

PRIDE IN OUR PERFORMANCE



ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

LIONTRUST ASSET MANAGEMENT PLC

OUR PURPOSE

Our purpose is to deliver positive outcomes for our investors, stakeholders and society. We aim to achieve this by providing the environment which enables our fund managers and employees to flourish, helping our investors to achieve their long-term financial goals, supporting companies in generating sustainable growth, and empowering and inspiring the wider community.

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HIGHLIGHTS

Sustained growth of our AuMA from £30,929 million to £33,548 million demonstrates the substantial progress made in the year. We are delighted to have recorded our 12th consecutive year of net inflows

ASSETS UNDER MANAGEMENT AND ADVICE

31 March
2022



£33,548 million

31 March
2021

£30,929 million

NET FLOWS

31 March
2022

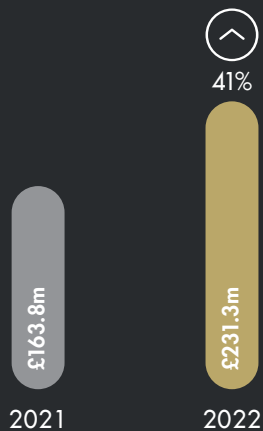


£2,488 million

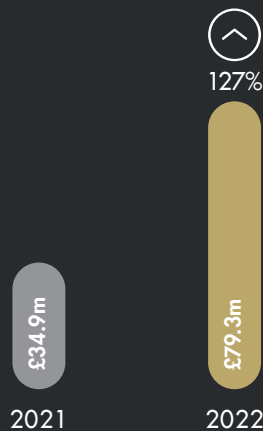
31 March
2021

£3,498 million

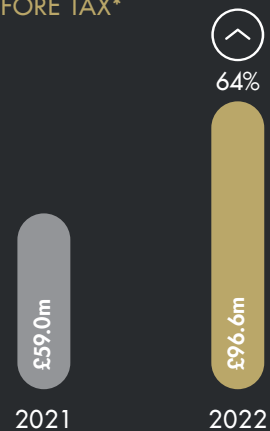
GROSS PROFIT



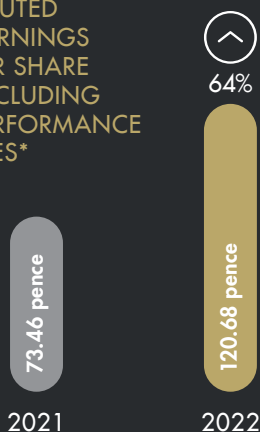
PROFIT BEFORE TAX



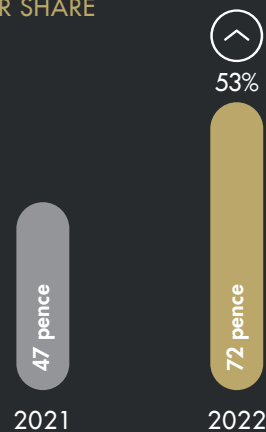
ADJUSTED PROFIT BEFORE TAX*



ADJUSTED DILUTED EARNINGS PER SHARE EXCLUDING PERFORMANCE FEES*



TOTAL DIVIDEND PER SHARE



*These are alternative performance measure ('APM'). See page 30 for further details.

ASSETS UNDER MANAGEMENT AND ADVICE

On 31 March 2022, our AuMA stood at £33,548 million and were broken down by type and investment process as follows:

Process	Total (£m)	Institutional (£m)	UK Retail (£m)	Multi Asset (£m)	Offshore Funds (£m)
Sustainable Investments	13,227	136	12,187	–	904
Economic Advantage	9,035	455	8,201	–	379
Multi-Asset	6,660	–	–	6,660	–
Global Equity	2,868	167	2,701	–	–
Cashflow Solution	1,094	650	364	–	80
Global Fixed Income	664	–	300	–	364
Total	33,548	1,408	23,753	6,660	1,727

31 MARCH

2022

£33,548m

31 MARCH

2021

£30,929m

Increase of

8.5% ↑

over the financial year

FUND FLOWS

Liontrust recorded net inflows of £2,488 million in the financial year to 31 March 2022 (2021: £3,498 million). A reconciliation of fund flows over the financial year is as follows:

	Total (£m)	Institutional (£m)	UK Retail (£m)	Multi Asset (£m)	Offshore Funds (£m)
Opening AuMA – 1 April 2021	30,929	1,488	20,627	7,139	1,675
Net flows	2,488	(105)	3,025	(541)	109
Market and Investment performance	131	25	101	62	(57)
Closing AuMA – 31 March 2022	33,548	1,408	23,753	6,660	1,727

31 MARCH

2022

£2,488m

31 MARCH

2021

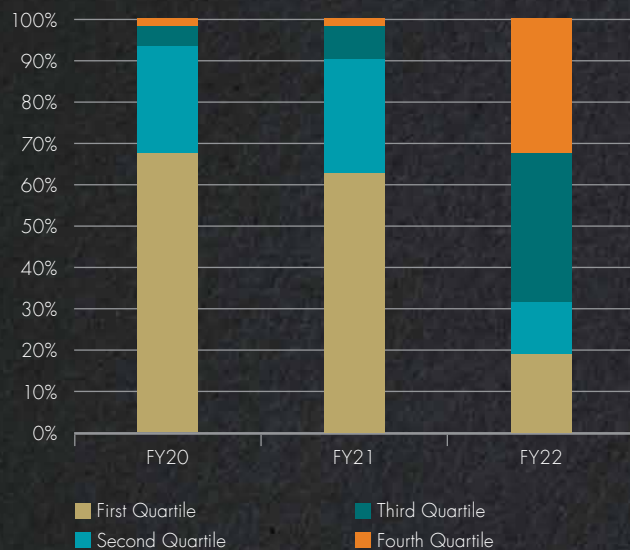
£3,498m

KEY PERFORMANCE MEASURES

Fund management ability and investment performance

The strength of Liontrust's fund managers 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* (see Figure 1).

Figure 1 – AuMA weighted quartile ranking since launch or manager inception (covers 78% of AuMA).



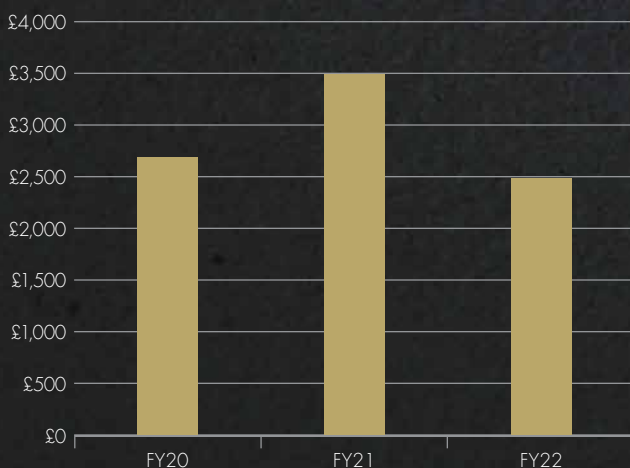
*This is an alternative performance measure ('APM'). See page 30 for further details.

#net of fees and income reinvested. See UK Retail fund performance on page 8.

Fund flows

Net inflows in the year have remained positive but fallen to £2,488 million from £3,498 million.

Figure 2 – Net flows £'million



*This is an alternative performance measure ('APM'). See page 30 for further details.

A Profitable and Growing business

Our AuMA has increased by 109% from 31 March 2020 to 31 March 2022 and by 8% from 31 March 2021 to 31 March 2022, reflecting acquisitions, market performance and net flows (see figure 3).

Figure 3 – AuMA by investor type £'million

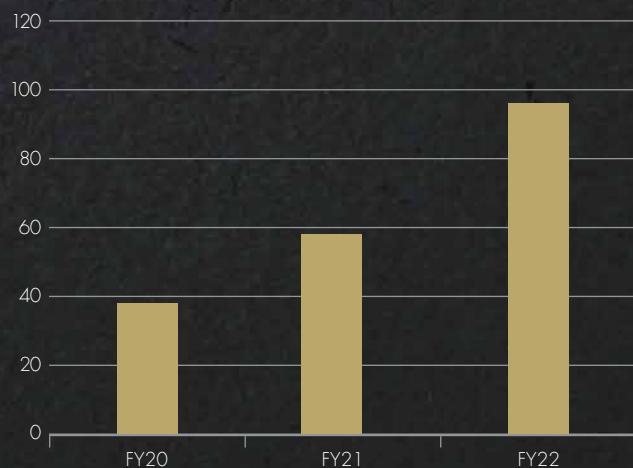


*This is an alternative performance measure ('APM'). See page 30 for further details.

Adjusted profit before tax

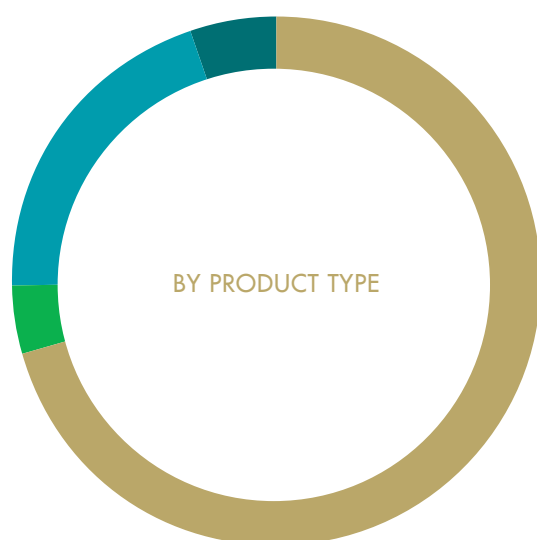
Our adjusted profit before tax has increased by 64% from 31 March 2021 to 31 March 2022 and by 154% from 31 March 2020 to 31 March 2022. The 2021 adjusted profit before tax has been restated, see note 7.

Figure 4 – Adjusted profit before tax* £'million

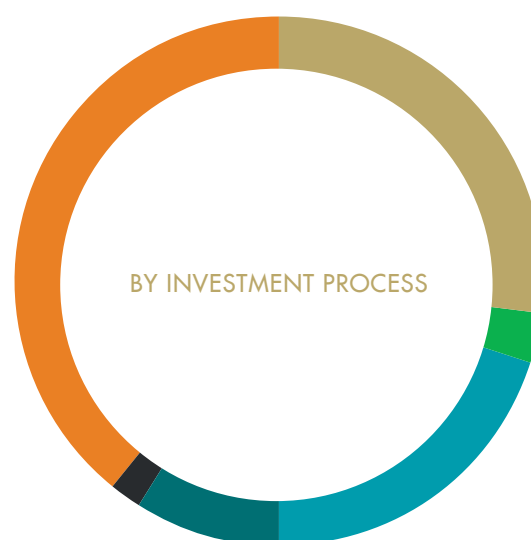


*This is an alternative performance measure ('APM'). See page 30 for further details.

SPLIT OF AUMA



UK Retail	70%
Institutional	4%
Multi Asset	20%
Offshore funds	5%

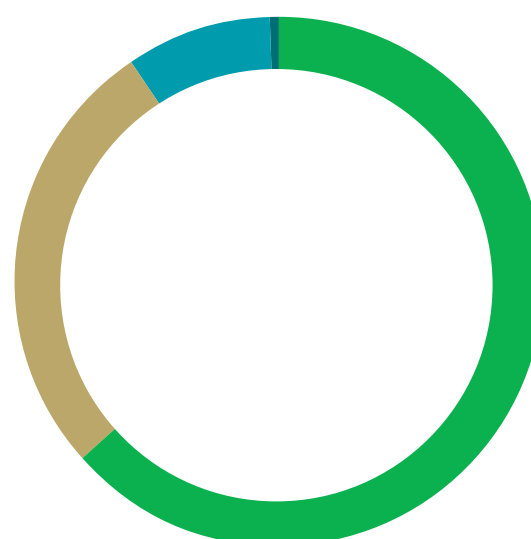


Economic Advantage	27%
Cashflow Solution	3%
Multi Asset	20%
Global Equities	9%
Global Fixed Income	2%
Sustainable Investments	39%

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.



















































































































Figure 1 – AuMA weighted quartile ranking since launch or launch/manager inception



First Quartile	64%
Second Quartile	27%
Third Quartile	8%
Fourth Quartile	1%

UK Retail Fund Performance (Quartile ranking)

Detailed quartile rankings by fund over one, three and five years and since launch date or the fund manager was appointed 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	 2	 1	25/03/2009
Liontrust Special Situations Fund	 1	 1	 1	 3	10/11/2005
Liontrust UK Smaller Companies Fund	 1	 1	 1	 1	08/01/1998
Liontrust UK Micro Cap Fund	 1	 1	 1	 2	09/03/2016
Sustainable Future funds					
Liontrust Monthly Income Bond Fund	 2	 1	 1	 2	12/07/2010
Liontrust SF Managed Growth Fund	 2	 1	 1	 3	19/02/2001
Liontrust SF Corporate Bond Fund	 1	 2	 2	 4	20/08/2012
Liontrust SF Cautious Managed Fund	 1	 1	 2	 4	23/07/2014
Liontrust SF Defensive Managed Fund	 1	 1	 1	 4	23/07/2014
Liontrust SF European Growth Fund	 2	 2	 1	 4	19/02/2001
Liontrust SF Global Growth Fund	 3	 1	 1	 3	19/02/2001
Liontrust SF Managed Fund	 1	 1	 1	 4	19/02/2001
Liontrust UK Ethical Fund	 2	 1	 1	 4	01/12/2000
Liontrust SF UK Growth Fund	 2	 1	 2	 4	19/02/2001
Global Equity funds¹					
Liontrust Balanced Fund	 1	 1	 1	 1	31/12/1998
Liontrust China Fund	 4	 3	 3	 3	31/12/2004
Liontrust Emerging Market Fund	 2	 4	 4	 3	30/09/2008
Liontrust Global Smaller Companies Fund	 1	 1	 3	 4	01/07/2016
Liontrust Global Alpha Fund	 1	 1	 1	 1	31/12/2001
Liontrust Global Dividend Fund	 2	 1	 1	 4	20/12/2012
Liontrust Global Innovation Fund	 1	 1	 2	 4	31/12/2001
Liontrust Global Technology Fund	 3	 2	 2	 1	15/12/2015
Liontrust Income Fund	 1	 1	 2	 1	31/12/2002
Liontrust India Fund	 4	 4	 2	 1	29/12/2006
Liontrust Japan Equity Fund	 2	 3	 1	 3	22/06/2015
Liontrust Latin America Fund	 1	 2	 3	 3	03/12/2007
Liontrust US Opportunities Fund	 1	 1	 2	 3	31/12/2002
Cashflow Solution funds					
Liontrust European Growth Fund	 1	 1	 1	 1	15/11/2006
Global Fixed Income funds					
Liontrust Strategic Bond Fund	 3	—	 3	 4	08/05/2018

Source: Financial Express to 31 March 2022 as at 5 April 2022, 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).

¹Liontrust Russia Fund is not included as it is currently suspended and in an IA sector that is not rankable (e.g. Specialist).



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CHAIR'S STATEMENT

Introduction

I am delighted to report that Liontrust has performed strongly over the past year, continuing the excellent progress made in previous years.

Strategic overview

From a financial perspective, the Group has increased profits before tax, the profitability of the business, earnings and dividends paid to shareholders.

Strategically, Liontrust delivered strong net sales, increased its AuMA and agreed the acquisition of Majedie Asset Management (which completed in April 2022) even while Covid lockdowns were still operational. From an investment perspective, Liontrust has maintained strong long-term fund performance and has also made progress in integrating ESG considerations in the investment thinking of the Group's teams.

These results demonstrate Liontrust's strong navigational skills during challenging environments and reflect the Company's sound positioning for ESG and for future growth. I am proud

of all the work Liontrust has undertaken this year and I would like to thank all colleagues and the Executive Directors for their dedication, hard work and contribution to the ongoing success of the Group.

I also welcome our new colleagues from Majedie to the Liontrust family. They bring great expertise and experience across the business and will help drive the future growth of the Company.

To ensure this continues, Liontrust is focused on providing outstanding service and continuing to provide investment funds rooted in the robust investment processes of its teams. In times of uncertainty, investors know that Liontrust's investment teams are adhering to their well-established processes. These processes aim to deliver a financial return for investors and, in the case of funds managed by the Sustainable Investment team, allocate capital to investments that are helping to solve global problems relating to the environment and society.

Investors expect Liontrust to explain and evidence its processes with regard to ESG and Sustainability. This comes hand in hand with greater transparency requirements from EU regulation, which the UK and other regions will be quick to emulate, and the need to take action to avoid the worst impacts of global warming. Liontrust plans to make considerable strides in this space over the next fiscal year.

It is the Group's full intention to become supporters of The Group is committed to support the Net Zero Asset Managers' Initiative, to further the integration of ESG considerations into Liontrust's mainstream investment processes, and to link actions to the Group's strategy, internal governance structures and the Executive Directors' remuneration.

This provides a solid platform on which the Group can expand its expertise to ensure that Liontrust's offering in ESG and Sustainable investment is fit for purpose for the next decade.

Similarly, investors and stakeholders expect Liontrust to manage its business sustainably. For us, this means abiding by local and regional laws, managing our key exposures well, treating our customers fairly, and continuing to increase our transparency about what we do, how we do it and what impact this has on our funds and our business.

Like other asset managers, the Group aims to be more diverse and inclusive and has taken steps this year to do that, including through hosting a Women's Forum Discussion in celebration of International Women's Day



“These results show how well Liontrust has navigated the challenges of the past couple of years and reflects the efficient running of the business and the foundations that have been put in place over the long term.”

ALASTAIR BARBOUR
CHAIR



and activities to celebrate Pride Month. We are continually striving to make greater progress in terms of diversity and inclusion and will work to ensure that these factors are linked directly to the Group's strategy and reward. The Group will provide evidence of the impact of this work.

Board changes

We have continued to strengthen the Board with the appointment of three Non-executive Directors over the past year: Rebecca Shelley, Quintin Price and Emma Howard Boyd CBE. They bring a wealth of diverse experience from working in financial services, serving on public company boards and with environmental agencies and the public sector.

Rebecca joined the Board in November 2021 and is Senior Independent Director. Rebecca was Group Communications Director of Tesco Plc and a member of their Executive Committee and later was Group Corporate Affairs Director and a member of the Global Executive Committee of TP ICAP. Rebecca is also a Non-executive Director at Sabre Insurance Group Plc and Hilton Foods Group Plc.

Quintin, who joined the Board in July 2021, has 30 years' experience at a senior level for a number of leading investment companies, including Head of Alpha Strategies and a member of the Global Executive Committee at BlackRock. Quintin is a Non-executive Director of Aperture Investors LLC, a New York based fund manager, and F&C Investment Trust Plc.

Emma has held a number of non-executive and advisory roles since leaving Jupiter Asset Management as Director, Stewardship, including Chair of the Environment Agency, an ex officio board member of the Department for Environment,

Food and Rural Affairs and interim Chair of the Green Finance Institute. Emma's experience will be invaluable as we focus on our responsible and Sustainable investing.

Results

Adjusted profit before tax was £96.556 million (2021: £58.987 million, restated). 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 7 below for a reconciliation of adjusted profit before tax.

Dividend

These excellent results have enabled the Board to declare a second interim dividend of 50.0 pence per share (2021: 36.0 pence) bringing the total dividend for the financial year ending 31 March 2021 to 72.0 pence per share (2021: 47.0 pence per share), an increase of 53% compared with last year.

The second interim dividend will be payable on 5 August 2022 to shareholders who are on the register as at 1 July 2022, the shares going ex-dividend on 30 June 2022. Last day for Dividend Reinvestment Plan elections is 15 July 2022.

Looking forward

I am confident that Liontrust will continue to meet all of our strategic objectives given the strength of our investment teams and their processes, the quality of our colleagues and the processes in place across the business.

Alastair Barbour

Non-executive Chair
21 June 2022

CHIEF EXECUTIVE'S REPORT

Introduction

Liontrust has enjoyed another successful year of growth as we continued to deliver positive outcomes for investors. Your Company's success has been driven by the ability to generate impressive investment performance over the long term, develop excellent client relationships and service, build a powerful brand, provide regular and relevant communications, and ensure a strong infrastructure for the business.

We generated net inflows of £2.5 billion in the financial year to meet the third pillar of our strategic objectives that is to expand our distribution and products, and in the 2021 calendar year Liontrust had the second highest net retail sales in the UK and the fifth highest gross retail sales according to the Pridham report.

Investment performance

Liontrust has met the second pillar of our strategic objectives to deliver strong long-term investment performance by continuing to deliver impressive investment performance over the long term. Over five years to 31 March 2022, 99% of

Liontrust's UK-domiciled funds were in the 1st or 2nd quartile of their respective IA (Investment Association) sectors and over three years this percentage was 98%.

In January 2022, it was announced that 12 of the Liontrust funds were awarded the 5-Crown rating from FE fundinfo, reiterating the breadth of our investment capability. This has also been demonstrated by the independent recognition Liontrust has received over the past year, with three of the investment teams – Sustainable Investment, Multi-Asset and Global Equity – winning awards while the other teams – Cashflow Solution, Economic Advantage and Global Fixed Income – have all received nominations for fund awards.

Clients demanding a more sustainable outcome from their investments continue to drive strong flows into our Sustainable Future funds, with the team celebrating their 21st anniversary in February 2022. The team's AuMA grew from £10.24 billion on 31 March 2021 to £13.23 billion a year later, and research shows that professional intermediaries and retail investors regard Liontrust as having the best sustainable investment team (Source: Research in Finance).

Also in line with the third pillar of our strategy, we have seen growing demand for a broader range of funds over the year, with European Growth and Global Dividend attracting significant interest. European Growth, which is managed by the Cashflow Solution team, is in the first quartile of its IA sector over 1, 3 and 5 years, as well as since launch, and offers a complementary investment process to many of its peers (Source: Financial Express to 31 March 2022 as at 5 April 2022, bid-bid, total return, net of fees, based on primary share classes).

Liontrust experienced a more challenging period for short-term performance over the last few months of the financial year given the market rotation from quality growth stocks to value companies. This rotation has been exacerbated by rising inflation and subsequent increases in interest rates in the UK and US, with the former partly as a result of supply chain issues caused by the ongoing effects of the pandemic and the war in Ukraine.



In the final quarter of the financial year, Liontrust had net outflows of £0.4 billion, which reflected the negative sentiment among investors generally. The IA reported this as the first quarter of net negative retail flows for the industry since the start of the pandemic in 2020.

The Liontrust investment teams will continue to apply the distinct and robust investment processes that have served them well over the long term. Our teams' investment processes have been performing as we would expect given the market environment, and the fund managers remain confident about the long-term prospects for the companies in their portfolios.

The teams have generally made few changes to the companies they are invested in because of their belief in their long-term business models and the concomitant competitive advantages that support them. They have identified opportunities to add to existing holdings at cheaper valuations and in some cases invest in companies that were previously considered too expensive.

In 2021, Liontrust was named Asset Manager of the Year at the Financial News Awards, the Best Fund Group at the Shares Awards and Global Group of the Year at the Investment Week Fund Manager of the Year Awards. These demonstrate the engagement and recognition that Liontrust has generated among institutional investors, wealth managers, financial advisers and retail investors.

Diversification

This helps our strategy of diversifying distribution to ensure the continued growth of our AuMA. This diversification will be enhanced further by the acquisition of Majedie Asset Management, which we announced in December 2021 and



completed after the end of the financial year on 1 April 2022.

An area that offers us further potential to grow our distribution is continental Europe. In October 2021, we added to our proposition through the launch of the Irish-domiciled Liontrust GF Sustainable Future Multi-Asset Global Fund, which brings a strategy available in the UK for more than 20 years to European investors. Since announcing the proposed acquisition of Majedie, we have seen potential demand for these funds from Europe as well, including the Liontrust GF Tortoise long/short equity Fund.

Liontrust has also made progress in achieving the first pillar of our strategic objectives to be a responsible company and investor. This includes the integration of ESG into the processes of our investment teams, the expansion of engagement and voting, a commitment to the Net Zero Asset Managers' initiative, and action to increase diversity and inclusion across the business. While we are pleased with the progress Liontrust is making, we have set ourselves further targets to reach over the next year and beyond.

The fifth pillar of our strategic objectives is to enhance the investors' experience. Our new website that went live in March 2022 and wider digital marketing strategy are designed to give clients and investors the information and content they want and in the way they want to consume it while also enhancing their online experiences with Liontrust. The development of our digital marketing will amplify the Liontrust brand and increase awareness of and engagement with the funds and investment teams.

John Ions

Chief Executive
21 June 2022

"In 2021, Liontrust was named Asset Manager of the Year at the Financial News Awards, the Best Fund Group at the Shares Awards and Global Group of the Year at the Investment Week Fund Manager of the Year Awards. These demonstrate the engagement and recognition that Liontrust has generated among institutional investors, wealth managers, financial advisers and retail investors."

JOHN IONS
CHIEF EXECUTIVE

*Source: Financial Express, as at 31.03.22, total return, net of fees, income reinvested. This excludes the Liontrust Multi-Asset Funds, most of which do not have sector benchmarks, and funds in the IA Specialist sector. These funds make up 78% of Liontrust's total AUMA.

OUR STRATEGY

Liontrust has six principal strategic objectives:

01

Be a responsible
company and investor



02

Deliver strong
long-term investment
performance



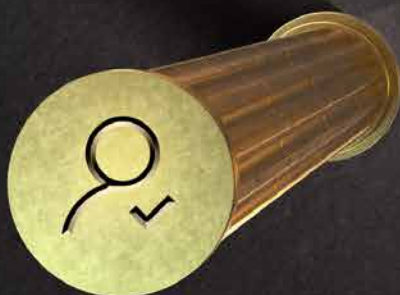
03

Expand our distribution
and products



04

Acquire and
develop talent



05

Enhance the
investor experience



06

Ensure strong
operations and
infrastructure





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.

We have committed to integrating sustainability appropriately throughout the business, which includes publishing our Responsible Investment policy. Liontrust is a signatory to the PRI, a UN supported network of investors, which works to promote sustainable investment through the incorporation of ESG factors into investment decision-making.

We have been working to provide each team with the information and support needed to allow it to integrate ESG, ensuring its investment process is enhanced and complemented by this work rather than imposing a centralised solution.

We are committed to continue our work on achieving the following:

- enhancing our ESG data and analytics for all our investment strategies
- training our staff in our sustainability objectives
- investing in our company engagement capacity and resourcing
- disclosing how we integrate sustainability in each strategy and across the company

- increasing our reporting for funds on their ESG and climate characteristics
- improving our aggregated company reporting

Outcomes: We continue to work towards integrating ESG into our investment teams' approaches with teams at different stages of integration. The Sustainable Investment Team has a fully integrated process, a summary on other teams is included on page 60.

A key objective is to support the goals of the Paris Agreement in limiting global warming to well below 2 degrees Celsius, and preferably to 1.5, compared to pre-industrial levels. To this end, Liontrust committed in May 2022 to become a signatory of the Net Zero Asset Managers' initiative and to limit warming to 1.5C in Scope 3 investments, in addition to scrutinising our Scope 1 and 2 emissions that are currently operationally neutral through offsetting. As part of our efforts, Liontrust has started disclosing the carbon emissions of our single strategy equity funds, fulfilling our commitments to the Montréal Carbon Pledge.

Liontrust's investment teams have expanded their engagement and voting. In 2021, the teams met 614 companies, 155 of these engagements were conducted by the Sustainable Investment team. These meetings covered financial performance and strategy as well as ESG matters, with 468 ESG issues being raised. This engagement has influenced, among others, companies' approaches to the energy transition, diversity and inclusion, remuneration, and the Workforce Disclosure Initiative.



2 Deliver strong long-term investment performance

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 2022, 99% 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. 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, 98% of UK-domiciled funds in the 1st or 2nd quartile of their respective IA sectors.

In 2021 Liontrust was named Asset Manager of the Year at the Financial News Awards, the Best Fund Group at the Shares Awards and Global Group of the Year at the Investment Week Fund Manager of the Year Awards 12 funds have the 5-Crown rating from FE fundinfo.

3 Expand our distribution and products

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. We add to our product range when we possess the fund management expertise and there is investor demand.

Outcomes: Liontrust generated net inflows of £2.5 billion for the financial year ended 31 March 2022. AuMA were £33.5 billion at the same date, an increase of 8.5% over the financial year.

Liontrust recorded the 2nd highest net retail sales in the UK in 2021 and the 5th highest gross retail sales in the UK over the calendar year (Source: Pridham Report).

We launched the Liontrust GF Sustainable Future Multi-Asset Global Fund in October 2021 to provide European investors with access to a strategy that has been available in the UK for more than 20 years.

In December 2021, we announced the acquisition of Majedie Asset Management. This transaction was completed on 1 April 2022 and has continued our diversification and expansion, both through distribution to institutional investors and investment capability, as well as adding £5.2 billion to our AuMA.

A YEAR OF SUCCESS

June 2021

Won Global Group of the Year at the Fund Manager of the Year Awards

July 2021

Quintin Price joined as Non-executive Director

Announced net inflows of over £1 billion in first quarter of the financial year

October 2021

Announced net inflows of over £1.1 billion in second quarter of the financial year

Start of the World Market Review Multi-Asset roadshow around the UK

Won Asset Manager of the Year at the Financial News Asset Management Awards

November 2021

Rebecca Shelley joined as a Non-executive Director and subsequently as Senior Independent Director

COP26 client event with the Sustainable Investment team

Won Fund Group of the Year at the Shares Awards



4 Acquire 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. 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.

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.

Outcomes: The Sustainable Investment team recruited four graduate trainees during the year: Nancy Kondelidou, Sarah Nottle, Deepesh Marwaha and Ed Phelps.

The announced acquisition of Majedie Asset Management during the financial year added the Global Fundamental team to Liontrust on 1 April 2022.

In November and December 2021, we undertook our most recent workforce engagement survey. The overall response rate was 79%, compared to an industry average of the mid 60s%. Our engagement index was 74%, sitting 4% above the norm (Liontrust has been compared against 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 five pillars of engagement: Engaging Managers; Employee Voice; Realising Potential; Organisational Integrity and Compelling Leadership – we scored above the norm for every pillar.

During 2021, Liontrust set up the Diversity and Inclusion Committee. Chaired by our COO/CFO, the Committee provides feedback and recommendations to the Management Committee, Nomination Committee and the Liontrust Asset Management PLC Board. The purpose of the Committee is to look at the challenges and opportunities around 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 and inclusion
- Attracting people from diverse backgrounds to join Liontrust and the asset management industry in general

Liontrust has been taking several actions to increase diversity and inclusion and to continue to raise awareness of the importance of building a workplace that fosters inclusion and equality for all. This includes hosting a Women's Forum Discussion on "Breaking the Bias" in celebration of International Women's Day, enhancing Liontrust's Maternity and Paternity policies, and a hosting a number of events to promote International Women's day and Pride month.

December 2021

Announced agreement to acquire Majedie Asset Management

January 2022

Emma Howard Boyd CBE joined the Board as Non-executive Director

February 2022

Announced that Liontrust had the 2nd highest net retail sales in the UK in 2021 and 5th highest gross retail sales

March 2022

New website launches
Rebecca Shelley appointed Senior Independent Director



5 Enhance the investor experience

We aim to provide our investors with exceptional service and support, striving to be as transparent as possible. 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. Liontrust is investing in developing online services and digital communications to enhance client services.

Outcomes: 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.

Our client communications has generated increased engagement during the financial year. This includes:

- A video we filmed with John Cleese and Jen Wade about animal conservation was watched almost 120,000 times across social media
- The first 18 Liontrust Bite-Size videos were viewed more than 97,000 times on LinkedIn
- 56 posts on LinkedIn in the 4th quarter of 2021 generated total impressions of 392,000
- Total Liontrust website users and sessions increased 28% in December 2021 compared with December 2020

Liontrust conducted its latest research among our private investors and professional intermediaries as part of the Assessment of Value of the UK-domiciled funds in 2021. Our clients were asked to evaluate 21 different aspects of Liontrust's service and communications, and these produced three summary scores.

These scores were:

- 84% are satisfied or very satisfied overall with the Client Services team at Liontrust
- 74% are satisfied or very satisfied taking into account the information, materials and/or tools used from Liontrust
- 76% are satisfied or very satisfied taking into account the aspects of information, materials, communications and client servicing used or experienced from Liontrust.

Of the issues raised with Client Services, the percentages resolved were:

- 83% completely
- 6% partially



6 Ensure strong operations and infrastructure

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 restructured and strengthened the Performance and Investment Data teams and is investing in a new centralised vault to house all data required across the Group. These developments will enhance further the performance and analysis of data and attribution analysis provided to all other departments and intelligence for the business on the investment teams and their strategies.

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 2022, Liontrust managed £33.5 billion in assets under management and advice (AuMA) across six 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 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

Everyone at Liontrust is personally accountable for their commitments and actions, and seeks to uphold the highest standards of integrity in all of our actions.



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
COURAGE · POWER · PRIDE

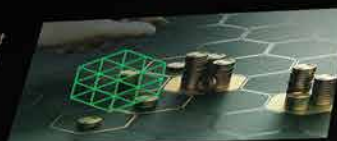
LEARNING



Investing for retirement

The state pension is unlikely to provide the standard of living in retirement that most of us would like or expect. Today, enjoying a decent retirement generally means providing a savings pot for ourselves.

[READ THE ARTICLE →](#)



How to build an investment portfolio
Asset allocation, or the proportion of a portfolio that are invested in different asset classes, is key to long-term performance.

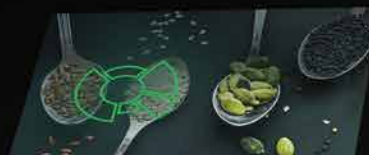
[READ THE ARTICLE →](#)



Understanding the Stock Market

Stock markets can be daunting, especially for beginners.

[READ THE ARTICLE →](#)



What is diversification

Everyone knows it is risky to 'put your eggs in one basket.' The same principle applies to investing.

[READ THE ARTICLE →](#)



The benefits of investing

Many people are happy to leave their savings in a bank cash account, allowing instant access. Investing can offer other benefits, however.

[READ THE ARTICLE →](#)



Explaining dual and single price funds

Some of our funds are dual priced, some are single priced. Here we explain what this means.

[READ THE ARTICLE →](#)



Understanding financial markets

A variety of assets are traded on financial markets, but they are all affected by certain key factors.

[READ THE ARTICLE →](#)



Understanding your risk profile

One of the key questions to answer before making an investment is 'what is your risk profile?'

[READ THE ARTICLE →](#)



What are asset

...involves looking to the...
...characteristics.
...CLE →



What are real assets

A real asset has physical properties. How does this affect them as investments?

[READ THE ARTICLE →](#)



What is a commodity

A commodity is a physical good with the same characteristics as other goods of the same type.

[READ THE ARTICLE →](#)



What is style investing

There are two main approaches associated with investing in equities. Discover the...

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 increase 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 six fund management teams (which increased to seven on 1 April 2022 with the addition of the Global Fundamental team from the Majedie acquisition) 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 wholeheartedly 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 over, 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. The regular research we conduct shows that Liontrust consistently scores well for brand awareness, understanding and positive opinion among financial intermediaries in the UK.

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 moved to 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.

The Sustainable team's AuMA has continued to grow, from £10.24 billion on 31 March 2021 to £13.23 billion a year later, and research shows that professional intermediaries and retail investors still regard Liontrust as having the best sustainable investment team

(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 six 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 2022 report, due to be published later this year, which outlines the successes, where we need to do more and our priorities for the year ahead. Liontrust has also committed to playing our part in helping to deliver the goals of the Paris Agreement to limit global warming to 1.5°C.

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 investors, stakeholders and society. We pride ourselves on the quality of our investment teams and the knowledge and ability of our staff across the business. We seek to provide first-class service and we are transparent about the management of our funds, portfolios and the business, communicating clearly and frequently.



SUSTAINABILITY

Liontrust is committed to integrating sustainability throughout the business including: being a responsible investor; climate change and the environment; diversity and inclusion; human rights; and being a good corporate citizen. Good governance and stewardship, sustainability and social impact are important in delivering longer-term investment performance. Liontrust believes that a diverse workforce promotes innovation and growth through independent thinking and new ideas.



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, being decisive, innovative and nimble.



RESPONSIBILITY

Everyone at Liontrust is personally accountable for their commitments, actions and for delivering on their 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 and shareholders. We seek to uphold the highest standards of integrity in all of our actions.

HOW THIS BENEFITS OUR STAKEHOLDERS



FINANCIAL REVIEW

Financial performance

Profit before tax increased to £79.291 million (2021: £34.929 million). The profit before tax for the year includes £7.1 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.

Adjusted profit before tax*, which adjusts for amortisation costs and other costs relating to acquisitions and reorganisation increased to £96.556 million from £58.987 million (restated – see note 7) last year, reflecting the increased fund flows, growth in AuMA and sustained performance fees – reflecting the successful delivery of these pillars of our strategy.

Table (a) Analysis of financial performance

	Year ended 31 Mar 22 £'000	Year ended 31 Mar 21 (restated) £'000	Year on year change
Gross Profit excluding performance fees	218,750	150,592	45%
Performance fees	12,595	13,692	-8%
Realised gain on sale of financial assets	-	147	
Realised gain on sale of Asia fund	-	250	
Administration expenses	(152,058)	(129,759)	17%
Profit before tax	79,287	34,922	127%
Adjustments – see note 7 on page 157	17,265	24,058	
Adjusted operating profit	96,552	58,980	64%
Interest receivable	4	7	
Adjusted profit before tax	96,556	58,987	64%

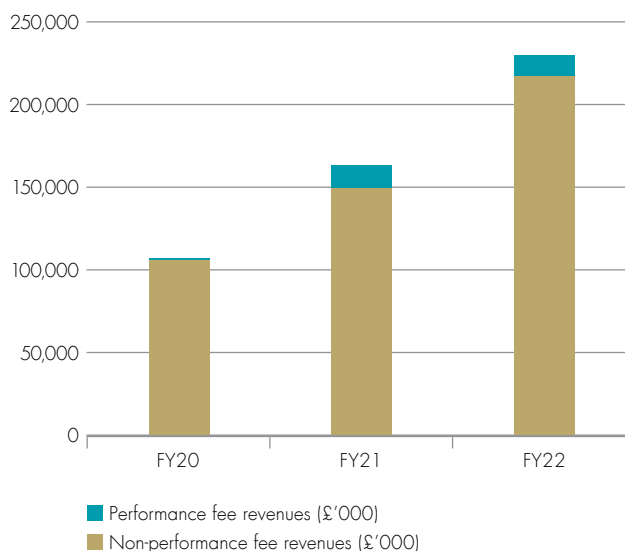
See note 7 to the financial statements for a reconciliation of adjusted profit before tax to profit for the year.



Gross profit

Gross profit increased by 45% compared to last year and by 107% compared to two years ago.

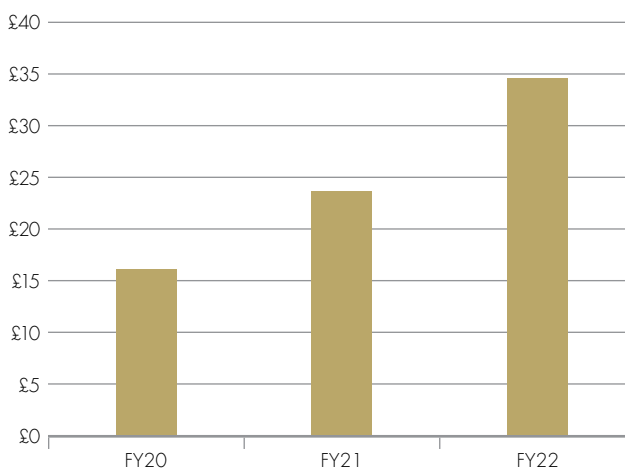
Figure 1 – Gross profit £'000



Average AuMA

Average AuMA increased by 47% compared to last year and by 103% over two years (see Figure 1 below), reflecting acquisitions, net flows and investment performance.

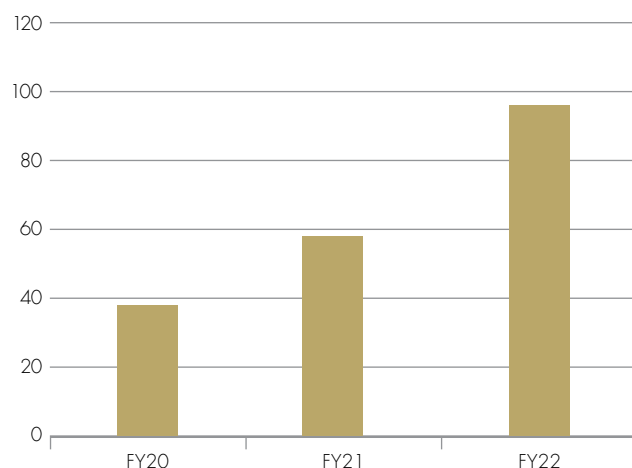
Figure 2 – Average AuMA £'billion



Adjusted profit before tax and operating margin*

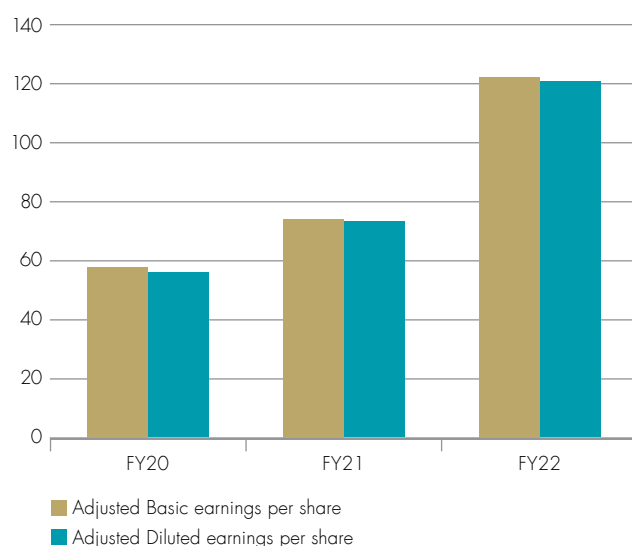
Adjusted profit* before tax increased to £96.556 million from £58.987 million (restated) last year and from £38.036 million (not restated) two years ago reflecting the increase in Average AuMA, performance fees and recent acquisitions. This in turn is reflected in strong growth in Adjusted basic and Diluted earnings per share (see Figures 3 and 4).

