 2023	ROU Assets £'000	Leasehold Improvements £'000	Office Equipment £'000	Computer Equipment £'000	Total £'000
Cost					
As at 31 March 2022	7,957	1,107	542	1,120	10,726
Additions*	1,281	17	7	230	1,535
As at 31 March 2023	9,238	1,124	549	1,350	12,261
Accumulated depreciation					
As at 31 March 2022	4,992	924	447	725	7,088
Charge for the year*	1,496	94	42	213	1,845
As at 31 March 2023	6,488	1,018	489	938	8,933

*On 1 April 2022 the Group acquired the fixed assets of Majedie Asset Management Limited

Net Book Value					
As at 31 March 2023	2,750	106	60	412	3,328
As at 31 March 2022	2,965	183	95	395	3,638

Year to 31 March 2022	ROU Assets £'000	Leasehold Improvements £'000	Office Equipment £'000	Computer Equipment £'000	Total £'000
Cost					
As at 31 March 2021	7,597	1,013	472	784	9,866
Additions	1,656	94	70	336	2,156
Impairment loss	(1,296)	–	–	–	(1,296)
As at 31 March 2022	7,957	1,107	542	1,120	10,726
Accumulated depreciation					
As at 1 April 2021	2,880	752	413	577	4,622
Charge for the year	2,112	172	34	148	2,446
As at 31 March 2022	4,992	924	447	725	7,088
Net Book Value					
At 31 March 2022	2,965	183	95	395	3,638
At 31 March 2021	4,717	261	59	207	5,244

Depreciation has been included in the Consolidated Statement of Comprehensive Income within administration expenses.

Lease liability	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Opening balance	3,667	5,016
Additions	1,306	1,506
Transfer to trade and other payables	–	(1,203)
	4,948	5,319
Rent & interest charge for the year	(1,385)	(1,652)
Closing balance	3,588	3,667

Measurement of lease liability

All existing lease agreements as at 1 April 2016 were re-evaluated for the purposes of IFRS 16. Management considered the break clauses and expiry dates for all the London office floor leases and as a result there was a significant increase in the lease liability at the date of initial application.

Lease liability	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Current	1,421	893
Non-current	2,167	2,774
	3,588	3,667

The undiscounted cash payments that will be made until end of the lease term are as follows:

	£'000
Within 1 year	1,435
Between 2 to 5 years	1,820
More than 5 years	333

Measurement of ROU asset

At the initial application date, 1 April 2019, the ROU asset was measured at the amount equal the lease liability with an IFRS 16 reserve adjustment made to retained earnings for the lease prepayments accounted for in the prior financial year ending 31 March 2019.

ROU asset	As at 31-Mar-23 £'000	As at 31-Mar-22 £'000
Office space	2,750	2,965
	2,750	2,965
Depreciation on ROU asset	1,496	2,112
Finance costs	142	142
Cash outflow for leases for the year	1,272	1,817

Additional profit or loss and cash flow information

The Group did not sublease any office premises during the current financial year.

Sale and leaseback transactions

There have been no sale and leaseback transactions in the current financial year.

31 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Company's investment in subsidiary undertakings represents 100% interests (unless otherwise stated) in the ordinary shares, capital, voting rights (unless stated otherwise) of Liontrust Investment Funds Limited and Liontrust Investment Services Limited, both registered in England whose principal activity is as operating companies for the Group's investment management LLP's; Liontrust Investment Solutions Limited, whose principal activity is investment management. all subsidiary undertakings have the same accounting date as the parent company. Full details of the Company's subsidiary undertakings can be found on page 97.

	2023 £'000	2022 £'000
Balance at 1 April	142,902	153,210
Additions during the year	55,311	–
Reductions during the year	(20,691)	(10,308)
Balance at 31 March	177,522	142,902

During the year ended 31 March 2023, the Company acquired the entire share capital of Majedie Asset Management Limited; and in addition liquidated two wholly-owned subsidiaries and accordingly has fully impaired the carrying value of these subsidiaries.