Figure 3 – Adjusted profit before tax* £'million



*These are alternative performance measures ('APM'). See page 30 for further details. FY20 APMs have not been restated. FY21 APMs have been restated.

Figure 4 – Adjusted basic and diluted earnings per share excluding performance fees* (pence)



Adjusted operating margin (calculated as Adjusted operating profit divided by Gross profit) reflects the strong operating gearing and operational cost efficiency in the business (see Figure 5 below).

Figure 5 – Adjusted operating margin*

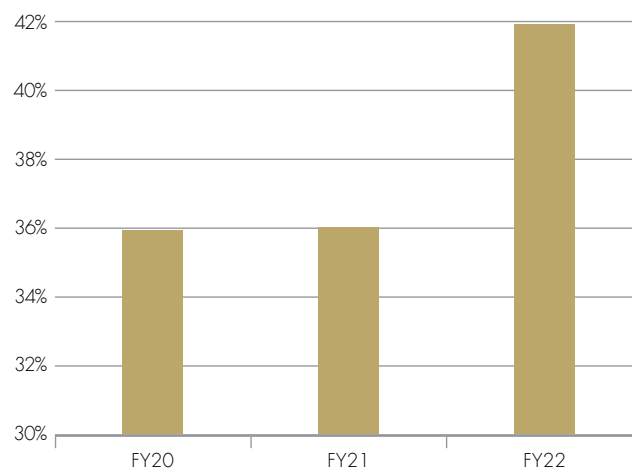
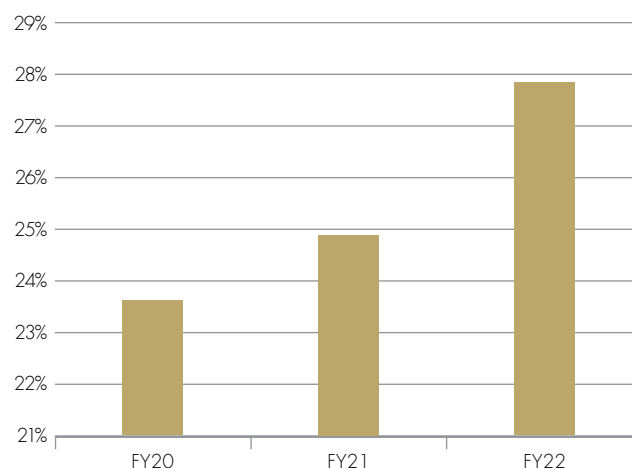


Figure 6 – Adjusted operating profit* as % of Average – AuMA



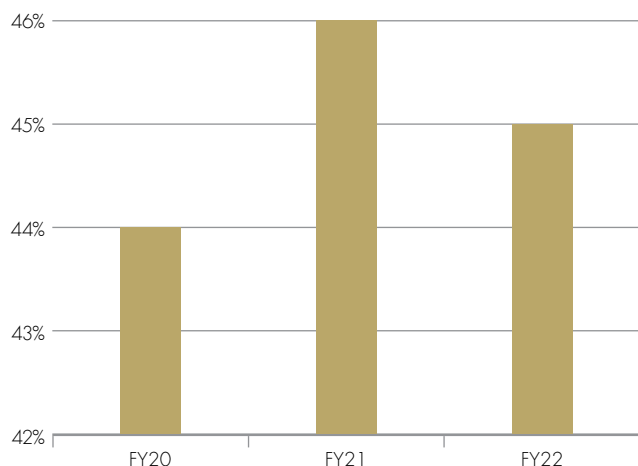
£97m

Adjusted operating profit* increased to £96.556 million from £58.987 million last year

Administration expenses

The largest 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 reduced reflecting increased revenues and stringent cost control. See Figure 7 below.

Figure 7 – Director, employee and member related expenses as a percentage of Gross profit

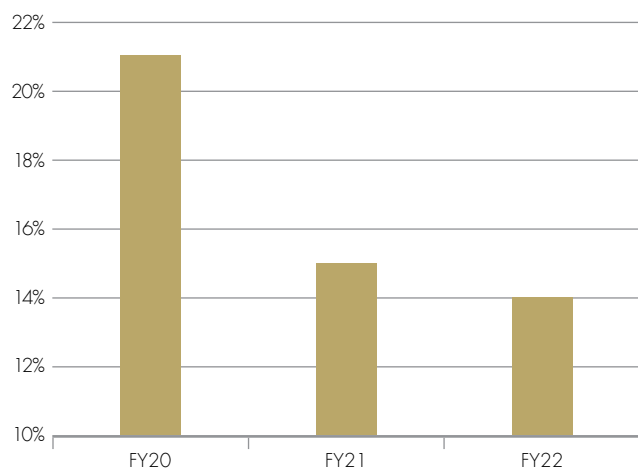


Member and employee related costs are the sum of Director and employee costs, pensions, members' drawings charged as an expense, and members' advance drawings (where applicable).

*These are alternative performance measures ('APM'). See page 30 for further details.

Non-staff compensation expense as a percentage of Gross Profit also fell to 13.6% (2021: 15.2%, 2020: 20.7%).

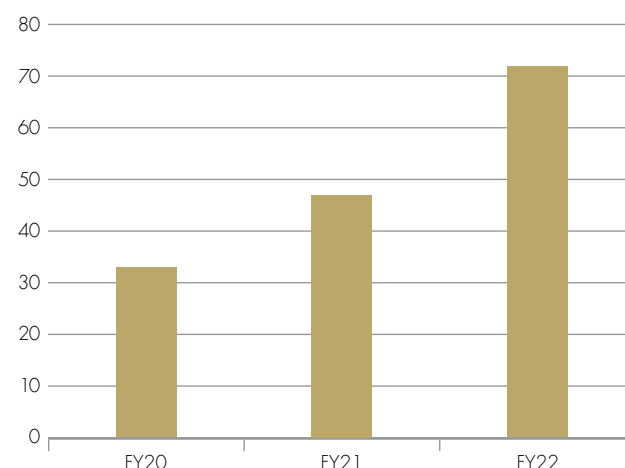
Figure 8 – Other administration expenses as a percentage of Gross profit



Dividend

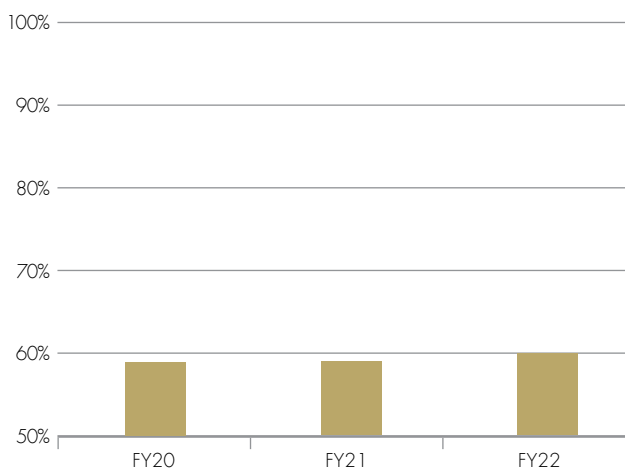
The Board has considered current market environment, the financial performance for the Group in the current year and its cash generation abilities in future years, and is declaring a second interim dividend of 50.0 pence per share (2021: 36.0 pence) which will result in total dividends for the financial year ending 31 March 2022 of 72.0 pence per share (2021: 47.0 pence) (See Figure 9 below). This reflects a dividend margin (dividend per share divided by Adjusted diluted earnings per share excluding performance fees) of 59% (See Figures 9 and 10 below).

Figure 9 – Dividend per share (pence)



*These are alternative performance measure ('APM'). See page 30 for further details.

Figure 10 – Dividend margin*



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 (excluding performance fees), 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 2025. 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 ICAAP. 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 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 Covid-19 pandemic and global 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 ICAAP, 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, 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 and amortisation, 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.

GROSS PROFIT EXCLUDING PERFORMANCE FEES

Definition: Gross profit 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.

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

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

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.

OTHER ADMINISTRATION EXPENSE

Definition: a component of administration expenses related to non-people related costs within the business.

Reconciliation: Note 5.

DIVIDEND MARGIN

Definition: This is the dividends declared 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

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

We strive for excellence in our products, service and people so we can have a positive impact on our investors and stakeholders. This approach and commitment to our investors is reflected in this second annual Assessment of Value of Liontrust's UK-domiciled funds.

For the Report, Liontrust has considered whether our funds are delivering value 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. Aside from 2 funds all others have an overall fund score as Green.





SALES AND MARKETING REVIEW

Liontrust generated net inflows of £2.5 billion for the financial year to 31 March 2022. This helped increase AuMA by 8.5% to £33.5 billion. The strength of our sales is demonstrated by the fact that over the calendar year of 2021, Liontrust had the second highest net retail sales in the UK and the fifth highest gross retail sales, according to the Pridham Report.

As well as the quality of Liontrust's investment capabilities these sales have been driven by the breadth of our client base, strong relationships, client service, highly effective communications and a distinctive brand.

Liontrust won the ESG Advocate (Asset Management) Award at the Portfolio Adviser Wealth Partnership Awards in December 2021, demonstrating the quality of our existing service and communications. This followed Liontrust being named Asset Manager of the Year at the Financial News Awards, the Best Fund Group at the Shares Awards and Global Group of the Year at the Investment Week Fund Manager of the Year Awards last year. These awards show Liontrust's strength and diversification of distribution to institutional investors, wealth managers, financial advisers and retail investors.

Clients demanding a more sustainable outcome from their investments continue to drive flows into our Sustainable Future funds. The team's AuMA rose from £10.24 billion on 31 March 2021 to £13.23 billion a year later. Both professional intermediaries and retail investors continue to identify Liontrust as the best asset manager for sustainable investment, according to research carried out for Liontrust by Research in Finance in December 2021. While 37% of professional intermediaries say Liontrust is the leader for sustainable investment, 28% of retail investors identified Liontrust as the leader for sustainable investment.

The team's excellence has been demonstrated by SF Global Growth winning Best Sustainable & ESG Equity Fund and SF Managed winning Best Sustainable & ESG Multi-Asset Fund at the Investment Week Sustainable & ESG Investment Awards in the autumn of 2021. SF Managed Growth also won the Best Ethical/Sustainable – Active fund award at the AJ Bell Fund and Investment Trust Awards.

These followed Liontrust SF Global Growth, SF Managed Growth and SF Managed all winning awards at Incisive Media's Fund Manager of the Year Awards in July 2021.

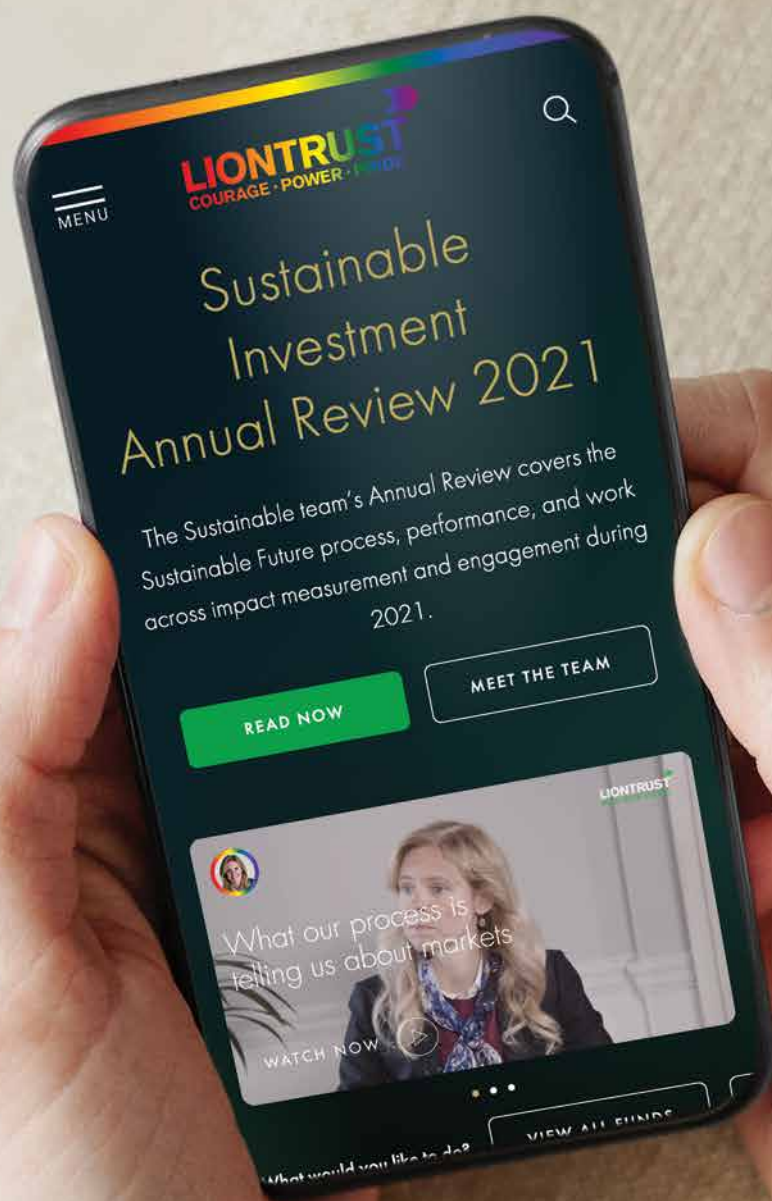
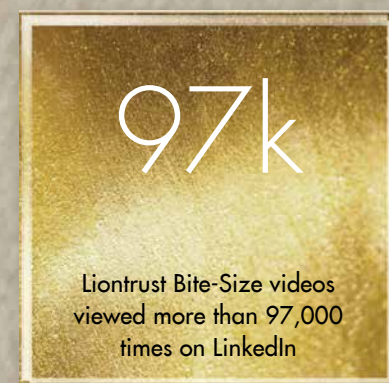
We continue to seek to diversify sales across our investment teams and funds, which is one of the strategies set by the Board of Directors. Over the financial year, for example, the Distribution team has seen increasing demand for the European Growth and Global Dividend funds managed by the Cashflow Solution and Global Equity teams respectively.

Liontrust has been able to move from exclusively virtual communications to having face-to-face meetings with clients again, both one-to-one meetings and fund manager presentations to multiple clients, over the course of the year. The return of events has included the Multi-Asset team's World Market Review (WMR) roadshow around the UK. By the end of March 2022, nearly 1,000 advisers had registered to attend the roadshow beginning in April 2022 and running through the spring.

Liontrust has been investing in digital marketing to enhance further the service we provide and the engagement we achieve with clients and investors, including through the launch of our new website at the end of March featuring distinct customer journeys and personalisation. Our website and wider digital marketing strategy are designed to give clients and investors the information and content they want in the way they want to consume it while also enhancing their online experience.

The development of our digital marketing will enhance the Liontrust brand and increase awareness of and engagement with the funds and investment teams. The first 18 Liontrust Bite-Size videos that we started filming in the autumn of 2021, for example, have been viewed more than 97,000 times on LinkedIn.





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 2022:



Investment Week Fund Manager
of the Year Awards 2021
Global Group of the Year



Investment Week Fund Manager
of the Year Awards 2021
Managed 40-85% Shares



Investment Week Fund Manager
of the Year Awards 2021
Global Growth



Investment Week Fund Manager
of the Year Awards 2021
Managed – Flexible Investment



Investment Week Fund Manager
of the Year Awards 2021
Global Income



AJ Bell Online Personal
Wealth Awards 2021
Best Multi-Manager Fund Provider



Professional Pensions UK Equity
manager of the year



Professional Adviser Awards 2021
Best ESG Solution for Advisers



Professional Adviser Awards 2021
Multi-Asset Group of the year



Financial News Asset Manager of the Year



Shares Awards Best Fund Group



Moneyfacts Best Multi-Manager Provider

In 2021, Liontrust was named Asset Manager of the Year at the Financial News Awards, the Best Fund Group at the Shares Awards and Global Group of the Year at the Investment Week Fund Manager of the Year Awards. These demonstrate the engagement and recognition that Liontrust has generated among institutional investors, wealth managers, financial advisers and retail investors.

COMMUNITY ENGAGEMENT

Part of Liontrust's purpose is to have positive outcomes for society by empowering and inspiring the wider community. There are currently three key objectives that we are aiming to achieve through the Liontrust community engagement programmes:

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

Financial Education

Newcastle United Foundation

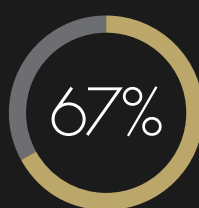
Liontrust partners with Newcastle United Foundation (NUF) to provide a numeracy programme, Financial Football. This is designed to give primary school children a head start in financial education.

The six-week programme has helped to break down barriers that children face in understanding and learning about

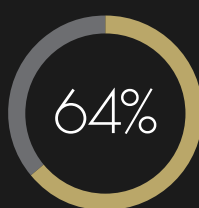
numeracy and finance, with the aim of improving children's understanding of money, as well as giving them the confidence to thrive in school maths lessons.

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.

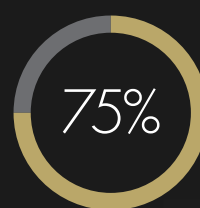
The project, which involves interactive games around football, is working with Years 4, 5 and 6 pupils and reaching more than 750 primary school children across 17 schools a year. Financial Football has introduced a new maths education programme to increase primary school children's confidence and understanding of this subject. Newcastle United Foundation enabled Financial Football to go online during the Covid pandemic. Financial Football has led to significant improvements in solving money focused questions:



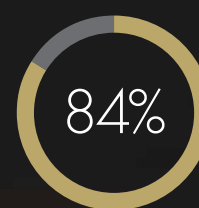
in numeracy



in addition, subtraction,
multiplication



in statistics



in ratios



ZSL | LET'S WORK FOR WILDLIFE



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 will be used to work with all members of the local community. Currently, Newcastle United Foundation is helping around 65,000 people across the North-East of England.

10 Ticks

Liontrust has partnered with 10ticks to enable them to deliver worksheets and new digital maths education to primary schools across the UK. 10ticks works with 16,258 state primary schools, which cover approximately 4.7 million children.

10ticks has around 8,000 worksheets suitable for primary schools covering the entire maths curriculum. 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.

The speed evaluation is based on the Beat the Clock game. How many questions can you answer correctly in 60 seconds? The game takes a baseline test, then an ongoing average is kept for each pupil. The percentage improvement is based on the baseline test to ongoing average score. This improvement is mapped against the number of times pupils log in to the system.

The accuracy evaluation is based on the Perfect 10 game. How quickly can you answer 10 questions in a row correctly without a mistake? The game takes a baseline test, then an ongoing average is kept for each pupil. The percentage improvement is based on the baseline test to ongoing average score. This improvement is mapped against the number of times pupils log in to the system.

Overall, the average pupil using Mental Maths has improved their speed by 33.7% and accuracy by 35.9%. By the end of March 2022, 2.29 million questions had been answered by pupils.

Wildlife Conservation

ZSL London Zoo

Liontrust 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.

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 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 brought 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 outbreaks or natural disasters.

ZSL, through its science and conservation efforts in the field and at ZSL London Zoo, is working to ensure a future for Asiatic lions.

Five areas currently exist to protect the Asiatic lion in India: the Gir Sanctuary, Gir National Park and Pania Sanctuary form the Gir Conservation Area (GCA) covering an area of 20,000 km² of forest representing the core habitat for the Asiatic lion. The other two wildlife sanctuaries, Mitiyala and Girnar, protect satellite areas within a lion's range distance of the Gir Conservation Area.

ZSL supports all efforts to protect Asiatic lions in the Gir and works with the Wildlife Institute of India to assist with conservation efforts – from sharing expertise to providing training for wildlife vets.

ZSL London Zoo's flagship exhibit Land of the Lions is an immersive and engaging hub for ZSL's Asiatic lion conservation and education efforts, and an area sponsored by Liontrust. Transporting visitors from the heart of London to India's vibrant Sasan Gir, people can get closer than ever before to the lions, while embarking on an adventure through the Indian-inspired experience. From exploring an Indian barber shop, in the replica Sasan Gir high-street to a train-station, the exhibit gives visitors a sense of just how close lions and people live in India.

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.

Arya's move from Paignton Zoo could not happen until the three females that previously resided in London had moved to a new home in Germany. Liontrust sponsored the moves of all four lions, including the creation of custom-made crates so that the precious cargo could travel in safety and utmost comfort.

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.

Tusk Lion Trail

Liontrust is proud to have supported the Tusk Lion Trail 2021 by sponsoring the lion statue that lived outside the National Gallery in Trafalgar Square. The event was part of a global celebration of lions, the people who live alongside them and the conservation work in Africa. Forty seven life-sized lion sculptures, designed and made by artists, musicians and sportspeople, were placed around the world, including in London, as part of the Trail.

The Liontrust lion that lived in Trafalgar Square was painted by the legendary comedian John Cleese and his wife Jen Wade. The rainbow colours signify hope, dreams and magic. The fish is the symbol of John Cleese's wife.

The money raised from the sponsorship and selling the statues through auction went to Tusk's conservation and community work across Africa.

Levelling up Goals

Liontrust has partnered with the Purpose Coalition on a Levelling Up Impact report which will set out its contribution to the levelling up agenda in the UK.

The Levelling Up Impact report will highlight the work Liontrust is already undertaking to deliver a positive impact on wider society, particularly through financial education and sustainability within the framework of 14 Levelling Up Goals.

The Goals, established in 2021 by former Education Secretary Rt Hon Justine Greening with input from businesses, universities and policymakers, are designed to provide an architecture that will help tackle the challenges the country faces post Covid-19. They focus on key life stages – from early years through to adulthood, alongside other barriers such as fair career progression and closing the digital divide - and highlight the main issues that need to be resolved to create a level playing field for everyone.



The Goals are the first major piece of work by the Purpose Coalition, which includes businesses, universities and public sector.

We are delighted to be supporting Levelling up Goals because of the importance of providing opportunities to as many people as possible wherever they grow up and live.

One of the best ways of achieving this is through education. Helping children with numeracy and delivering financial education is very important to Liontrust because these are indispensable skills for everyday life. Research into financial literacy has shown a large number of young people in the UK do not feel confident about handling money.

A way of encouraging people to engage with their savings to make them work more effectively is through sustainable investment. Most people can relate to the importance and benefit of sustainable investing for themselves and their world.



120k

A video we filmed with John Cleese and Jen Wade about animal conservation was watched almost 120,000 times across social media

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 ensuring 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 development and implementation of a cloud-based server infrastructure, IT support, delivery of IT hardware upgrades and the maintenance of a high-quality technology environment that supports the business.



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:

- Due to the Covid-19 pandemic, continued successfully to manage the IT support for all employees and members in a “hybrid working from home” environment, including providing continuous on-site support during normal working hours at our London office. During this financial year ended 31 March 2022, we have made no Covid-19 related redundancies, nor sought to take part in any government assistance schemes.
- Worked with Alpha Financial Markets PLC, external consultants, to produce the Operations & IT Due Diligence Report on Majedie Asset Management Limited (“Majedie”) prior to entering into the Sale & Purchase Agreement in relation to the acquisition of Majedie.
- Successfully integrated the internal operational and technology aspects of the Global Fundamental team following the acquisition Majedie, which was announced on 7 December 2021 and completed on 1 April 2022. This included onboarding all the Majedie staff and migrating all required data onto Liontrust systems.
- Moved offices in Edinburgh and Luxembourg to improve the working environment.
- Transitioned from Skype to Teams for telephony and also enhanced our video conferencing capabilities across all offices for both internal and external meetings.
- Implemented a market-leading corporate engagement tool.
- Continued to remain vigilant on Cyber threats and Disaster Recovery projects, including conducting successful data centre failover tests.
- Successfully transferred the administration for the Liontrust Asia Income Fund to Maitland.
- Managed the mergers of the Liontrust European Opportunities Funds into the Liontrust European Growth Fund, the Liontrust Global Income Fund and the Liontrust US Income Fund into the Liontrust Global Dividend Fund, and the Liontrust Japan Opportunities Fund into Liontrust Japan Equity Fund.
- Implementation of a cash sweep facility for our Unit Trust and OEIC range of funds,
- Developed and managed the launch of the GF Sustainable Future Multi-Asset Global Fund in October 2021.
- Managed the implementation of the fixed Administration Fee for the Multi-Asset range of funds in July 2021.
- Managed the Assessment of Value process, culminating in the publication of the second full report in December 2021.

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 a number of risk frameworks. These capture the core risks inherent in our business and assess how they are managed and mitigated, identifying the key indicators that would suggest if the risk is likely to materialise together with an assessment of the cost impact that each risk may have on our regulatory capital.

The Risk Management Department (RMD) is a business function set up to manage the risk management process on day-to-day basis. The RMD is responsible for the Group's Risk Management Framework. The risk management process is integrated into the Group's internal control system and is an essential part of corporate governance and management arrangements. It provides an objective review and assessment

of the risks Liontrust faces in seeking to achieve its objectives. Liontrust's Risk Charter defines the mission, scope of work, organization, accountability, authority and responsibilities of the RMD of the Group. It governs how the Chief Risk Officer and other staff in 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 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 having positive outcomes for our investors, stakeholders, and society. This statement is a guide for employees and describes the key elements which make up the Liontrust Risk Culture.

Our Values and Risk Culture

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.

EXCELLENCE

- We take personal responsibility for having the due skill and knowledge to do our jobs well.
- We recognise positive risk culture as a 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.

SUSTAINABILITY

- We consider sustainability risk as part of our day to day risk management.
- Good conduct and culture - "doing the right thing" reduces reputational risk and helps to build a long term sustainable business.
- We believe a diverse and inclusive workforce reduces groupthink and promotes innovation and sustainable growth through independent thinking and new ideas.
- We believe that encouraging good governance and stewardship of the companies in which we invest reduces investment risk and is an essential part of creating shareholder value and delivering investment performance for our clients.

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 own our risks and firmly understand how the risks we manage can impact Liontrust.
- We uphold the highest standards of integrity in all of our actions, treating staff, clients and stakeholders fairly and with respect. We do not turn a blind eye to inappropriate behaviour.

Enterprise Risk Management Framework

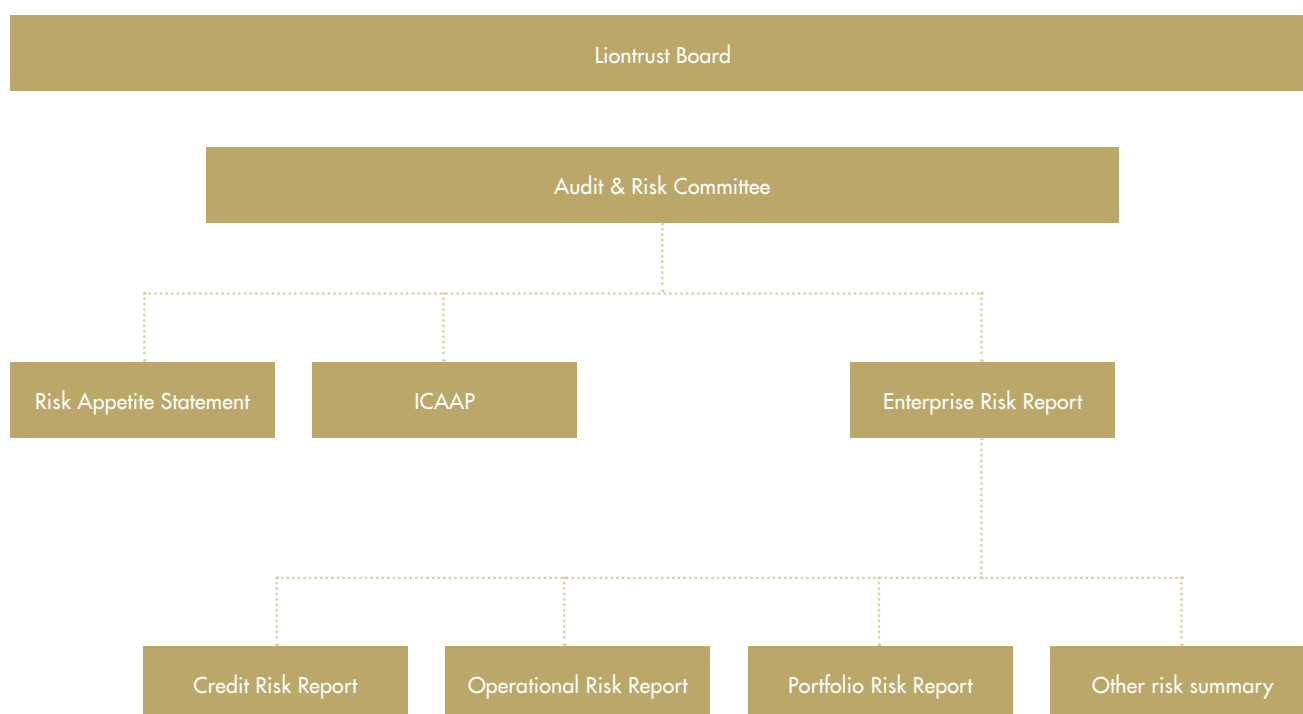
In order to ensure that the Group regularly reviews and monitors all the potential areas of risk to the business, including emerging risks, Liontrust has implemented an Enterprise Risk Management (ERM) framework which allows management, the Audit & Risk Committee and the Board to be kept fully informed 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 Assessment Process ("ICAAP") and the regular risk reporting. The ICAAP will be superseded by the Internal Capital Adequacy and Risk Assessment ("ICARA") from 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 to achieve our business objectives.

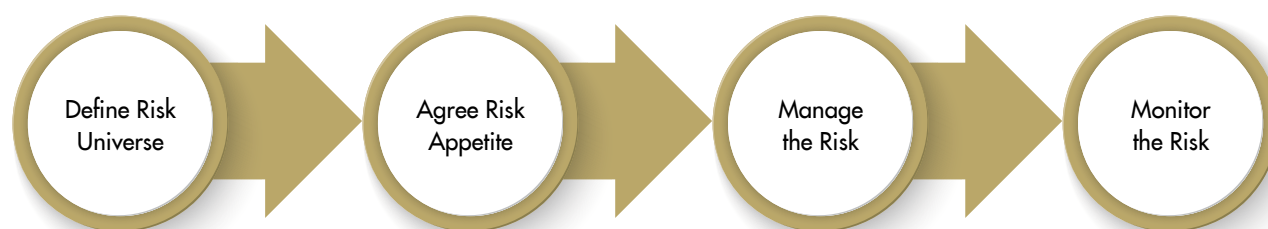
- The ICAAP combines the RAS and the Group's financials together with scenario analysis and stress testing to determine how the realisation of risks might impact on the Group's capital and regulatory requirements.
- The Enterprise Risk Report brings together the ongoing risk identification, management, 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	<p>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.</p> <p>These risks include:</p> <ul style="list-style-type: none"> • 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	<p>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.</p>																
Operational risk	<p>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:</p> <table> <tr> <th>Event Type</th><th>Description/Examples</th></tr> <tr> <td>Internal Fraud</td><td>Misappropriation of assets, tax evasion, intentional mismarking of positions, bribery</td></tr> <tr> <td>External Fraud</td><td>Theft of information, hacking damage, third-party theft and forgery</td></tr> <tr> <td>Employment Practices</td><td>Discrimination, workers' compensation, employee and Workplace health and safety</td></tr> <tr> <td>Clients, Products, & Business practice</td><td>Market manipulation, antitrust, improper trade, product defects, fiduciary breaches, account churning</td></tr> <tr> <td>Damage to Physical Assets</td><td>Natural disasters, terrorism, vandalism</td></tr> <tr> <td>Business Disruption & System failures</td><td>Utility disruptions, software failures, hardware failures, disruption due to external events such as war or pandemic and IT security & cyber,</td></tr> <tr> <td>Execution, Delivery & Process Management</td><td>Data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets</td></tr> </table>	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 health and safety	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, disruption due to external events such as war or pandemic and IT security & cyber,	Execution, Delivery & Process Management	Data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets
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Execution, Delivery & Process Management	Data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets																
Business risk	<p>The potential strategic, business, operational and legal risks arising from poor strategy, competitive pressure, poor due diligence, poor integration of acquisition targets and badly managed divestitures.</p>																
Client Management	<p>The risks associated with poor distribution and poor client service including a failure to meet business objectives and suitability / mis-selling.</p>																
Portfolio Management, Investment and Liquidity risk	<p>The risks arising from poor investment returns, incorrect levels of investment risk or liquidity issues in the funds.</p>																
People / Talent Management	<p>The risk of losing experienced and talented staff or a failure to develop staff.</p>																
Regulatory, Compliance, Conduct and Financial Crime	<p>The risk of legal penalties, financial forfeiture and material loss if Liontrust fails to act in accordance with industry laws and regulations.</p>																

Risk Appetite

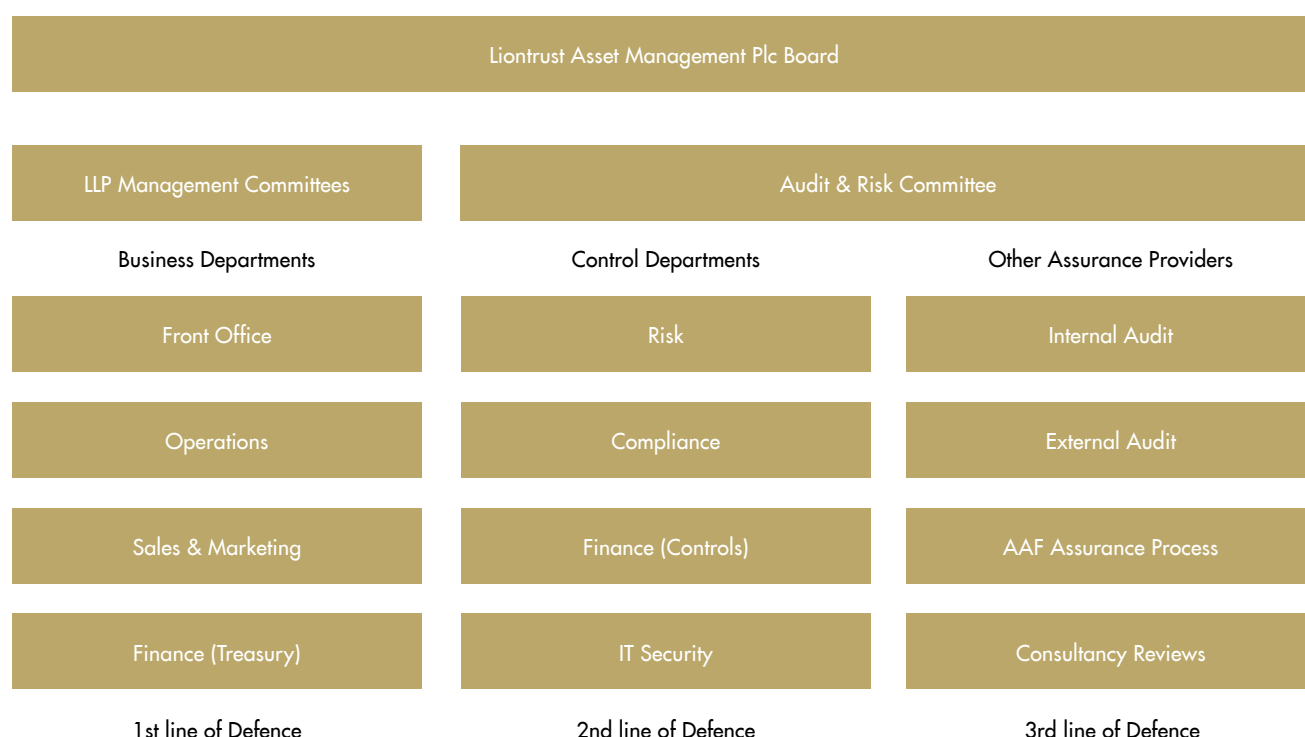
Liontrust has documented a Risk Appetite Statement for each of the Risk Areas. They identify the Key Risks facing the Group, the Risk Appetite and detail a combination of qualitative and quantitative measures as appropriate to adequately cover the identified risks. This includes identifying measures 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 implementation of the ERM framework, the Group's risk registers have been refreshed with a view of enhanced comprehensiveness and consistency. Departments completed 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 the 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.

Risk Profile

Each risk register leveraged off previous risk registers, various audits and industry sources to identify their risks. The risks were identified, assessed, and categorised into the standard Liontrust risk area taxonomy – with operational risk categories escalated one level. The following heat maps on page 47 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 2022 (post-control – rating given the current effectiveness of controls)

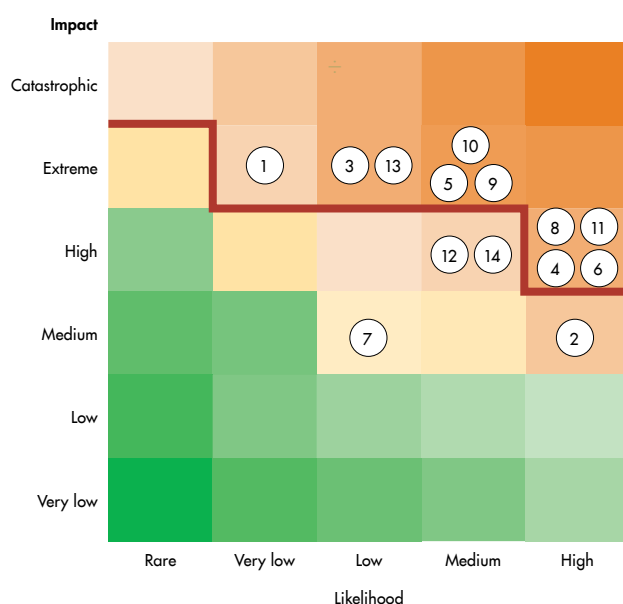
The inherent vs residual heat maps show a general down and left movement which shows the effectiveness of the mitigating controls on our risks.

Additionally, the red line represents our risk appetite and the shaded area represents areas 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.

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 register if they are also one of these risk groupings and then analyse them separately.