32 TRADE AND OTHER RECEIVABLES

	31-Mar-23 £'000	31-Mar-22 £'000
Receivables due from subsidiary undertakings	12,248	18,700
Prepayments and accrued income	635	922
	12,883	19,622

All financial assets listed above are non-interest bearing. The carrying amount of these non-interest bearing trade and other receivables approximates their fair value.

33 FINANCIAL ASSETS

The Company's financial assets held as fair value through profit or loss represent shares in the sub funds of the Liontrust Global Fund PLC and are valued at mid price. The assets are all categorized as Level 1 in line with the categorisation detailed in note 16.

Financial assets	31-Mar-23 Assets held at fair value through profit andloss £'000	31-Mar-22 Assets held at fair value through profit andloss £'000
Ireland Open Ended Investment Company	2,687	670
	2,687	670

34 TRADE AND OTHER PAYABLES

Current payables	2023 £'000	2022 £'000
Other payables including taxation and social security	834	596
Payables due to subsidiary undertakings[1]	45,343	29,908
Lease liability	1,421	893
Other payables	8,135	15,480
	55,733	46,877
Non current payables		
Lease liability	2,167	2,774
	2,167	2,774

35 ORDINARY SHARES

	2023 Shares	2023 £'000	2022 Shares	2022 £'000
Allotted, called up and fully paid shares of 1 pence				
As at 1 April	61,252,164	612	61,058,960	610
Issued during the year	3,683,220	36	193,204	2
As at 31 March	64,935,384	648	61,252,164	612

36 RELATED PARTY TRANSACTIONS

As at 31 March 2023 the Company owed the following intercompany balances to:
Liontrust Investment Partners LLP – £45,343,000 (2022 : £6,257,000), this amount arose from Group operations.
Liontrust Investment Management Limited – £nil (2022 : £1,759,000) this amount arose from Group operations.
Liontrust Multi Asset Limited – £nil (2022 : £20,609,000) this amount arose from Group operations.
Liontrust Advisory Services Limited – £nil (2022 : £1,282,000) this amount arose from Group operations.

As at 31 March 2023 the Company was owed the following intercompany balances by:
Liontrust Fund Partners LLP – £1,380,000 (2022 : £15,115,471) these amounts arose from Group operations.
Liontrust Investment Services Limited – £8,727,000 (2022 : £nil) these amounts arose from Group operations.
Liontrust Investment Funds Limited – £2,000,000 (2022 : £nil) these amounts arose from Group operations.
Liontrust Portfolio Management Limited – £141,000 (2022 : £nil, this amount arose from Group operations.

37 AUDIT FEES

Amounts receivable by the Company's auditor and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidation basis in the consolidated financial statements (note 6).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIONTRUST ASSET MANAGEMENT PLC

1. OUR OPINION IS UNMODIFIED

We have audited the financial statements of Liontrust Asset Management plc ("the Company") for the year ended 31 March 2023 which comprise of the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, Company Balance Sheet, Company Cash Flow Statement and Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 1 and 27.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit and risk committee.

We were first appointed as auditor by the directors the on 4 November 2020. The period of total uninterrupted engagement is for the three financial years ended 31 March 2023. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: Group financial statements as a whole		£3.5m (2022:£4.0m) 5% (2022: 5%) of normalised profit before tax
Coverage		88% (2022: 100%) of group profit before tax
Key audit matters		vs 2022
New risks (Group)	Acquisition of Majedie – Valuation of Intangible Assets and Goodwill	^
Recurring risk (Group)	Recoverability of Architas and Majedie Goodwill and Intangibles Assets	^
Recurring risk (Parent Company)	Recoverability of parent Company's investment in subsidiary undertakings	< >

2.KEY AUDIT MATTERS: OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings from those procedures in order that the Company's members, as a body, may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Acquisition of Majedie –Valuation of Intangible Assets and Goodwill (Goodwill £11.0 million; Intangible Asset £43.1 million) Refer to page 110 (Audit and Risk Committee Report), page 146 (accounting policy) and page 165 (financial disclosures).	**Forecast based assessment:** The fair value of acquired identifiable intangible assets (investment management contracts and customer relationships for segregated mandates) arising on acquisition of Majedie Asset Management Limited ("Majedie") on 1 April 2022 must be recognised separately. There is inherent uncertainty involved in forecasting the cash flows of the acquired business and discounting them, which determines the fair value of the intangible assets at the acquisition date. The key assumptions affecting the valuation of intangible assets are the discount rate, the useful economic life of the intangible assets and assets under management and advice ("AuMA") growth rates. There would be a corresponding impact on the amount of goodwill recognised if alternative assumptions had been adopted; in future periods goodwill will not be amortised but intangible assets will be. The effect of these matters is that, as part of our risk assessment, we determined that the fair value of the acquired intangible assets and goodwill has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole and possibly many times that amount.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: **Our sector experience:** We considered the rationale for the acquisition and we inspected publicly available documents, the purchase agreement and board minutes to challenge the Group's identification of intangible assets. We assessed whether the acquisition has been accounted for in line with IFRS 3 Business Combinations. **Our valuation expertise:** We critically assessed the Group's key assumptions of discount rate, the useful economic life of the intangible asset and AuMA growth rates with reference to historical experience and market comparable data obtained publicly or through internally derived data. Using our own valuation specialists, we compared the Group's discount rate with our own expected range, based on comparable company information, and benchmarked the useful economic life against similar intangible assets. **Sensitivity analysis:** We challenged the Group's sensitivity analysis and performed our own sensitivity analysis, which included assessing the effect of reasonably possible changes in discount rate, and AuMA growth on the valuation of the intangible assets and goodwill. **Assessing transparency:** We assessed the Group's disclosures regarding the acquisition including key estimation assumptions. **Our findings** We found the valuation of the intangible assets and goodwill to be balanced (2022: n/a) with proportionate disclosures (2022: n/a) to the related assumptions and sensitivities.

	The risk	Our response
Recoverability of Architas and Majedie Goodwill and Intangible Assets (Architas Goodwill £8.0 million; 2022: £8.0 million; Architas Intangible Asset £32.8 million; 2022: £46.5 million) (Majedie Goodwill £11.0 million; 2022: £nil; Majedie Intangible Assets £33.4m 2022: £nil;) Refer to page 110 (Audit and Risk Committee Report), page 146 (accounting policy) and pages 166 to 168 (financial disclosures).	**Forecast based assessment** The Group's intangible assets include investment management contracts and customer relationships for segregated mandates recognised as a result of the acquisition of Architas Multi-Manager Limited and Architas Advisory Services Limited (together "Architas") in October 2020 and Majedie on 1 April 2022, together with goodwill arising on these acquisitions. Reductions in AuMA which impact revenues has lead to an increased risk of irrecoverability of the Architas and Majedie and intangible assets and was identified as an impairment trigger for the intangible assets and accordingly an impairment review was undertaken. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The key assumptions are the discount rate and AuMA growth rates for both goodwill and intangible assets, and the terminal growth rate for goodwill. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of these intangible assets and goodwill has a high degree of estimation uncertainty; with a potential range of reasonable outcomes greater than our materiality for the financial statements and possibly many times that amount. The financial statements (note 14 and 15) disclose the sensitivities estimated by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: **Our valuation expertise:** We critically assessed the Group's key assumptions of discount rate, terminal growth rate and AuMA growth rates with reference to historical experience and market comparable data obtained publicly or through internally derived data. Using our own valuation specialists, we compared the Group's discount rate and terminal growth rate assumptions with our own expected range based on comparable company information **Sensitivity analysis:** We challenged the Group's sensitivity analysis and performed our own sensitivity analysis, which included assessing the effect of reasonable possible changes in discount rate, and AuMA growth rates on the recoverable amount of intangible assets and goodwill. We performed an assessment of whether an overstatement of the carrying value and related understatement of the impairment charge on Architas intangible assets identified through all these procedures above was material. **Assessing transparency:** We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the recoverable amount of intangible assets and goodwill. **Our findings** We found the directors initial estimate of the recoverable amount of the Architas and Majedie intangible assets and goodwill to be outside the range we consider to be acceptable. As a result, the directors' revised their estimate of recoverable amount and then used this revised estimate for the purpose of calculating the impairment charge on the Architas and Majedie intangible assets and disclosures now made in notes 14 and 15 in relation to intangible assets and goodwill. (2022: in relation to Architas same findings). Following revision, we found the Group's carrying value of Majedie and Architas goodwill and Majedie intangible assets and related impairment charges to Majedie intangible assets to be balanced with proportionate disclosure of the related assumptions and sensitivities. (2022: in relation to Architas goodwill and intangible assets balanced with proportional disclosures). Following revision, we still found the Group's carrying value of the Architas intangible asset and related impairment charges to Architas intangible assets to be highly optimistic and outside the range we consider to be acceptable. We performed an assessment of whether this overstatement of the carrying value and related understatement of the impairment charge on Architas intangible assets identified was material and did not consider these to be material. We found disclosures of the related assumptions and sensitivities to be proportionate.