Risk Profile Charts

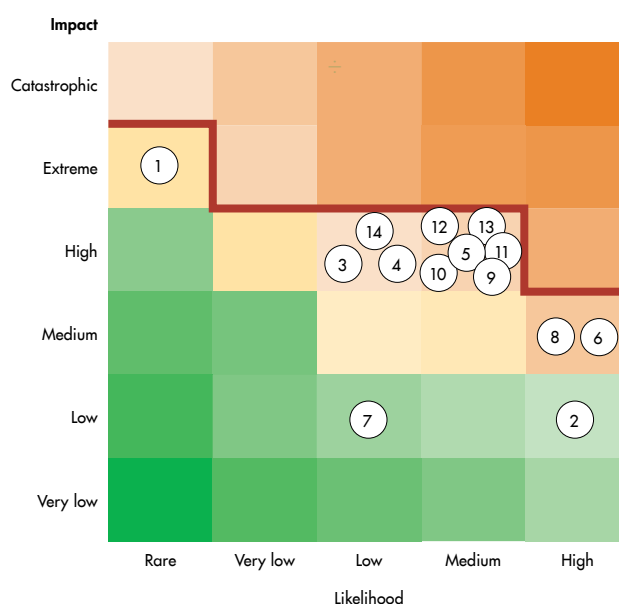
Inherent risk:



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

Residual risk:



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

PRINCIPAL RISKS

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
- Integration risk

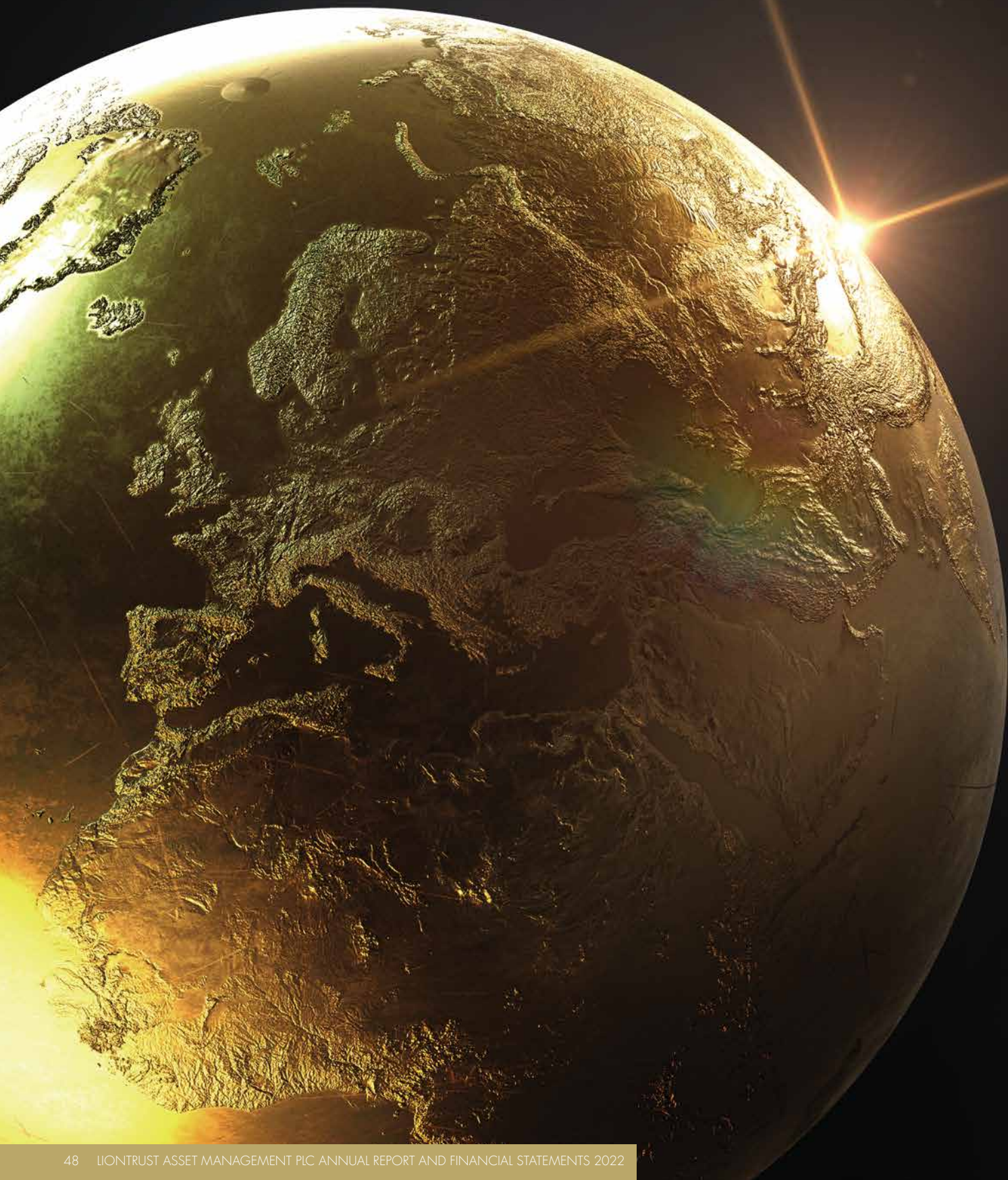
Liontrust has worked on integrating the Architas and Majedie businesses over the last twelve months with most activities now fully transferred. The remaining work relates to the change of Authorised Corporate Director and transfer agency for the Majedie funds. There has been a higher risk of operational 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.

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.

Staff awareness and training is an important part of our defence against attack. 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.

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 prudential capital planning. Further information on our efforts to manage this risk and integrate sustainability throughout our business is in the section "Our People, Sustainability and Corporate Responsibilities" on page 52.

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 rapidly increasing the potential volatility of earnings. This is mitigated partly by the Group's variable cost base.

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 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.

Russia / Ukraine

Russia invaded Ukraine on 24 February after several months of escalating tensions. Liontrust had flagged the risks stemming from the crisis, particularly in relation to the Russia Fund. Our Portfolio and Risk Committee increased the monitoring of the relevant risks, emphasising the importance of maintaining sufficient liquidity in the Russia Fund to deploy assets efficiently into the market and to service client needs. The invasion of Ukraine triggered sanctions on Russia and retaliatory actions against foreign investors in Russia and this has caused significant volatility in certain financial and commodities markets worldwide and restricted the ability to trade and value assets relating to Russian companies. The Russia Fund was suspended as a result of these effects and we are working with our partners and stakeholders to resume trading in the Fund as soon as sanctions and market conditions permit.

We have no sanctioned individuals investing in our funds. Economic sanctions and the repercussions from the conflict will likely impact companies globally across a variety of sectors, including energy, financial services and defence, among others.

Consequently, the performance of all funds, not just the Russia Fund, may also be impacted negatively, even if they have no direct exposure to the regions involved in the conflict. The conflict has also resulted in significantly higher risks of cyber attacks, which are being monitored. 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 its staff, therefore, we invest significantly in our people, including through training and qualifications.

INTERNAL CONTROLS

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
- 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 a description of the principal risks as noted above, and has a process in place within the business to identify, manage and mitigate key and emerging risks on an ongoing basis, also as detailed above, 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

appoints 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 CASS.

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 March 2011 technical release of AAF 01/06. RSM UK Group LLP was 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 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 help 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 programme to show the positive impact our investment management and corporate activities can have on our clients and wider society.

Three of the investment teams – Sustainable Investment, Multi-Asset and Global Equity – winning awards while the other teams – Cashflow Solution, Economic Advantage and Global Fixed Income – have all received nominations for fund awards.

OUR PEOPLE, SUSTAINABILITY AND CORPORATE RESPONSIBILITIES

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

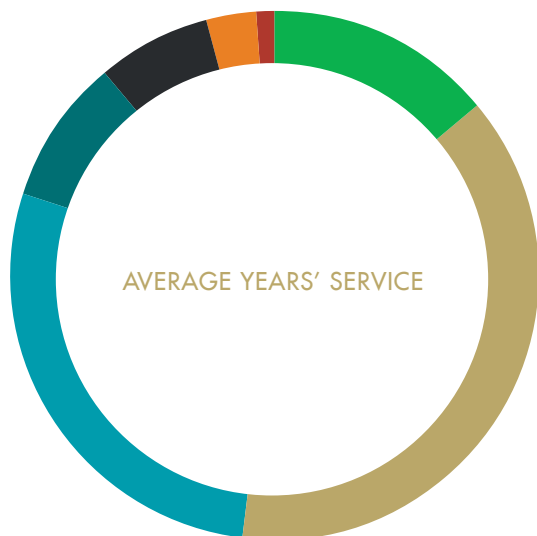
a responsibility to act in the best interests of investors, shareholders and other stakeholders. We seek to uphold the highest standards of integrity in all of our actions.

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 50.5% of employees having been with the firm for five years or more. Overall turnover in 2022 was 10.9% (2021: 7%). We focus on keeping our most talented employees, and our retention of high-performing employees remains strong at 99% (2021: 100%).



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%



50.5%

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



Overall turnover in 2022 was

10.9%

Our retention of high-performing employees



99%

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 Committee

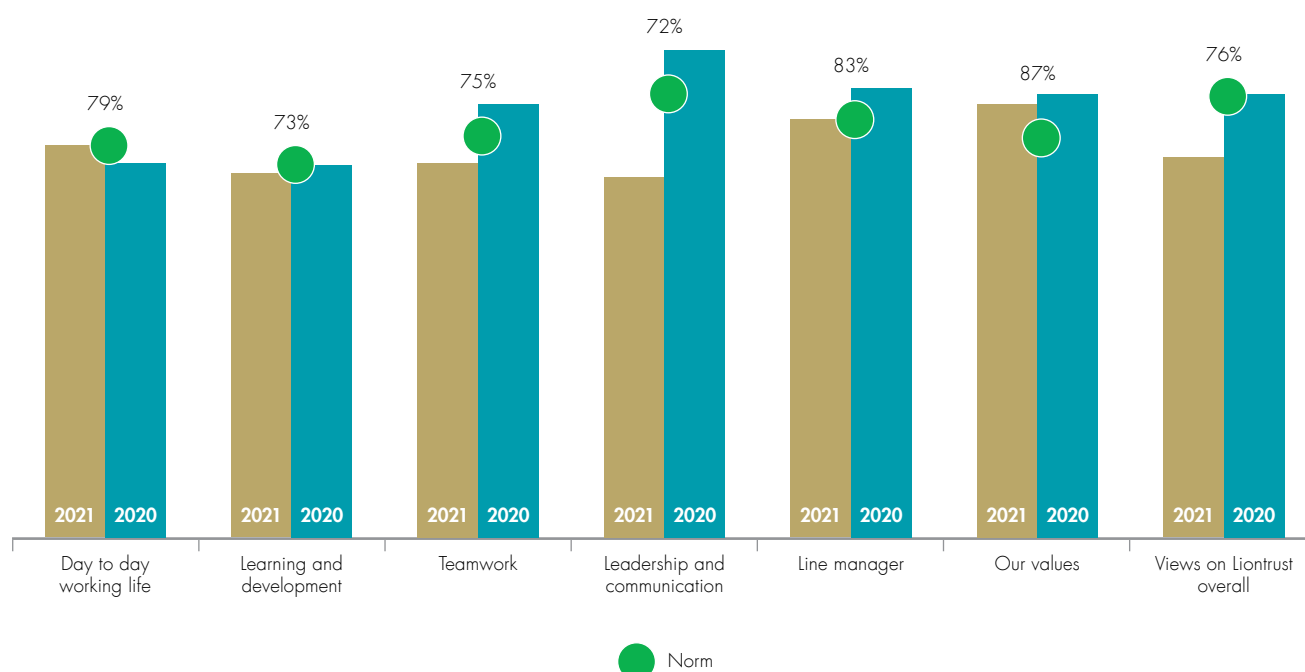
Liontrust's Workforce Advisory Committee has representatives from across the business, including a Non-executive director and one member of the Management Committee. The purpose of this Committee is to advise the Management Committee and the Board on issues relating to the workforce, ensuring all colleagues have the skills, motivation and opportunity to develop and grow. The Committee meets regularly during the year and has been instrumental in further developing the workforce engagement survey.

Workforce engagement survey

In December 2021, we undertook our most recent workforce engagement survey. The overall response rate was 79%, versus an industry average of the mid 60s%. Our engagement index was 74%, sitting 4% above 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 five pillars of engagement: Engaging Managers; Employee Voice; Realising Potential; Organisational Integrity and Compelling Leadership – we scored above the norm for every pillar.

Following the inaugural survey we were unable to execute our plans to cascade the results due to the pandemic however, following the 2021 survey all staff have had an opportunity to review and discuss the results at a departmental result sharing meeting and contribute to an overall departmental action plan. These discussions will form part of an overarching company action plan.



We believe that the impact of recent business acquisitions, combined with prolonged working from home during the coronavirus pandemic have impacted on scores across these areas. Nonetheless, useful lessons have been learned and an action plan to address key elements of the feedback is underway.

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.

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. During the year the committee partnered with PDT Global to deliver the first Liontrust diversity audit. The recommendations and conclusions from this audit will assist the Committee in developing its strategy.

The Committee hosted a panel discussion and networking event for International Women's Day, ran a stress awareness campaign to support staff during Stress Awareness Month in April and worked on enhancing parental leave policies.

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 37.5% 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 64:36 male:female with men predominating in more senior positions. This reflects the history of the asset management industry and is typical of the financial industry as a whole. The Board and senior management are actively seeking to address this, and we have seen a 2% increase in female employees in the past year. Senior management have been working to implement our aspirations and putting in place the strategies; the policy changes; and the culture changes that are required to address the gender balance and gap at Liontrust.

As at the 31st March 2022, Liontrust's total of 200 employees/ partners was broken down as follows:

2022	Male	Female
Employees	105	67
Members of LLPs	24	4

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. During the year Liontrust asked staff to voluntarily disclose their ethnicity. Of the 85% of staff who opted to provide this data, 21.5% categorised themselves as non-white. We recognise this is not a complete reflection of the ethnic composition of our workforce as 15% of our staff have yet to provide data on their ethnicity. 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.

37.5%

Liontrust has improved the diversity of the Board over the last few years currently with 37.5% female representation.



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.

Liontrust welcomed four graduate trainees onto our Graduate Programme which began in September 2021. With two placements in London and two in Edinburgh, our 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 with both IMC and CFA study 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. Liontrust's intentions to form a new Coaching and Mentoring Programme have been temporarily put on hold due to the Covid-19 pandemic. When the programme recommences it will focus on helping 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 our new learning management system which enhances our internal training, we also 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.

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 offer benefits including cycle to work, gym membership subsidy and season ticket loans.

- 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.
- 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.

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 2022, 83% of employees opted to participate in the SIP.

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 Workforce Advisory Committee and the D&I Committee.

Liontrust offers informal flexible working arrangements of a 4:1 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.

SUSTAINABILITY, CLIMATE DISCLOSURES (TCFD) AND CORPORATE RESPONSIBILITY

Liontrust takes seriously its role in society, our obligations to shareholders and our responsibilities as custodians of client assets while remaining committed to environmental, social and governance (ESG) initiatives.

Liontrust has made voluntary climate-related disclosures for a number of years and welcomes the new requirement for all premium listed companies to include consistent climate-related financial risk disclosures, providing better information to investors, lenders, insurers, and other stakeholders. Please see the section below on Financial Stability Board's Task Force on Climate-related Financial Disclosure for further details.

As part of our commitment, we are signatories to a number of industry initiatives in this area including:

The Financial Reporting Council's (FRC) Stewardship Code, 12 principles for stewardship including the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Liontrust reported against the 12 principles of the revised Code in April 2021 and was proud to be a accepted as first round signatories to the Code. For this year's response

to the Stewardship Code and how Liontrust complies with the responsibilities laid out within the compliance statement, please visit our website.

Institutional Investors Group on Climate Change (IIGCC), the European membership body for investor collaboration on climate change. A core consideration for becoming an IIGCC member in April 2022 was to ensure Liontrust set robust net zero reduction targets to support our commitment under the Net Zero Asset Managers Initiative (NZAMI) and to evaluate our engagement on climate issues by acting collectively with other institutions. Liontrust will submit our interim net zero carbon reduction targets and proposal to NZAMI within the next 12 months as per our commitment and will increase the proportion of assets in our portfolios which are aligned with the goals of the Paris Agreement over time.

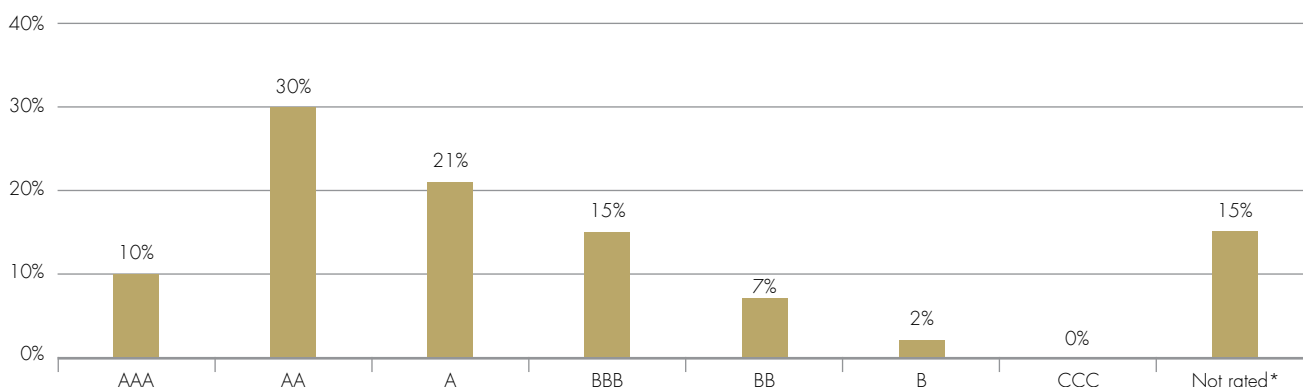
The United Nations Principles for Responsible Investment (UN PRI), a set of voluntary guidelines that help companies to address social, ethical, environmental and corporate governance issues as part of the investment process. Liontrust joined the PRI in 2018, its wider approach to the PRI's six responsible investment principles was last assessed in 2020 by the UN PRI for the year ending 31 December 2019, and the 2020 assessment transparency report is available on our website.

A full list of all associations and initiatives that Liontrust is involved with are outlined in our FRC Stewardship Compliance Statement on our website.

Liontrust has continued to invest in additional, specialist resources (both systems and people) to increase our commitment to integrating ESG throughout the business, including into our investment processes and risk analysis with dedicated governance and stewardship staff.

ESG Rating Distribution

The chart below shows the distribution of the MSCI ESG ratings of our holdings as at 31 March 2022. This includes an increase in the leading rated AA and AAA companies in the portfolios' scores from last year (2021: 40% 2020:34%), a decrease in the average rated A, BBB, BB A companies in the portfolios (2021: 43% 2020:48%) and a decrease in the laggard rated B, CCC companies in the portfolios' score from last year (2021: 21% 2020: 4%)



* 'Not Rated' shows the percentage of the portfolios that are invested in companies that do not have an ESG rating from MSCI, i.e. outside of their coverage, mainly due to size.

Stewardship for our investments

Liontrust has always recognised that good governance & stewardship, sustainability and social impact are important considerations in choosing and monitoring investments. In particular, we have committed to integrate sustainability appropriately throughout the business to:

- enhance returns and risk management;
- demonstrate effective consideration of ESG exposures;
- exercise responsible stewardship of investee companies; and
- show the positive impact our investment management activities have on our clients and wider society.

Our Responsible Investment Policy provides details of our engagement led approach and how we manage our stewardship at both a Group level and for individual teams. In 2022, to be as transparent as possible, we will look to document and publish comprehensive guidance to investors and shareholders on ESG integration within each of our investment processes to help ensure all clients understand exactly what we do as well as what we don't do. We published our inaugural companywide engagement and voting report and submitted our second Stewardship Code compliance statement to the Financial Reporting Council on how we conducted our stewardship activities in 2021.

Our Governance and Stewardship team co-ordinates the Group's overarching approach producing; ESG reporting; climate and emissions analysis; drawing up and implementing our voting policies; and engaging with companies. The team supports our fund managers, helping to integrate and enhance sustainability for our clients.

Liontrust's approach to ESG Integration

Liontrust believes that the best people to understand the future impact of ESG factors on a company are those that analyse the businesses: our fund managers. Each team is truly active and take a long-term approach to investment. This creates a deep understanding of the companies they invest in and promotes good governance and stewardship. Liontrust does not

impose a one-size-fits-all approach to integrating stewardship and ESG risk into investment processes. Each Liontrust team has spent years developing its investment approach and understands what characteristics are important to providing positive outcomes and driving the long-term returns we aim to deliver to investors. We have been working to provide each team with the information and support needed to allow them to integrate ESG in the optimal way, ensuring their processes are enhanced and complemented by this work rather than imposing a centralised solution. However, by including ESG considerations into all our investment processes, we improve our ability to understand a business and its ability to create, sustain and protect value with the aim of ensuring it can deliver outcomes in line with our clients' expectations. We are careful to ensure it is clear that although all teams have access to ESG information to include into their investment processes, not all of our teams are running sustainable products.

Our responsible investment framework aims to challenge and support our fund managers, helping to integrate and enhance stewardship and the management of sustainability risk and thus producing better outcomes for all our clients. The remit of the Portfolio Risk Committee (the 'PRC') has been updated to include the oversight of ESG related risk within the portfolios and we are putting in place the reporting that enables the Committee to review controversies, ESG ratings and the climate impact for each of the funds and teams. Using this data, detailed ESG reporting will be available to the investment teams and the PRC to show the ESG positioning of each fund. They will highlight the ESG risks by integrating the portfolio data with the third party ESG data including:

- ESG ratings for each individual company.
- Aggregated portfolio level ratings versus a relevant benchmark.
- Controversy reporting.
- Carbon analytic portfolio reports versus a relevant benchmark.
- Climate Value at Risk portfolio reports versus a relevant benchmark.
- Impact portfolio reports versus a relevant benchmark where appropriate.

Our responsible investment framework aims to challenge and support our fund managers, helping to integrate and enhance stewardship and the management of sustainability risk for all our clients.

SUSTAINABLE INVESTMENT

21 YEARS OF INVESTING FOR A POSITIVE FUTURE

Since 2001, the Liontrust Sustainable Investment team have been seeking companies that will help to create a cleaner, safer and healthier society in the future and seek to generate attractive returns for investors



LIONTRUST
COURAGE · POWER · PRIDE

We expect companies to conduct their business in compliance with the UN Global Compact guidelines and to adhere to corporate governance standards (including pay & remuneration structures, diversity and other ESG disclosures) in their domestic markets or to explain why not doing so is in the interests of shareholders.

Any investment highlighted as breaching these norms will be reviewed by the PRC to ensure the ESG risks have been appropriately considered within the investment decision and do not pose a significant sustainability risk.

Our Sustainable Investment team has fully integrated ESG factors and analysis throughout its process, including using long-term sustainability themes to identify potential opportunities and using a combination of screening and thematic and sustainability analysis with a proprietary Sustainability Matrix that combines product sustainability with ESG management quality. These are all binding aspects of the investment process.

As part of the Liontrust Global Fixed Income team's process, they judge whether a company is an attractive long-term investment by analysing certain key factors specified in their proprietary "PRISM" research framework. The 'S' in the PRISM stands for Sustainability in relation to environmental and social factors. The team seeks sustainable investments in all senses: investing in issuers that can service their debt beyond the maturity of any bonds purchased and not be subject to large contingent liabilities or technological disruption. The 'M' stands for Motivation: in assessing how the interests of the managers and owners of a company are aligned with bond investors. Effectively, this is about good governance. The team's preference is for considerable alignment with owners and management whose motivations are aligned with their bondholders and invested in the success of their enterprise over the long term.

The Economic Advantage (EA) team has added ESG as a risk factor to the process's existing risk grid: the risk grid operates within 'stage two' of the EA investment process to determine the weighting of a stock once it has been selected for purchase under 'stage one' (after consideration of its intellectual capital, CFROC profile and valuation). The practical implications of this approach are that the team will not exclude a stock on account of ESG factors alone but an adverse ESG score – similar to an adverse valuation score – will reduce its weighting.

The Multi-Asset investment team combines ESG data from third parties and a dedicated questionnaire, followed by face-to-face due diligence meetings with both an RI (Responsible Investment) representative at company level and an investment manager of the respective fund(s). The idea of this deeper mode of enquiry is to explore how firms are incorporating ESG across their top-down processes, what their priorities are and the

current challenges they face. At fund level, the team looks at how this is performed in practice and by whom, among other considerations. These insights form part of the risk framework.

For our other investment teams, the management of sustainability risk forms part of the due diligence process. Each team reviews potential investments using its risk framework, which includes assessing the risk that the value of such investments could be materially negatively impacted by an ESG event or issue, and the sustainability risks of each investment. They may also conduct fundamental analysis on each potential investment to further assess the adequacy of ESG programmes and practices of a company to manage the sustainability risk it faces.

'Controversies' are also monitored to investigate and assess issues that may include the impact of company operations, governance practices, and/or products and services that allegedly violate national or international laws, regulations, and/or other commonly accepted global norms. The information gathered from this analysis may be considered in deciding whether to invest or the size of the position in portfolios.



The Majedie Asset Management acquisition on 1 April 2022 brings a range of funds that adopt integrated ESG materiality assessments into the team's investment process. Materiality assessments are the platform on which they examine and consider ESG related issues – alongside any other risk or opportunity a company faces – and they disclose what this means for holdings within their funds.

Task Force on Climate-related Financial Disclosure (TCFD Compliance Statement)

Liontrust has been making voluntary climate-related financial disclosures aligned with the TCFD Recommendations and Recommended Disclosures since 2018; however, this report marks the first covered by the new Listing Rules on Disclosure of Climate-Related Financial Information under the FCA rule (captured in LR 9.8.6R(8)). We have included in this annual report our climate-related financial disclosures, which are consistent with the TCFD Recommendations and Recommended Disclosures, details of which can be found below.

Introduction

Liontrust supports the goals of the Paris Agreement to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. We believe that 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. We are committed to continuing to develop our analysis and response to climate-related risks and opportunities in order for our business to thrive and to mitigate the risks and safeguard our client's investments. Liontrust participates in several working groups that are concerned with the impacts of climate change, for

example the Sustainable Investment team is on the PRI Investor Working Group on the Just Transition.

For our own business, Liontrust has been carbon neutral on a Scope 1 and 2 emissions basis through offsetting for several years. We continue to review our operational emissions with the aim of minimising or reducing them. As an asset management business, the indirect emissions from our investments have the greatest potential impact on the environment. Liontrust committed in May 2022 to become a signatory of the Net Zero Asset Managers' Initiative with the aim of limiting warming to 1.5C in our Scope 3 investments, thereby having a commitment to becoming net zero by 2050.

We have been a supporter of TCFD since September 2018. TCFD seeks to provide investors with increased awareness of climate-related risks and opportunities, and we support this objective through our operational activities, engagement with investee companies and work with partner organisations. We have been signatories to the CDP (Carbon Disclosure Project) since 2017 and have recently become members of the Institutional Investor Group on Climate Change (IIGCC). In May 2021, Liontrust signed the Montréal Carbon Pledge and endorsed the 2021 Global Investor Statement to Governments on Climate Change ahead of COP26 in Glasgow.

This is the third year for Liontrust to report relative to the TCFD recommendations and we have structured this update in line with the TCFD Recommendations and Recommended Disclosures to provide insight into our governance, strategy, risk management, and metrics and targets related to climate change. We have reported on how we address climate change risks and opportunities in our operations and business and we also describe how we manage climate change risks in our investment portfolios on behalf of our clients under the TCFD recommendations. We will continue to work on improving our data and reducing our emissions.

The key climate change factors that may impact us are increasing climate change regulation, actual changes in climate and its impact on crops, water and extreme weather. Given the long-term nature of the above risk scenarios and ongoing mitigation activity we have concluded that there is currently no material impact from these risks on our current financial position. Accordingly, climate risk is not considered within our range of financial sensitivity and impairment testing scenarios.

Liontrust will report on its Scope 1, 2 and 3 disclosures on a calendar year basis to allow consistency for current and future carbon data for all our internal and external reporting commitments such as PRI, CDP and for the upcoming requirements from the FCA to make disclosures (including a core set of climate-related metrics) on our products and portfolios.

We faced some transitional challenges in obtaining relevant data for our investments (Scope 3), including additional detailed scenario analysis and endeavour to continue to make progress in this area going forward.

Governance

The Group's Board has oversight of all corporate obligations, including those related to climate risks and opportunities and other ESG considerations and commitments and has put in place appropriate governance structures to manage these, further details of our governance are included on pages 89 to 93.

The Board regularly discusses the potential impact of climate change on our business and our future strategy; this includes, the opportunities for climate and ESG related investment products, the impact on our ability to deliver long-term superior performance due to the climate change risk on our client's investments and the integration of ESG factors into the investment processes. The Board receives regular reports on the Group's governance and stewardship activities including climate-related aspects receiving six reports during the year which included updates on supported climate-related initiatives and approving the Group-wide engagement priorities. These included the commitment to engage with the highest carbon emitting companies within Liontrust's investment portfolios to ensure they have strategies to reduce carbon emissions at a rate consistent with limiting global warming to 1.5 degrees. During the year, the Board met with the Head of Governance and Stewardship on two occasions to discuss Liontrust's sustainability strategy as well as being updated on initiatives and the progress being made to meet the strategy which included carbon footprint analysis for its business and for its investments. At the Board meeting in March 2022, the Sustainability and Stewardship Committee (SSC), provided the Board information on the weighted average carbon intensity (WACI) of the Group's funds for which the information was available (covering approximately 75% of the group's AUM). This enabled the Board to undertake a deeper conversation on how to manage and develop targets for the Group's Scope 3 emissions.

We continue to work on improving our long-term sustainability risk planning for the Group, in particular incorporating climate change into our Group wide risk framework as we grow our understanding of how climate change will impact us and our investments. Our remuneration policy covers financial risks, as well as sustainability risks. Where applicable, the determination of variable remuneration for relevant individuals (such as those involved in investment management / oversight roles) will include reference to their risk-adjusted performance. Liontrust does not have any quantitative sustainability-focused performance targets at either a portfolio or asset level and therefore this is a qualitative assessment in respect of adherence to our internal procedures for the integration of sustainability risks as detailed on our website at www.liontrust.co.uk.

Alongside the work on ESG investment risk considerations, the Risk team have integrated climate models into the capital stress testing processes used by the Board to manage our regulatory capital.

The Chief Executive is accountable to the Board for overall Group performance, including climate-related risks and opportunities. Emma Howard Boyd has been appointed a Non-executive Director responsible for Sustainability, she

¹Liontrust changed its reporting period for all carbon data within this report from financial year end 31 March to calendar year 2021.

has extensive ESG knowledge and expertise within the asset management industry. Emma's insights on climate change will help align the firm's sustainability strategy with best practices and help Liontrust to better understand the opportunities and risks facing the Group.

The Chief Executive chairs the Sustainability and Stewardship Committee (SSC) which is a sub-committee of the Management Committee. The senior management team co-ordinates the implementation of our strategy and receives regular updates on our progress through the SSC. The SSC is supported by a Working Group with wide representation across the Group to facilitate the development and implementation of our sustainability strategy. The SSC has met regularly over the year and has focused on achieving the following aims over the last 12 months:

- enhancing our ESG data and analytics for all our strategies;
- continuing to train our investment staff;
- investing in our company engagement capacity and resourcing;
- disclosing how we integrate sustainability in each strategy and across the group;
- increasing our reporting for portfolios with their ESG and climate characteristics; and
- improving our aggregated group reporting.

Edward Catton, the Chief Risk Officer (CRO), leads and manages the Group's overall risk strategy including climate risk management measures, such as operational and prudential climate-related risk. The CRO sits on the SSC and chairs the Sustainability & Stewardship Working Group, which is responsible for implementing, overseeing, and supporting the Group's governance and stewardship framework and policies. He also chairs the Portfolio Risk Committee which is responsible for overseeing how our investment teams manage climate and ESG risk within our portfolios and on our underlying investee companies.

The ESG Regulation Working Group coordinates the Group's compliance with current and emerging regulations, which have a climate-related focus, such as the Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy.

As part of the recent acquisition of Majedie Asset Management, Cindy Rose has moved to Liontrust as Head of Responsible Capitalism. Cindy has brought more expertise on how to drive our sustainability strategy forward and provides us with thought leadership in this key area of focus for the Group.

Strategy

Liontrust continues integrating the opportunities and risks from climate change into its overall business strategy, which is summarised on pages 14–19.

Over the past three years, Liontrust has made good progress on the TCFD recommendations, established board-level oversight and an internal climate-risk management process, developed an implementation plan and aligned the governance structures around delivery of this plan. Furthermore, we have provided appropriate training and guidance to the Board and initiated regular portfolio analysis to help identify and engage with the highest carbon emitting companies held across portfolios.

Management have identified three key potential impacts of climate change on our business and our future strategy:

- the opportunities for climate and ESG related investment products;
- the impact on our ability to deliver long-term superior performance due to the climate change risk on our client's investments; and
- the integration of ESG factors into the investment processes.

We have provided detail on the associated potential risks and opportunities below.

Client demand for ESG and Sustainable products have increased significantly over the last few years and we have seen the assets managed by our Sustainable Investment team grow accordingly. The UK sustainable product offering is comprehensive and although some clarifications to the UK products have been made over the last five years, in particular following the publication of additional guidance from the FCA, no new sustainable products have been launched. The offshore range of sustainable funds has increased, with three new funds since 2018 including a Global Growth fund and a Global Multi-Asset fund. These sustainable offshore funds are aimed at the European market and have more than £500m in assets. There is a risk that the Group does not have the right products for clients as their demands change in response to climate change, however Management believe that the Group have a diverse range of products that should be suitable for client's needs under various climate change scenarios. A prolonged period of time when the price and profitability of fossil fuels increase significantly and therefore boost the share prices of traditional energy companies, as has happened during the war in Ukraine, may act as a headwind on demand for sustainable investment funds.

Liontrust's fund management teams have clear, well defined investment processes that are consistently applied to our products. We believe these investment processes allow us to deliver strong active performance over the medium to long term, however there is a recognition that there will be periods when an investment process underperforms. This may be during periods of rising interest rates, or style shifts in the market due to events such as the Ukraine conflict. We believe that 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. There is a risk that some of our investment processes fail to identify these opportunities and that an investment process is no longer able to provide long term superior performance. The Group has a diversified range of investment processes including ones that specifically look to benefit from the opportunities due to climate change and technological innovation.

We expect our fund managers to consider these climate-related risks in their investment decision making as part of their due diligence, including consideration of the effects of carbon pricing, substitution of existing products and services with lower emissions options, changing customer behaviour and stranded assets. Liontrust has provided each team with climate change training and tools and access to specific ESG analysis and ratings for their investments. We are pleased to see more of our third-party research providers integrating this ESG analysis on a company or sectoral basis as a matter of course and allows us to gain a wider appreciation of the risks and opportunities in our investments. We have been working with each of our teams to formally integrate ESG into their investment processes so the teams can ensure the portfolios are better prepared for climate change. The Head of Responsible Capitalism is working closely with each of the teams and we will be publishing detailed information on how the teams are integrating ESG and sustainability considerations, including climate scenarios, within investment processes in the next year.

Liontrust has worked during the year to understand its resiliency towards climate-related risks. The Board has considered the results of formal climate scenario testing where appropriate which is undertaken as part of the Group's holistic risk assessment on all risks and opportunities that it faces. This forms part of Liontrust's risk register and heat map which it monitors internally.

Further work is being done on climate scenario testing for the investments held, for which we have struggled to find a third-party provider who could accurately and effectively help the Group with this assessment for its investments. Liontrust

is making significant investment in its data management capabilities and hope to make progress on this challenge over the next year.

Engagement Strategy

Liontrust's 2021 engagement strategy included engaging the highest carbon emitting companies, Global Compact Compliance and gender diversity on boards. We also engaged heavily on board and committee composition with small and micro-cap companies, often as a follow up to our voting. Liontrust's Stewardship Manager leads the engagements on the company-wide strategy. These included the commitment to engage with the highest carbon emitting companies within Liontrust's investment portfolios, to ensure they have strategies to reduce absolute carbon emissions at a rate consistent with limiting global warming to 1.5 degrees.

In 2021, Liontrust engaged with the top five contributors to our overall financed emissions, as indicated by our ESG service provider, MSCI. We also met with Carbon Tracker and Industry Tracker to understand some of the sector-specific nuances. Over the course of the year's engagements, changes have been made to the commitments and targets set by some of our investee companies that we have supported.

We had many other meetings with companies on their carbon reduction plans where requests were made to use science-based targets and/or ensure they had appropriate short to medium-term targets to track progress. We are pleased that many of our investee companies announced net zero targets during the year and we will be continuing this engagement into 2022 to ensure they have set ambitious targets with clear plans to achieve them. Examples of these engagements are highlighted in Liontrust's Engagement and Voting report available on our website.

The Sustainable Investment team engages with its holdings directly on ESG factors and has its own engagement priorities. For a full overview of the Sustainable Investment team's progress on its engagement priorities, see the team's Engagement and Voting Report.

Summary and Actions for 2022

During the year we have continued to refine our climate strategy and risk management; further integrated climate risks in Liontrust's investment risk management; continued to support our fund managers with more tools and further training on carbon; maintained the monitoring of the carbon footprint of all the equity and fixed income portfolios and expanded our engagement with investee companies on their decarbonisation strategies.

Following our analysis and work throughout the last year, we are now taking the following steps in 2022:

- set net zero interim targets for a percentage of our AuMA financed emissions in line with NZAMI;
- improve our ESG disclosures to meet the new regulations and improve transparency for our investors;
- publish detailed information on how the Company is integrating ESG including climate scenarios within investment management teams;
- approve our refined strategy and approach towards climate risk at Board level;
- finalise the integration of climate risks in Liontrust's investment risk management;
- continue to support the fund managers with further tools and more training; and
- continue to engage with and encourage high carbon emitting companies to prepare for the transition to a low carbon economy.

Risk Management

Liontrust will continue to take into account short, medium, and long-term risks from climate change that could have a material financial impact on the organisation. Liontrust has determined that short term should be considered as less than 3 years, medium-term horizons are between 3 and 10 years, and long term is considered 10 to 25 years. We have not identified specific climate-related risks and opportunities beyond 25 years, but our organisation's investment and planning time horizon is typically 3 to 5 years.

The key factors that Liontrust considers in formulating these horizons included risk modelling, minimum recommended and typical holding periods for investment products, regulation, actual and expected changes in climate and its impact on extreme weather. Liontrust defines a substantial financial impact as being greater than 1% of our adjusted profits.

Transitional Risks

Risks arising from changes in policy or new technologies.

Current regulation: *Group operations:* Liontrust has a compliance framework which help to ensure we adhere to existing regulations. The compliance and internal audit teams verify the Group's activities and operations meet current regulations. As regulation becomes more complicated and different countries introduce separate regimes, there is an increasing chance of non-compliance. Professional advisors and lawyers help to ensure that regulations and laws are appropriately understood and implemented.

This is a short-term risk; non-compliance with current regulation would have an impact in the short term.

Investments: Companies held in the Group's portfolios and funds are subject to regulation. Failure to adhere to the requirements may result in censure or fines which can have a significant impact on the valuation of an investment. For example there have been significant fines and lawsuits for Volkswagen for falsifying the emission tests for their cars, there have also been fines issued for greenwashing by the SEC.

This is a short-term risk, non-compliance with current regulation would have an impact in the short term.

Emerging regulation: *Group operations:* While there is no certainty regarding the nature or extent of emerging regulations, we do expect that they have the potential to have a material impact on our financial performance and continued operations. Liontrust strives to be in a position where adherence to emerging regulations is established in a timely manner, ensuring internal working groups are established and requisite documentation and processes are created and embedded into our procedures.

Liontrust is already aware of a number of potential areas of emerging regulation relating to climate change that could have an impact on the business including the Sustainability Disclosure Requirements (SDR). Upcoming climate-related regulation and changes relating to current climate regulation are discussed and managed in the ESG Regulation Working Group which was established in late 2020 to help implement the European Sustainable Finance Disclosure Regulation ('SFDR').

Emerging regulation is included as part of our horizon scanning process. Our Regulatory Change Lead identifies emerging regulation which enables us effectively plan for their implementation. We also leverage our membership of industry groups and our professional advisers experience and expertise to track upcoming challenges and provide feedback on industry consultations where appropriate. We expect emerging regulation related to environmental impact and climate change to pose a medium to longer-term risk.

Investments: Monitoring emerging regulation is considered relevant to our ongoing investments as valuations can be heavily impacted by proposed regulation, particularly where there are significant costs or opportunities arising from compliance or lack of compliance. It is likely that these regulations will impact the majority of the asset classes and industries in which we invest.

Investment research increasingly includes the impact of emerging climate regulation risks into the analysis of companies and sectors. Failing to address these issues could result in not

meeting the needs of our clients in the medium to long term, particularly with respect to their expected returns and volatility, as well as the protection of the underlying capital. This is particularly true of smaller companies, which were previously not expected to report on their environmental impact. We support our investee companies by engaging on developments as we identify them.

Technology: Technology can help mitigate climate-related risk, including use of systems to identify issues and to manage risk. *Group operations:* Liontrust aims to optimise renewably sourced technologies within our own operations where available. For example, after moving to the Cloud for the bulk of our information processing requirements, we are now using renewable energy to power our infrastructure and have reduced the energy requirements of our connectivity by utilising rapid uptake virtual connections rather than dedicated access to always-on servers. The Group uses video conferencing facilities and virtual desktop technology to improve communications and reduce the need for travel.

Liontrust is a founding member of the Sustainable Trading network which is dedicated to transforming environmental, social and governance (ESG) practices within the financial markets trading industry. The network brings firms together to devise practical solutions to industry specific ESG issues as well as providing a mechanism for self-assessment and benchmarking.

Investments: We believe that the risks associated with ignoring technological advances could have a material impact on the financial performance and valuation of our investee companies. However, we also believe that the opportunities provided by adoption of greener technologies can outweigh the risks in many areas. Several of our funds focus on the opportunities created by innovative companies looking to take advantage of technology change.

Liontrust is engaging with those investee companies with significant climate-related risks to encourage the use of technology as part of their planning to transition to more sustainable options. Legacy investments risk becoming stranded by a competitively priced renewable energy technology. We mitigate this risk by engaging with the investee companies, to monitor, support and encourage a transition to more sustainable options.

Innovation in technology is a medium to long-term risk, with any impacts from technological advances typically expected to occur over a number of years.

Legal: *Group operations:* Liontrust recognises the increasing risk of climate change litigation, particularly with respect

to those cases that link human rights to poor environmental practices. However, we do consider this to be of relatively low risk to our ongoing operations, as we are actively committed to understanding, addressing and ultimately reducing our emissions on a Group-wide basis. We also have made public commitments including emission targets, endorsing PRI investor statements on Sustainable Palm Oil Expectation and on Deforestation and Forest Fires in the Amazon. As discussed in the preceding sections, we ensure compliance with existing regulation as part of our general environmental policy. We also endeavour to understand and adapt to new regulation as it arises. We monitor developments in this risk area, both in the UK and globally, to ensure that we have a current understanding of the current legal issues related to climate change. This is a medium to long-term risk, with any impacts from these events expected to occur over a longer period in the future.