	The risk	Our response
Recoverability of parent Company's investment in subsidiary undertakings (Investment in subsidiary undertakings £177.5 million; 2022: £142.9 million) Refer to page 185 (accounting policy) and page 186 (financial disclosures).	**Low risk, high value** The carrying amount of the parent Company's investment in subsidiary undertakings represents 62% (2022:71%) of the parent Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However due to their materiality in the context of the parent Company financial statements, this is considered to the area of most focus in the overall parent Company audit.	We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: **Tests of detail:** We compared the carrying amount of 100% of investments with the relevant subsidiaries' draft balance sheet and to identify whether their net assets, plus the value in use of intangibles and goodwill recognised on consolidation being an approximation of their minimum recoverable amount. **Our findings** We found the Company's conclusion that, apart from the identified impairment recognised as a result of the liquidated entities in the year, there is no other impairment of its investments in subsidiaries to be balanced (2022: balanced).

3.OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Materiality for the Group financial statements as a whole was set at £3.5m (2022: £4.0m), determined with reference to a benchmark of Group profit before tax, normalised to exclude costs in relation to severance compensation, staff reorganisation costs and professional services relating to acquisitions as disclosed in Note 7 of £12.0m, impairments as disclosed in note 16 of £12.8m and write back of Majedie acquisition provision of £1.8m (2022: benchmark of Group profit before tax), of which it represents 5% (2022: 5%).

Materiality for the parent Company financial statements as a whole was set at £1.8m (2022: £2.0m), determined with reference to a benchmark of parent Company total assets, of which it represents 0.7% (2022: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 65% (2022: 65%) of materiality for the financial statements as a whole, which equates to £2.3m (2022: £2.6m) for the Group and £1.2m (2022: £1.3m) for the parent Company. We applied this percentage in our determination of performance materiality based on identified immaterial unadjusted differences and control deficiencies noted during the prior period.

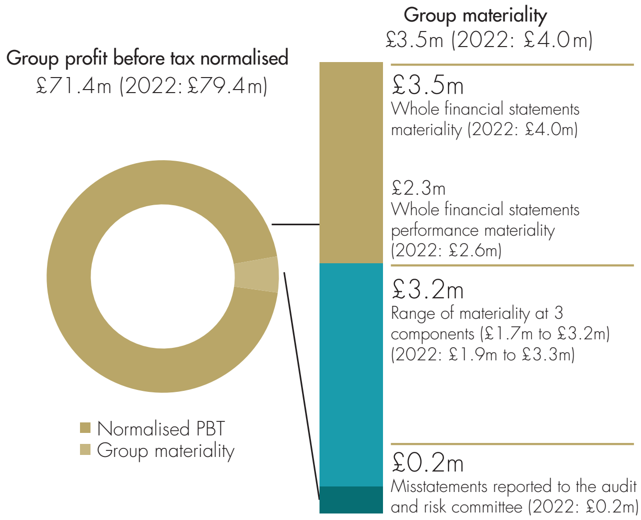
We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.2m (2022: £0.2m), in addition to other identified misstatements that warranted reporting on qualitative grounds. Of the Group's 8 (2022: 9) reporting components, we subjected 3 (2022: 3) to full scope audits for group purposes. The range of materiality at 3 components (2022: 3) components was £1.7m to £3.2m (2022: £1.9m to 3.3m).

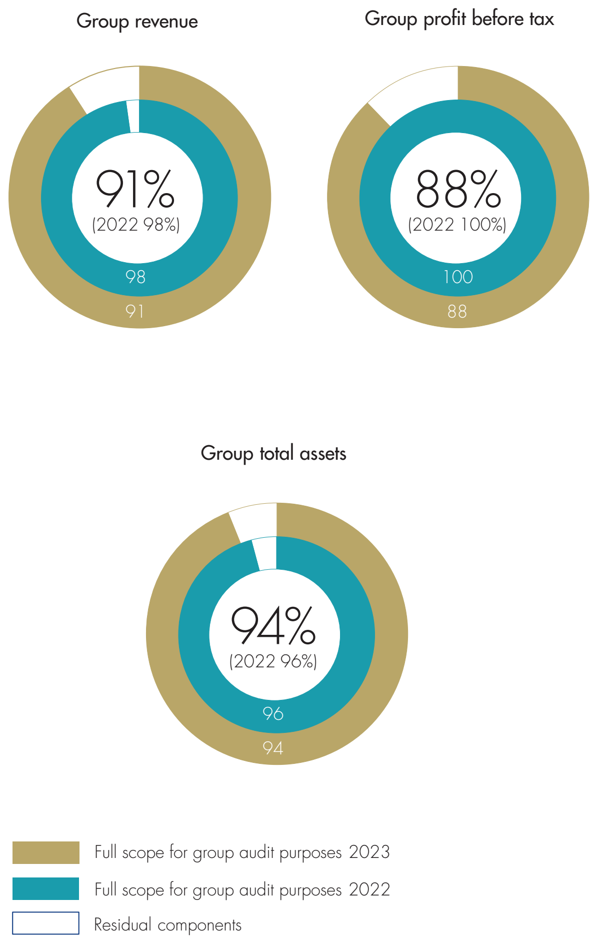
The components within the scope of our work accounted for the percentages illustrated opposite.

The remaining 9% (2022: 2%) of total Group revenue, 12% (2022: 0%) of Group profit before tax and 6% (2022: 4%) of total Group assets is represented by 5 (2022: 6) of reporting components, none of which individually represented more than 7% (2022: 4%) of any of total Group revenue, Group profit before tax or total Group assets. For these components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The work on all of the components, including the audit of the parent Company, was performed by the Group team.

The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.





4.THE IMPACT OF CLIMATE CHANGE ON OUR AUDIT

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements including the impact on the portfolios it manages on behalf of investors, potential reputational risk associated with the Group's delivery of its climate related initiatives, and greater emphasis on climate related narrative and disclosure in the annual report.

As a part of our audit, we have made enquiries of management to understand the extent of the potential impact of climate change risk on the Group's financial statements and the Group's preparedness for this and we have performed a risk assessment. We have not assessed climate related risk to be significant to our audit or key audit matters.

We have also read the disclosure of climate related information in the front half of the annual report as set out on pages 70 to 74 and considered consistency with the financial statements and our audit knowledge.

5. GOING CONCERN

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the parent Company or to cease their operations, and as they have concluded that the Group's and the parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry and operating model, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and the parent Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and parent Company's available financial resources over this period was the impact of significant adverse market movements on assets under management and advice.

We considered whether this risk could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from this risk individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or parent Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the Listing Rules set out on page 101 is materially consistent with the financial statements and our audit knowledge.
- However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the parent Company will continue in operation.

6. FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Group Audit & Risk Committee, Group Internal Audit, Group Compliance, Group Risk, inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including internal audit reports, and the Group's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud identifying and responding to risks of material misstatement due to fraud;
- Reading Board minutes and reading and attending Group Audit & Risk Committee meetings;
- Considering remuneration incentive schemes and performance targets for management and directors; and
- Reading broker reports

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of the Majedie intangible assets and corresponding impact on goodwill and the recoverability of Majedie and Architas intangible assets and goodwill.