Investments: Failure to adequately prepare for, comply, or ignorance of, developments in climate change and associated regulation could result in litigation and the costs, fines or reputational damage can impact the valuation of our investee companies.

To mitigate this risk, we actively track controversies surrounding any of our investments and engage with those companies as well as the larger carbon emitters to understand the issues and encourage resolution in the interests of our clients. We also are aware that our reputation could be negatively affected by continuing to engage with companies that do not meet their legal or societal obligations even if we are encouraging change. This could potentially increase our legal risk by making us party to lawsuits or other legal remedies brought about by other stakeholders. This is a medium to long term risk, with any impacts from litigation expected to occur over a longer period in the future.

Market: Climate change may have a negative impact on market stability with higher earnings volatility and costs. There may also be a significant divergence in valuation between companies most prepared for the implications of climate change versus those least prepared.

Group operations: Liontrust earns revenue from assets under management. Increased market volatility, particularly a drawdown, may have a negative impact on Liontrust's revenues. As a listed company, it may also reduce the ability of, or increase the costs for, Liontrust to raise capital.

Overall, Liontrust considers that, in many cases, a shift in consumer demand for ESG products and services due to climate change considerations represents an opportunity, particularly as we anticipate that these consumer preferences for climate-friendly products will accelerate over time. The

last few years have seen a significant increase in sales of sustainable funds led by client demand. Our product offering includes funds that explicitly take into account the potential impact of climate change – targeting companies expected to benefit from the transition and with lower levels of carbon emissions.

Liontrust have modelled a number of scenarios in its capital planning including:

- reduction of assets under management;
- capital raising;
- sales of our product mix changing depending on future appetite for climate friendly products.

This is a short to medium term risk, with any impacts from these trends expected to occur over the next few years.

Investments: In many cases, a shift in consumer demand for certain commodities, products, and services due to climate change considerations represents an opportunity, particularly as we anticipate that these consumer preferences for climate-friendly products will accelerate over time. Our sustainable funds identify companies in the market that are expected to benefit from this shift.

The risk of potential loss through holding investments in the market in the face of price movements, arises mainly due to uncertainty about future prices of financial instruments held in the portfolios and it is incorporated into our due diligence processes when reviewing investments. As our investors demand more climate-friendly investment options, a key risk for us is not managing our exposure to holdings in businesses that contribute to or are transitioning to a low-carbon economy. A secondary risk for us is to remain invested in industries or companies that have not adequately planned for the green transition. However, both of these risks are mitigated to some extent within the portfolios managed by our Sustainable Investment Team after their launch of their Sustainable Investment Team's 1.5 degree energy transition challenge within their portfolios. Liontrust will continue to engage with our high carbon emitting companies across all investment teams to encourage our investee companies to transition to a low carbon world.

The recent conflict in the Ukraine has triggered significant price shocks which may have reduced the market's capacity to absorb the costs stemming from climate change and the transition costs towards sustainability.

This is a short to medium term risk, with any impacts from these trends expected to occur over the next few years.

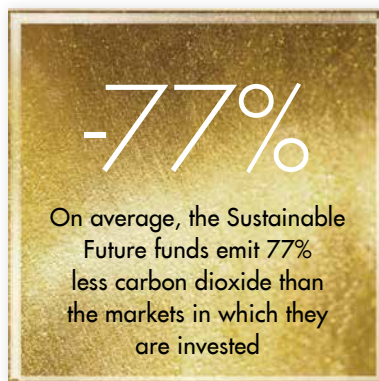
Reputation: Loss of reputation can have a significant impact on our business, failure to integrate climate change risk can have a significant impact on our reputation.

Group operations: We believe that reputational risk as a result of failing to address climate change issues could be a material risk to our business. Our commitment to, and disclosure of, our sustainable activities including compliance with our regulatory requirements, various climate change initiatives, and ESG integration work is transparent will meet shareholder and other stakeholder expectations reducing the chance of reputational damage. The Risk Management framework highlights the key reputational risks to management and the Board that may lead to significant reputational loss.

Investments: The biggest reputational risks for us as investors are greenwashing and being associated with investee companies that are perceived as being undesirable due to sectoral, environmental, political or societal factors. We have put in place governance structures including the Sustainability

Advisory Committee and the PRC to ensure that our teams do what we say they do. Our teams mitigate these risks by assessing whether a potential investment has the appropriate measures to address climate and ESG issues and by focusing our engagement with those companies at highest risk. All investment teams have access to MSCI ESG manager for ESG ratings, carbon analytic reports and controversies reporting to help them identify potential issues.

This is a short to medium term risk, with any impacts from these trends expected to occur over the next few years.

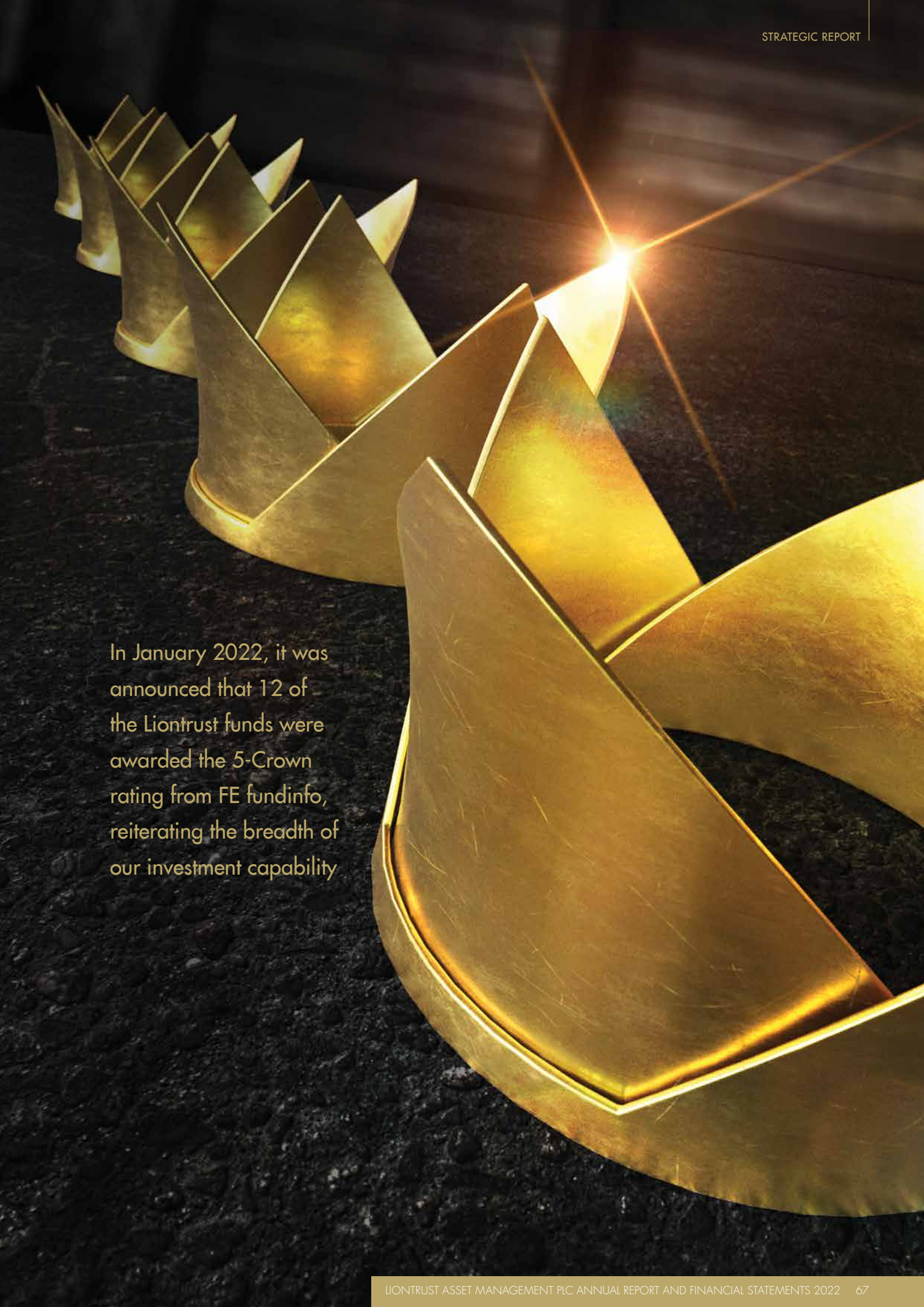


Physical Risks

Risks arising from environmental events like floods or storms could impact our business operations as well as the operations of our investments. On the investment side, we engage our largest emitters on their carbon risks, including those related to physical location or operations. In terms of Liontrust's operations, we assess our carbon footprint at all of our locations and also include carbon related risks and opportunities in our risk matrix. These cover potential physical risks from global warming.

Acute physical:

Group's operations: Liontrust has offices in London, Edinburgh, and Luxembourg. They are currently in locations safe from some of the more extreme weather events such as flooding,



In January 2022, it was announced that 12 of the Liontrust funds were awarded the 5-Crown rating from FE fundinfo, reiterating the breadth of our investment capability

earthquakes, and tornadoes. However storms and other weather events may impact us indirectly via our reliance on electricity, the internet or our staff being able to travel into the office. Our operational resilience planning has addressed these risks to ensure that we can continue to operate from outside the offices. This is a short term risk, with any impacts from these events expected to last less than a week.

Group's prudential risk: Liontrust carried out analysis on how extreme weather could affect our prudential risk, further details within the Risk Management section of this report.

Investments: Climate change is already impacting many industries, through more extreme weather patterns and storm events. Our existing or potential assets could be impacted by discrete extreme weather events resulting from climate change. These events could impact the valuation of our investment assets. Company research is increasingly including the impact of potential physical risks into their analysis of companies and sectors and is allowing us to better understand and then challenge our investee companies on these risks and opportunities. This can manifest as a reduction of yield in some sectors or as uncertainty with respect to expected earnings or planned yield for others. Both of these could present a risk to Liontrust in their investments. Liontrust is also using MSCI's Climate Value at Risk module to understand how these risks in our portfolios.

Events such as flooding or storms would be expected to have a short term impact on a small number of business and so have limited impact on a diversified portfolio.

Chronic physical:

Group's operations: A chronic physical risk that is relevant to continuing operations is Global Heating. Permanent changes in temperature can impact, impede or impair the ability to operate on an ongoing basis. For example, changes in average temperature could require our own offices to increase the use of heating or cooling capacity, which could lead to power outages, significantly increased power costs or other potentially negative impacts on our ability to continue operations. This could result in decreased profitability in many sectors. This is a medium to long term risk, with any impacts from these events expected to occur over a longer period in the future.

Group's prudential risk: Liontrust carried out analysis on how climate change could affect our prudential risk, further details within the Risk Management section of this report.

Investments: The same impacts listed above on Global Heating will also be felt by many of our investee companies. Sea level rise ('SLR') due to climate change also represents one of the most pervasive chronic physical risks to coastal areas globally. Some of the invested assets of Liontrust' portfolios and funds are located in areas that are considered particularly vulnerable to physical risks such as SLR due to climate change and therefore the value of these assets may be significantly

impacted. Company research is increasingly including the potential impact into their analysis of companies and sectors and Liontrust is using MSCI's Climate Value at Risk module to understand how these risks in our portfolios. This is a medium to long term risk, with any impacts from these events expected to occur over a longer period in the future.

The use of tools and climate-related scenarios, including a 2°C or lower scenario for our investments are described in more detail in the "Further information on Liontrust's investments' climate risk and emissions" section below.

Risk Management

The Board have put in place a risk framework which includes the potential risks of climate change for our business. Details of our principal risks and how we manage them are included in our Strategic Report. From a climate perspective, there are three key aspects of risk management, Enterprise Risk Management, Prudential Risk Management and Investment Risk Management.

Enterprise Risk Management

Climate-related risks are evaluated from a bottom-up perspective via our risk self-assessments performed by each of the teams that provide a Group wide view of the risks faced by the different departments. They are also considered from a top-down perspective when we are setting our risk appetite.

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.

Prudential Risk Management

Liontrust, as a regulated financial service business, considers its capital requirements on an ongoing basis and must maintain minimum capital levels according to its size and level of risk. More details can be found in note 2 of the financial statements 'Financial risk management'.

We include various climate-related scenarios into our internal capital adequacy assessment program to simulate the impact of climate change on our prudential modelling. Liontrust modelled scenarios to quantify and better understand the impact of climate change risk on our future prudential risk, (including credit, market, operational, liquidity and insurance risk). Quantifying the financial risk from climate change which will have a broad and far-reaching impact on the global economy is complex.

Estimating the potential impact of these risks involves assessing the effect of multiple potential climate pathways and the efforts of reducing carbon emissions over several decades. As part of

our approach to quantify and better understand the impact of climate change risk on our future prudential risk, we looked at historical data from 1980 to 2016 to provide a sense of the amount of annual global losses from extreme weather-related events. This has been summarised below:

- **Catastrophic:** 1 year of losses +\$250bn / 1 in 37 years
- **Very Extreme:** 2 years of losses +\$150bn / 1 in 18.5 years
- **Extreme:** 10 years of losses +\$100bn / 1 in 3.7 years

To assess the impact of climate risk for Liontrust, the table below provides a summary assessment of the likelihood of a risk event occurring based on the level of historic weather event losses (i.e. catastrophic, very extreme and extreme) above. Internal calculations provide an estimate of the subsequent monetary impact on the Group's capital if a risk event occurred. This combination is key, it may not be the actual event that impacts us, but it's effect on our ability to raise capital or successfully claim on our insurance.

Risk Type	Assumed level of weather-related losses (to trigger a risk event)	Likelihood Driver	Likelihood Rank
Credit Risk	Very extreme weather	It would take global losses of +\$150bn to trigger a credit risk event.	Very Low - Low
Market Risk	Extreme weather	It would take global losses of \$100bn that would have a significant impact on AuMA decreasing.	Low - Medium
Operational Risk	Extreme weather	It would take global losses of +\$100bn that could lead to a operational risk event (i.e. failure of a service provider).	Low - Medium
Liquidity Risk	Catastrophic weather	It would take global losses of +\$250bn for a liquidity risk event to crystallise.	Rare
Insurance Risk	Catastrophic weather	It would take global losses of +\$250bn for an insurance risk event to occur.	Rare

As the table above assesses climate risk from a physical risk perspective, we do not anticipate the impact of transitional risk to be as significant to Liontrust's capital requirements. This is due to businesses adjusting and markets repricing to the impact of changes in climate policy, technology and market sentiment over time compared to the unexpected funding and the lack of uncertainty/implications from an extreme random weather event.

Liontrust holds capital against a 1 in 200 year operational event without insurance mitigation in case our insurers do not pay out. This ensures that Liontrust can continue to operate in a situation where the insurers fail due to global losses from climate-related events.

Investment Risk Management

Investment risk, including climate-related and ESG risk is overseen by the Portfolio Risk Committee. The Committee regularly meets with each of the investment teams to discuss their investment process and questions the teams on the risks within the portfolios. Part of the role of the PRC is to ensure that each team is following their investment process, and this includes verifying that where a product includes specific ESG and climate requirements in their investment objective and policy, the team are in fact doing as described.

The PRC also oversees the controversies reporting, ensuring that where a company has been identified as being potentially involved in a controversial matter the investment team have considered their investment and the associated risks.

The investment risk team is working with MSCI to automate the analysis of climate risk on our portfolios and report these to the fund management teams and the governance committees in a consistent manner.

Liontrust also mitigates its exposure to climate change risk through engaging with the companies we hold to ensure they are taking appropriate steps to prepare for the future. During the year, Liontrust undertook engagements with its holdings on their carbon-related risks and opportunities and, among other requests,

asked companies with the greatest carbon exposures to be more transparent on their plans for reaching net zero and on the extent to which these strategies formed part of Board discussions. We engaged regularly with our highest weighted holdings and report on these engagements in our Annual Engagement and Voting report which is available on our website.

Metrics and Targets

Liontrust's carbon emissions

Liontrust is committed to understanding and reducing our operational greenhouse gas (GHG) emissions. We use offsetting to be operationally carbon neutral but aim to minimise the use of offsetting where possible. This year we worked with Good Business to calculate our emissions for Scope 1 and 2 emissions as 305 tCO₂e (market-based¹) as at the 31st December 2021 these equated to a GHG emissions intensity of 1.54 tCO₂e/Full Time Employee.

Greenhouse Gas Emissions performance

The following information summarises our direct environmental performance over the calendar year ending 31 December 2021. This statement has been prepared in accordance with our regulatory obligation to report greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon Reporting. During the reporting period, our measured Scope 1 and 2 emissions (location-based) totalled 2,612 tCO₂e. Our indirect scope 3 emissions from business travel comprised air, rail travel and mileage emissions. In 2021, our business travel emitted 61 tCO₂e. The details are shown in the table below:

Category	Source	GHG emissions (tCO ₂ e) FY2021 ¹	GHG emissions (tCO ₂ e) 2021 Calendar Year (re-calculated)
Scope 1			
Stationary combustion	Heating oil	0	13
Scope 2			
Electricity (location-based)	All offices	2,583	2,600
Electricity (market-based)	All offices	31.6	249
Scope 3			
Business travel	Air Travel	0	37
	Rail Travel	0.06	4
	Mileage	5.61	20
Scope 1 & 2 (location-based)	—	2,583	2,612
Scope 1 & 2 (market-based)	—	31.6	262
Total (location-based)	—	2,589	2,673
Total (market-based)	—	37.27	323
Scope 1 & 2 intensity per FTE* location based		12.6	13.19
Scope 1 & 2 intensity per FTE* market based		0.02	1.32

*The emissions intensity calculation is based on a figure of 198 employees in 2021. Overall, our emissions intensity for Scope 1 & 2 emissions (market-based) were 1.32 tCO₂e/FTE

¹Liontrust changed its reporting period for all carbon data within this report from financial year end 31st March to calendar year 2021. Recalculated data is consistent with the GHG Protocol Methodology. Further information on methodology used is available in the 2021 Sustainability report (pages 30-32) on our website.

Energy consumption (mWh) 2021	UK	Luxembourg	Total
Electricity	12,171	152	12,323
Heating oil	0	51	51

Applicable Scope 3 Categories

Liontrust used the Greenhouse Gas Protocol's guidance to identify the most material indirect scope 3 categories that impact our business throughout our value chain. Liontrust believe the following three categories have the most impact. We have decided to monitor the emissions in these categories to enable us to develop more effective GHG reduction strategies.

Category 1 – Purchased goods and services

We are engaging with our key services providers in our supply chain, on their scope 1 and 2 emissions that relate to our business, and to encourage them to decarbonise.

Category 6 – Business travel

Liontrust is committed to off-setting our air and rail business travel. Given the pandemic there was a minimal amount of business travel undertaken during the year. Liontrust recognise that you can successfully conduct some business without incurring unnecessary travel and that travel can be better optimised to minimise emissions.

Category 15 – Investments

As an asset management business, the indirect emissions from our investments have the greatest potential impact on the environment. These indirect emissions from investments we own are our greatest source of indirect emissions and account for the majority of our indirect emissions. See below for further details on the emissions of our investments.

Methodology

To calculate Liontrust's carbon footprint, we followed the Greenhouse Gas Protocol Corporate Standard, an international standard that is widely regarded as best practice for GHG accounting and reporting. This has guidance for the various components of an organisation's carbon footprint and is focused on the following principles: relevance, completeness, consistency, transparency, accuracy.

The calculated carbon footprint for 2021 includes all relevant Scope 1 and 2 emissions categories, as well as Scope 3 Business Travel.

All six greenhouse gases covered by the Kyoto Protocol — carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and

sulphur hexafluoride (SF₆) — were included in the scope of the carbon footprint. The results have been given in carbon dioxide equivalents, or CO₂e, which is the standard unit of measuring carbon footprints.

The relevant GHG sources that constituted the agreed operational boundary for the reporting year are:

- **Scope 1:** Oil-based heating for offices (Luxembourg only)
- **Scope 2:** Purchased electricity consumption for own use
- **Scope 3:** Business travel via air, rail, road

Data was collected in May 2022 for the previous calendar year 1 January 2021 to 31 December 2021.

The boundaries were set following an operational control approach. Data were converted into CO₂e using the UK Government BEIS 2021 Conversion Factors for Company Reporting and Association of Issuing Bodies European Residual Mixes 2020.

The Scope 1 emissions were calculated using the BEIS emissions factors.

The Scope 2 emissions were calculated using the BEIS and AIB emissions factors, following the emissions factor hierarchy according to the GHG Protocol's Scope 2 Guidance. Both a location-based total and a market-based total were calculated for Scope 2 emissions. The market-based calculation reflects the energy tariff purchased by Liontrust for each office, with the residual mix being applied for non-renewable electricity.

The Scope 3 business travel emissions were calculated using the BEIS emissions factors. Note that the calculations are based on average data only and don't take the type of plane/ car or model and engine type into account.

Carbon off-setting

As this data was re-calculated from financial year end to calendar year, we assume that emissions were linearly distributed throughout the year and will offset 9/12 (366 tonnes) of the 2021 calendar year emissions to avoid double counting. Therefore, Liontrust will purchase 275 tonnes of carbon offsets credits against our business travel and scope 1 & 2 market-based emissions incurred during the calendar year.

Liontrust has reduced direct emissions by purchasing green electricity and, after accounting for this, offset all remaining direct emissions from our operations (scope 1 and scope 2 emissions). This means Liontrust is operationally carbon neutral and has committed to remain operationally carbon neutral.

Targets and actions

Liontrust has set the following emissions targets for our GHG emissions:

1. to reduce our Scope 1 and 2 emissions intensity per member of staff each year; and
2. to be operationally carbon neutral after offset.

Liontrust committed in May 2022 to become a signatory of the Net Zero Asset Managers' Initiative with the aim of limiting warming to 1.5C in our Scope 3 investments. As part of this, we have committed to targeting net zero emissions from all our investments by 2050 and are currently finalising our interim targets for 2025 and 2030.

Liontrust appointed a lead assessor to conduct an Energy Saving Opportunity Scheme Assessment (ESOS) on our head office to ascertain what energy saving opportunities we could consider to reduce our energy consumption, this may be limited due to the age of our office space. All Liontrust's offices in the UK use renewable energy tariffs. Our newly leased Luxembourg office consumes oil heating as an energy source. If feasible we will explore if we can source more climate-friendly options for this office. We shall discuss in further detail our ambitions on how we propose to reduce our emissions within all three scopes in the Liontrust Responsible Capitalism report that will be published later this year.

The Group included ESG metrics in the remuneration of the Executive team in 2021 and the Remuneration Committee review these on an annual basis. Further details are in the Remuneration Report.

Further information on Liontrust's investments' climate risk and emissions

Liontrust uses the Paris Agreement Capital Transition Assessment Tool to assess our investments' exposure to a 2 degree climate change scenario. As at 31 December 2021, 5.5% of the Liontrust equity and 7.2% of fixed income portfolios are in climate relevant sectors which include power, oil and gas, coal mining, automotive, shipping, aviation, cement, steel, and heavy-duty vehicles which account for around 75% of global CO₂-emissions. This analysis focuses on asset classes with the most direct and traceable impact on the real economy, and for which public data is available.

Liontrust utilises MSCI Carbon Analytics and Climate Value at Risk modules for all investment teams (excluding Multi-Asset funds) to provide detailed carbon emissions analysis across all portfolios. MSCI's Climate Value at Risk model identifies transitional and physical climate-related risks and opportunities for each portfolio. Analysis of these portfolios has been conducted and we have identified the highest carbon emitting companies held across portfolios.

This will empower our investment managers to consider these risks and opportunities in their portfolios. The group does not use a single carbon price in its cash flow analysis for its investments across the Group, but each investment team would consider the potential impact of different carbon prices within the individual investment processes as appropriate. External research will include a range of carbon prices within company analysis where suitable.

In May 2021, Liontrust signed the Montréal Carbon Pledge where investors commit to measure and publicly disclose the carbon footprint of their investment portfolios on an annual basis. Liontrust published on our website the carbon emissions of portfolios against their relevant benchmark for all single equity strategies (Liontrust will explore over the next year how we can best capture the carbon



data of our fixed income and Multi-Asset fund strategies). This data also reflect the percentage of the portfolio invested in fossil fuel reserves.

However, data availability remains limited in certain geographies and asset classes beyond fundamental, long-only, developed market equity strategies and this means we have not been able to conduct scenario analysis across the entirety of our assets under management, although we have done so for the majority of the portfolios / assets we manage. We continue to develop our approach over time with the goal of stating the resilience of our strategy across a range of scenarios in future.

Since 2012, the Sustainable Investment team has disclosed the aggregated carbon emissions for the

single strategy funds. This work is carried out independently and, on average, the Sustainable Future funds emit 77% less carbon dioxide than the markets in which they are invested, have 22% exposure to companies whose products help to reduce emissions and hold 0% in companies exposed to the extraction and production of fossil fuels (such as coal miners and oil and natural gas exploration and production). Further details on its carbon emissions can be found on our website.

In early 2020, Liontrust's Sustainable Investment team committed to its One and a Half Degree Transition Challenge. This involved engaging with all the companies held in the Liontrust Sustainable Future funds and challenging them to revisit their decarbonisation targets and raise their ambition to reduce absolute levels of emissions at a rate consistent with a one-and-a-half-degree global average temperature rise. Further details can be found in the team's Annual Review 2021 available on our website.

Environmental Policies

Liontrust has put in place an environmental policy that details the key points of our strategy on the environment, and this is available on our website.

Environmental KPIs Commercial Waste

Liontrust aims to minimise its commercial waste and to recycle as much of its commercial waste as possible, with any non-recyclable items being incinerated to produce energy. In the year to 31 March 2022, Liontrust recycled on average 5,050kg of materials saving 7,000kg of CO₂ (year to 31 March 2021: 1,300kg, 960kg CO₂) in our London office.

Liontrust uses only recycled paper in its operations and publishing, however we recognise the importance of acting in a sustainable manner and have committed to the carbon balancing scheme operated by the World Land Trust for all our published reports as well as continuing to help fund biodiversity projects with the London Zoological Society (ZSL).

The Sustainability and Stewardship Committee monitors the KPIs as part of their review of the ESG policy.



CO₂

Liontrust recycled on average
5,050kg of materials saving
7,000kg of CO₂

Human Rights and Slavery

Liontrust has committed to the preservation of human rights. Liontrust is vehemently opposed to the use of slavery in all forms; cruel, inhuman or degrading punishments; and any attempt to control or reduce freedom of thought, conscience and religion.

Liontrust will not knowingly enter into any business arrangement with any person, company or organisation which fails to uphold the human rights of its workers or who breach the human rights of those affected by the organisation's activities. For further information, we publish a statement on the Modern Slavery Act on our website.

Purchasing, Procurement and Bribery

Liontrust is committed to adhering to the highest standards of business conduct; compliance with the law and regulatory requirements; and best practice. The Group has established an anti-bribery policy to aid Liontrust's partners/directors, employees and associated persons in ensuring that they comply at all times with relevant anti-bribery laws. In implementing this policy, the Group demonstrates its commitment to preventing bribery, and establishing a zero-tolerance approach to bribery in all parts of our operations. We also perform an annual bribery risk assessment.

Liontrust is committed to procuring its works, goods and services in an ethically and environmentally sensitive way, yet with proper regard to its commercial obligations, ensuring that suppliers deliver to agreed timescales, quality and cost. Purchasing is undertaken in a manner that encourages competition, and offers fair and objective evaluation of offers from all potential suppliers. Vendor conduct guidelines are available on our website. Any significant transaction or agreement is reviewed by the Board.

Tax

Liontrust aims to pay the appropriate levels of tax in a timely manner and this means that we comply with our tax filing, reporting and payment obligations globally. We have developed a formal tax strategy detailing how tax risks are managed including governance, systems and controls, Board oversight and our attitude to tax planning.

We perform an annual tax evasion risk assessment and have reviewed our procedures to prevent the facilitation of tax evasion. We do not tolerate tax evasion, nor do we tolerate the facilitation of tax evasion by any person(s) acting on the Group's behalf.

Financial Crime and Cybersecurity

Liontrust is committed to the prevention and detection of financial crime, including money laundering, terrorist financing, bribery and corruption, tax evasion and fraud. Liontrust has set up a separate committee to deal with financial crime and cyber threats which oversees all aspects of the Group's financial crime

prevention activities including policies and procedures. These measures are designed to ensure we comply with all applicable laws. All members of the Group undertake regular financial crime prevention training which includes more detailed anti-money laundering and insider trading aspects for some of our staff.

Cybersecurity remains a key focus for us and we have continued to invest in our technology and systems to remain up to date. We work with a specialist third party to provide the Board with a virtual Chief Information Security Officer (vCISO) to ensure they have the knowledge and skillset to challenge our IT security team and ensure best practice. A governance structure overseeing information security with a nominated responsible Board member is in place. The Board has received further training this year on cyber threats and challenges and how Liontrust is investing in our cybersecurity capabilities. Staff receive regular training to keep their skills up to date and to help maintain threat awareness.

Liontrust use third party specialists to help define, test and review our security arrangements at least annually with internal and external penetration testing happening a number of times a year. Further work on improving the technology resilience and capacity is performed following these or as proactively recommended by the vCISO as functionality and threats evolve. Liontrust have included certain cybersecurity extensions to our comprehensive crime insurance policy to provide additional cover in line with a standard cyber insurance policy.

Charitable Giving

Liontrust's Sponsorship and Charitable Donations Policy ensures that all donations, sponsorship and employee/member volunteer activities align with our corporate social responsibility policy and business goals. Generally, Liontrust will not make contributions to certain causes or activities; these include, but are not limited to the following:

- Political parties;
- Faith related causes, organisations or activities; and
- Where a conflict arises between Liontrust and its Clients.

Charitable donations are normally for small sums of money by way of single donations with larger or ongoing payments requiring approval by the Board of Liontrust. Liontrust operates a charity matching scheme to encourage all employees and members to personally participate in the voluntary sector. Fundraising or donations made to registered charities are matched up to the value of £500 per tax year.

John Ions

Chief Executive
21 June 2022



GOVERNANCE

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BOARD OF DIRECTORS

The Board is responsible for organising and directing the affairs of the Company that: is in the best interests of the shareholders, meets legal and regulatory requirements and is also consistent with good corporate governance practices. There is a formal document setting out the way in which the Board operates, which is available upon request from the Company Secretary.

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 efficient relations and communication channels between management, the Board and shareholders, liaising as necessary with the Chief Executive on developments, and to ensure that the

Chief Executive and his executive management team have appropriate objectives and that their performance against those objectives is reviewed.

The Chief Executive's main responsibilities are the executive management of the Group, liaison with the Board and shareholders (as required by the Chair), to manage the strategy of the Group, to manage the senior management team, oversee and manage the sales and marketing teams, and to be an innovator and facilitator of change. The Chief Executive discharges his responsibilities in relation to the executive management of the Group via two partnership management committees.



CHAIR

Alastair Barbour
Non-Executive Chair

Joined the Board in April 2011 and appointed Non-Executive Chair on 20 September 2019.

Committees: Chair of the Nomination Committee. Alastair is a chartered accountant with 25 years' experience spent auditing and advising boards and management of public companies in the UK and internationally, principally in the financial services industry. He trained with Peat, Marwick, Mitchell & Co in London before being admitted as a partner with KPMG in Bermuda in 1985. Alastair returned to the UK as a partner of KPMG in 1991 and has specialised in financial services with extensive experience in advising on accounting, financial reporting and corporate governance.

Other directorships and commitments: Director of Phoenix Group Holdings plc and Senior Independent Director of The Bank of N.T. Butterfield & Son Limited.



EXECUTIVE DIRECTORS

John Ions

Chief Executive

Joined the Board in May 2011.

Prior to joining Liontrust in February 2010, John was Chief Executive of Tactica Fund Management since it was established in 2005. Previously, John was Joint Managing Director of SG Asset Management and Chief Executive of Société Generale Unit Trusts Limited, having been a co-founder of the business in 1998. John was also formerly Head of Distribution at Aberdeen Asset Management.



Vinay Abrol

Chief Operating Officer and Chief Financial Officer

Joined the Board in September 2004.

Vinay is responsible for overseeing all finance, information technology, operations, risk and compliance of the Group. 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, and then at HSBC Asset Management (Europe) Limited where he was responsible for global mutual funds systems. Following a short period at S.G. Warburg and Co., he joined Liontrust in 1995.



NON-EXECUTIVE DIRECTORS

Mandy Donald

Non-executive Director

Joined the Board in October 2019.

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

Mandy has board experience in both complex organisations and early stage environments, and brings a background of strategic planning and operational management to the Company. A chartered accountant by training, she 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 holds a Financial Times Non-Executive Diploma with a focus in corporate governance.

Other directorships and commitments: Trustee of The Institute of Cancer Research, where she is also Chair of the Audit Committee, she is also a Non-executive Director and Chair of the Audit Committee of Punter Southall Group; and is a Non-executive Director of Gowling WLG LLP and JP Morgan US Smaller Companies Investment Trust PLC.



Emma Howard Boyd CBE

Non-executive Director

Joined the Board in January 2022.

Committees: Remuneration Committee

Emma brings extensive commercial and financial services experience to the Board, as well as a background in sustainable finance and stewardship. She has held a number of non-executive and advisory roles over the past eight years since leaving Jupiter Asset Management as Director, Stewardship.

Other directorships and commitments: Chair of the Environment Agency, an Ex officio board member of the Department for Environment, Food and Rural Affairs and interim Chair of the Green Finance Institute, Adviser to the Board of Trade. Emma also serves on several boards and advisory committees which include: The Coalition for Climate Resilient Investment (co-Chair), The European Climate Foundation, The Council for Sustainable Business, The Prince's Accounting for Sustainability Project and Menhaden Resource Efficiency Plc.



Quintin Price
Non-executive Director

Joined the Board in July 2021.

Committees: Nomination, Audit & Risk and Remuneration Committees.

Quintin has 30 years' experience of working at a senior level for a number of leading investment companies. From 2005 to 2015, he worked at BlackRock where he was Head of Alpha Strategies and a member of the Global Executive Committee. Quintin holds a BSc. in Economic & Social History from the University of Bristol.

Other directorships and commitments: Non-executive Director of Aperture Investors LLC, a New York based fund manager, and F&C Investment Trust Plc, and a member of the Investment Committee of the Leverhulme Trust.



Rebecca Shelley
Senior Independent Director

Joined the Board in November 2021.

Committees: Nomination, Audit & Risk and Remuneration Committees.

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 became Group Communications Director with a seat on their Group Executive Committee. From 2012 to 2016, Rebecca was the Group Communications Director of Tesco plc and a member of their Executive Committee. During this time, she 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.

Other directorships and commitments: Non-executive Director at Sabre Insurance Group Plc and Hilton Food Group Plc.



George Yeandle
Non-executive Director

Joined the Board in January 2015.

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

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 issues. He has also held a number of internal leadership roles. He 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.



DETAILS OF THE BOARD'S
RESPONSIBILITIES CAN BE
FOUND ON PAGE 87

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 42 to 51.

Committee structure and delegation of powers

The Corporate Governance report on page 89 details the Board's and the Chief Executive's responsibilities for organising and directing the affairs of the Company. The Board has delegated a number of its powers to three subcommittees; the Audit & Risk Committee, the Nomination Committee and the Remuneration Committee.

Fig 1: Board and Sub-Committees



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 Group have set up two management committees to assist the Chief Executive, namely the:

a) Liontrust Fund Partners LLP Partnership Management Committee

("LFPPM") for retail and institutional sales and marketing, advertising, promotion of Liontrust Funds, Transfer Agency, Information Technology (including business continuity), Treating Customers Fairly, Compliance & Financial Crime, Human Resources, Finance, product development and other asset gathering related powers; and the

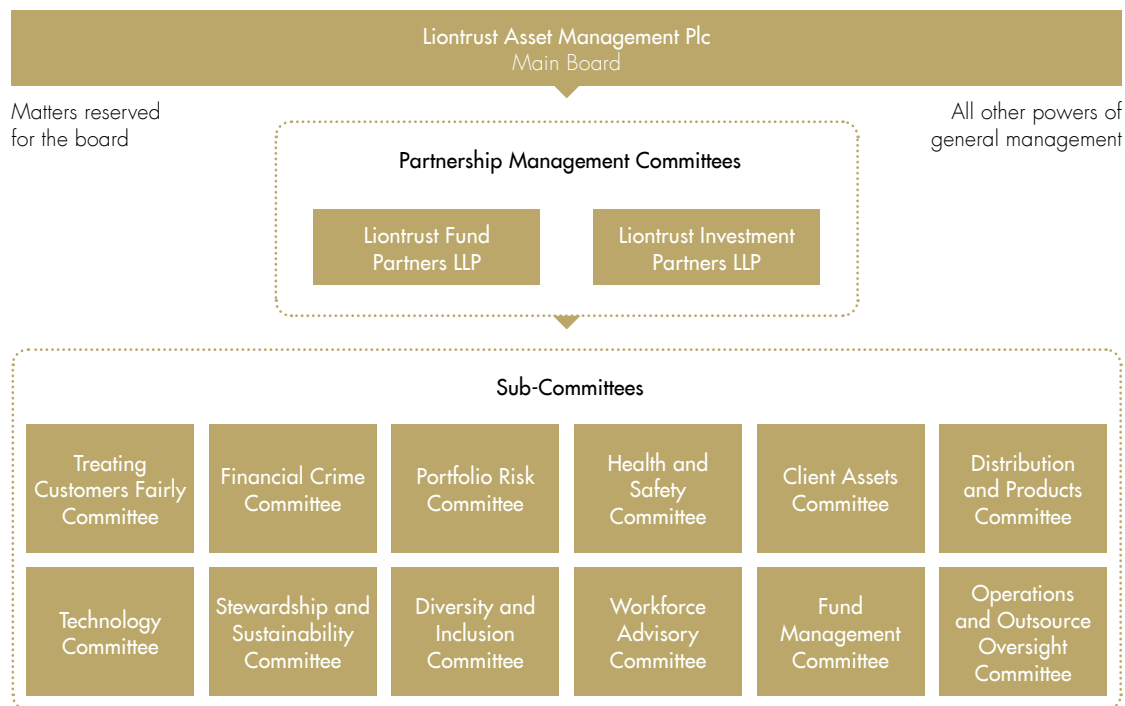
b) Liontrust Investment Partners LLP Partnership Management Committee

("LIPPM") for 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.

There are several sub-committees of the Partnership meetings that have been set up to help govern and manage the business..

Fig 2: Board and Management committees and sub-committees



Sub-committee	Overview
Sustainability & Stewardship Committee	The Committee is responsible for developing and implementing our Group Sustainability strategy and environmental, social and governance (ESG) initiatives.
Diversity & Inclusion Committee	This Committee will look at issues such as how we prevent and eliminate discrimination, including unconscious bias, raise awareness of the importance and benefits of diversity, enhance our culture, ensure policies and procedures promote diversity across the company, and increase awareness through training, mentoring and coaching.
Workforce Advisory Committee	The purpose of this Committee is to advise the Management Committees and the Board on issues relating to the workforce, ensuring all colleagues have the skills, motivation and opportunity to develop and grow. This Committee has representatives from across the business including two members of the Management Committee.
Fund Management Committee	The Committee coordinates the activities of each of the fund management teams with trading, operations, risk and compliance and helps to ensure change, governance and regulatory issues are communicated effectively throughout the business
Operations and Outsource Oversight Committee	The Committee provides regular oversight and monitoring of our outsource providers and key counterparties to ensure they continue to provide a high level of service to the Group.
Treating Customers Fairly Committee	The Treating Customers Fairly Committee ("TCFC") oversees the management of the Group's Treating Customers Fairly initiatives throughout the business, reviewing the suitability of products for clients and monitoring customer outcomes. The TCFC agrees and monitors the Group's approach to clients and how our responsibilities are discharged. It keeps track of any regulatory developments and also manages the training programmes. The core to the TCFC's work is the management of our TCF programme in relation to the six outcomes that the FCA has set out for the industry. This work includes an ongoing assessment of our business against those outcomes with any actions tracked accordingly
Financial Crime Prevention Committee	The Financial Crime Prevention Committee ("FCPC") oversees the effectiveness, scope and performance of the procedures throughout the business to prevent money laundering (including the review of any sanctions breaches, review of politically exposed persons and suspicious activity reports), fraud including excessive or inappropriate gifts and entertainment given and received, cybersecurity and anti-bribery and corruption policies and procedures within Liontrust including the due diligence of third parties
Portfolio Risk Committee	The Portfolio Risk Committee ("PRC") oversees the management of portfolio risk throughout the business. This oversight encompasses portfolio risk management systems and operations together with the monitoring of portfolio risk investment restrictions. The PRC has documented the approach to risk management in the Risk Management Process document ("RMP"). The PRC also monitors portfolio performance and investment processes, establishing parameters for exception reporting and ensuring that appropriate client communications are prepared, as necessary. The Portfolio Risk Committee ensures that investment teams have appropriate risk processes in place and that each fund has an agreed risk profile which details all the monitored risk controls and the risk limits for each fund
Client Assets Committee	The Client Asset Committee ("CAC") is responsible for how client money and assets are held by the Group or its outsourced providers. Identifying all client assets, the controls and procedures in place for handling client assets and identifying, managing and monitoring the risks to keep the money and assets as safe as possible in all circumstances
Technology Committee	The Technology Committee ("TC") is responsible for monitoring and oversight of Technology and Cyber Security across the Company. The Committee is responsible for ensuring the systems employed by the company are fit for purpose.
Distribution & Product Committee	The Distribution and Product Committee ("DPC") is responsible for product development, governance and strategy, distribution strategy and marketing strategy. The DPC reviews new product proposals and other proposals for material changes to existing products.
Health & Safety Committee	The Health and Safety Committee ("HSC") is responsible for all health and safety matters for the Group including the health and safety policy statement, any required health and safety related risk assessments for the Group, the first aid requirements, all fire safety and emergency procedures, the environmental policy and any other matters relating to the general health and safety requirements of the Group's staff.

DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements of Liontrust Asset Management PLC for the year ended 31 March 2022.

Principal activities

Liontrust Asset Management PLC is a holding company whose shares are quoted on the Official List of the London Stock Exchange and is domiciled and incorporated in the UK. It has five 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, 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.
Liontrust International (Luxembourg) S.A.	100%	A Distribution business authorised and regulated by the CSSF
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, which is authorised and regulated by the Financial Conduct Authority. Formerly Majedie Asset Management Limited, acquired on 1 April 2022.

In addition to the principal operating subsidiaries listed above, Liontrust Asset Management PLC 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, acquisition of the Architas business which are Liontrust Advisory Services Limited and Liontrust Multi-Asset Limited.

Results and dividends

Profit before tax was £79.3 million (2021: £59.0 million).

Adjusted profit before tax was £96.6 million (2021: £59.0 million – restated) 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 (2021: 36 pence per share). This results in total dividends of 72 pence per share for the financial year ending 31 March 2022 (2021: 47 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 page 12 and 10 to 74 respectively.

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 2022 are set out in the Remuneration report on page 126.

Vinay Abrol
 Alastair Barbour
 Mike Bishop (retired 23 September 2021)
 Mandy Donald
 Emma Howard Boyd CBE (appointed 19 January 2022)
 John Ions
 Quintin Price (appointed 1 July 2021)
 Rebecca Shelley (appointed 1 November 2021)
 Sophia Tickell (resigned 23 September 2021)
 George Yeandle

Disclosure required under the Listing Rules and Disclosure Guidance and Transparency rules

LR 4.1.5.(R) and DTR 4.1.8 R

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 incentive 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 193,204 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
Corporate Governance code and practices applied (DTR7.2.2 DTR7.2.3)	Corporate Governance report
Main features of the internal control and risk management systems (DTR7.2.5)	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 2022, there were 61,252,164 fully paid ordinary shares of 1p amounting to £612,522. As at 22 June 2022 there were 64,935,384 fully paid ordinary shares of 1p amounting to £649,538. Each share in issue is listed on the Official List maintained by the FCA in its capacity as the UK Listing Authority.

On 1 April 2022 the Company issued 3,683,220 fully paid ordinary shares of 1p pursuant to its acquisition of Majedie Asset Management Limited.,

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 22 September 2022 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 17 of the Annual General Meeting held on 23 September 2021, 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 6,125,216 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 2022 (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.

Corporate governance

A report on corporate governance appears on pages 89 to 96, which forms 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 10 to 74 and a report on the risk management and internal controls appear on pages 81 to 83.

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 Our People, Sustainability and Our Corporate Responsibilities can be found on Pages 52 to 74.

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 100.

Financial instruments

The Group's financial instruments at 31 March 2022 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.

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.

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 risks.

Full details of the Group's financial risk management can be found in note 2 on page 150 to 154.

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 22 September 2022 at 2.00 p.m. A notice convening this meeting will be sent to shareholders in August 2022.

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 and voting rights are summarised on page 85.
- Details of the most substantial shareholders in the Company are listed on page 92.
- The rules concerning the appointment and replacement of Directors are contained in the Company's articles of association and are discussed on page 90.
- 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 2022.

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.

By order of the Board

Vinay Abrol
Chief Operating Officer & Chief Financial Officer
21 June 2022

Basis of financial statements

Having given consideration to the uncertainties and contingencies disclosed in the financial statements, and also considered the Covid-19 pandemic, 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 2022 Annual General Meeting.

Political donations

The Group made no political donations or contributions during the year. (2021: £nil).

By order of the Board

Mark Jackson
Company Secretary
21 June 2022

²Available at www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code

CORPORATE GOVERNANCE REPORT

Compliance with the provisions of the Code

The Company is committed to the principles of the UK Corporate Governance Code (July 2018) (the “Code²”). During the year the Company has applied the main principles and complied with the provisions of the Code except as noted below in relation to the tenure of the Chair (see page 97).

The Board

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. There is a formal document setting out the way in which the Board operates, which is available upon request from the Company Secretary.

The division of responsibilities between Alastair Barbour, Chair, and John Ions, Chief Executive, has been 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 efficient relations and communication channels between management, the Board and shareholders, liaising as necessary with the Chief Executive on developments, and to ensure that the Chief Executive and his executive management team have appropriate objectives and that their performance against those objectives is reviewed.

The Chief Executive’s main responsibilities are the executive management of the Group, liaison with the Board and shareholders (as required by the Chair), to manage the strategy of the Group, to manage the senior management team, oversee and manage the sales and marketing teams, and to be an innovator and facilitator of change. The Chief Executive discharges 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 81.

The Chair and Chief Executive are responsible to the Board for the executive management of the Group and for liaising with the Board and keeping it informed on all material matters.

The Non-executive Director’s role has the following key elements:



- constructively challenging, and contributing to, the development of the strategy of the Company and the Group;



- scrutinising the executive management team’s performance in meeting agreed goals and objectives, and monitoring the reporting of performance to 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.

Under the Company's articles of association, one third of the Directors must retire from office by rotation at each Annual General Meeting and may offer themselves for re-election (this does not include Directors appointed to the Board since the last Annual General Meeting). Under the Company's Corporate Governance Guidelines, which reflect the provisions of the Code on Corporate Governance, Non-executive Directors must retire and may offer themselves for re-election annually once they have served nine or more years on the Board. The UK Corporate Governance Code recommends that all Directors of FTSE 350 companies retire and are put up for re-election at the Annual General Meeting. The Board considers this to be best practice and, accordingly, has decided to go beyond the requirements of the Company's articles of association and require that all Directors of the Company retire and offer themselves for re-election.

The Board met seven times during the year. In addition, there were occasions when the Directors met as a committee of the Board in order to authorise transactions already agreed in principle at Board meetings. On those occasions, a quorum of either two or three Directors was required.

Directors

Biographical details of all current Directors can be found on page 76.

The Board is committed to the principles of the UK Corporate Governance Code. During the year the Company has applied, except where otherwise stated the main principles and complied with the provisions of the Code. The Chair, is overseeing succession planning and will bring directors' tenure into compliance with the Code over a period of years.

During the year three Non-executive Directors joined the Board; Quintin Price, Rebecca Shelley and Emma Howard Boyd. The details of the committees that they have joined are on pages 94–96. The Group engaged with Ridgeway and sapphire Partners to assist with the search for Non-executive Directors

At all times during the year there have been at least four Non-executive Directors. The Board believes that the balance

achieved between Executive and Non-executive Directors is appropriate and effective for the control and direction of the business.

The Chair has met during the year with the Non-executive Directors both individually and collectively without the other Executive Directors.

Having duly evaluated each of the Non-executive Directors, including their length of service, the Board considers that, all such Directors are independent, in that they neither represent a major shareholder group nor have any involvement in the day to day management of the Company or its subsidiaries. As such they continue to bring objectivity and independent judgement to the Board and complement the Executive Directors' skills, experience and detailed knowledge of the business.

None of the Executive Directors are on the board of a FTSE 100 company.

Non-executive Directors are aware that they have to report any change in their circumstances or those of the members of their families that might lead to the Board reconsidering whether they are independent. Directors are also 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 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 Nomination Committee report contains further details in respect of the time commitments of the Non-executive Directors.

Directors have the right to have any concerns about the running of the Company minuted and documented in a written statement on resignation.

The Company has arranged insurance cover in respect of legal action against its Directors and Officers.



Performance

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.

The Executive Directors have been subject to a formal performance appraisal. These appraisals were carried out in 2022 and in all cases their performance was appraised as continuously effective. The performance of the Non-executive Directors during the year to 31 March 2022 has been reviewed by the Chair. The review has confirmed that the performance of the Non-executive Directors is effective and appropriate.

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.

Communication with shareholders

The Chief Executive and Chief Operating Officer & Chief Financial Officer also have regular meetings with existing and potential new shareholders.

Each year, in advance of the Company's AGM we engage an investor relations company to contact our key shareholders to seek their voting intentions and to offer further engagement with our executive and Non-executive Directors. In addition, we further engage 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 published financial report and accounts and our website.

Substantial shareholders

The Company has received notifications in accordance with the Financial Conduct Authority's ("FCA") Disclosure and Transparency Rule 5.1.2R of the following interests in 3% or more of the voting rights attaching to the Company's issued share capital as follows:

As at 31 March 2022

Name	Number of voting rights	Percentage of voting rights
Sandford Deland Asset Management Limited	5,140,000	8.39%
Blackrock Inc.	4,525,481	7.39%
Standard Life Aberdeen PLC	3,758,331	6.14%
Martin Currie	3,203,000	5.23%
Canaccord Genuity Group Inc.	3,055,620	4.99%
JP Morgan Asset Management (UK) Limited	2,977,795	4.86%
Slater Investments Limited	2,731,714	4.46%
Castlefield Fund Partners Limited	2,700,000	4.41%
JO Hambro Capital Management Ltd	2,539,164	4.15%

As at 17 June 2022

Name	Number of voting rights	Percentage of voting rights
Sandford Deland Asset Management Limited	5,140,000	8.39%
Blackrock Inc.	4,525,481	7.39%
Standard Life Aberdeen PLC	3,758,331	6.14%
Martin Currie	3,203,000	5.23%
Canaccord Genuity Group Inc.	3,055,620	4.99%
JP Morgan Asset Management (UK) Limited	2,977,795	4.86%
Slater Investments Limited	2,731,714	4.46%
Castlefield Fund Partners Limited	2,700,000	4.41%
JO Hambro Capital Management Ltd	2,539,164	4.15%

Section 172 (1) statement

The Directors act in good faith to promote the success of the Liontrust Group (the “Group”) for the benefit of its members’ and our shareholders as a whole and in doing so, have regard (amongst other matters) to the following factors;

the likely consequences of any decision in the long term	<p>The Board has set a clear strategic objective for the Group and ensures objectives are implemented by establishing effective governance and practices. The Board and its executives engage with a wide set of stakeholders, and the Chair, Chief Executive and Chief Operating Officer & Chief Financial Officer attend meetings with major shareholders on a regular basis. Shareholder interaction allows the Board to discuss shareholder views on the Group performance against its strategic objectives. The Board is supported by several key Committees, including Board Committees covering Audit & Risk, Remuneration and Nomination and business operational and regulatory matters including Compliance, Portfolio Risk and Treating Customers Fairly. The Board and Board Committees ensure ongoing robust governance, oversight and implementation of the Group’s long-term strategy for the benefit of all stakeholders.</p> <p>Please see the Directors’ Report for further details on shareholder and governance process.</p>
the interests of the Group’s employees	<p>The Board recognises the importance of ensuring the Group attracts and retains engaged, committed and talented employees. The Board seeks to continually inform and engage with employees and is committed to their development and encourages employees to take on responsibility and be accountable for their own decisions, actions and behaviour.</p> <p>Employees’ within the Group also have the facility to interact with the Board through a Workforce Advisory Committee which was also established in 2020 and whose members range from departments throughout the Group. The Group also has a Social Committee who organises events of interest for all employees and also provides feedback and information to senior management and the Board.</p> <p>The Board understands the importance of ensuring employees feel part of the success of the Group and employees are encouraged to participate in the Group’s Share Incentive Plan.</p>
the need to foster the Group’s business relationships with suppliers, customers and others	<p>The Board recognises the Group’s impact on wider stakeholders, including its customers and the community in which it operates. The Group is committed to the highest standards of business conduct and the Board’s work with stakeholders is critical to the long-term sustainable success of the Group. The Board acknowledges the important role that relationships with third parties play for the Group to achieve its strategic objectives. 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 fair and objective manner. Please see the Directors Report and Sustainability Report for further information.</p>
the impact of the Group’s operations on the community and the environment	<p>The Board is committed to contributing to and benefiting wider society. Details of the various programmes can be found in the Community engagement section of the Strategic Report on page 37.</p> <p>The Group remains firmly committed to supporting community and environmental projects and the Board recognises the increasing importance attached to environmental, social and governance (ESG) issues. The Group is committed to minimising the environmental impact of the Group and improving the Group’s environmental performance as an integral and fundamental part of the Board’s strategy and operating methods. The Group is always striving to reduce its commercial waste and to recycle as much of its commercial waste as possible, with any non-recyclable items being incinerated to produce energy.</p>
the desirability of the Group maintaining a reputation for high standards of business conduct, and	<p>The Group is committed to the highest standards of business conduct and ensures robust governance is in place throughout the Group. The Group has a number of policies in place to ensure good governance is embedded within the Group. The Group is a participant in many external bodies and associations to ensure governance and stewardship is a focus throughout the business, these include being a signatory to the United Nations Principles of Responsible Investing, a voluntary set of guidelines that helps a company to address social, ethical, environmental and corporate governance issues, Carbon Disclosure Project, an independent organisation that measures corporate climate change, adhering to the Financial Reporting Council’s Stewardship Code and Modern Slavery Act, amongst others.</p>
the need to act fairly between members of the Group.	<p>The Board recognise the need to provide a transparent, positive, and collaborative working environment for all employees and stakeholder groups who interact and work within the Group. The Board seeks to ensure all employees within the Group have access and the opportunity to continue their ongoing career and personal development within their roles. The Group has established a working culture of collaboration and inclusion which supports a talented and diverse workforce. The Group ensures this is delivered through the Equal Opportunities and Dignity at Work policy, Recruitment policy and by delivering Equality and Diversity training to raise awareness. The Group also offers an Internship Programme, offering employment to younger people from diverse backgrounds, where they may not have otherwise had the opportunity to start their career in the industry. These policies reinforce the Board’s commitment to form an inclusive culture where the principle of diversity are embedded at all levels, creating a working environment which promotes inclusion and is free from all forms of discrimination.</p> <p>For further information, please see the Group’s Annual Report under “Equal Opportunities, Diversity and Inclusion” in “Our People, Our Impact and Corporate Responsibilities” section.</p>

Resources

Directors have access to the services and advice of the Company Secretary, and may take additional independent professional advice at the Group's expense in furtherance of their duties. The terms of reference of the Audit & Risk, Nomination and Remuneration Committees have been considered by their members with a view to ensuring they have available adequate resources to discharge their duties.

Committees

Details of the chair and membership of the Audit & Risk, Nomination and Remuneration Committees are set out in the tables below together with details of attendance at meetings.

Share buy backs

At the 2021 Annual General Meeting shareholders gave approval for the Company to buy back up to 6,125,216 Ordinary shares. Shareholders have also renewed the Directors' authority to issue

ordinary shares up to an aggregate nominal value of £61,252. There have been no share buy-backs in the year.

Annual General Meeting

Notices convening Annual General Meetings are dispatched to shareholders at least twenty working days before the relevant meeting and contain separate resolutions on each issue, including a resolution to adopt the annual report and financial statements. At every Annual General Meeting, the Chair of the Group and the chairs of the Audit & Risk, Nomination and Remuneration Committees make themselves available to take questions from shareholders.

The Company has put arrangements in place with its registrars to ensure that all proxy votes are received and accurately accounted for. The level of proxies lodged on each resolution, including votes for, against and abstained, will be available on the Company's website or upon request from the Company.

DIRECTORS BOARD ATTENDANCE REPORT

Board & Committee Attendance 2021-2022

BOARD

Date	21.05.21	22.06.21	24.09.21	30.11.21	06.12.21	21.01.22	25.03.22	Total
Director								
Vinay Abrol	✓	✓	✓	✓	✓	✓	✓	7/7
Alastair Barbour	✓	✓	✓	✓	✓	✓	✓	7/7
Mike Bishop ¹	✓	✓	N/A	N/A	N/A	N/A	N/A	2/2
Mandy Donald	✓	✓	✓	✓	✓	✓	✓	7/7
Emma Howard Boyd ⁴	N/A	N/A	N/A	N/A	N/A	✓	✓	2/2
John Ions	✓	✓	✓	✓	✓	✓	✓	7/7
Quintin Price ²	N/A	N/A	✓	✓	✓	✓	✓	5/5
Rebecca Shelley ³	N/A	N/A	N/A	✓	✓	✓	✓	4/4
Sophia Tickell ¹	✓	✓	N/A	N/A	N/A	N/A	N/A	2/2
George Yeandle	✓	✓	✓	✓	✓	✓	✓	7/7

¹Mike Bishop and Sophia Tickell retired from the Board and all Board Committees at the AGM meeting held on the 23.09.2021

²Quintin Price was appointed as an Independent Non-executive Director on the 1st July 2021.

³Rebecca Shelley was appointed as an Independent Non-executive Director on 1st November 2021

⁴Emma Howard Boyd was appointed as an Independent Non-executive Director on 19th January 2022 but only joined the Committee after the Board meeting held on the 21st January 2022

REMUNERATION

Date	21.05.21	22.06.21	24.09.21	30.11.21	06.12.21	21.01.22	25.03.22	Total
Director								
Mike Bishop ¹	☑	☑	N/A	N/A	N/A	N/A	N/A	2/2
Mandy Donald	☑	☑	☑	☑	☑	☑	☑	7/7
Emma Howard Boyd ⁴	N/A	N/A	N/A	N/A	N/A	N/A	☑	1/1
Quintin Price ²	N/A	N/A	☑	☑	☑	☑	☑	5/5
Rebecca Shelley ³	N/A	N/A	N/A	☑	☑	☑	☑	4/4
Sophia Tickell ¹	☑	☑	N/A	N/A	N/A	N/A	N/A	2/2
George Yeandle	☑	☑	☑	☑	☑	☑	☑	7/7

¹Mike Bishop and Sophia Tickell retired from the Board and all Board Committees at the AGM meeting held on the 23.09.2021

²Quintin Price was appointed as an Independent Non-executive Director on the 1st July 2021.

³Rebecca Shelley was appointed as an Independent Non-executive Director on 1st November 2021

⁴Emma Howard Boyd was appointed as an Independent Non-executive Director on 19th January 2022 but only joined the Committee after the Board meeting held on the 21st January 2022

AUDIT AND RISK

Date	20.05.21	21.06.21	23.09.21	29.11.21	20.01.22	Total
Director						
Mandy Donald	☑	☑	☑	☑	☑	5/5
Mike Bishop ¹	☑	☑	N/A	N/A	N/A	2/2
Quintin Price ²	N/A	N/A	☑	☑	☑	3/3
Rebecca Shelley ³	N/A	N/A	☑	☑	☑	3/3
Sophia Tickell ¹	☑	☑	N/A	N/A	N/A	2/2
George Yeandle	☑	☑	☑	☑	☑	5/5
Emma Howard Boyd ⁴	N/A	N/A	N/A	N/A	N/A	N/A

¹Mike Bishop and Sophia Tickell retired from the Board and all Board Committees at the AGM meeting held on the 23.09.2021

²Quintin Price was appointed as an Independent Non-executive Director on the 1st July 2021.

³Rebecca Shelley was appointed as an Independent Non-executive Director on 1st November 2021

⁴Emma Howard Boyd was appointed as an Independent Non-executive Director on 19th January 2022 but only joined the Committee after the Board meeting held on the 21st January 2022

NOMINATION

Date	20.05.21	22.06.21	24.09.21	29.11.21	20.01.22	24.03.22	Total
Director							
Alastair Barbour	✓	✓	✓	✓	✓	✓	6/6
Mike Bishop ¹	✓	✓	N/A	N/A	N/A	N/A	2/2
Mandy Donald	✓	✓	✓	✓	✓	✓	6/6
Emma Howard Boyd ⁴	N/A	N/A	N/A	N/A	N/A	✓	1/1
Quintin Price ²	N/A	N/A	✓	✓	✓	✓	4/4
Rebecca Shelley ³	N/A	N/A	N/A	✓	✓	✓	3/3
Sophia Tickell ¹	✓	✓	N/A	N/A	N/A	N/A	2/2
George Yeandle	✓	✓	✓	✓	✓	✓	6/6

¹Mike Bishop and Sophia Tickell retired from the Board and all Board Committees at the AGM meeting held on the 23.09.2021

²Quintin Price was appointed as an Independent Non-executive Director on the 1st July 2021.

³Rebecca Shelley was appointed as an Independent Non-executive Director on 1st November 2021

⁴Emma Howard Boyd was appointed as an Independent Non-executive Director on 19th January 2022 but only joined the Committee after the Board meeting held on the 21st January 2022

NOMINATION COMMITTEE REPORT

Introduction by the Chair of the Nomination Committee

Dear shareholder,

On behalf of the Nomination Committee (the “Committee”), I am pleased to present my first Nomination Committee report for financial year ended 31 March 2022.

This introduction is intended to provide a summary of the key events during the year from a Committee perspective and to give further insight into the workings of the Committee and its approach. During the year, the Board’s diversity, structure, size and composition remained a major focus leading to the recruitment of Quintin Price, Rebecca Shelley and Emma Howard Boyd as new Non-executive Directors.

DIVERSITY & INCLUSION

The Committee considers diversity, including gender and ethnic diversity, when looking to appoint additional Directors and as detailed in last year’s Nomination Committee report we initiated a search for an additional Non-executive Director and to use that opportunity to introduce further diversity. I am very pleased to report that our search was successful with Rebecca Shelley and Emma Howard Boyd joining the Board during the year.

We established a Diversity & Inclusion Committee (‘D&I Committee’) in April 2021 with membership of this committee coming from throughout our business. This committee meets monthly, under the Chairship of Vinay Abrol, our Chief Financial Officer & Chief Operating Officer, who reports back regularly on its recommendations to this Committee and to the Board. As well as initiating a diversity, inclusion and equality audit with a leading external provider of such services, the D&I Committee held a panel discussion webinar to coincide with International Women’s Day on “Breaking the Bias” and also a Women’s networking event, which we aim to hold on a semi-annual basis.

The Committee also notes the recent FCA Policy Statement to boost disclosure of diversity on listed company board and executive committees, which will apply for accounting periods starting from 1 April 2022, The targets are:

- At least 40% of the board are women;
- At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is a woman; and
- At least one member of the board is from a minority ethnic background (which is defined by reference to categories recommended by the Office for National Statistics (ONS)) excluding those listed, by the ONS, as coming from a White ethnic background) and is considering how best to meet the targets proposed.

The Committee notes that as at 31 March 2022, the Company already meets two out of the three targets, and will consider how best to achieve full compliance.

RECRUITMENT

Last year was a year of change for the Board with Mike Bishop and Sophia Tickell leaving from the Board and three new Non-executive Directors joining the Board: Quintin Price, Rebecca Shelley, and Emma Howard Boyd.

Following these changes we reviewed and rebalanced the membership of the Board’s committees and [responsibilities] of individual directors.

FOCUS FOR NEXT YEAR

We will continue to focus on diversity and succession planning of the Board and the Group, and also on equality, inclusion and talent-management in the financial year ending 31 March 2023.

Alastair Barbour

Chair of the Nomination Committee
21 June 2022

Principle duties

The Committee's principal duties are as follows:

- regularly review the structure, size and composition (including the skills, knowledge, diversity and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- give full consideration to succession planning for directors and other senior executives; and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Board in the future;
- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- review annually the time required from Non-executive Directors. Complete performance evaluations to assess whether the Non-executive Directors have sufficient time to fulfil their duties;
- approve regularly reports from the HR Director on HR related matters and management information and to review the policy on diversity and inclusion, its objectives and linkage to Company strategy and its implementation and progression;
- review the membership of the Audit & Risk and Remuneration Committees, in consultation with the Chair of those committees; and
- annually review the schedule of employees and members who fall within the remit of the Senior Managers and Certification Regime ("SMCR"), ensuring appropriate systems and controls are in place to effectively manage and assess the ongoing fitness and propriety of those captured by the Regime, in particular directors and other senior executives.

The terms of reference of the Committee, which explains 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. The terms and conditions of appointment of the Directors will be available for inspection at the 2022 Annual General Meeting.

Composition and attendance

During the year, the Committee comprised of the Non-executive Chair and the independent Non-executive Directors:

- Alastair Barbour (Chair)
- Mike Bishop (retired 23 September 2021)
- Mandy Donald
- Emma Howard Boyd CBE (joined 19 January 2022)
- Quintin Price (joined 1 July 2021)
- Rebecca Shelley (joined 1 November 2021)
- Sophia Tickell (resigned 23 September 2021)
- George Yeandle

The attendance record of members of the Committee during the year is shown in the table on page 94.

Activities during the year

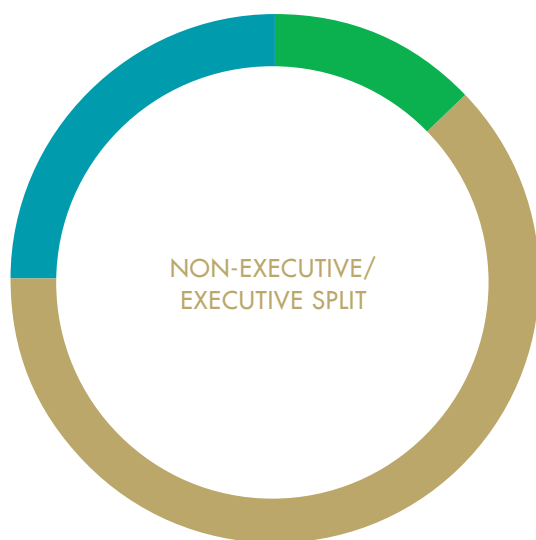
In the financial year ended 31 March 2022, the Committee met five times and its activities included, amongst other things:

- recruitment of Quintin Price as a Non-executive Director, the recruitment process was supported by Ridgeway Partners;
- recruitment of Rebecca Shelley as a Non-executive Director, the recruitment process was supported by Sapphire Partners;
- recruitment of Emma Howard Boyd as a Non-executive Director, the recruitment process was supported by Sapphire Partners;
- considered the independence of the Non-executive Directors;
- an annual evaluation of the performance of the Board and its committees and individual directors;
- an assessment of time available to commit to the Company's affairs by its Non-executive Directors;
- received updates and reviewed reports on succession planning including size, structure and leadership of the Committees / Board and organisational capability;
- defined the scope of and reviewed the Board Diversity Policy;
- reviewed papers on diversity and inclusion within the business including reviewing an analysis of diversity (gender and ethnicity) in the recruitment process;
- supported management in the establishment of a Diversity & Inclusion Committee chaired by an Executive Director with membership drawn from all employees and members; received and discussed regular updates on the Committee's activities.
- developed and considered a Board Skills Matrix;
- consideration of further training for the Non-executive Directors, including a focus on climate change and cyber security;
- reviewed reports on the implementation of the SMCR regime and its operation including those holding Senior Management roles and those other employees holding Certification roles;
- Supported management in the development of coaching and training for the senior leadership team;
- Approved Rebecca Shelley to be appointed as Senior Independent Director;
- In May 2021 nominated Mandy Donald as the Non-executive Director employee overseeing employee and member engagement and in January 2022 nominated Emma Howard Boyd as the Non-executive Director responsible for overseeing the Company's policies and practices in respect of ESG, both on behalf of the Board;
- Supported management on the review and development of benefits offered to employees and partners; and
- Reviewed Committee membership of the Non-executive Directors.
- The Committee received information and support from the Chief Executive, and the Chief Financial Officer & Chief Operating Officer during the year in order to enable the Committee to carry out its duties and responsibilities effectively. The Committee has the right to appoint external recruitment consultants or external advisers to fill vacancies where it believes that to be appropriate;

Board split and Tenure

Non-executive/Executive split

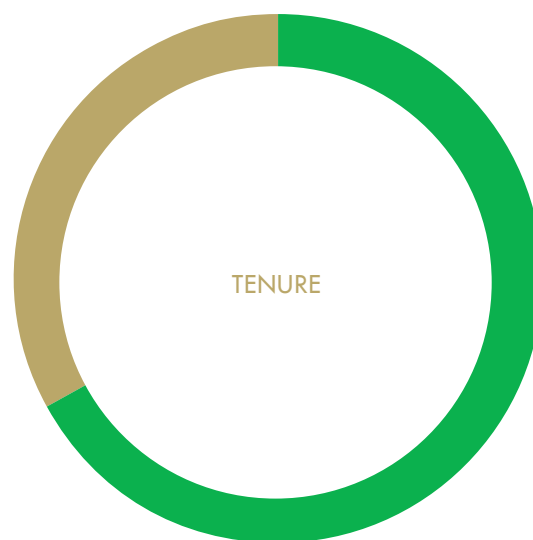
Board split between Executive and Non-executive Directors remains unchanged at two Executive Director vs five Non-executive Directors or 38% vs 62% (2021: 29% vs 71%):



■ Non-executive Chair (1)	13%
■ Non-executive Directors (5)	63%
■ Executive Directors (2)	25%

Tenure

Tenure of Non-executive Directors (including the Non-executive Chair) remains well balanced with Non-executive Directors with less than 3 years, between 3 and 6 years and 6 years plus tenure split 67% vs 0% vs 33% respectively (2021: 20% vs 20% vs 60%):



■ 1-3 years (4)	67%
■ 6+ years (2)	33%

The 2018 UK Corporate Governance Code states that the chair should not remain in post beyond nine years from the date of their first appointment to the Board, though 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. Alastair Barbour, Non-executive Chair, joined the Board in April 2011 and became Non-executive Chair in September 2019. Therefore, by the time of our 2022 Annual General Meeting, Alastair Barbour will have been Non-executive Chair for 3 years and been a non-executive member of the Board for a total of almost 11 years. Given due regard to the following:

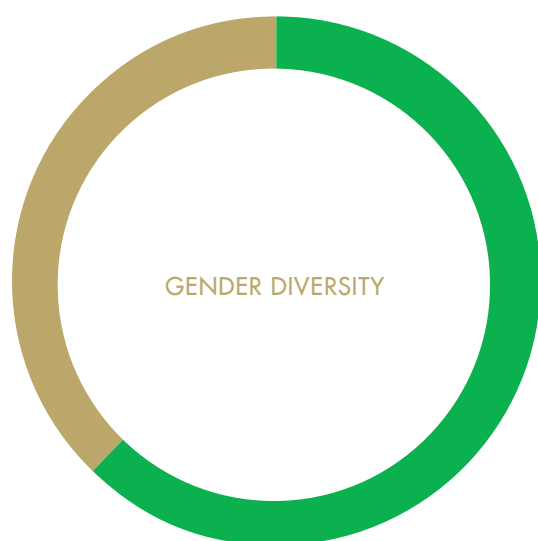
- recent corporate activity and resultant change/restructuring from three acquisitions in three years (the acquisitions of Neptune Investment Management Limited completed in October 2019, Architas UK Investment Business completed in October 2020 and Majedie Asset Management Limited completed in April 2022);

- significant growth in the business in terms of AuMA and headcount, and the resultant change that brings in scaling up distribution, marketing and sales; and
- the recent Board changes with Quintin Price, Rebecca Shelley and Emma Howard Boyd joining in the financial year ended 31 March 2022 and Mike Bishop and Sophia Tickell both leaving the Board in the same period.

The Committee and the Board agree that the benefits of having an experienced and long-serving Non-executive Chair in Alastair Barbour during a period of continuing significant change for the business far outweighs the demerits of having a Non-executive Chair that has been on the Board for over nine years. The Nomination Committee keeps this matter under regular review, and at least annually, and will update shareholders in due course. The Committee is mindful of the UK Corporate Governance Code's provision that this should be for a limited time only. Alastair Barbour recused himself from these considerations.

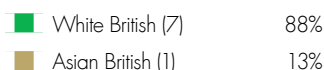
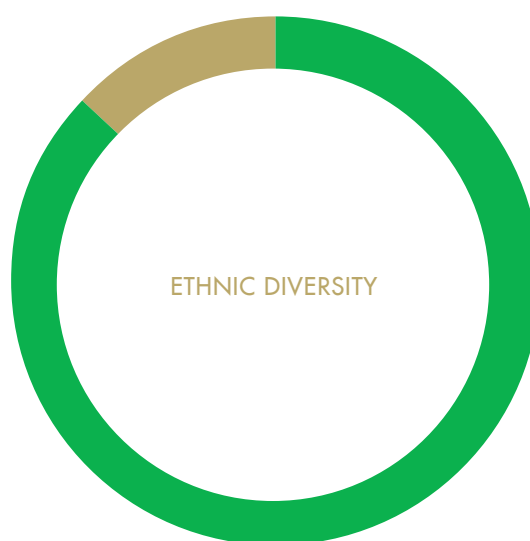
Gender diversity

Gender diversity of the Board is now more balanced with female directors representing 38% of the Board (2021: 29%):



Ethnic diversity

Ethnic diversity of the Board remains unchanged at one Director out of eight, or 13%, being non-white British (2021: 14%):



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.

Board diversity

The Committee considers diversity, including gender and ethnic diversity, when looking to appoint additional Directors and strives to encourage all the Directors to create an inclusive culture within the Group in which differences are recognised and valued. The Committee meets the recommendation of the Hampton Alexander Review that women represent at least 33% of Board members. The current percentage of women on the Board is 38% of total Board membership (2021: 29%) and 50% of Non-executive Directors (2021: 40%).

The Committee is also very supportive of the recommendations of the Parker Review and is committed to maintaining at least one Board member from a Black, Asian or ethnic minority background. The Board currently meets this requirement and has done so since 2004.

It remains a prerequisite that each Director or proposed Director must have the skills, experience and character to contribute both individually and as part of the Board, to the effectiveness of the Board and the success of the Company and Group. Subject to this overriding principle, the Board believes that diversity, amongst its members, including gender and ethnic diversity, is of great value and it is the Board's policy to give careful consideration to issues of overall Board balance and diversity, in making new appointments to the Board. The

Committee will continue to recommend appointments that increase diversity at Board level if appropriate when Board vacancies arise.

Diversity & Inclusion Committee

The Committee supported management in the establishment of the Diversity & Inclusion Committee, which is chaired by Vinay Abrol, Chief Financial Officer & Chief Operating Officer, and reporting directly to the Committee and the Board.

The Diversity & Inclusion Committee meets monthly and comprised of:

- Vinay Abrol (Chair)
- Nana Amofa (Marketing)
- Ruth Chambers (Fund Management)
- Tosin Fawbe (Risk)
- Lisa Lau (Marketing)
- Harriet Parker (Fund Management)
- Edward Tinwell as alternate for Alex Faye who is on Maternity Leave (Product)

The Diversity & Inclusion Committee received information and support from Ross Hadden, HR Director and Lynne Edwards, HR & Training Consultant in order to enable the committee to carry out its duties and responsibilities effectively.

Equal opportunities

The Group operates a policy of equal opportunity, details of which can be found in the Corporate Social Responsibility section of the Strategic Report.

Employee engagement

The Workforce Advisory Committee ("WAC") is chaired by Ross Hadden, HR Director with ten employee and member representatives from many parts of the Group. The WAC meets regularly and the chair provides regular updates to the Management Committees and this Committee. The WAC met four times during the year.

During the year John Ions, Chief Executive and/or Vinay Abrol, Chief Financial Officer & Chief Operating Officer, hosted xxx webinars for all employees and members, to update on how the business is performing including:

- an update on the acquisition of the Majedie Asset Management Limited;
- financial results of the Group;
- working from home guidance; and
- other matters.

In addition two all-employee and member pulse surveys were carried out to get the views of our employees and members.

The WAC acts as the Board's formal workforce advisory panel.

ESG responsibility at Board level

At the Committee's January 2022 meeting, Emma Howard Boyd was nominated 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 52, Strategic Report – Our People, Sustainability and Our Corporate Responsibilities for further information).

Time commitment

Alongside the Board and Evaluation Review (see below) the Committee reviewed the time required of Non-executive Directors to discharge their responsibilities. The Committee noted that Alastair Barbour, on account of his being on the boards of three public companies and chairing the Audit Committee for

two of them, had provided an analysis of his work commitments, which shows the level of time commitment required for his other roles and the complimentary nature of his roles and the time he has and plans to commit to Liontrust. The Committee confirms its satisfaction with the time and overall commitment given to Liontrust by Alastair Barbour and his time availability to act as Non-executive Chair.

Board and Committee Evaluation

Constal Limited ("Constal") again carried out an independent evaluation of the Board and its committees, to review progress since last year and evaluate the performance of the Board, its Committees and the individual directors.

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

- what to focus on to take the Board to the next level; and
- how the Board can best help executive management attain those ambitions in a way that ensures long-term sustainable success for stakeholders.

The review was based on confidential interviews with all 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 development plan, which have been adopted by the Board, are:

- continue to develop process for setting strategy and goals ensuring sufficient time to consider options;
- allocating sufficient time for debate on contentious or challenging issues;
- focus on improving and enhancing Board and Committee papers and reports;
- earlier Board involvement and discussion on M&A opportunities; and
- allocating sufficient Board or committee time over the year to discuss and drive progress around issues including diversity, return to work policies, succession planning, and remuneration policies.

Alastair Barbour

Chair of the Nomination Committee
21 June 2022

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 2022.

The Committee's key responsibilities remain unchanged during the year and included: assisting the Board in its presentation of the Group's financial results; continuing to review the effectiveness of the Group's system of internal controls and risk management systems; monitor and periodically review the Company'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, are published on the Company's website and are available upon request from the Company Secretary.

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 xx September 2022.

Mandy Donald

Chair of the Audit & Risk Committee

21 June 2022

Key responsibilities

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

- 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 Assessment Process ("ICAAP") 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

During the year, the Committee comprised of independent Non-executive Directors:

- Mandy Donald
- Quintin Price
- Rebecca Shelley
- Emma Howard Boyd
- Mike Bishop (retired)
- Sophia Tickell (resigned)
- George Yeandle (stepped down 24 March 2022)

The attendance record of members of the Committee during the year is shown in the table on page 94.

All the Committee's members who served during the year 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 to have recent and relevant financial experience.

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. The external auditor, KPMG LLP have attended all Committee meetings and met privately with the Committee.

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. 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 and in the 2022 financial statements have provided additional clarification where it has been determined appropriate.

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 2022 and up to the date of this report, the Committee met 5 times and its activities, amongst other things, covered the following matters:

- Reviewing the annual financial statements for the year ended 31 March 2021 and 2022 and half year financial statements for the six months to 30 September 2021 with particular emphasis on their fair presentation, challenging the reasonableness of management's judgements made and the valuation of assets and liabilities.
- 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 2022 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 ICAAP and the work being done to implement the new ICARA and IFPR requirements.
- 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 2021 audit and discussion of their findings with them.
- Consideration of points raised by the FRC and approval of management's responses to them
- Review of the internal audit plan in the context of the Company's overall risk management programme detailed above.
- Review of Covid-19 operational plans and impact on the business.
- 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 2022.
- 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.
- Review of ESG reporting and metrics.

Significant accounting matters

Share based payments

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. This also included reviewing the prior year adjustment in respect of share based payments. 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.

Taxation

The Committee receives regular reports on taxation and deferred tax amounts including information on positions proposed by management where tax regulation is subject to interpretation and the support for provisions established for amounts expected to be paid. These are discussed with the external auditors and the results of their reviews and audit are taken into account. This does not give rise to significant estimates or judgements.

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. The acquisition of Majedie Asset Management Limited was not completed until after the financial year end and, as such, the Committee has not considered the accounting for this at the year end.

Internal audit

Minerva Risk Consulting Partnership Limited ("Minerva" or "Internal Auditor") have been appointed to carry out a programme of internal audit work as set by the Committee and act as the Group's internal auditors.

Minerva have a direct reporting line to the Chair of the Committee. The Committee believe that using an external firm will ensure that the internal audit function will be adequately resourced and staffed by competent individuals and be independent of the day-to-day activities of the firm whilst still having appropriate access to a firm's 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 and CASS. The Internal Auditors will also perform a full systems and controls review every three years.

The Committee regularly meets with Minerva, 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 Tender

Minerva Risk Consulting Partnership Limited had been the Group's internal auditor since 2017 and after five years of service the Group initiated a tender process in the final quarter of 2021. After an initial selection of five firms, the Audit and Risk Committee, in conjunction with management, drew up a shortlist of three firms, taking into account their knowledge and experience of Liontrust's sector and the appropriate technical capabilities that a successful tender would require. Following a comprehensive selection process culminating in presentations to the Committee and careful scoring and consideration of the participating firms, in January 2022, the Committee recommended to the Board that Grant Thornton UK LLP was the most suitable firm to serve the Group. The new internal audit mandate will commence on 1 October 2022.

External auditors

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

Each year, the Committee considers the performance of the external auditors prior to proposition of a resolution on their reappointment and remuneration at the Annual General Meeting.

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 2022 Annual General Meeting for the reappointment of KPMG as external auditors.

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").

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 if the expected fee exceeds £25,000. 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.