On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited management judgement involved in the valuation of AuMA and recognition of all material revenue streams.

We did not identify any additional fraud risks. We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included, but were not limited to, journals impacting cash and revenue balances that were identified as unusual or unexpected in our risk assessment procedures.
- Assessing whether the judgements made in making significant accounting estimates are indicative of potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: the Listing Rules and Disclosure Guidance and Transparency Rules, specific areas of regulatory capital and liquidity, conduct including Client Assets, TCFD, money laundering, market abuse regulations and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form.

Auditing standards limit the required audit procedures to identify non- compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We assessed the legality of the distributions in the period based on the level of distributable profits.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non- detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. WE HAVE NOTHING TO REPORT ON THE OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information gose ts for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Statement of viability page 33 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Mitigation disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Statement of viability of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Statement of viability, set out on page 33 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and parent Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit and Risk Committee, including the significant issues that the audit and risk committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

8.WE HAVE NOTHING TO REPORT ON THE OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9.RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 102, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

10. THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
E14 5GL

20 June 2023

SHAREHOLDER INFORMATION

DIRECTORS AND ADVISERS

Registered Office and Company number
2 Savoy Court, London WC2R 0EZ
Registered in England with Company Number 02954692

Company Secretary
Sally Buckmaster
2 Savoy Court
London
WC2R 0EZ

Independent Auditor
KPMG LLP
15 Canada Square,
London,
E14 5GL

Banker
Royal Bank of Scotland Plc
280 Bishopsgate
London EC2M 4RB

Financial Adviser and Corporate Broker
Panmure Gordon & Co
40 Gracechurch St
London EC3V 0BT

Singer Capital Markets
1 Bartholomew Lane
London EC2N 2AX

Legal Advisers
Macfarlanes LLP
20 Cursitor Street
London EC4A ILT

Simmons & Simmons LLP
City Point, 1 Ropemaker Street
London EC2Y 9SS

Financial Calendar

Year End	31 March
Half Year End	30 September
Results announced:	Full year: June, half year: November
Interim report available:	December
Annual Report available:	July
Annual General Meeting:	September

Share price information:
The Company's shares are quoted on the London Stock Exchange and the price appears daily in The Financial Times, (listed under 'General Financial').

UK authorised unit trusts:
Liontrust UK Growth Fund
Liontrust UK Smaller Companies Fund
Liontrust UK Micro Cap Fund
Liontrust Special Situations Fund
Liontrust European Dynamic Fund
Liontrust Balanced Fund
Liontrust Institutional Fund (closed to investment 4/10/2022)

Liontrust Sustainable Future ICVC
Liontrust Sustainable Future Managed Growth Fund
Liontrust Sustainable Future Cautious Managed Fund
Liontrust Sustainable Future Corporate Bond Fund
Liontrust Sustainable Future Defensive Managed Fund
Liontrust Sustainable Future European Growth Fund
Liontrust Sustainable Future Global Growth Fund
Liontrust Sustainable Future Managed Fund
Liontrust Sustainable Future UK Growth Fund
Liontrust UK Ethical Fund

Liontrust Investment Funds IV OEIC
Liontrust Global Technology Fund
Liontrust Japan Equity Fund

Ireland domiciled open-ended investment company
Liontrust Global Funds PLC
Liontrust GF European Strategic Equity Fund
Liontrust GF Special Situations Fund
Liontrust GF UK Growth Fund
Liontrust GF European Smaller Companies Fund
Liontrust GF Strategic Bond Fund
Liontrust GF Sustainable Future European Corporate Bond Fund
Liontrust GF High Yield Bond Fund
Liontrust GF Absolute Return Bond Fund
Liontrust GF Sustainable Future Pan-European Growth Fund
Liontrust GF Sustainable Future Global Growth Fund
Liontrust GF Sustainable Future Multi-Asset Global Fund