REMUNERATION REPORT

Introduction by the Chair of the Remuneration Committee

Dear shareholder,

On behalf of the Remuneration Committee (the "Committee"), I am pleased to present the Remuneration Report for the year ended 31 March 2022. 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 2022 Annual General Meeting, to be held on 22 September 2022.

DIRECTORS' REMUNERATION POLICY

This year marks a transition from our old Directors Remuneration Policy ("DRP") to the new DRP. The new DRP, which was approved by shareholders at a General Meeting ("February GM") in February 2022 with 54.1% of votes in favour, 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 for the new DRP in this year's report. We have not included the Elements of Reward table for the old DRP, which is applicable for the financial year ended 31 March 2022, and is available within our Annual Report 2021 on the Company's website (in the Investors Relations section). The new DRP is effective from 1 April 2022, and therefore will be applied for the financial year ending 31 March 2023 and future financial years.

The Committee acknowledges that the February GM was called with fourteen not twenty-one days' notice which caused some disquiet and commits to this not happening again in the future. For the avoidance of doubt, any future general meetings in relation to remuneration will be called with 21 days' notice.

As stated immediately following the result of the vote at the February GM on the Company's new DRP, the Board, and in

particular the Committee, acknowledges and is disappointed by the outcome. We reiterate, however, that the voting result from those with whom we discussed the new DRP in detail was considerably more positive than the overall result, especially from our ten largest shareholders.

The Committee has since undertaken a detailed analysis of all the feedback (including from those shareholders who voted in favour of the new DRP). Whilst there was no single consistent theme, with shareholders liking or having problems with different elements of the new DRP, the main concerns were over the quantum and calibration of performance metrics. The Committee is committed to implementing the newly approved DRP in a way that addresses these concerns whilst being in the best interests of all our shareholders and other stakeholders.

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

IMPLEMENTATION OF THE DRP IN 2022

I remain committed to openness and consultation on remuneration matters with transparency of performance metrics and their associated weighted outcomes and how in turn this affects the annual bonus. We have also provided full disclosure of the performance conditions on granted LTIP awards. In addition, it should be recognised that the Company had again taken no Government or other financial support on account of the Covid-19 pandemic.

VARIABLE REMUNERATION FOR 2022

Annual Bonus

The Committee undertook a review of outcome against the annual bonus metrics, both quantitative and qualitative. Disclosure of the full weighted outcome for each of the annual bonus metrics is included in the body of the Remuneration Report. Where the overall weighted percentage is 75.3%, the Committee consider that, in the round, the Executive Directors have had an around target performance for this year, albeit does note the exceptional performance in terms of Adjusted Profit before tax, Adjusted Operating Margin and dividend.

Notwithstanding the exceptional progress made in the year in executing our strategy and the outstanding financial results the Committee has used its discretion to cap the annual bonus pool for the Executive Directors at the same level as last year so annual bonus levels will remain unchanged. This is also consistent with my letter within the Notice of General Meeting for the approval of the new DRP.

The cash element of the annual bonus for Executive Directors is limited to 250% of salary with 69% of the award deferred into a range of Liontrust Funds for John Ions and 50% deferred for Vinay Abrol.

The annual bonus payments to the Executive Directors are made from an aggregate annual bonus allocation pool in which all employees and members participate; and which is approved by the Committee each year.

As well as capping the annual bonus award at last year's levels in order to satisfy itself further that the amount was appropriate the Committee referenced that the:

- aggregate annual bonus for all employees and members, including the Executive Directors, for the financial year ended 31 March 2022 had not increased in percentage terms. The pool which is capped at 27% of pre-cash annual bonus Adjusted Profit before tax*, is this year 20.5% of pre-cash annual bonus Adjusted Profit before tax (2021: 21%);
- annual bonus for the Executive Directors as a percentage of the aggregate annual bonus pool for all employees and members (including fund managers) significantly decreased by 23% this year, at 6.6% for the financial year ended 31 March 2022 (2021: 8.5%), with 4.3% allocated to John Ions (2021: 5.4%) and 2.3% to Vinay Abrol (2021: 3.1%). This decrease in the share of the aggregated annual bonus pool is a direct consequence of the Committee's decision to limit the Executive Director annual bonus pool to the same level as last year meaning the wider workforce received a greater share of the aggregate annual bonus pool relative to the Executive Directors when compared with last year; and
- the annual dividend for the year to 31 March 2022 has increased by 53%.

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

LTIP

The FY19 LTIP award vested in the period with 99.18% of awards vesting. See section 3.1 of the Annual Report on Remuneration for further information.

Fixed remuneration in 2023

The fixed remuneration outcome for the Executive Directors for the year ending 31 March 2023 can be summarised as follows:

- The salary for John Ions and Vinay Abrol increase to £550,000 and £420,000 respectively for the financial year ending 31 March 2023, in accordance with the new DRP. There was general agreement from the shareholders that base pay which had seen only one 5% increase the last six years was below the market and should be increased. The Committee considered a phased increase but on balance felt it preferable for a one off simple rebasing around the market median. For completeness, the average salary increase for the workforce this year is 11.7% (and has averaged 5.3% over the past six years)
- The pension/cash payments in lieu of pension for the Executive Directors is to remain unchanged at 10% of salary for the financial year ending 31 March 2023 (this percentage is the same and in no case higher than for the majority of workforce).

Annual bonus for 2023

The Committee intends to operate the assessment of the annual bonus for 2023 in accordance with the new DRP. In particular the Committee noted that

- shareholders universally welcomed the hard cap on the annual bonus and the removal of the direct link to, and funding from, a pool linked to Adjusted Profit before tax;
- the adoption of a more traditional balanced scorecard will make the achievement of a maximum annual bonus award significantly harder to achieve. The Committee remains committed to a transparent and robust assessment of the stretching targets that have been set for the annual bonus
- the very strong FY22 performance sets a high starting point for FY23 financial measures in the balanced scorecard;
- the definition of Adjusted profit before tax for the annual bonus measurement has been brought in line with best practice making this metric more stretching to achieve; and
- they are committed to ensuring a focus on ESG metrics within the annual bonus scorecard. The Committee considers ESG measures are most appropriate in the annual bonus scorecard so they help drive and measure continuous compounding improvement.

* References and metrics related to the 2021 adjusted profit have not been restated as detailed in note 7 in the Remuneration Report.

There will, therefore, be metrics to ensure that the Executive Directors connect and join up the components of ESG (what we will in the future refer to as “Responsible Capitalism”). In particular:

- Liontrust is a mainstream fund manager with multiple investment teams and not just one that focuses on sustainable investing. 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 which measure the effectiveness of work the Company is undertaking to increase the number of female and ethnic minority employees, and to ensure people in the business are engaged and challenged.
- There will be work undertaken to ensure reward across the workforce is aligned to the new DRP.

LTIP for 2023

The LTIP award for the Executive Directors for the year ending 31 March 2023, in line with the new DRP, can be summarised as follows:

- LTIP awards for the financial year ended 31 March 2023 of 153,130 and 112,295 for John Ions and Vinay Abrol respectively.

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 objectively measurable being earnings per share (60%) and relative TSR growth (40%).

Acknowledging the feedback from our Shareholders on the DRP and in particular concern over quantum and stretch the Remuneration Committee has:

- increased the threshold performance target of Adjusted Diluted EPS (excluding performance fees) from 7% to 8.5% p.a. growth also noting that the vesting level for threshold performance has fallen from 20% to 10% compared with prior years LTIP awards
- revised its calculation of Adjusted Profit before tax (and therefore also Adjusted Diluted EPS) to include, in particular, share incentivisation expenses and depreciation. The overall impact will be to lower Adjusted Diluted EPS and with no consequential adjustment to the LTIP metrics will make them more stretching and difficult to achieve.

- the recent movement of the Liontrust share price will result in the overall value at award of the LTIP to be lower in percentage terms as a multiple of salary. The Committee specifically designed the LTIP as a fixed number of shares to reward the Executive Directors for exceptional performance over the longer term - the next ‘age’ of Liontrust. No adjustment will be made on account of short term share price volatility which avoids any potential windfall gains from the LTIP based on award date. Decoupling the size of the LTIP award from a percentage of salary also removes any ratchet affect.

Pay vs. performance at Liontrust – business performance in the financial year ended 31 March 2022

Over the past year the Group has continued the excellent progress made in previous years in executing its business strategy, with excellent net inflows performance in a very challenging environment, and completing the acquisition of Majedie Asset Management Limited that has added £5.2 billion to AuMA and broadened our distribution capability.

We highlight in particular:

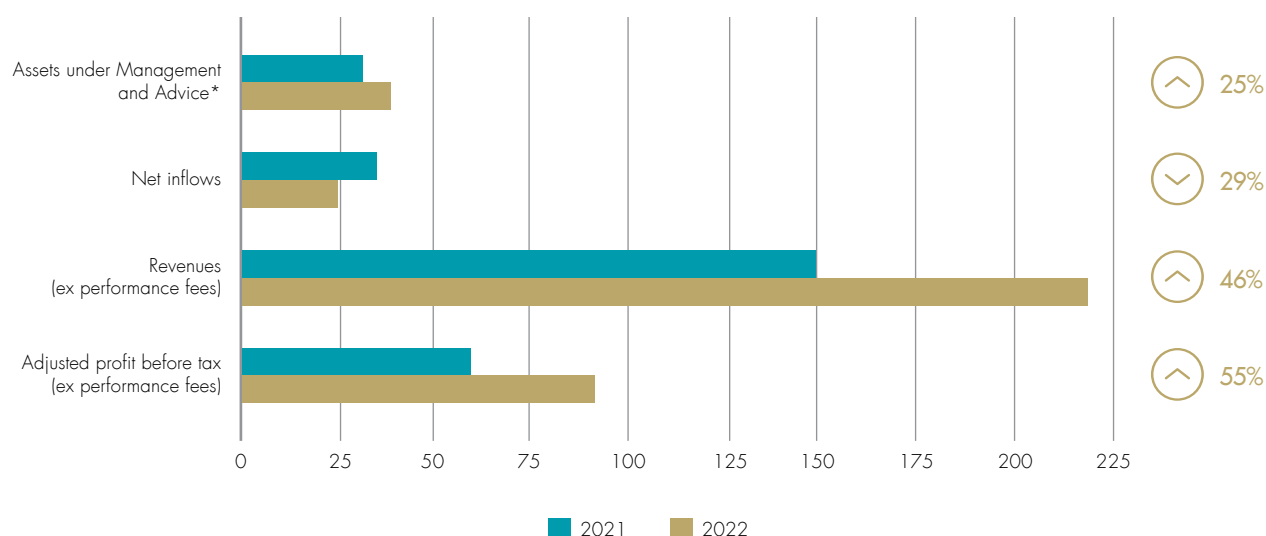
Financial measures:

- increasing gross profit excluding performance fees by 41%, and including performance fees by 46%;
- increasing profitability (on an adjusted basis excluding performance fees) by 55%, and when performance fees are included by 50%;
- increasing diluted adjusted EPS (excluding performance fees) by 50% and diluted adjusted EPS (including performance fees) by 46%; and
- increasing dividends to shareholders by 53% to 72 pence this year.

Strategic measures:

- increasing AuMA by 25% to £38.7 billion (including the Majedie AuMA);
- £2.5 billion of net inflows, which are less than last year, but given the very challenging year for flows, is an excellent performance;
- successfully completing the acquisition of Majedie Asset Management Limited and successfully integrating it into Liontrust’s continuing operating platform; and
- increasing overall gender diversity and making positive progress via various Diversity & Inclusion Committee initiatives, all whilst maintaining appropriate risk management controls.

GROUP'S OVERALL PERFORMANCE



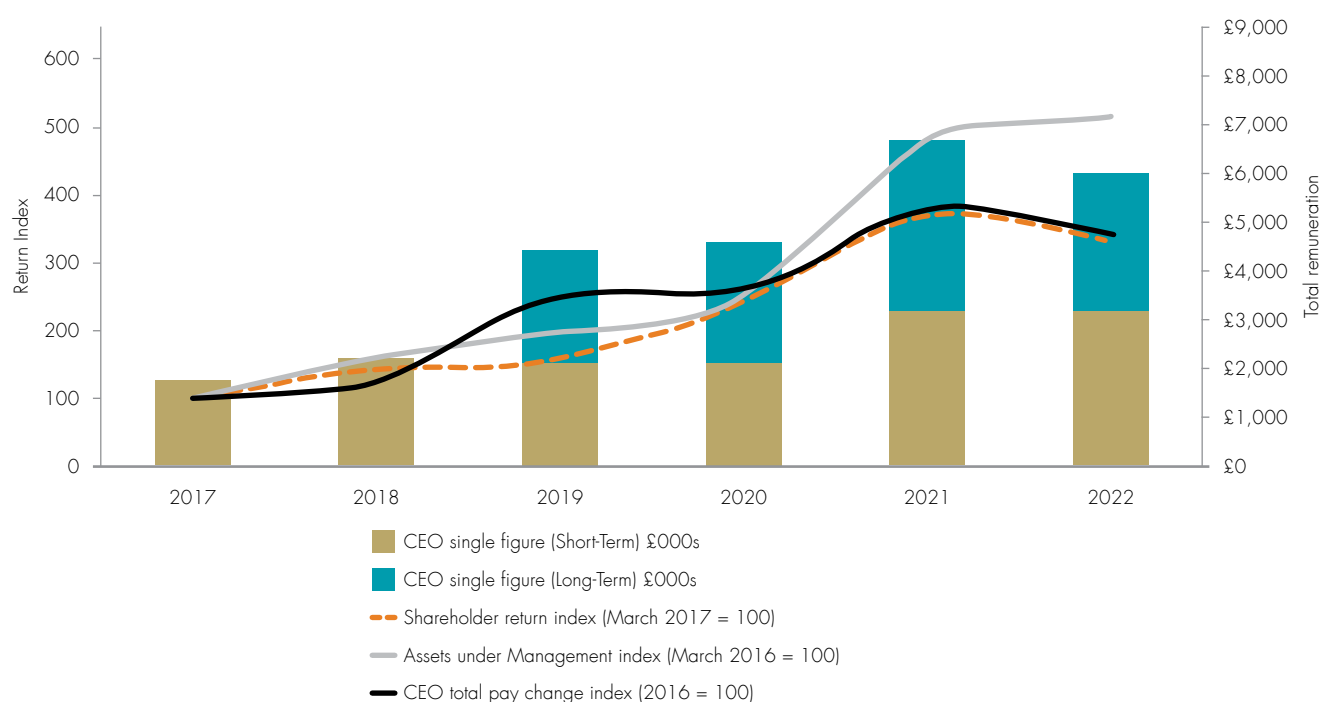
* Includes Majedie AUMA acquired on 1 April 2022

With the implementation of a new DRP, which will support the next phase of the strategy of our business, I think it is appropriate to have a last look at the old Policy, since the introduction of the LTIP, to determine whether my objective of keeping base pay low and gearing reward linked to performance has been successful.

Over the period since 2016 the Chief Executive's base remuneration has increased by 5% which is equivalent to less than 1% per annum, thus meeting the target of being all but fixed.

The alignment of the Executive Directors' interests with those of shareholders and investors in our funds, combined with a greater weight of total remuneration being given to long term equity awards, is demonstrated by the chart. This year 70% of the value of the LTIP vesting for John Ions has derived from the same TSR as provided to shareholders. Over the last few years, I am satisfied that there has been a strong link between the total remuneration of the Chief Executive, the returns delivered to shareholders and our growth in assets under management. See the chart below for the link between pay and performance.

PAY VS. PERFORMANCE AT LIONTRUST – LINK BETWEEN PAY AND PERFORMANCE



In my opinion, one of the strongest ways in which Executive Directors and shareholders are aligned is through those Directors having a significant personal exposure to the business via its shares and AuMA. This is explicit in the DRP requiring the Executive Directors to build up and retain a significant shareholding in the Company (increased under the new DRP to at least five times salary) and the significant deferral of variable remuneration. I am pleased to be able to confirm that John Ions and Vinay Abrol each have exposure of 18 and 28 times base remuneration, respectively, in ordinary shares and vested share options of the Company (as at 31 March 2022 using salaries effective on 1 April 2022). In addition, John Ions and Vinay Abrol each also has a significant multiple of base remuneration invested in Liontrust funds via the annual bonus deferrals and personal fund holdings. The Funds into which deferrals are made is across the broad range of Liontrust funds as determined by the Committee.

Developments in legislation and governance

The new DRP, as approved by shareholders at our February 2022 GM, remains appropriate and no changes are proposed this year.

The Annual Report on Remuneration is subject to an advisory shareholder vote at our 2022 Annual General Meeting. The 2019 Annual Report on Remuneration contained publication of the Company's first CEO pay ratio, with the Committee having considered it to be in shareholders' best interests to comply with the new requirement a year in advance of having to do so. This year is therefore our fourth year of making such a disclosure and corresponding analysis of the year-on-year trend is included with the disclosure later in this report.

Additionally, the Committee has considered the various requirements under the latest Corporate Governance Code in relation to the 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 Committee ("WAC") to engage with the wider employee group, generally and specifically, on how Executive remuneration aligns with the wider company pay policy. I can also confirm that I will meet with the WAC to present and discuss remuneration matters. Further details on our progress on employee engagement is contained within the Nomination Committee report.

Mandy Donald, the Non-executive Director responsible for employee engagement regularly attends Committee meetings, to ensure that she is appraised of Committee initiatives and to provide valuable feedback to the Committee on employee engagement matters.

Shareholder engagement

I would like to thank shareholders for their support in approving our Annual Report on Remuneration at our 2021 AGM with over 90% of votes cast in favour.

I would also like to thank shareholders for their support in approving our new DRP as our February GM, and in particular to those shareholders involved in suggesting improvements to the design of the DRP. In October 2021 the Committee consulted with the Company's top 20 shareholders with regards to the key features of the new DRP, and then again for a second round of consultations in December 2021. Changes were made to the new DRP, specifically the structure of the LTIP and the calibration of targets, following shareholder feedback. As I said to many shareholders throughout the process I believe iteration is a strength not a weakness.

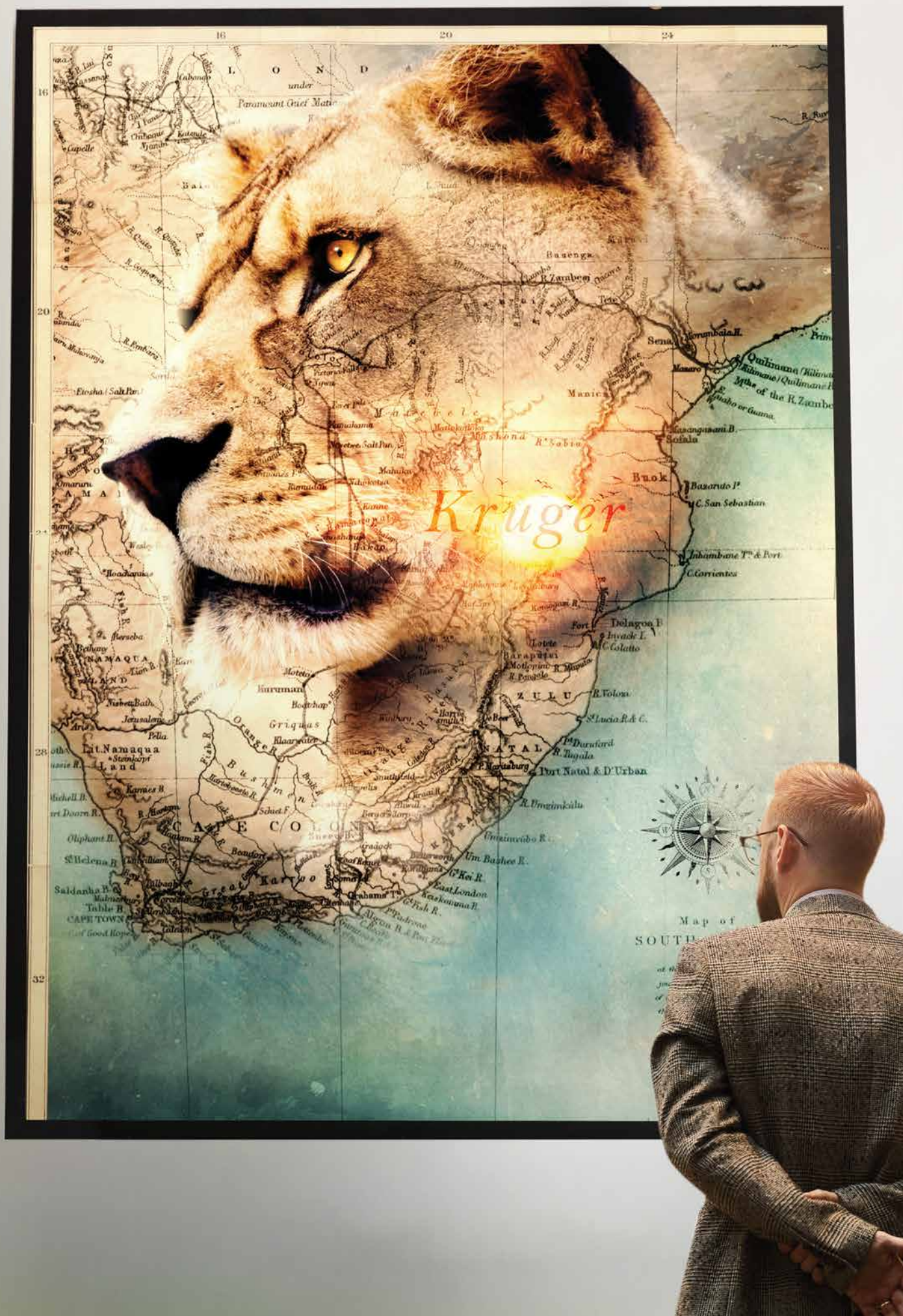
The focus of shareholders will rightly now be on how the newly adopted DRP will be implemented. We believe that Remuneration should play a part in helping retain and continue to motivate a truly outstanding Executive team (as evidenced by corporate performance over the last 11 years) and ensure they are proportionately rewarded for delivering exceptional value for shareholders over the next phase of the Company's development provided in the words of one shareholder they "knock it out of the park".

We welcome 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. We hope that we will earn your support in respect of our Remuneration Report for 2022 at the forthcoming AGM, noting that in terms of the outcome for the financial year ended 31 March 2022, the Remuneration Report for 2022 is based on the old DRP.

The role of the Committee and its composition

The Committee is charged with determining 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 members and employees.

All 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.



In the past it has been our policy that all Non-executive Directors are members of the Board's committees. Given the recent increase in the membership of the Board, it was decided by the Board that each Committee, other than the Nominations Committee will consist of one Non-executive Director as Chair and three Non-executive Directors as members. Therefore, on 25 March 2022 Mandy Donald stepped down from the Committee, and I would like to thank her for her support and

contribution since she joined the Committee in 2019. I would also like to welcome Emma Howard Boyd, Quintin Price and Rebecca Shelley, all of whom joined the Committee during the financial year ended 31 March 2022.

George Yeandle

Chair of the Remuneration Committee
21 June 2022

Annual report on remuneration

This remuneration report details the remuneration outcomes for the financial year ended 31 March 2022 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 2022 was managed in line with the old Directors' remuneration policy ("DRP") which was approved by shareholders at the 2018 DRP General Meeting. Proposed remuneration for the year ended 31 March 2023 is in accordance with the new DRP approved at the February 2022 GM.

The report sets out:

1. Remuneration outcome for the year to 31 March 2022 – 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 2023.
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 2022

1.1 Single total figure for remuneration

Executive Directors (audited information)

	Jon Ions Year to 31 March		Vinay Abrol Year to 31 March	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
A. Fixed pay				
Base salary	348	348	328	328
Benefits in kind -private medical insurance	4	4	5	4
Cash in lieu of pension	35	35	33	33
Total Fixed pay	387	387	366	365
B. Annual Bonus				
Cash bonus	870	870	786	488
DBVAP	1,915	1,915	786	1,085
Total Annual Bonus	2,785	2,785	1,572	1,573
C. Total pay for the financial year				
Sub-total (A+B)	3,172	3,172	1,938	1,938
D. Vesting of LTIP awards				
Base value element of vested LTIP awards	863	829	569	546
Share price appreciation and dividend equivalent elements on vested LTIP awards	1,975	2,643	1,301	1,742
Total LTIP awards vesting	2,838	3,472	1,870	2,288
E. Other				
SIP matching shares	4	4	4	4
Total Other	4	4	4	4
Total remuneration (C+D+E)	6,014	6,648	3,812	4,230
Of which:				
Total variable remuneration (B + D)	5,623	6,257	3,443	3,861

1.1 Single total figure for remuneration (continued)**Non-executive Directors (audited information)**

	Alastair Barbour Year to 31 March		Mike Bishop ² Year to 31 March		Mandy Donald Year to 31 March		Sophia Tickell ² Year to 31 March	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Basic Non-executive Director fee	45	45	22	45	45	45	22	45
Fee for Non-executive Chair	65	65	–	–	–	–	–	–
Fee for Senior Independent Director	–	–	3	6	–	–	–	–
Fee for Sub-committee Chair / membership:								
Audit & Risk Committee	–	–	2	4	8	8	2	4
Nomination Committee	4	4	4	8	4	4	2	4
Remuneration Committee	–	–	2	4	4	4	2	4
Fee for membership of other Group Committees	–	–	8	13	12	3	2	4
Benefits ¹	–	–	–	–	–	–	–	–
Total	114	114	41	80	73	64	30	61

	George Yeandle Year to 31 March		Quintin Price ³ Year to 31 March		Rebecca Shelley ⁴ Year to 31 March		Emma Howard Boyd ⁵ Year to 31 March	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Basic Non-executive Director fee	45	45	34	–	18	–	8	–
Fee for Non-executive Chair	–	–	–	–	–	–	–	–
Fee for Senior Independent Director	–	–	–	–	–	–	–	–
Fee for Sub-committee Chair / membership:								
Audit & Risk Committee	4	4	3	–	2	–	1	–
Nomination Committee	4	4	3	–	2	–	1	–
Remuneration Committee	8	8	3	–	2	–	1	–
Fee for membership of other Group Committees	10	9	7	–	–	–	–	–
Benefits ¹	–	–	–	–	–	–	–	–
Total	71	70	50	–	24	–	11	–

¹Non-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.

²Resigned 23 September 2021.

³Appointed 1 July 2021.

⁴Appointed 1 November 2021.

⁵Appointed 19 January 2022.

1.2 Annual bonus

The annual bonus for the financial year ended 31 March 2022 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	Actual	Weighted Result %	Result	Notes
Financial Measures (33.4%)							
Change in Adjusted Profit Before Tax (excluding Performance fees profits)	22.20%	30.00%	35.00%	63.70%	22.20%	✓✓✓✓	Calculated adjusting for Share Incentive Costs, Depreciation and Property ROU costs. Over 60% above target in a challenging market for fund flows, so scores 100% (top of Above Target).
Operating Margin	11.20%	38.00%	39.00%	41.60%	11.20%	✓✓✓✓	1.5% above target so scores 100% (top of Above Target)
Business Measures (33.3%)							
Distribution effectiveness							
Net flows compared to budget of £2,941 million (percentage of budget)	13.9%	80%	110%	85%	7.0%	✓✓	Following the sale of the Verbatim Growth Portfolio funds in September 2021, budget for net flows adjust for the relevant flows between announcement and termination of the mandate as outflows are related to a business sale. Also, noting a very challenging year for industry net flows, the resultant net inflows outcome was Between Threshold and Target so score middle of this band at 50%.
Broadening International sales (increase in AuMA compared to last year)	5.5%	35%	50%	3%	0.0%	✓	Disappointing year for flows with a marginal increase in AuMA. Below Threshold score of 0%
Investment performance, (Percentage of AuMA over 1, 3 and 5 years in 1st or 2nd Quartile)	13.9%	50%	75%	71%	8.3%	✓✓✓	In a very difficult year for Quality Growth with the rotation into Value short term performance was challenging, albeit long term performance remains very strong, so score 60% (bottom of Around Target).
Strategic Measures (33.3%)							
Talent management (Key Executive turnover)	8.3%	Medium	Low	No loss	5.8%	✓✓✓	Over the period there have been very few employee/member losses. Good progress made on building out our Senior management succession plan, so scores 70% (middle of Around Target).

Continues overleaf

See below for a summary of the outcomes and results used above:

Outcome	Result
Above Target	✓✓✓✓
Around Target	✓✓✓
Between Target & Threshold	✓✓
Around Threshold	✓
Below Threshold	✓

Performance Metric	Weighting	Threshold	Target	Actual	Weighted Result %	Result	Notes
Diversity & Inclusion	8.3%	N/a	N/a	See comments	5.8%	✓✓✓	Diversity & Inclusion Committee established and working well. Senior management objectives amended to include a SMART Objective to consider diversity when recruiting. Increased diversity at board level. Scores top of Around Target. Updated Maternity, Paternity and Parental Leave policies significantly increasing benefits and held two events (Breaking the Bias panel discussion and Women's Networking event) for International Women's Day, so scores 70% (middle of Around Target).
Risk management, compliance and conduct	8.3%		Strong	Strong	7.5%	✓✓✓✓	John Ions and Vinay Abrol have maintained appropriate risk controls, carefully considering management decisions in light of risk considerations, and spending time on a very regular basis with the Chief Risk Officer and Chief Compliance Officer, and on a regular basis with Internal Audit, so score 90% (middle of Above Target)
Personal performance	8.3%		3	4	7.5%	✓✓✓✓	Achieved targets including successful Integration of Majedie Asset Management and strong flows performance given a very challenging market. Good progress made on climate related matters for our investment funds. So score 90% (middle of Above Target)
Totals	100.0%				75.3%	✓✓✓✓	

See below for a summary of the outcomes and results used above:

Outcome	Result
Above Target	✓✓✓✓
Around Target	✓✓✓
Between Target & Threshold	✓✓
Around Threshold	✓
Below Threshold	✓

Executive Director	Result	Key performance in the financial year ended 31 March 2022
John Ions	✓✓✓✓	<p>John Ions has led the senior executive team to achieve continued excellent financial performance with Adjusted Profit before tax increasing by 47% compared to last year including reporting performance fee revenues of £12.5 million, and £2.5 billion net inflows despite a challenging environment for net inflows.</p> <p>Alongside Vinay Abrol, John Ions successfully led project to acquire Majedie Asset Management Limited, including the negotiation of the Sale & Purchase Agreement and the related due diligence process. Following the announcement of this acquisition in December 2021, jointly led the project to integrate the Majedie Asset Management Limited into Liontrust, with successful internal re-organisation on completion of the acquisition and the re-organisation of the outsourced administration arrangements scheduled to complete later in 2022.</p> <p>Alongside Vinay Abrol, led external shareholder relations, with excellent positive feedback on strategy and performance from these meetings, and developing a strong relationship with our larger shareholders.</p> <p>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.</p>
Vinay Abrol	✓✓✓✓	<p>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.</p> <p>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, KBW and Berenberg. During the year Peel Hunt initiated coverage bringing analyst coverage to six firms.</p> <p>Alongside John Ions successfully led project to acquire Majedie Asset Management Limited, including the negotiation of the Sale & Purchase Agreement and the related due diligence process. Following the announcement of this acquisition in December 2021, jointly led the project to integrate the Majedie Asset Management Limited into Liontrust, with successful internal re-organisation on completion of the acquisition and the re-organisation of the outsourced administration arrangements scheduled to complete later in 2022.</p>

See below for a summary of the outcomes and results used above:

Outcome	Result
Above Target	✓✓✓✓
Around Target	✓✓✓
Between Target & Threshold	✓✓
Around Threshold	✓
Below Threshold	✓

Historically, the Committee has increased the aggregate annual bonus pool for the Executive Directors ("ED Pool") by 50% of the increase in Adjusted Profit before tax (excluding performance fee profits). The increase in our adjusted profit before tax (excluding performance fees) on a like for like basis is 63.7%, meaning the ED Pool increases to £5.89 million (32.1% increase on £4.46 million). Applying the bonus scorecard outcome of 75.3% to £5.89 million gives an ED Pool of £4.44 million, a small increase on the ED Pool in 2021, when it was £4.36 million. Notwithstanding the exceptional progress made in the year in executing our strategy and the outstanding financial results the ED Pool has been capped at the same level as last year, as I outlined in my letter within the Notice of General Meeting for the approval of the new DRP. The cash element of the bonus for Executive Directors is limited to 250% of salary with 69% of the award deferred into a range of Liontrust Funds for John Ions and 50% deferred for Vinay Abrol.

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

This bonus/variable allocation pool for the Executive Directors translates into individual annual bonuses/variable allocations to the Executive Directors of between 480% and 800% of base remuneration (2021: 480% and 800%). The Committee also set the level of deferral into Group managed funds at 69% for John Ions (2021: 69%) and 50% for Vinay Abrol (2021: 69%) over the period 1 April 2022 to 31 March 2025; 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 250% and 240% of base remuneration respectively (2021: 250% and 149%).

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

All employees and members (including Executive Directors) are eligible to receive pension contributions of at least 10% of base salary.

None of the Executive Directors have a prospective entitlement to a defined benefit pension by reference to qualifying service.

The Committee wishes to clarify its approach set out in the recently approved new DRP with regard to the provision of pensions to the Executive Directors. The shareholders approved the new 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 percentage that the Executive Directors can currently receive as a pension contribution or cash equivalent payment is set at 10% of salary, being the same rate as for the majority of employees and members. Where there is any change to this rate then the Executive Directors will be entitled to receive the same contribution, or cash equivalent payment; which, for the avoidance of doubt, could be more than 10% of salary.

2. ALLOCATION OF ANNUAL VARIABLE REMUNERATION

Annual bonus for the Executive Directors as a percentage of the aggregate annual bonus pool for all employees and members (including fund managers) has decreased again this year, at 6.6% for the financial year ended 31 March 2022 (2021: 8.5%), with 4.3% allocated to John Ions and 2.3% 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 2021 and the prior year and the same information, on an averaged basis, for all employees and members (excluding the Chief Executive and Directors) is shown in the table below:

	Directors percentage change year ended 31 March 2022	Directors percentage change year ended 31 March 2021	Employees and Members year ended 31 March 2022 ¹	Employees and Members year ended 31 March 2021
Salary	2% ³	2%	12%	9%
Benefits ²	0%	-12%	7%	19%
Bonus	0%	60%	103%	181%

¹Based on a consistent population of employees and members who received a full year's remuneration in each year

²Benefits comprise private medical insurance, pension contributions and other sundry benefits.

³Increase relates to variation in non-Executive fees only.

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 employee member:

	Ratio for year ended 31 March 2022	Ratio for year ended 31 March 2021	Ratio for year ended 31 March 2020	Ratio for year ended 31 March 2019
Lower quartile ratio	69x	84x	78x	56x
Median ratio	39x	45x	43x	33x
Upper quartile ratio	16x	22x	18x	17x

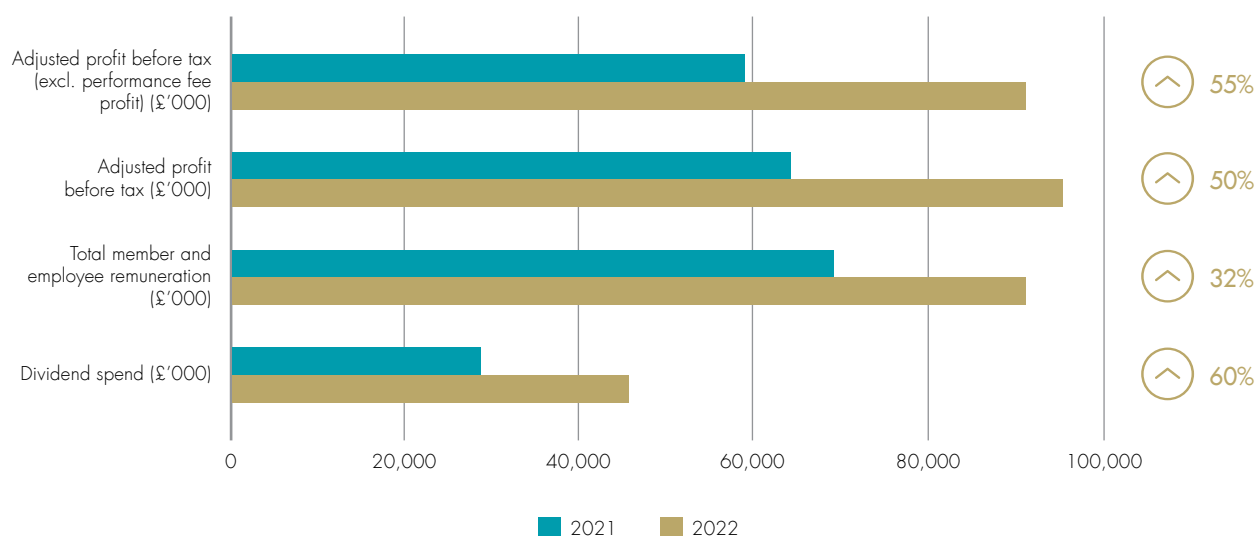
Based on full time equivalent employees/members

The Group uses 'Option A' to calculate the Chief Executive pay ratio. This method uses the individual pay and benefits of all UK members and employees, 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 members and employees at the lower, median and upper quartiles. For the purpose of this disclosure, the Company has chosen 31 March 2021 as the reference date on which the pay for all employees and members was calculated, consistent with our approach in prior years.

	Lower quartile £'000	Median £'000	Upper quartile £'000
CEO single figure	–	6,014	–
Employee/Member single figure	87	156	384
Employee/Member salary component	54	88	126

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 member and employee remuneration and dividends declared on Ordinary shares for the financial year ended 31 March 2022 and 31 March 2021.



*These are alternative performance measures ('APM'). See page 30 and Note 7.

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 employees and members, 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 (excluding performance fees), 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 employees and members 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 committee ("WAC"), whose Chair meets with the Committee Chair to discuss remuneration related matters. This engagement is Liontrust's method for ensuring a formal dialogue exists between employees, members and the Committee. It provides the opportunity for employees and members to engage with the Committee via the WAC on any relevant employee and/or member remuneration matter.

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.

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 76% and 64% of their variable remuneration, respectively:

Director	Type of variable remuneration	Value (£'000)	% deferred
John Ions	Cash bonus	870	n/a
	DBVAP	1,915	52%
	LTIP award FY2022 ¹	870	24%
	Total	3,655	76%
Vinay Abrol	Cash bonus	786	n/a
	DBVAP	786	37%
	LTIP award FY2022 ¹	573	27%
	Total	2,146	64%

¹Awarded 23 June 2021

3.1 Vested LTIP Awards

Background

The LTIPs for the financial year ended 31 March 2019, which were granted on 27 June 2018, and vested on 22 June 2021, to John Ions and Vinay Abrol over 147,607 and 97,270 Ordinary shares respectively. 146,397 shares for John Ions and 96,472 shares for Vinay Abrol vested (99.18%), with 87,839 and 57,884 Ordinary shares released on 27 June 2021.

Performance measures and vesting

Condition	Test	Result	% vesting
TSR Performance (40%) 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: 27 June 2018, Starting share price: 580.13p, End of the performance period: 27 June 2021.	Three-month average share price to end of performance period is 1,558.57p, meaning an annualised TSR over the period of 42% versus a Target of 15% so 100% vests	40%
EPS Performance (30%) EPS 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	Starting EPS (Diluted Adjusted EPS excluding performance fees): 40.19p for the financial year ending 31 March 2018	Adjusted diluted EPS excluding performance fees for the financial year ended 31 March 2021 was 80.14p, which is an annualised return of 26% versus a Target of 15% so 100% vests.	30%

Condition	Test	Result	% vesting
Strategic Objectives Performance (30% or 7.5% each) Net inflows compared to target: 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.	Starting year for net inflows: Year ending 31 March 2018. Ending year for net inflows: Year ending 31 March 2021.	Adjusted diluted EPS excluding performance fees for the financial year ended 31 March 2021 was 80.14p, which is an annualised return of 26% versus a Target of 15% so 100% vests.	7.5%
Growth in assets under management compared to target: 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.	Starting year for net inflows: Year ending 31 March 2018. Ending year for net inflows: Year ending 31 March 2021.	FY19 target of 14% vs actual of 21% FY20 target of 12% vs actual of 27%, FY21 target of 16% vs 93% actual. Cumulative excess of 216% versus a Target of 125% so 100% vests.	7.5%
Investment performance: Below 50% of funds in 1st or 2nd quartile nil vests, at 50% of funds 20% 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 2019. Ending year for investment performance: Year ending 31 March 2021	FY19, 85% of relevant AuMA in 1st or 2nd quartile; FY20, 83% of relevant AuMA in 1st or 2nd quartile; and FY21, 51% of relevant AuMA in 1st or 2nd quartile. Average over the period is 94% versus a Target of 75% so 94.08% vests.	7.06%
<ol style="list-style-type: none"> 1. Developing existing employees/ members 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%). 	<ol style="list-style-type: none"> 1. Limit senior employee/member 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. 	<ol style="list-style-type: none"> 1. Over the period there have been very few employee/ member 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 £7bn. 3. Over the period Multi-Asset AuMA grew from £700m to £1,522m (ex-Architas), international AUMA increased from £430m to £1,675m (nearly 4x) 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. 	7.12%
			99.18%

Given the above, in particular the very strong total shareholder return of 42% per annum over the period and 26% per annum increase in Adjusted Diluted EPS (excluding performance fees), the Committee approved 99.18% vesting of the LTIP awards for John Ions and Vinay Abrol.

Retention requirements

On vesting, 60% of the LTIP awards, so for John Ions 87,839 Ordinary shares and for Vinay Abrol 57,884 Ordinary shares, were released. The remaining LTIP awards will be released in June 2022 (29,279 Ordinary shares for John Ions and 19,294 Ordinary shares for Vinay Abrol) and June 2023 (29,279 Ordinary shares for John Ions and 19,294 Ordinary shares for Vinay Abrol).

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

Year ended 31 March 2021

	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	234,771	£828,753	£2,642,555	£3,471,308
Vinay Abrol	154,722	£546,176	£1,741,542	£2,287,718

Option exercise details (audited information)

Year ended 31 March 2022

	Date	Options exercised	Share price at exercise (p)	Value (£)	Award
John Ions	28-Jun-21	36,814	1768.8	649,872	FY18 Tranche 2
	28-Jun-21	87,839	1768.8	1,550,611	FY19 Tranche 1
	10-Aug-21	59,071	2108.8	1,245,704	FY17 Tranche 3
Vinay Abrol	28-Jun-21	24,262	1768.8	428,293	FY18 Tranche 2
	28-Jun-21	57,884	1768.8	1,021,819	FY19 Tranche 1
	10-Aug-21	38,930	2108.8	820,965	FY17 Tranche 3

The exercise price for the LTIP awards was nil pence.

For the year ended 31 March 2021

	Date	Options exercised	Share price at exercise (p)	Value (£)	Award
John Ions	28-Jun-20	110,444	1387.2	1,532,079	FY18 Tranche 2
	10-Aug-20	59,071	1327.3	784,049	FY17 Tranche 2
Vinay Abrol	28-Jun-20	72,786	1387.2	1,009,687	FY18 Tranche 2
	10-Aug-21	38,930	1327.3	516,718	FY17 Tranche 2

The exercise price for the LTIP awards was nil pence.

3.2 LTIP Awards for the financial year ending 31 March 2022 (audited information)

The Company's shareholders approved the LTIP under which awards were granted on 23 June 2021 on 24 February 2016 and the LTIP was adopted by the Board on 21 March 2016, and subsequently amended on 25 September 2018 and 19 June 2019. 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 2022

	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	250%	53,389	£870,000	23-Jun-21	23-Jun-24
Vinay Abrol	175%	35,182	£573,000	23-Jun-21	23-Jun-24

On vesting 100% of the LTIP awards are subject to a two year holding period, with the post vesting releases subject to continued employment.

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:

- absolute shareholder return (20%)

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.

Performance will be assessed against the following targets:

Absolute TSR growth p.a.	Vesting (% of maximum)
<10%	NIL
10%	10%
15%	100%

There will be straight line vesting between targets.

- relative shareholder return (20%)

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.

Performance will be assessed against the following targets:

Relative TSR growth p.a.	Vesting (% of maximum)
<10%	NIL
10%	10%
15%	100%

There will be straight line vesting between targets.

- Diluted adjusted earnings (excluding performance fees) per share (30%)

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.

Performance will be assessed against the following targets:

EPS growth p.a.	Vesting (% of maximum)
<10%	NIL
10%	10%
15%	100%

There will be straight line vesting between targets.

- Other strategic objectives (30%) which include

1. Net inflows. Net inflows versus budget for the financial years ending 31 March 2022, 2023 and 2024. The budget targets are commercially sensitive and will be disclosed after vesting.
2. Fund 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.
3. Other strategic measures, which are commercially sensitive and will be disclosed after vesting.

For further details on the aforementioned LTIP awards and performance conditions see the tables on LTIP Awards and LTIP Performance Conditions under the Share Awards section below.

Subject to performance conditions being met, there is also a shareholding requirement of 400% salary for Executive Directors that is linked to these LTIP awards as follows:

- if the target shareholding is met on the vesting date of the first LTIP award (i.e. three years from the grant date) then this award will vest in full;
- if less than 50% of the target shareholding is met then the first award will lapse in full;
- if between 50% and 100% is met, vesting will be scaled back proportionately on a straight-line basis;
- participants will be required to build up and retain at least one-third of their target shareholding within 12 months of the date of grant of the first award and must maintain at least 50% of the target during the following two-year period. Failure to do so will impact the grant of subsequent awards;
- for subsequent LTIP awards, vesting is conditional on the target shareholding level being maintained; and
- the shareholding requirement can be satisfied through unexercised options under the Company's existing long-term incentive plans, shares acquired through own resources and/or the deferral of annual bonuses into Company shares.

4. PROPOSED REMUNERATION FOR THE FINANCIAL YEAR ENDING 31 MARCH 2023

Remuneration for the year ended 31 March 2023 has been set in accordance with the new DRP approved by shareholders at the February GM.

4.1 Annual fixed remuneration

The Committee has set the salary of the Executive Directors at £550,000 for John Ions and £420,000 for the Vinay Abrol, in accordance with the new 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. 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 new DRP, the base Non-executive Chair fee will increase to £210,000 and the base Non-executive Director fee will increase to £65,000 plus fees for other roles as noted below. The Non-executive Chair's aggregate fee is capped at £210,000 (increase from £200,000) 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 2023 will be determined using new 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 2023 will be determined using the new DRP with 153,130 nil price options for John Ions and 112,295 nil price options for Vinay Abrol. The performance period will be from 1 April 2022 to 31 March 2025 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): 120.68p for the financial year ending 31 March 2022. End of the performance period is the financial year ending 31 March 2025.

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.

- 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 the financial year ending 31 March 2025.

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.

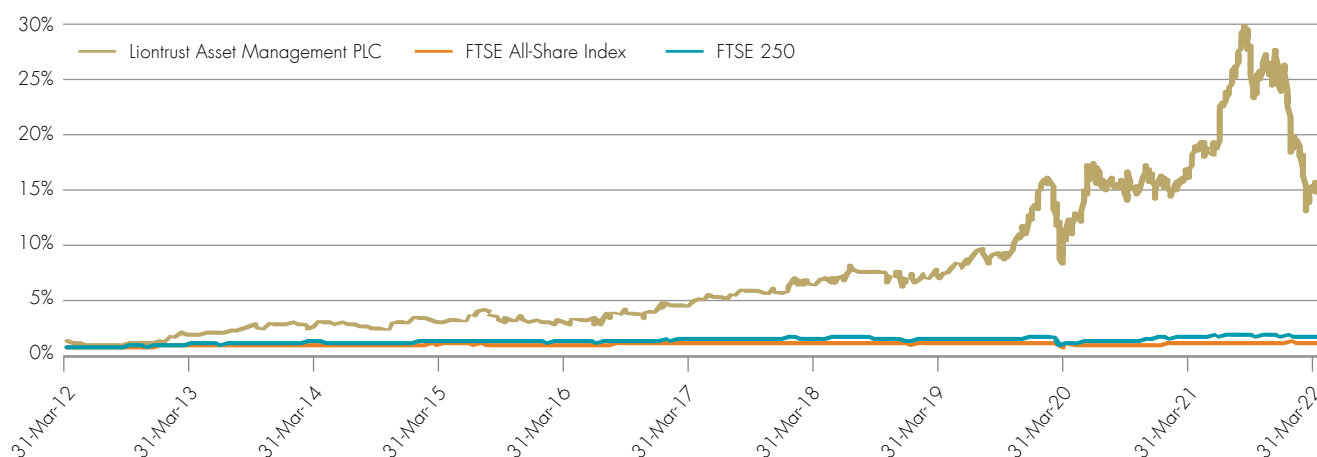


Table of historic levels of Chief Executive remuneration

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)
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%
2013	John Ions	2,186	Nil

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 2022 the Executive Directors and their closely associated persons held:

Executive Directors	Ordinary shares held	Vested but unexercised options	Value at 31 Mar 2022 (£'000)	Multiple of salary
John Ions	746,593	95,372	10,140	18x
Vinay Abrol	900,614	62,850	11,888	28x

The value of the vested but unexercised options is after income tax and national insurance using basic salaries as at 1 April 2022.

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 2022 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	745,366	1,227	746,593	95,372	229,314	324,686
Vinay Abrol	899,387	1,227	900,614	62,850	151,112	213,962
Non-executive Directors						
Alastair Barbour	34,175	–	34,175	–	–	–
Mandy Donald	–	–	–	–	–	–
Emma Howard Boyd	2,500	–	2,500	–	–	–
Quintin Price	2,200	–	2,200	–	–	–
Rebecca Shelley	–	–	–	–	–	–
George Yeandle	20,000	–	20,000	–	–	–

There were the following changes to the Directors' interests between 1 April 2022 and 21 June 2022:

- Rebecca Shelley purchased 1,544 Ordinary shares on 6 April 2022.
- John Ions and Vinay Abrol each purchased 156 additional Ordinary shares and were each allocated 312 unvested Ordinary shares pursuant to their participation in the SIP on 27 April 2022.

Other than the above, there were no other changes.

SIP Shares (audited information)

Director	Tax year	Awards held start of year			Number of shares granted/ (vested)	Awards held start of year	
		Number of shares as at 1 Apr 2021	Face value	Grant/Vesting date		Number of shares as at 31 Mar 2022	Earliest vesting date
John Ions	2018/19	610	£3,600	25-Apr-21	(610)	-	25-Apr-21
	2019/20	546	£3,600			546	30-Apr-22
	2020/21	336	£3,600			336	27-Apr-23
	2021/22	468	£3,600	4-May-21	345	345	4-May-24
Vinay Abrol	2018/19	610	£3,600	25-Apr-21	(610)	-	25-Apr-21
	2019/20	546	£3,600			546	30-Apr-22
	2020/21	336	£3,600			336	27-Apr-23
	2021/22	468	£3,600	4-May-21	345	345	4-May-24

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 are 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)
- Mike Bishop (resigned 23 September 2021)
- Mandy Donald (stepped down 25 March 2022)
- Sophia Tickell (resigned 23 September 2021)
- Quintin Price (appointed 1 July 2021)
- Rebecca Shelley (appointed 1 November 2021)
- Emma Howard-Boyd (appointed 19 January 2021)

The attendance record of members of the Committee during the year is shown in the table on page 95.

Activities during the year

In the financial year to 31 March 2022, the Committee met seven times and discussed, amongst other things, the subjects described below:

- approval of the 2021 Remuneration Report;
- review and approval of the bonuses for the Executive Directors for the financial year ended 31 March 2021;
- review and approval of the bonuses for the employees and members (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 2021;
- approval granting of DBVAP awards for the financial year ended 31 March 2021;
- review and approval of the Bonus Methodology, deferral methodology and Metrics for the financial year ending 31 March 2022;
- approval of LTIP allocation for the financial year ending March 2022 for the Executive Directors and key executives;
- reviewing regular reports from HR and Compliance;
- approval of the vesting of the 2019 LTIPs granted in June 2018;
- 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 2022;
- review of the bonus methodology, related Executive Director remuneration and market practices on Executive Director remuneration;
- approval of Director, employee and member appraisal process for the financial year ended 31 March 2022; and
- review and approval of relevant Group policies, in particular the enhanced Maternity and Paternity policies.

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 January 2014	6 months
	LLP membership deed of adherence	8 July 2010	6 months
Vinay Abrol	Director Letter of appointment	23 January 2014	12 months
	LLP membership deed of adherence	8 July 2010	12 months
Non-executive Directors			
Alastair Barbour	Director Letter of appointment	19-Nov-19	3 months
Mandy Donald	Director Letter of appointment	18-Jul-19	3 months
Emma Howard Boyd	Director Letter of appointment	19-Jan-22	3 months
Quintin Price	Director Letter of appointment	01-Jul-21	3 months
Rebecca Shelley	Director Letter of appointment	01-Nov-21	3 months
George Yeandle	Director Letter of appointment	16-Dec-14	3 months

7.3 Compensation for loss of office (audited information)

No payments for loss of office were made during the financial year ended 31 March 2022 (2021: 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 2020 Directors' Remuneration Report

The table below shows the advisory vote on the 2021 Directors' Remuneration Report at the Annual General Meeting held on 23 September 2021:

	Votes for	%	Votes against	%	Votes withheld
2021 Annual report on remuneration	40,077,908	90.55	4,183,385	9.45	969,314

7.7 Shareholder voting outcomes for 2022 Directors' Remuneration Report and 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 GM, 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 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 subject to BIPRU remuneration requirements and instead covered by MIFIDPRU SYSC 19G remuneration rules, 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 2021	Options forfeit	Options granted or exercised	Number of options held at 31 March 2022	Exercise Price	Date of performance grant	End of performance period
John Ions	2017 (in respect of 2017/18/19)	£828,750	280.6p	59,070	–	(59,071)	–	Nil	5-Sep-16	10-Aug-19
	2018 (in respect of 2018/19/20)	£828,750	450.2p	73,628	–	(36,814)	36,814	Nil	22-Jun-17	22-Jun-20
	2019 (in respect of 2019/20/21)	£870,250	589.6p	147,607	(1,210)	(87,839)	58,558	Nil	26-Jun-18	26-Jun-21
	2020 (in respect of 2020/21/22)	£870,250	762.0p	114,206	–	–	114,206	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	1,630.0p	–	–	53,389	53,389	Nil	23-Jun-21	23-Jun-24
Vinay Abrol	2017 (in respect of 2017/18/19)	£546,175	280.6p	38,929	–	(38,929)	–	Nil	5-Sep-16	10-Aug-19
	2018 (in respect of 2018/19/20)	£546,175	450.2p	48,524	–	(24,262)	24,262	Nil	22-Jun-17	22-Jun-20
	2019 (in respect of 2019/20/21)	£573,475	589.6p	97,270	(798)	(57,884)	38,588	Nil	26-Jun-18	26-Jun-21
	2020 (in respect of 2019/20/21)	£573,475	762.0p	75,259	–	–	75,259	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	1,630.0p	–	–	35,182	35,182	Nil	23-Jun-21	23-Jun-24

The face value of the option grants is equivalent to 250% and 175% of base annual remuneration for John Ions and Vinay Abrol respectively. The share price used to determine the award is the 30 day average closing share price prior to the Remuneration Committee meeting that approved the granting of the awards. Performance measures are attached to options granted, which are total shareholder return (40%), earnings per share (30%) and other strategic objectives (30%) which include net inflows, growth in assets under management, fund performance and other strategic measures. For threshold performance, 20% of the LTIP awards will vest. Claw back and malus provisions apply, see DRP elements of reward table for further details.

LTIP Performance Conditions

Financial year ended 31 March 2020 (in respect of 2020/21/22) granted 12 August 2019:

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 12 August 2019, with the starting share price being 780.73p, which is the 30-day average to the day before the date of grant. The end of the performance period: 12 August 2022.

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 7494.08, which is the 30-day average to the day before the date of grant). The end of the performance period: 12 August 2022.

EPS target (30%)

Performance condition: EPS 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.

Required outcome: Starting EPS (Diluted Adjusted EPS excluding performance fees): 46.87p for the financial year ending 31 March 2019. End of the performance period is 31 March 2022.

Strategic targets (30%)

Performance condition 1 (7.5%): Net inflows compared to target (25% of Strategic targets portion): Below 75% of target nil vests, at 75% of target 20% vests.

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 be 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.

Required outcome: Actual target for other strategic objectives are commercially sensitive and will be disclosed after initial vesting in the 2023 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 2021 for the financial year ended 31 March 2022 are on page 122.

7.10 Historical Information

DBVAP Awards (audited information)

Directors	Financial year ended 31-Mar	Basis of award % of annual bonus	Face value	Issue date	Exercise dates
John Ions	2019 (in respect of 2018)	61%	£1,104,000	28 June 2018	28 June 2019/20/21
	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	22 June 2021	22 June 2022/23/24
Vinay Abrol	2019 (in respect of 2018)	50%	£525,000	28 June 2018	28 June 2019/20/21
	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	22 June 2021	22 June 2022/23/24

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 Remuneration 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 Remuneration 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 GM 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	<p>To provide a satisfactory base salary within a total package comprising base salary and bonus.</p> <p>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.</p>	<p>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.</p> <p>Reference is made to the median level within the FTSE 250 and FTSE 250 FS.</p>
Annual bonus	<p>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.</p> <p>Deferral ensures a link to longer term performance and risk management and aligns the interests of Executive Directors with those of shareholders.</p>	<p>Executive Directors are eligible to participate in the annual bonus at the discretion of the Remuneration Committee.</p> <p>The performance period for the annual bonus will be 1 April - 31 March each year.</p> <p>Performance measures and weightings are determined annually but will include a mix of financial and non-financial measures.</p> <p>Awards may be deferred into Liontrust shares and/or funds.</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>Dividend equivalents may be awarded on deferred shares in respect of dividends paid during the deferral period.</p>

Maximum opportunity

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.

Performance measures and assessment

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")	<p>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.</p> <p>Deferral ensures a link to longer term performance and risk management and aligns the interests of Executive Directors with those of shareholders.</p>	<p>Executive Directors are eligible to participate in the annual bonus at the discretion of the Remuneration Committee.</p> <p>The performance period for the annual bonus will be 1 April - 31 March each year.</p> <p>Performance measures and weightings are determined annually but will include a mix of financial and non-financial measures.</p> <p>Awards may be deferred into Liontrust shares and/or funds.</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>Dividend equivalents may be awarded on deferred shares in respect of dividends paid during the deferral period.</p>
Shareholding requirement	<p>The employee shareholding requirement aligns the interests of Executive Directors with those of shareholders.</p> <p>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.</p>	<p>The employee shareholding requirement is 500% of base salary for all Executive Directors.</p> <p>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.</p> <p>In the case of incoming Executive Directors the shareholding requirement must be met within five years of an Executive Director's appointment.</p> <p>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.</p>
Share Incentive Plan ("SIP")	<p>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.</p>	<p>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.</p>
Benefits	<p>To provide benefits which are appropriately competitive.</p>	<p>Executive Directors are entitled to a range of benefits including:</p> <ul style="list-style-type: none"> • Private Medical Insurance • Life Insurance; • Disability Assurance; • Travel Insurance; and • access to an Employee/Member Assistance Programme <p>Where relocation payments or allowances are paid it will be limited to 50% of salary.</p>
Pension	<p>To provide competitive levels of retirement benefit aligned with the wider workforce.</p>	<p>Executive Directors' pension contributions are made at 10% of base salary into the Liontrust Group Pension Plan.</p> <p>Executive Directors have the choice of taking an equivalent cash payment in lieu of pension contributions.</p>

Maximum opportunity

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.

Performance measures and assessment

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.

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.	<p>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.</p> <p>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.</p> <p>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 Remuneration Committee.</p> <p>Non-Executive Directors do not participate in any variable remuneration element.</p>	<p>Non-Executive Chair fees are capped at £210,000.</p> <p>Other Non-Executive Director fees are capped at £150,000.</p> <p>Fee increases are determined by reference to individual responsibilities, inflation and an appropriate comparator group.</p>	Not applicable.

George Yeandle

Chair of the Remuneration Committee

21 June 2022



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2022

	Note	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Revenue	4	245,571	175,080
Cost of sales	4	(14,252)	(11,321)
Gross profit		231,319	163,759
Realised profit on sale of financial assets		—	250
Unrealised gain on financial assets		26	672
Administration expenses	5	(151,916)	(129,646)
Operating profit	6	79,429	35,035
Interest receivable	8	4	7
Interest payable	16	(142)	(113)
Profit before tax		79,291	34,929
Taxation	10	(20,088)	(7,257)
Profit for the year		59,203	27,672
Other comprehensive income:			
Total comprehensive income		59,203	27,672
		Pence	Pence
Earnings per share			
Basic earnings per share	12	97.65	47.02
Diluted earnings per share	12	97.61	46.25

The notes on pages 144 to 175 form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

as at 31 March 2022

	Note	As at 31-Mar-22 £'000	As at 31-Mar-21 £'000
Assets			
Non current assets			
Intangible assets	15	75,171	84,812
Goodwill		27,577	27,577
Property, plant and equipment	16	3,658	5,257
Total non current assets		106,406	117,646
Current assets			
Trade and other receivables	17	235,496	289,805
Financial assets	18	4,168	2,188
Cash and cash equivalents	1(j)	120,852	71,898
Total current assets		360,516	363,891
Liabilities			
Non current liabilities			
Deferred tax liability	11	(16,601)	(13,436)
Lease liability	16	(2,775)	(3,418)
Total non current liabilities		(19,376)	(16,854)
Current liabilities			
Trade and other payables	19	(255,669)	(298,007)
Corporation tax payable		(7,709)	(3,288)
Total current liabilities		(263,378)	(301,295)
Net current assets		97,138	62,596
Net assets		184,168	163,388
Shareholders' equity			
Ordinary shares	20	612	610
Share premium		64,370	64,370
Capital redemption reserve		19	19
Retained earnings		128,859	104,207
Own shares held	23	(9,692)	(5,818)
Total equity		184,168	163,388

The notes on pages 144 to 175 form an integral part of these consolidated financial statements.

The financial statements on pages 140 to 175 were approved and authorised for issue by the Board of Directors on 21 June 2022 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 2022

	Note	As at 31-Mar-22 £'000	As at 31-Mar-21 £'000
Cash flows from operating activities			
Cash received from operations		219,544	141,409
Cash paid in respect of operations		(112,949)	(95,913)
Net cash generated from changes in unit trust receivables and payables		(508)	4,554
Net cash generated from operations		106,087	50,050
Interest received		4	7
Tax paid		(12,500)	(6,416)
Net cash generated from operating activities		93,591	43,641
Cash flows from investing activities			
Purchase of property and equipment	16	(507)	(254)
Acquisition of Architas net of cash required		–	(54,124)
Purchase of DBVAP Financial Asset		(3,125)	–
Sale DBVAP Financial Asset		1,183	1,334
Purchase of Seeding investments		(170)	(117)
Sale of Seeding investments		84	–
Net cash used in investing activities		(2,535)	(53,161)
Cash flows from financing activities			
Payment of lease liabilities		(1,889)	(2,263)
Purchase of own shares		(5,000)	(812)
Sale of own shares		–	852
Issue of new shares		–	64,421
Dividends paid	9	(35,213)	(21,074)
Net cash (used in)/generated from financing activities		(42,102)	41,124
Net increase in cash and cash equivalents		48,954	31,604
Opening cash and cash equivalents		71,898	40,294
Closing cash and cash equivalents		120,852	71,898

Cash and cash equivalents consist only of cash balances.

The notes on pages 144 to 175 form an integral part of these consolidated financial statements.

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	23	–	–	–	2,440	–	2,440
Balance at 31 March 2022		612	64,370	19	128,859	(9,692)	184,168

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	Note	Ordinary shares £ '000	Share premium £ '000	Capital redemption £ '000	Retained earnings £ '000	Own shares held £ '000	Total Equity £ '000
Balance at 1 April 2020 brought forward		555	57,439	19	37,888	(5,862)	90,039
Profit for the year		–	–	–	27,672	–	27,672
Total comprehensive income for the year		–	–	–	27,672	–	27,672
Dividends paid	9	–	–	–	(21,074)	–	(21,074)
Capital reorganisation	21	–	(57,439)	–	57,439	–	–
Shares issued	20	55	64,370	–	–	–	64,425
Sale/(purchase) of own shares		–	–	–	–	44	44
Equity share options issued	23	–	–	–	2,636	–	2,636
Deferred tax on option charge taken to equity	11	–	–	–	164	–	164
Share options settled		–	–	–	(518)	–	(518)
Balance at 31 March 2021		610	64,370	19	104,207	(5,818)	163,388

The notes on pages 144 to 175 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 2022. 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 88) 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 Covid-19 pandemic on the business; global geopolitical tensions; other material current and emerging risks; the acquisition and integration of Majedie Asset Management; and consideration of a severe but plausible downside scenarios in which AuMA falls by 20% with nil net sales. The Directors confirm that as a result of these assessments they have a reasonable expectation that the Group and parent company will continue to operate and meet its liabilities as they fall due for at least 12 months from the date of signing these accounts.

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 holding 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 l) and share based payments (note q), 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 Architas Multi-Manager Limited and Architas Advisory Services Limited (together 'Architas') in financial year ended 31 March 2021:

The consideration paid for Architas is allocated between the intangible assets related to the future rights to manage the fund management contracts acquired as part of the business, and

goodwill, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, over the net identifiable assets acquired and liabilities assumed. The significant estimate is in relation to the carrying value of the intangible asset as a result of the unobservable inputs. Details of the key assumptions used are provided in note 14.

(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 15.

The fund management contracts relating to the assets acquired as part of the acquisitions of Alliance Trust Investments Limited, Neptune Investment Management Limited and Architas 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 10 years owing to the nature of the purchasers of the acquired products. Impairment is tested through measuring the recoverable amount against the carrying value of the related goodwill or intangible asset. 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 business performance and growth including fund sales, redemptions and market growth; terminal growth rates; and the discount rate. In the current year, significant estimates were only required for the goodwill and intangible assets in relation to Architas (see note 14 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' for indications of impairment, including 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. 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' to facilitate the calculation of daily creations and cancellations of units. These box positions are not held to 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 ROU 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 an index or rate, if there is a change in the 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 asset 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. 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.

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 employees' and members' annual bonuses and variable allocations over a period of 3 years. At the inception of the deferral period the company may purchase 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 124.

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

Liontrust Long Term Incentive Plan ('LTIP') and Liontrust Members Reward Plan ('LMRP') 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 (LTIP/LMRP/Phantom), or set at the time of issue of the award for CSOP awards;
- the LTIP/LMRP/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 LTIP/LMRP/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 employees/members leaving the Group.

q) Dividends

Interim dividend distributions to the shareholders of the Company are recognised as a liability in the period during which they are paid. In the case of final dividends they are recognised as a liability in the period that they are declared by the Company in general meeting.

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) Adjusted profit

The Group uses Alternative Performance Measures ('APMs') to present the performance of the Group in a consistent

manner from year to year and distinguish the performance of the underlying operations of the business from the impact of non-recurring items such as acquisitions and non-cash items. Management consider it appropriate to adjust for amortisation expenses and acquisition related expenditure such as professional fees, restructuring costs and severance compensation related costs. Further, performance fees, also being non-recurring, are removed from the calculation of Gross profit excluding performance fees and dividend margin. See page 30 for further information on the Group's APMs,

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 26 to 29 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 or loss).

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 Investment Funds ICVC; and
4. 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 the UK Authorised unit trusts and the ICVCs, the units and shares held in the 'manager's box' are to facilitate 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 the manager's box position 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 Executive 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 relevant sub funds grow sufficiently in size. The Group has a regular review process for the investments which identifies specific criteria to ensure that investments are within agreed limits.

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 £951,000 increase or a decrease to nil in interest receivable (2021: £611,000 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 £15,000 (2021: £12,000).

Sterling vs. US Dollar - a movement of 10% would lead to a movement of less than £8,000 (2021: less than £8,000).

In respect of Income receivable in Euro a 10% movement in the exchange rate would result in a movement of £494,000 (2021: £132,000) 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 £414,000 (2021: £20,000) 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-22	31-Mar-21
Cash and cash equivalents	120,852	71,898
Trade receivables	235,496	289,805

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 dispatch 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 funds 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. Trade and other receivables also include cancellations of units/shares in funds and sales of units/shares in funds, title to which is not transferred until settlement is received.

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 2022	Due within 3 months	Due between 3 months and one year	Due in over one year
Payables	255,669	–	2,775

As at 31 March 2021	Due within 3 months	Due between 3 months and one year	Due in over one year
Payables	298,120	–	3,215

d) Capital risk management

The Group's objectives when managing capital are 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 minimum capital requirements on the subsidiaries. The Group is regulated by the FCA as a UK consolidation Group. The FCA issued revised rules on capital adequacy following the implementation of the Investment Firm Prudential Regulation (IFPR) which came into force on 1 January 2022. Having reviewed the rules, Liontrust is subject to the new MIFIDPRU regulations.

The FCA requires the Group to hold more regulatory capital resources than the total capital resource requirement as defined in the IFPR. The total capital requirement for the Group is made of the Own Funds Requirement (the regulatory minimum) and any Additional Own Funds Requirement identified during the new Internal Capital Adequacy and Risk Assessment (ICARA) process, a modified version of 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
- 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	6,978
- Risk-to-Client (sum of K-AUM, K-CMH and K-ASA)	6,756
- Risk-to-Market (sum of K-NPR, K-CMG, K-TCD, and K-CON)	–
- Risk-to-Firm (sum of K-COH and K-DTF)	222
(B) Fixed Overhead Requirement (FOR)	17,018
Own Funds (Capital) Requirement – Higher of (A) and (B)	17,018

The Group will determine the total capital requirement, referred to as the Overall Financial Threshold Requirement in IFPR rules, during the first Liontrust ICARA process later this year. The firm will produce annually, or more frequently if there is a fundamental change to our business. Under the IFPR, the total capital requirement will be determined by the highest of:

- Harms from Ongoing Operations
- Harms from a Wind-Down

The Harms from Ongoing Operations for Liontrust will include material risks of the company such as operational risk, credit risk and market risk that were quantified in the capital requirement under the previous UK CRR. The Harms from a Wind-Down will include the impact of our orderly wind-down cost analysis within a stressed market environment. We anticipate the firm's capital requirement will be driven by Harms from Ongoing Operations.

The ICARA will also consider other various risks inherent in our business, such as concentration risk across the business, obligations to fund any deferred benefit schemes, and non-MIFID and/or unregulated activities that the Group is not explicitly holding capital for. The ICARA process will detail how all risks are being managed to ensure that the risks are tolerable in terms of potential impact, including impact on our Capital Resource Requirement, should they materialise. The assessment will draw upon the results of existing risk management controls and reporting and includes scenario analysis and stress testing to assess the Group's exposure to extreme events.

The preparation of the ICARA will be managed by the Chief Risk Officer alongside the Chief Executive Officer and Chief Operating Officer / Chief Financial Officer, together with key input from senior managers within the business. The ICARA will be reviewed and approved by the Audit and Risk Committee and the Group Board.

As at 31 March 2022, the Group has regulatory capital (own funds) resources of £81.4 million (2021: £51.0 million), significantly in excess of the Group's total capital requirement, which 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	81,420
2 TIER 1 CAPITAL	81,420
3 COMMON EQUITY TIER 1 CAPITAL	193,680
4 Fully paid up capital instruments	611
5 Share premium	64,370
6 Retained earnings	128,859
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	112,440
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 below reconciles the composition of regulatory capital in the table above to the audit 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.

Columns should be kept fixed, unless the investment firm has the same accounting and regulatory scope of consolidation, in which case the volumes should be entered in column (a) only.

Figures should be given in GBP thousands unless noted otherwise.

Item	a Balance sheet as in published / audited financial statements 31-Mar-22	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	75,171	Line 11
Goodwill	27,577	Line 11
Property, plant and equipment	3,658	
Trade and other receivables	235,496	
Financial assets	4,168	
Cash and cash equivalents	120,852	
Total Assets	465,991	
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements		
Deferred tax liability	-16,601	
Lease liability	-2,775	
Trade and other payables	-255,669	
Corporation tax payable	-7,709	
Total Liabilities	-281,823	
Shareholders' Equity – Breakdown by shareholders' equity classes according to the balance sheet in the audited financial statements		
Ordinary shares	612	Line 4
Share premium	64,370	Line 5
Retained earnings	128,859	Line 6
Capital redemption reserve	19	Line 8
Own shares held	-9,692	Line 11
Total Shareholders' Equity	184,168	

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.

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Revenue by location of client		
United Kingdom	232,191	166,577
Europe (ex UK)	13,158	8,278
Canada	24	18
Australia	198	207
	245,571	175,080

During the year ended 31 March 2022 the Group had no client contributing more than 10% of total revenue (2021: no client).

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 AUMA. 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-22 £'000	Year ended 31-Mar-21 £'000
Revenue	232,976	161,388
Performance fee revenue	12,595	13,692
Total revenue	245,571	175,080
Cost of sales	(14,252)	(11,321)
Gross profit	231,319	163,759

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-fund.
- 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 includes some 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 £12.6 million of such fees were recognised. In future periods another £2.9 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 fees in income only when they become due and collectable and therefore the element (if any) deferred beyond 31 March 2022 has not been recognised in the results for the year.

5 ADMINISTRATION EXPENSES

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Employee related expenses		
Wages and salaries	35,221	25,817
Social Security costs	4,539	3,508
Pensions	1,745	1,480
Share incentivisation expense	3,446	4,693
DBVAP expense	2,405	1,656
Severance compensation	704	1,793
	48,060	38,947
Non-employee related expenses		
Members drawings charged as an expense	54,639	41,986
Share incentivisation expense members	1,257	1,471
Professional services ¹	6,920	15,025
Depreciation and Intangible asset amortisation	12,115	7,448
Other administration expenses	28,925	24,769
	103,856	90,699
	151,916	129,646

¹Includes acquisition and re-organisation related costs for Architas, Neptune and Majedie.

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Share incentivisation expense		
- Share option expense employees	2,477	3,222
- Share option NIC expense	274	685
- Share incentive plan expense	380	388
- Share option related expenses	315	398
	3,446	4,693
- Share option expense members	1,257	1,471
	4,703	6,164

The average number of members and employees of the Group (as calculated on a weighted average basis over the year), excluding non-executive Directors, was 203 (2021: 188). All members and employees are involved in the investment management business of the Group.

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Investment management	49	50
Management and operations	87	80

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Sales and Marketing	62	53
Non-executive directors	5	5
	203	188

6 OPERATING PROFIT

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
The following items have been included in arriving at operating profit:		
Foreign exchange (losses)/gains	(72)	(117)
Depreciation	2,474	1,894
Amortisation of intangible asset	9,641	7,240
Costs relating to Directors, members and employees (Note 5)	103,956	82,404
Auditors remuneration:		
Fees payable to the Company's auditors and its associates for the audit of the parent Company and consolidated financial statements	444	423
Fees payable for subsidiary audits	80	80
Fees payable to the Company's auditors and its associates for other services:		
- services pursuant to legislation	228	140
- other services	50	–

The Group also pays audit fees for the funds as part of fund expenses costs, the total costs during the year amounted to £522,000, including £65,000 relating to non audit services (2021: £462,000, 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. However, a number of these costs, despite being non-cash are ongoing expenses and will be related to the normal operating basis of the business. The most significant of these is share incentivisation costs. The Directors have also reviewed other non-cash expenses, including depreciation expense and IFRS16 related property expenses and concluded that these expenses and share incentivisation costs should not be removed in the calculation of APMs with effect from the financial year ended 31 March 2022 and in future financial years. The Adjusted profit for 2021 has been restated accordingly per the guidance from the FRC.

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000 restated
Profit before tax	79,291	34,929
Severance compensation and staff reorganisation costs ¹	704	1,793
Professional services ²	6,920	15,025
Intangible asset amortisation and impairment	9,641	7,240
Adjustments	17,265	24,058
Adjusted profit before tax	96,556	58,987
Interest receivable	(4)	(7)
Adjusted operating profit	96,552	58,980

¹Staff redundancy, settlement and professional fees in relation to Architas and Neptune acquisitions and fund disposals.

²Includes 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.

Following the change in calculation methodology (as noted above) the Adjusted profit reconciliation for 2021 has been represented under the new methodology which shows what the adjusted profit for 2021 would have been in the prior year.

Adjusted earnings per share is reconciled in the tables below:

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000 restated
Basic earnings per share	97.65	47.02
Adjustments:		
Taxation	33.13	12.33
Severance compensation and staff reorganisation costs	1.16	3.05
Professional services ¹	11.41	25.53
Depreciation and Intangible asset amortisation	15.91	12.66
Adjustments:	61.61	53.57
Taxation at 19%	(30.26)	(19.11)
Adjusted basic earnings per share	129.00	81.48
Performance fees	(7.02)	(7.40)
Adjusted basic earnings per share (excluding performance fees)	121.98	74.08

¹Performance fee revenues contribution calculated in line with operating margin of 41% (2021: 39%) and a taxation rate of 19% (2021: 19%).

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000 restated
Diluted earnings per share	96.61	46.25
Adjustments:		
Taxation	32.78	12.13
Severance compensation and staff reorganisation costs	1.15	3.00
Professional services (1)	11.29	25.11
Depreciation and Intangible asset amortisation	15.74	12.45
Adjustments:	60.96	52.69
Taxation at 19%	(29.94)	(18.80)
Adjusted diluted earnings per share	127.63	80.14
Performance fees	(6.95)	(6.68)
Adjusted diluted earnings per share (excluding performance fees)	120.68	73.46
Adjusted operating profit	96,552	58,980
Gross profit	231,319	164,431
Adjusted operating margin	41.7%	35.9%

¹Performance fee revenues contribution calculated in line with operating margin of 42% (2021: 39%) and a taxation rate of 19% (2021: 19%).

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 0.0% (2021: 0.0%).

9 DIVIDENDS

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Ordinary Shares		
Prior year second interim at 36 pence per share (2021: 24 pence)	21,839	14,442
Dividend equivalent paid on exercise of options	736	–
First interim at 22 pence per share (2021: 11 pence)	13,372	6,632
Total	35,947	21,074

In addition, the Directors are proposing a second interim dividend in respect of the financial year ending 31 March 2022 of 50p per share which will absorb an estimated £33.0 million of shareholders' funds. It will be paid on 5 August 2022 to shareholders who are on the register of members at 1 July 2022, with the shares going ex-dividend on 30 June 2022.

10 TAXATION

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
(a) Analysis of charge in year		
Current tax:		
UK corporation tax at 19% (2021: 19%)*	17,109	8,352
Adjustment in respect of prior periods	(186)	550
Total current tax	16,923	8,902
Deferred tax:		
Deferred tax originated from timing differences	(1,460)	(1,645)
Effect on deferred tax balances from change in corporate tax rates	4,625	–
Total charge in year	20,088	7,257
(b) Factors affecting current tax		
Profit on ordinary activities before tax	79,291	34,929
Profit on ordinary activities at UK corporation tax at 19% (2021: 19%)*	15,065	6,637
Effects of:		
Expenses not deductible for tax purposes	341	910
Depreciation in excess of capital allowances	(37)	(28)
Partnership tax adjustments	389	178
Tax relief on exercise of unapproved options	(321)	(1,185)
Overseas losses not deductible ¹	212	195
Effect on deferred tax balances from change in corporate tax rates	4,625	–
Adjustment in respect of prior periods	(186)	550
Total taxation	20,088	7,257

¹No 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 £2.1 million and have no expiry date.

11 DEFERRED TAX

	2022 £'000	2021 £'000
Deferred tax assets		
Balance as at 1 April	1,984	1,479
Deferred tax on option IFRS2 charge*	(372)	505
Balance as at 31 March	1,612	1,984
Deferred tax liability		
Balance as at 1 April	(15,420)	(6,440)
Deferred tax prior year adjustment to reflect new rates	(4,625)	–
Deferred tax recognised on acquired intangible asset (See note 13)	–	(10,283)
Deferred tax on intangible asset amortisation	1,832	1,303
Balance as at 31 March	(18,213)	(15,420)
Net deferred tax liability	(16,601)	(13,436)

Under the UK Finance Act 2021 (substantively enacted on 24 May 2021), the UK corporation tax rate will increase for large companies from the current rate of 19% to 25% with effect from 01 April 2023. This will increase the Company's future tax charge accordingly. The deferred tax position as at 31 March 2022 has been calculated based on these rates

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 60,628,715 for the year (2021: 58,846,929). 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 2021. The adjusted weighted average number of Ordinary Shares so calculated for the year was 61,277,480 (2021: 59,831,128). This is reconciled to the actual weighted number of Ordinary Shares as follows:

	As at 31-Mar-22 number	As at 31-Mar-21 number
Weighted average number of Ordinary Shares	60,628,715	58,846,929
Weighted average number of dilutive Ordinary shares under option:		
- to the Liontrust Long Term Incentive Plan	625,902	959,895
- to the Liontrust Company Share Option Plan	22,863	24,304
Adjusted weighted average number of Ordinary Shares	61,277,480	59,831,128

Details of the options outstanding at 31 March 2022 to Executive Directors are set out in the Directors' Remuneration Report on page 130.

13 ACQUISITION OF ARCHITAS AND MAJEDIE

On 30 October 2020 ("Completion Date"), the Company acquired the entire issued share capital and obtained control of Architas Multi-Manager Limited and Architas Advisory Services Limited (together 'Architas') for a cost of £72.5 million (the "Acquisition"). The consideration was funded by an issue of 5,090,000 shares raising £64.4 million net of fees. As a result of the Acquisition, the Group is expected to increase its offerings to investors. It expects to reduce costs and benefit from economies of scale following a process of restructuring and integration.

The goodwill of £7.952 million arising from the Acquisition is attributable to the Multi-Asset fund management team, and the expected economies of scale efficiency increases from combining the operations of Architas and the Group.

The following table summarises the consideration paid for Architas, the fair value of the assets acquired and the liabilities assumed at the Completion Date.