Liontrust Investment Funds I OEIC
Liontrust China Fund
Liontrust Global Alpha Fund
Liontrust Global Innovation Fund
Liontrust Global Dividend Fund
Liontrust Income Fund
Liontrust India Fund
Liontrust Latin America Fund
Liontrust Russia Fund
Liontrust US Opportunities Fund

Liontrust Investment Funds III OEIC
Liontrust UK Equity Fund
Liontrust UK Focus Fund
Liontrust Institutional UK Small Cap Fund
Liontrust Tortoise Fund
Liontrust UK Equity Income Fund
Liontrust Global Equity Income Fund
Liontrust Global Focus Fund

Liontrust Investment Funds ICVC
Liontrust Sustainable Future Monthly Income Bond Fund
Liontrust Strategic Bond Fund

Liontrust Investment Funds II OEIC
Liontrust Emerging Markets Fund
Liontrust Global Smaller Companies Fund

Multi-Manager Investments ICVC
Liontrust MA Explorer 100 Fund
Liontrust MA Explorer 85 Fund
Liontrust MA Explorer Income 60 Fund
Liontrust MA Explorer Income 45 Fund
Liontrust MA Explorer 70 Fund

Multi-Manager Investments ICVC II
Liontrust MA Blended Intermediate Fund
Liontrust MA Blended Reserve Fund
Liontrust MA Monthly High Income Fund
Liontrust MA UK Equity Fund
Liontrust MA Blended Moderate Fund
Liontrust MA Strategic Bond Fund (closed to investment 14/10/2022)
Liontrust MA Blended Growth Fund
Liontrust MA Blended Progressive Fund

Multi-Manager Global Solutions ICVC, comprising 10 sub funds
Liontrust MA Dynamic Passive Prudent Fund
Liontrust MA Dynamic Passive Reserve Fund
Liontrust MA Dynamic Passive Moderate Fund
Liontrust MA Dynamic Passive Intermediate Fund
Liontrust MA Dynamic Passive Progressive Fund
Liontrust MA Dynamic Passive Growth Fund
Liontrust MA Dynamic Passive Adventurous Fund
Liontrust MA Explorer 35 Fund
Liontrust MA Diversified Real Assets Fund
Liontrust MA Diversified Global Income Fund (closed to investment 18/10/2021)

Ireland domiciled open-ended investment companies
Liontrust Global Funds PLC
Liontrust GF European Strategic Equity Fund
Liontrust GF Special Situations Fund
Liontrust GF UK Growth Fund
Liontrust GF European Smaller Companies Fund
Liontrust GF Strategic Bond Fund
Liontrust GF Sustainable Future European Corporate Bond Fund
Liontrust GF High Yield Bond Fund
Liontrust GF Absolute Return Bond Fund
Liontrust GF Sustainable Future Pan-European Growth Fund
Liontrust GF Sustainable Future Global Growth Fund
Liontrust GF Sustainable Future Multi-Asset Global Fund

Liontrust Global Fundamental PLC
Liontrust GF International Equity Fund
Liontrust GF UK Equity Fund
Liontrust GF Tortoise Fund
Liontrust GF US Equity Fund

GROUP SUBSIDIARY ENTITIES – BOARD MEMBERS

Liontrust Investment Funds Limited
V.K. Abrol
J.S. Ions

Liontrust Fund Partners LLP
A list of members is open for inspection at 2 Savoy Court, London WC2R 0EZ

Liontrust Investment Services Limited
V.K. Abrol
J.S. Ions

Liontrust Investment Partners LLP
A list of members is open for inspection at 2 Savoy Court, London WC2R 0EZ

Liontrust Portfolio Management Limited
E.J.F Catton
M.F. Kearney

Liontrust International (Luxembourg) SA
E.J.F Catton
M.F. Kearney
J. Beddall

INVESTMENT COMPANIES – BOARD MEMBERS

Liontrust Global Funds Plc
E.J.F. Catton
D.J. Hammond
M.F. Kearney
S. O'Sullivan
D. Reidy

Liontrust Global Fundamental PLC
E.J.F. Catton
C. Simmons
S. O'Sullivan
D. Reidy