Consideration at 30 October 2020	£'000
Cash	72,488
Total consideration	72,488
Recognised amounts of identifiable assets acquired and liabilities assumed	
Fixed assets	281
Cash and cash equivalents	18,432
Trade and other receivables	30,854
Trade and other payables	(28,876)
Investment Management contracts	54,130
Deferred tax liabilities	(10,285)
Total identifiable net assets	64,536
Goodwill	7,952
Total	72,488

Acquisition related costs of £3.006 million and reorganisation costs of £4.062 million have been charged to administrative expenses in the Consolidated Statement of Comprehensive Income for the year ended 31 March 2021.

The identifiable assets acquired were 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. The MPEEM model assisted the Group in arriving at the valuation of £54.1 million 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), the discount rate (13.9%), and net AuMA growth rate (1%). A 1% increase/decrease in the discount rate used would result in a decrease/increase in the value of the intangible of £2.0 million and £2.1 million respectively; and a corresponding increase/decrease in the value of goodwill of £1.6 million and £1.7 million. An increase/decrease in net AuMA growth of 1% would result in an increase/decrease in the value of the intangible of £2.6 million respectively; and a corresponding decrease/increase in the value of goodwill of £2.1 million. An increase of 1 year in the useful economic life of the asset would result in an increase in the intangible of £2.9 million and decrease in goodwill of £2.3 million; a decrease in the useful economic life of 1 year would decrease the value of the intangible by £2.6 million and increase the goodwill valuation by £2.1 million.

Goodwill on acquisition is allocated to the Multi Asset funds cash generating unit ("CGU"). See note 14 for details.

The discount rate used in the intangible model was a market participant weighted average cost of capital, determined using the capital asset pricing model (post-tax) and calibrated using current assessments of market equity risk premia, company risk / beta, small company premium, tax rates and gearing. The appropriate discount rate is appraised at the date of the relevant transaction and then also at the reporting date to enable impairment reviews and testing.

On 1 October 2019 ("Completion Date"), the Company acquired the entire issued share capital and obtained control of Neptune Investment Management Limited ("Neptune") at a cost of £38 million (the "Acquisition"). As a result of the Acquisition, the Group expected to increase its offerings to investors, both domestically and across Europe. It has reduced costs and benefits from economies of scale following a process of restructuring and integration.

The goodwill of £7.8 million arising from the Acquisition is attributable to the Global Equity fund management team.

Majedie Asset Management

On 7 December 2021 LAM entered a conditional sale and purchase agreement ("SPA") to acquire the entire share capital of Majedie Asset Management Limited ("Majedie"). The SPA was conditional on FCA change of control approval and customary closing conditions. FCA change in control approval was received on 8 March 2022 and the acquisition completed on 1 April 2022 ('Completion'). As announced on 7 December 2021, the consideration for the acquisition was up to £120 million. The consideration will be satisfied as follows:

- The issue of 3,683,241 new Ordinary Shares to Majedie Shareholders at Completion
- The issue of 244,014 new Ordinary Shares and up to £3.0 million in cash to be issued when the net asset value of Majedie is agreed, to Majedie Shareholders;
- The issue of 538,674 new Ordinary Shares to Majedie Shareholders within 30 business days of 30 June 2025 dependent on minimum AuMA for the period from Completion to 31 March 2023 and performance fees earned for the period from Completion to 31 March 2025; and
- Up to £20 million satisfied in cash to be paid to Majedie Shareholders dependent on achieving certain institutional growth targets from their existing new business pipeline over a period of up to three years.

As the acquisition completed after the balance sheet date the results of Majedie are not consolidated in these financial statements. £1.915 million of acquisition related costs incurred by LAM in relation to legal advice, due diligence and other costs have been recognised in the period ended 31 March 2022.

Majedie has been renamed Liontrust Portfolio Management Limited and the business is in the process of being integrated with Liontrust's standardised operating platform. The former Majedie investment management team are now the Liontrust Global Fundamentals team.

At the date of signing these financial statements a full business combination and valuation exercise has not been completed. An updated disclosure detailing the results of this exercise and the resultant goodwill and intangibles valuations will be included within the interim financial statements at 30 September 2022.

14 ACQUISITIONS AND 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. The ATI Goodwill on acquisition is allocated to the Sustainable Funds team CGU and at 31 March 2022 was £11,873,000 (2021: £11,873,000). At the balance sheet date 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 the discount rate (13.0%, 2021: 12.8%), terminal growth rate (2%, 2021: 2%) and market growth (5%, 2021: 5%). Sensitivity analysis was carried out on this model which significantly reduced the forecast net AuMA growth. These changes in estimates would not lead to any impairment in the carrying value of this goodwill.

The Neptune Goodwill on acquisition is allocated to the Global Equities team CGU and at 31 March 2022 was £7,753,000 (2021: £7,753,000). At the balance sheet date 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 with reference to the projected cashflows relating to the CGU over a period of 5 years, which used key assumptions such as net AuMA growth, comprising net sales of £150 million and market growth rate (5%, 2021: 5% per annum), terminal growth rate (2%, 2021: 2%) and a discount rate (13.0%, 2021: 12.8%). Based on these reasonable estimates there was no indication of impairment. Sensitivity analysis was carried out on this model which significantly reduced the forecast net AuMA growth. These changes in estimates would not lead to any impairment in the carrying value of this goodwill.

The Architas Goodwill on acquisition is allocated to the Multi Asset team CGU. At the balance sheet date 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 with reference to the projected cashflows relating to the CGU over a period of 5 years, which used key assumptions such as net sales, net sales average growth of 1.4% (2021: N/A) with market growth of 4% (2021: N/A), terminal growth rate (2%, 2021: 2%) and a discount rate of 13.5% (2021: 12.8%). Based on this assessment, the recoverable amount was £61.7 million and the headroom above impairment was £3million, therefore no impairment is required was no indication of impairment. Sensitivity analysis was carried out on this model which included changing the discount rate and reducing the net AuMA growth. The discount rate could be increased to 14% without impacting goodwill and resulted in a £2.5 million reduction in headroom. If the terminal growth rate reduced by 1.9% the headroom would be reduced by £0.4 million and would not lead to an impairment. However, reducing the fund inflows to nil would result in the carrying value of goodwill being fully impaired. Management considers this to be a reasonably possible scenario, however the five-year modelling timeframe would give ample time for management action. The "breakeven" point for impairment is a market growth of 4.68% (with £nil net flows). Further, given this is a relatively recent acquisition management have concluded that no impairment of the goodwill is required.

	£'000
ATI - Sustainable Investment team	11,873
Neptune - Global Equity team	7,753
Architas - Multi-Asset team	7,951
Total	27,577

1.5 INTANGIBLE ASSETS

The Group currently holds three intangible assets. These comprise of investment management agreements acquired from ATI, Neptune and Architas. 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 assessment made at 31 March 2022 did not indicate any impairment in the value of the ATI or Neptune intangible assets.

For Architas some indicators of impairment were present as net margins and net sales had not performed as strongly as originally forecast in the intangible valuation process at acquisition. However, AUMA remain ahead of original forecast and significant cost savings within the CGU have been achieved in the period since acquisition and therefore an updated estimation of the recoverable amount of the Architas intangible assets resulted in the value in use being in excess of the current carrying value of the CGU intangible assets. The recoverable amount was £48.2 million and the headroom above impairment was £1.8million, therefore no impairment is required. This valuation model used the same assumptions as those in the goodwill impairment review detailed in note 14, with the exception of the exclusion of new book AUM flows and the terminal growth rate (a remaining useful economic life of 8 years has instead been modelled, reflecting the time elapsed since acquisition). Sensitivity analysis was carried out on this model to assess the impact of reasonable downside scenarios, which included increasing the discount rate and reducing market growth. A 1% increase in the discount rate did not result in an impairment of the intangible asset and the "break-even" discount rate was 14.7%. Reducing market growth to NIL would result in an impairment of £6.0 million and the "break-even" growth rate was 3.1%. Management conclude that no impairment is required.

As at 31 March 2022

Description	Carrying value £'000	Remaining amortisation period
Investment management contracts acquired as part of ATI acquisition	6,000	5 Years
Investment management contracts acquired as part of Neptune acquisition	22,710	7½ Years
Investment management contracts acquired as part of Architas acquisition	46,461	8½ Years

Year to 31 March 2022	Investment management contracts £'000
Cost	
At 1 April 2021	115,113
Additions:	
Investment management contracts acquired	–
At 31 March 2022	115,113
Accumulated amortisation and impairment	
At 1 April 2021	30,301
Amortisation for the year	9,641
At 31 March 2022	39,942
Net Book Value	
At 31 March 2022	75,171
At 31 March 2021	84,812

Year to 31 March 2021	Investment management contracts £'000
Cost	
At 1 April 2020	60,983
Additions:	
Investment management contracts acquired	54,130
At 31 March 2021	115,113
Accumulated amortisation and impairment	
At 1 April 2020	23,061
Amortisation for the year	7,240
At 31 March 2021	30,301
Net Book Value	
At 31 March 2021	84,812
At 31 March 2020	37,922

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 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 31 March 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

As at 31 March 2022	2,965	183	108	402	3,658
As at 31 March 2021	4,717	261	72	207	5,257

Year to 31 March 2021	ROU Assets £'000	Leasehold Improvements £'000	Office Equipment £'000	Computer Equipment £'000	Total £'000
Cost					
As at 31 March 2020	8,551	953	471	603	10,578
Adjustment to remove previously capitalised VAT	(1,170)	—	—	—	(1,170)
As at 1 April 2020	7,381	953	471	603	9,408
Additions	216	60	14	181	471
As at 31 March 2021	7,597	1,013	485	784	9,879

Accumulated depreciation

As at 1 April 2020	1,282	586	378	482	2,728
Charge for the year	1,598	166	35	95	1,894
As at 31 March 2021	2,880	752	413	577	4,622

Net Book Value

At 31 March 2021	4,717	261	72	207	5,257
At 31 March 2020	7,269	367	93	121	7,850

Depreciation has been included in the Consolidated Statement of Comprehensive Income within administration expenses.

During the year management carried out a review of their office properties and took the decision to accelerate the depreciation of one property to a ROU asset value of nil.

	As at 31-Mar-22 £'000	As at 31-Mar-21 £'000
Lease liability		
Opening balance	5,016	7,570
Additions	1,506	220
Transfer to trade and other payables	(1,203)	–
	5,319	7,790
Rent & interest charge for the year	(1,652)	(2,774)
Closing balance	3,667	5,016

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 IFRS16 reserve adjustment made to retained earnings for the lease prepayments accounted for in the prior financial year ending 31 March 2019.

	As at 31-Mar-22 £'000	As at 31-Mar-21 £'000
ROU asset		
Office space	2,965	4,717
	2,965	4,717
Depreciation on ROU asset	2,112	1,597
Finance costs	142	113
Cash outflow for leases for the year	1,889	1,169

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-22 £'000	As at 31-Mar-21 £'000
Trade receivables		
- Fees receivable	29,989	33,118
- Unit trust sales and cancellations	200,754	254,006
Prepayments and accrued income	4,753	2,681
	235,496	289,805

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 2022, trade receivables of £nil (2021: £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 £26,000 (2021 gain: £672,000). Foreign currency assets are translated at rates of exchange ruling at the balance sheet date.

	As at 31-Mar-22 Assets held at fair value through profit and loss £'000	As at 31-Mar-21 Assets held at fair value through profit and loss £'000
Financial assets in Level 1		
UK Authorised unit trusts & UK authorised ICVCs	3,498	1,520
Ireland Open Ended Investment company	670	668
Total Financial Assets	4,168	2,188

19 TRADE AND OTHER PAYABLES

	As at 31-Mar-22 £'000	As at 31-Mar-21 £'000
Current Liabilities		
Trade payables – unit trust repurchases and creations	201,931	255,690
Other payables including taxation and social security	549	3,087
Lease liability	893	1,598
DBVAP liability	2,404	1,491
Other payables	49,892	36,141
	255,669	298,007

	As at 31-Mar-22 £'000	As at 31-Mar-21 £'000
Non current Liabilities		
Lease liability	2,775	3,418

20 ORDINARY SHARES

	2022 Shares	2022 £'000	2021 Shares	2021 £'000
Allotted, called up and fully paid ordinary shares of 1 pence				
As at 1 April	61,058,960	610	55,512,061	555
Issued during the year	193,204	2	5,546,899	55
As at 31 March	61,252,164	612	61,058,960	610

21 RESERVES

There were no changes to reserves in the year. In October 2020 the Group undertook a capital reduction process to transfer £57,439,000 from the Share Premium Reserve to the Profit and Loss Reserve.

22 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 2022 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 Multi-Asset Limited	UK ²	100
Liontrust Advisory Services Limited	UK ²	100
Liontrust International Luxembourg SA	Luxembourg	100
Liontrust GF European Strategic Equity Fund CF	Ireland ³	100
Liontrust GF European Smaller Companies CF	Ireland ³	100
Liontrust GF Strategic Bond Fund B1 Acc	Ireland ³	94
Liontrust GF SF European Corporate Bond Fund A1	Ireland ³	37
Liontrust GF SF European Corporate Bond Fund A5	Ireland ³	68
Liontrust GF Absolute Return Bond Fund A1 AC	Ireland ³	58
Liontrust GF SF Global Growth Fund A1 AC EUR Acc	Ireland ³	100
Liontrust GF SF Global Growth Fund A8 AC EUR Acc	Ireland ³	100
Liontrust GF SF Global Growth Fund C8 D GBP Acc	Ireland ³	100
Liontrust GF SF Global Growth Fund D1 A CHF Acc	Ireland ³	100
Liontrust GF SF Global Growth Fund C1 D GBP Acc	Ireland ³	100
Liontrust GF UK Growth C1 Acc	Ireland ³	100
Liontrust GF Sustainable Future Multi Asset Global Fund D5 CHF ACC	UK	60
Liontrust Monthly Income Bond Fund Z Gross Inc	UK	100
Liontrust UK Growth Fund S Inc	UK	100

b) The indirect related undertakings of the Company as at 31 March 2022 are listed below

Name of undertaking	Country of incorporation	% held
Liontrust Fund Partners LLP*	UK ¹	100%
Liontrust Investment Partners LLP*	UK ¹	100%
Liontrust Members Reward Partnership LP*	Jersey ⁴	100%

¹Registered office: 2 Savoy Court, London, WC2R 0EZ

²Registered office: 18 Val Sainte Croix, L-1370, Luxembourg

³Registered office: 5th floor, The Exchange, George's Dock, IFSC, Dublin 1, Ireland

⁴Registered office: 44 Esplanade, St Helier, Jersey, JE4 9WG

*Consolidated entities

23 OWN SHARES AND OPTIONS

Approval was given at a General Meeting in February 2016 for the grant of options under the Liontrust Long Tern 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 Option Scheme is an unapproved scheme to cover international employees. It is a cash settled scheme arranged to mirror the LTIP arrangements.

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
14 July 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

Issue Date	1 April 2020	Options Granted	Options Exercised	Lapsed	31 March 2021	Exercise price	Scheme
20 June 2016	111,845	–	(111,845)	–	–	Nil	LTIP
5 September 2017	234,562	–	(117,281)	–	117,281	Nil	LTIP
22 June 2017	379,619	–	(227,773)	–	151,846	Nil	LTIP
27 June 2018	272,013	–	–	–	272,013	Nil	LTIP
27 June 2018	32,560	–	–	(3,256)	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	28,864	–	–	(1,312)	27,552	£7.62	CSOP
8 July 2020	–	190,503	–	–	190,503	Nil	LTIP
14 July 2020	–	21,808	–	(752)	21,056	£13.30	CSOP

Under the Liontrust Members Reward Plan ('LMRP') certain individual members have been allocated profits with which they have made a capital contribution to the Liontrust LLP Members Reward Limited Partnership ('LLMRLP'), which entitle such individual member to a future amount dependant on performance conditions being met. The entitlement which the member of LLMRLP would have is calculated on the basis of the application of a percentage to the initial Capital contribution. The amounts allocated, in terms of number of Ordinary shares, to individual members were as follows:

Issue Date	1 April 2021	Granted	Exercised	Lapsed	31 March 2022	Exercise price	Scheme
6 September 2017	45,688	–	(22,844)	–	22,844	Nil	LMRP
22 June 2017	75,878	–	(40,226)	–	35,652	Nil	LMRP
22 June 2018	18,896	–	(11,338)	–	7,558	Nil	LMRP
12 August 2019	94,411	–	–	–	94,411	Nil	LMRP
7 July 2020	57,605	–	–	–	57,605	Nil	LMRP
19 July 2021	–	33,700	–	–	33,700	Nil	LMRP

Issue Date	1 April 2020	Granted	Exercised	Lapsed	31 March 2021	Exercise price	Scheme
6 September 2017	148,948	–	(103,260)	–	45,688	Nil	LMRP
22 June 2017	189,692	–	(113,814)	–	75,878	Nil	LMRP
22 June 2018	18,896	–	–	–	18,896	Nil	LMRP
12 August 2019	94,411	–	–	–	94,411	Nil	LMRP
7 July 2020	–	57,605	–	–	57,605	Nil	LMRP

Details of the LTIP options can be found in the Directors' Remuneration report.

At 31 March 2022, the Liontrust Asset Management Employee Trust owned 767,971 shares (2021: 656,257) at a cost of £7,674,252 (2021: £3,694,167). 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 2022 the market value of the shares was £9,784,000 (2021: £9,319,000).

At 31 March 2022, the Liontrust LLP members Reward Partnership owned 197,512 shares (2021: 292,478) at a cost of £1,795,470 (2021: £2,168,361). As at 31 March 2022 the market value of the shares was £2,583,000 (2021: £4,153,000).

24 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 TSR 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 to the 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 LILSA. These options are cash settled.

	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	
Forfeited during year	(6,657)	
Exercised during year	(458,921)	0.37
Vested but not exercised during year	(33,173)	
Outstanding at 31 March 2021	1,126,620	0.69
Exercisable at 31 March 2021	–	–

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 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.

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	8 July 2021	£19.18	£19.18	3.0 years	41.60%	2.50%	0.12%
eLTIP	23 July 2021	£16.30	£nil	3.0 years	41.50%	0.00%	0.12%
mLTIP	29 July 2021	£20.50	£nil	3.0 years	41.50%	0.00%	0.12%
Phantom awards	30 September 2021	£21.25	£nil	0.2 years	31.60%	0.00%	0.12%

Fair value conclusion

Plan	Number of shares	Weighted average fair value £
Options granted during year to 31 March 2022:		
CSOP	17,193	78,572
eLTIP	155,130	1,916,786
mLTIP	33,700	536,032
	206,023	2,531,390

The share incentivisation expense in relation to the Directors for the year ended 31 March 2022 was £1,125,000 (2021: £868,000).

	As at 31-Mar-22 £'000	As at 31-Mar-21 £'000
Share based payment plan – equity settled		
IFRS2 charge – employees	1,886	2,109
IFRS2 charge –members	554	527
Share based payment plan – cash settled		
Employees	480	–
	2,920	2,636
Option settlement expense	704	2,057
Share option NIC expense	354	685
Cost of matching SIP shares	410	388
Plan administration costs	315	398
	4,703	6,164

25 RELATED PARTY TRANSACTIONS

During the year the Group received fees from unit trusts and ICVCs under management of £228,832,000 (2021: £148,800,000). Transactions with these funds comprised creations of £7,276,647,000 (2021: £5,552,260,000) and liquidations of £4,699,727,000 (2021: £4,179,127,000). 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 2022 the Group owed the funds £201,931,000 (2021: £255,680,000) in respect of creations and was owed £230,743,000 (2021: £271,642,000) in respect of cancellations and fees.

During the year the Group received fees from offshore funds under management of £8,776,000 (2021: £5,567,000). Transactions with these funds comprised purchases of £170,000 (2021: £116,000) and sales of £84,000 (2021: £nil). As at 31 March 2021 the Group was owed £873,000 (2021: £711,000) in respect of offshore fund fees. Compensation to key management personnel (Directors) is disclosed in table 1.1 of the Directors' Remuneration Report on page 113. 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 122. The charge recognised in the statement of comprehensive income in relation to Directors share options was £1,125,000 (2021: £868,000).

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 2022	63	30.4	4.2	228.8	30.0
As at 31 March 2021	87	27.6	2.1	148.8	17.6

26 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 2022 has not been recognised in the results for the year.

COMPANY BALANCE SHEET

as at 31 March 2022

	Note	31-Mar-22 £'000	31-Mar-21 £'000
Assets			
Non current assets			
Property, plant and equipment	30	3,638	5,244
Investment in subsidiary undertakings	31	142,902	153,210
Loan to Employee Benefit Trust	29	11,172	4,992
Total non current assets		157,712	163,446
Current assets			
Trade and other receivables	32	19,622	21,116
Financial assets	33	670	560
Deferred tax assets		1,613	1,985
Cash and cash equivalents		21,286	6,705
Total current assets		43,191	30,366
Liabilities			
Non current liabilities			
Lease liabilities		(2,774)	(3,215)
Total non current liabilities		(2,774)	(3,215)
Current liabilities			
Trade and other payables	34	(46,877)	(42,106)
Corporation tax payable		(2,479)	–
Total current liabilities		(50,536)	(42,106)
Net current liabilities		(7,165)	(11,740)
Net assets		147,773	148,491
Shareholders' equity			
Ordinary shares	35	612	610
Share premium		64,370	64,370
Capital redemption reserve		19	19
Retained earnings		82,772	83,492
Total equity		147,773	148,491

The notes on pages 179 to 183 form an integral part of these Company financial statements.

The financial statements on pages 176 to 183 were approved and authorised for issue by the Board of Directors on 21 June 2022 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 2022

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Cash flows from operating activities		
Cash inflow from operations	496	21,734
Cash outflow from operations	1,132	(10,786)
Net cash generated from/(used in) operations	1,628	10,948
Interest received	1	5
Tax paid	(12,500)	(6,416)
Net cash (used in)/generated from operating activities	(10,871)	4,537
Cash flows from investing activities		
Purchase of property and equipment	(507)	(254)
Acquisition of Architas	–	(72,556)
Loan to the EBT	(8,125)	–
Loan repaid by the EBT	1,183	1,334
Purchase of seeding investments	(170)	(116)
Sale of seeding investments	84	–
Increase in Investment in subsidiary	–	(1,175)
Cash received on liquidation of subsidiary	17	–
Dividends received from subsidiaries	70,000	30,000
Net cash generated from/(used in) investing activities	62,482	(42,767)
Cash flows from financing activities		
Payment of lease liabilities	(1,817)	(1,046)
Issue of shares	–	64,421
Dividend paid	(35,213)	(21,074)
Net cash used in financing activities	(37,030)	42,301
Net increase in cash and cash equivalents	14,581	4,071
Opening cash and cash equivalents	6,705	2,634
Closing cash and cash equivalents	21,286	6,705

Cash and cash equivalents consist only of cash balances.

The notes on pages 179 to 183 form an integral part of these Company financial statements.

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
Deferred tax on option charge taken to equity	–	–	–	–	–
Balance at 31 March 2022	612	64,370	19	82,772	147,773

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	Ordinary shares £ '000	Share premium £ '000	Capital redemption £ '000	Retained earnings £ '000	Total Equity £ '000
Balance at 1 April 2021 brought forward	555	57,439	19	34,849	92,862
Profit for the year	–	–	–	9,889	9,889
Dividends paid	–	–	–	(21,074)	(21,074)
Capital reorganisation	–	(57,439)	–	57,439	–
Shares issued	55	64,370	–	–	64,425
Equity share options issued	–	–	–	2,225	2,225
Deferred tax on option charge taken to equity	–	–	–	164	164
Balance at 31 March 2021	610	64,370	19	83,492	148,491

The notes on pages 179 to 183 form an integral part of these Company financial statements

27 SIGNIFICANT ACCOUNTING POLICIES

The separate financial statements of the Company have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) as applied in accordance with the provisions of the Companies Act 2006 and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial information has been prepared based on the IFRS standards effective as at 31 March 2022. Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own statement of comprehensive income.

The financial statements have been prepared on the going concern basis 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) and have assessed the appropriateness of the going concern basis as set out in note 1(b). The principal accounting policies are the same as those set out in note 1.

Investment in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Notes 27 to 36 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 are valued on a daily basis at mid price. The investments are held as fair value through profit and loss financial assets.

Management consider, based on historic information, that a sensitivity rate of 20% is appropriate. Based on the holdings in the Liontrust Global Funds at the balance sheet date a price movement of 20% would result in a movement in the value of the investment of £83,000 (2021: £83,000).

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 £67,000 increase or decrease in interest receivable (2021 : £40,000).

In addition to the risks covered by the Group risk management policies. 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 its 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 2022	Within 3 months	Between 3 months	Over one year
Payables	45,946	–	2,774
As at 31 March 2021	Within 3 months	Between 3 months	Over one year
Payables	41,542	–	3,215

29 LOAN TO THE EMPLOYEE BENEFIT TRUST

The Company is the sponsor of Liontrust Asset Management Employee Trust (the 'Trust'). An annual impairment review was carried out under the appropriate accounting standards and the value of the loan to the EBT was calculated at £11,172,000 (2021: £4,992,000). The current value of the shares in the trust are disclosed in Note 23.

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.

	ROU Assets £'000	Leasehold Improvements £'000	Office Equipment £'000	Computer Equipment £'000	Total £'000
Year to 31 March 2022					
Cost					
As at 1 April 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					
As at 31 March 2022	2,965	183	95	395	3,638
As at 31 March 2021	4,717	261	59	207	5,244

Year to 31 March 2021	ROU Assets £'000	Leasehold Improvements £'000	Office Equipment £'000	Computer Equipment £'000	Total £'000
Cost					
As at 1 April 2020	8,551	953	458	603	10,565
Adjustment to remove previously capitalised VAT	(1,170)	–	–	–	(1,170)
	7,381	953	458	603	9,395
Additions	216	60	14	181	471
As at 31 March 2021	7,597	1,013	472	784	9,866
Accumulated depreciation					
As at 1 April 2020	1,282	586	378	482	2,728
Charge for the year	1,598	166	35	95	1,894
As at 31 March 2021	2,880	752	413	577	4,622
Net Book Value					
As at 31 March 2021	4,717	261	59	207	5,244
As at 31 March 2020	7,269	367	80	121	7,837

30 PROPERTY, PLANT AND EQUIPMENT

Lease liability

	As at 31 March 2022 £'000	As at 1 April 2021 £'000
Current	1,801	1,801
Non-current	3,215	3,215
	5,016	5,016

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

	Year ended 31 March 2021 £'000	As at 1 April 2022 £'000
Office space	2,965	4,717
	2,965	4,717
Depreciation on ROU asset	2,112	1,598
Finance costs	142	113
Cash outflow for leases for the year	1,889	1,169

Additional profit or loss and cash flow information

The Company 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 in the ordinary shares, capital, voting rights 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; and Liontrust International Luxembourg SA, whose principal activity is European sales; Liontrust Multi-Asset Limited Liontrust Advisory Services Limited and Liontrust Investment Management Limited were acquired through acquisitions and are now non-trading. 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 84.

	2022 £'000	2021 £'000
Balance at 1 April	153,210	80,633
Additions during the year	–	73,663
Impairment during the year	(10,308)	(1,086)
Balance at 31 March	142,902	153,210

During the year ended 31 March 2022 the Company liquidated two wholly-owned subsidiaries and accordingly has fully impaired the carrying value of these subsidiaries.

32 TRADE AND OTHER RECEIVABLES

	31-Mar-22 £'000	31-Mar-21 £'000
Receivables due from subsidiary undertakings ¹	18,700	21,020
Prepayments and accrued income	922	96
	19,622	21,116

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

Assets held as available-for-sale:

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 categorization detailed in note 16.

	31-Mar-22 Assets held at fair value through profit and loss £'000	31-Mar-21 Assets held at fair value through profit and loss £'000
Financial assets		
Ireland Open Ended Investment Company	670	560
	670	560

34 TRADE AND OTHER PAYABLES

	2022 £'000	2021 £'000
Current payables		
Other payables including taxation and social security	596	3,613
Payables due to subsidiary undertakings ¹	29,908	29,163
Lease liability	893	1,801
Other payables	15,480	7,529
	46,877	42,106
Non current payables		
Lease liability	2,774	3,215

All financial liabilities listed above are non-interest bearing and repayable on demand. The carrying amount of these non-interest bearing trade and other payables approximates their fair value.

¹In the normal course of business the Company will receive and reimburse amounts for services provided to, and received from, Group entities.

35 ORDINARY SHARES

	2022 Shares	2022 £'000	2021 Shares	2021 £'000
Allotted, called up and fully paid shares of 1 pence				
As at 1 April	61,058,960	610	55,512,061	555
Issued during the year	193,204	2	5,546,899	55
As at 31 March	61,252,164	612	61,058,960	610

36 RELATED PARTY TRANSACTIONS

In the normal course of business the Company will receive and reimburse amounts for services provided to, and received from, Group entities. As at 31 March 2022 the Company owed the following intercompany balances to:

Liontrust Investment Partners LLP - £6,257,000 (2021: £5,459,000).

Liontrust Investment Funds Limited - £NIL (2021: £3,996,000).

Liontrust Investment Management Limited - £1,759,000 (2021: £1,843,000).

Liontrust Multi-Asset Limited - £20,609,000 (2021: £6,334,000).

Liontrust Advisory Services Limited - £1,282,000 (2021: £nil).

As at 31 March 2022 the Company was owed the following intercompany balances by:

Liontrust Fund Partners LLP - £15,115,000 (2021: £19,835,000).

Liontrust Investment Services Limited - £3,585,000 (2021: £2,556,000).

The Liontrust Asset Management Employee Trust - £10,241,000 (2021: £4,992,000).

37 AUDIT FEES

Amounts receivable by the Company's auditor and its associates in respect of services to the Company 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 consolidated 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 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, the Company Balance sheet, the Company Cash Flow Statement, the Company Statement of Changes in Equity and the related notes, including the accounting policies in notes 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 2022 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 on 4 November 2020. The period of total uninterrupted engagement is for the two financial years ended 31 March 2022. 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:		£4.0m (2021: £2.6m)
group financial statements as a whole		5% (2021: 5% normalised) of profit before tax
Coverage		100% (2021: 95%) of group profit before tax
Key audit matters		vs 2021
New risks (Group)	Recoverability of Architas Goodwill and Intangible Assets	
Recurring risk (Parent)	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
<p>Recoverability of Architas Goodwill and Intangible Assets</p> <p>(Goodwill £8.0 million; 2021: £8.0 million; Intangible Assets £46.5 million; 2021: £51.9 million)</p> <p>Refer to page 103 (Audit and Risk Committee Report), page 144 (accounting policy) and pages 162 and 163 (financial disclosures).</p>	<p>Forecast based assessment:</p> <p>The Group's intangible assets include investment management contracts recognised as a result of the acquisition of Architas Multi-Manager Limited and Architas Advisory Services Limited ("Architas") in October 2020.</p> <p>During our planning phase of our audit indicators of impairment relating to reductions in assets under management (AUM) which impact revenues and accordingly an impairment review was undertaken.</p> <p>The Architas goodwill recognised in the Group financial statements is also at risk of irrecoverability due to the performance of the Cash Generating Unit ("CGU") since acquisition.</p> <p>The estimated recoverable amount in an impairment review involves a number of assumptions to be made by the Group. This makes any assessment subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The key assumptions that give rise to a significant risk are the discount rate and AUM growth rates for both the recoverability of Architas Goodwill and Architas Intangible, and the terminal growth rate for the recoverability of the Architas Goodwill only.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the value in use of these assets 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.</p> <p>The financial statements (note 14 and 15) disclose the sensitivities estimated by the Group.</p>	<p>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.</p> <p>Our procedures included:</p> <p>Valuation expertise: We critically assessed the key assumptions underpinning the Group's value in use models including the discount rate, the terminal growth rate, if applicable, and AUM growth rates. Our challenge was based on historical experience and market comparable data obtained publicly or through internally derived data.</p> <p>We engaged our own valuation specialists to assist us in assessing the appropriateness of the Group's valuation model. This included comparing the Group's discount rate and terminal growth rate assumptions with our own estimate of a range of reasonable discount rates and terminal growth rates, based on comparable company information</p> <p>Sensitivity analysis: We challenged the Group's sensitivity analysis and performed our own sensitivity analysis, which included assessing the effect of the reasonably possible reductions in discount rate, terminal growth rate, and AUM growth rates to evaluate the impact on the current head room.</p> <p>Assessing transparency: we considered whether the Group's disclosures in relation to the assumptions used in goodwill and intangible assets impairment adequately reflect the sensitivities of the goodwill and intangible assets to the use of alternative assumptions.</p> <p>Our findings</p> <p>We found the directors' initial estimate of recoverable amount to be at the 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 the disclosures now made in notes 14 and 15.</p> <p>We found the Group's conclusion that there is no impairment of Architas goodwill and intangible assets to be balanced with proportionate disclosure of the related assumptions and sensitivities.</p>

	The risk	Our response
Recoverability of parent Company's investment in subsidiary undertakings (Investment in subsidiary undertakings £142.9 million; 2021: £153.2million) Refer to page 179 (accounting policy) and page 182 (financial disclosures).	Low risk, high value The carrying amount of the parent Company's investment in subsidiary undertakings represents 71% (2021:79%) 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 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: Tests of detail: We compared the carrying amount of 100% of investment balance with the relevant subsidiaries' draft balance sheet to identify whether their net assets, plus intangibles and goodwill recognised on consolidation, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. Our findings We found the Company's conclusion that, apart from the identified impairment recognised in the year, there is no other impairment of the investment in subsidiary undertakings to be balanced (2021:balanced).

We continue to perform procedures over the recoverability of Neptune Intangible Assets and recoverability of Neptune Goodwill. However, as there were no impairment indicators and the headroom between the value in use and the carrying value of the Neptune Intangible Assets and Goodwill increased due to performance of the business, we have not assessed these as significant risks in our current year audit and, therefore, they are not separately identified as key audit matters in our report this year.

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 £4.0m (2021: £2.6m), determined with reference to a benchmark of Group profit before tax (2021: Group profit before tax normalised to exclude costs in relation to the Neptune and Architas acquisitions as disclosed in note 7) of which it represents 5% (2021: 5%).

Materiality for the parent Company financial statements as a whole was set at £2.0m (2021: £1.7m), determined with reference to a benchmark of the parent Company total assets, of which it represents 1% (2021: 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% (2021: 65%) of materiality for the financial statements as a whole, which equates to £2.6m (2021: £1.7m) for the Group and £1.3m (2021: £1.1m) 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 & Risk Committee any corrected or uncorrected identified misstatements exceeding £0.2m (2021: £0.1m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

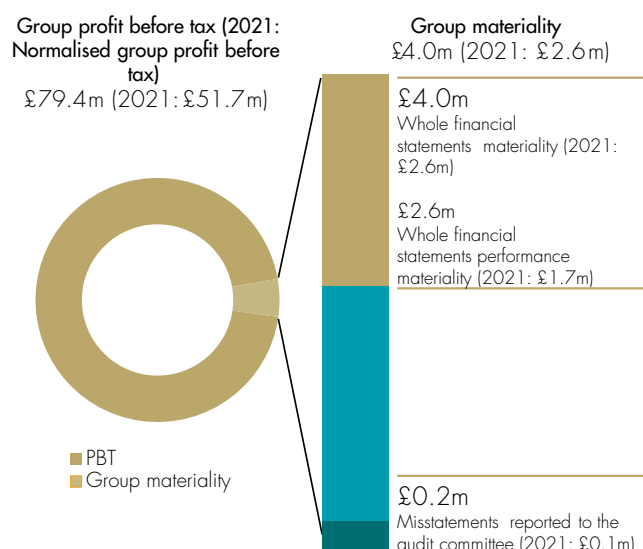
The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.

Of the Group's 9 (2021: 11) reporting components, we subjected 3 (2021: 4) to full scope audits for group purposes. The range of materiality at 3 (2021: 4) components was £1.9m to £3.3m (2021: £0.4m to £2.0m)

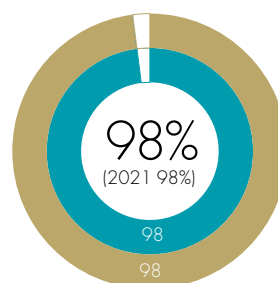
The components within the scope of our work accounted for the percentages illustrated opposite.

The remaining 2% (2021: 2%) of total Group revenue, 0% (2021: 5%) of Group profit before tax and 4% (2021: 0%) of total Group assets is represented by 6 (2021: 7) reporting components, none of which individually represented more than 3% (2021: 6%) 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.

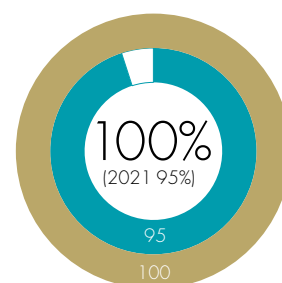
The work on all of the components, including the audit of the parent Company, was performed by the Group team.



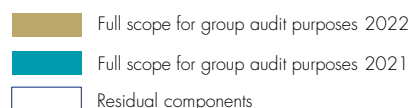
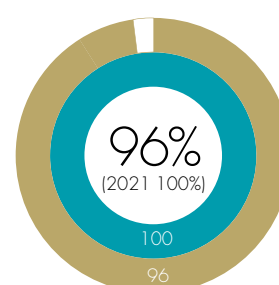
Group revenue



Group profit before tax



Group total assets



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 52 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.

We considered whether reasonable, but plausible downside assumptions over asset under management levels could result in insufficient financial resources being available to settle financial obligations as they fall due for a period of at least 12 months from the date of the approval of these financial statements.

We considered whether the going concern disclosure in note 1b to the financial statements gives a full and accurate description of the Director's assessment of going concern including the identified risks, dependencies and related sensitivities.

We assessed the completeness of the going concern disclosure.

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(b) 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(b) to be acceptable; and
- the related statement under the Listing Rules set out on page 29 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 our 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; and
- Considering remuneration incentive schemes and performance targets for management and directors.

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 and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the recoverability of Architas intangible assets and the recoverability of the Architas 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 AUM 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 significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the

financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group’s regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding 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 these 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 given in those reports 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 viability statement on page 29 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 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 viability statement 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 29 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 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 87, 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

21 June 2022

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

Mark Jackson
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
One New Change,
London EC4M 9AF

Singer Capital Markets
1 Bartholomew Lane
London EC2N 2AX

Legal Advisers

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

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 Growth Fund
Liontrust Balanced Fund

Liontrust Investment Funds ICVC, comprising 2 sub funds

Liontrust Monthly Income Bond Fund
Liontrust Strategic Bond Fund

Liontrust Investment Funds II OEIC, comprising 2 sub funds

Liontrust Emerging Markets Fund
Liontrust Global Smaller Companies Fund

Liontrust Sustainable Future ICVC, comprising 9 sub funds

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, comprising 2 sub funds

Liontrust Global Technology Fund
Liontrust Japan Equity Fund

Liontrust Investment Funds OEIC, comprising 9 sub funds

Liontrust China Fund
Liontrust Global Alpha Fund
Liontrust Global Innovation Fund (formerly Liontrust Global Equity Fund)
Liontrust Global Dividend Fund
Liontrust Income Fund
Liontrust India Fund
Liontrust Latin America Fund
Liontrust Russia Fund
Liontrust US Opportunities Fund

Liontrust Multi Asset Investments II ICVC,

OEIC comprising 8 sub funds
 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
 Liontrust MA Blended Growth Fund
 Liontrust MA Blended Progressive Fund

Liontrust Global Funds PLC,

Ireland domiciled OEIC, comprising 12 sub funds
 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 Russia Fund
 Liontrust GF Sustainable Multi Asset Global Fund

Liontrust Multi Asset Investments ICVC, OEIC comprising 5 sub funds

Liontrust MA Active Dynamic Fund
 Liontrust MA Active Growth Fund
 Liontrust MA Active Intermediate Income Fund
 Liontrust MA Active Moderate Income Fund
 Liontrust MA Active Progressive Fund

Liontrust Multi Asset Global Solutions ICVC,

OEIC comprising 9 sub funds
 Liontrust MA Passive Prudent Fund
 Liontrust MA Passive Reserve Fund
 Liontrust MA Passive Moderate Fund
 Liontrust MA Passive Intermediate Fund
 Liontrust MA Passive Progressive Fund
 Liontrust MA Passive Growth Fund
 Liontrust MA Passive Dynamic Fund
 Liontrust MA Active Reserve Fund
 Liontrust MA Diversified Real Assets Fund

Fund prices:

The prices of Liontrust's range of retail funds are listed on our website www.liontrust.co.uk.

Further information:

For further information on the Company's range of funds and services please contact our Broker Services Department at:
 Liontrust Fund Partners LLP

2 Savoy Court
 London WC2R 0EZ

Telephone: 020 7412 1700

Facsimile: 020 7412 1779

e-mail: info@liontrust.co.uk

or visit: www.liontrust.co.uk

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 Investment Management Limited

E.J.F. Catton M.F. Kearney

Liontrust International (Luxembourg) SA

E.J.F. Catton M.F. Kearney
J. Beddall

Liontrust Multi-Asset Limited

E.J.F. Catton M.F. Kearney

Liontrust Advisory Services Limited

E.J.F. Catton M.F. Kearney

INVESTMENT COMPANIES – BOARD MEMBERS

Liontrust Global Funds Plc

E.J.F. Catton M.F. Kearney
D.J. Hammond S. O'Sullivan
D. Reidy

