



7 May 2021

LIONTRUST TO LAUNCH ESG INVESTMENT TRUST

Liontrust, the specialist asset manager, announces its intention to expand into closed-ended investments by launching Liontrust ESG Trust PLC (ESGT/Trust, ticker: ESGT).

The portfolio of ESGT will be managed by Peter Michaelis, Simon Clements and Chris Foster, who are part of the 13-strong Liontrust Sustainable Investment team with a 20-year track record of managing sustainable funds. Peter and Simon have managed sustainable global growth strategies since 2001 and 2010 respectively with Chris becoming a co-manager in 2020 (having joined the team in 2015).

The launch comes at a time of rising interest in sustainability and demand for sustainable investment. The AuMA (assets under management and advice) of the range of open-ended funds and institutional mandates managed by Liontrust's Sustainable Investment team grew from £2.5 billion on 1 April 2017 when they joined from Alliance Trust Investments to £10.2 billion on 31 March 2021.

Research conducted for Liontrust in December 2020 reveals that 78% of wealth managers and 71% of financial advisers have seen an increasing proportion of their clients investing sustainably over the previous year (Source: Research in Finance).

ESGT will invest in 25 to 35 sustainable companies around the world, predominantly in developed markets. The permanency of capital of an investment trust will enable the investment managers to be unconstrained by market cap when selecting investments. This will allow them to construct a high conviction portfolio with less consideration of shorter-term volatility than when managing open-ended funds. The Investment Manager will include small cap stocks within the portfolio that are not held by the open-ended funds they manage.

ESGT will be managed using the Liontrust Sustainable Future investment process. Since 2001, the team has used this process to identify companies helping to create a cleaner, safer and healthier world. The team seeks to generate attractive returns for investors by identifying the key structural growth trends (Better resource efficiency, Greater safety and resilience and Improved health), and 21 underlying themes within these, that will shape the sustainable economy of the future.

The investment managers aim to identify well-run companies whose products and operations benefit from these themes. Further analysis hones this list down to those companies that exhibit superior management, will deliver persistently high returns on equity and are attractively valued on a five-year view.

The performance of the Liontrust SF Global Growth Fund demonstrates the success of this process. It is in the 1st quartile of the IA Global sector over three, five and 10 years; and over 10 years to 31 March 2021, the Fund has returned 260.3% compared to 198.1% by the MSCI World Index and 154.1% by the IA Global sector (Source: FE Analytics, Primary share class, total return, net of fees, income reinvested)ⁱ. MSCI World Index and the IA Global sector are comparator benchmarks.

Peter Michaelis, portfolio manager, said: “We are excited by the opportunities that ESGT offers in being able to construct a high conviction portfolio with companies from across the market cap spectrum and our sustainable investment themes.

“Key attractions include the wide opportunity set it provides as it is unconstrained by market capitalisation, a concentrated portfolio focused on the highest sustainability companies and the chance to invest a portion of the portfolio in small cap companies that we do not hold in our open-ended funds. These stocks fit perfectly with our focus on the long-term drivers of the sustainable economy of the future.

“Looking to the long-term benefit for investors, up to 10% of the management fee we receive from ESGT will be used to fund research to identify and develop financial instruments covering those UN Sustainable Development Goals (SDGs) that are currently uninvestable.

“When these financial instruments are developed, they will become available to ESGT and other investors.”

John Ions, Chief Executive of Liontrust, added: “This is a significant launch for Liontrust in expanding our offering into investment trusts.

“The intention to launch ESGT recognises the growing demand for sustainable investment as an increasing number of people want their investments to make positive contributions to society, the environment and the economy.

“ESGT will enable a wider range of investors to access Liontrust’s Sustainable Investment team and its proven process. Over the past two decades, the Sustainable Investment team has demonstrated the ability of its investment process to outperform mainstream benchmarks and the impact of its funds on sustainable development.”

Liontrust ESG Trust will be chaired by Richard Laing. Richard has extensive experience in UK listed investment trusts and public companies. During his executive career, he held the CEO and Finance Director roles of the CDC Group plc (formerly Commonwealth Development Corporation), giving him a strong background in sustainability and responsible investing. He is also Chairman of 3i Infrastructure plc and a non-executive director of JPMorgan Emerging Markets Investment Trust plc and Tritax Big Box REIT plc.

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Notes to Editors:

Investment managers:

Peter Michaelis, Simon Clements and Chris Foster are part of the Liontrust Sustainable Investment team that has a total of more than 200 years of combined investment experience.

Peter Michaelis is Head of the Sustainable Investment team at Liontrust. Peter joined the company in April 2017 as part of Liontrust's acquisition of Alliance Trust Investments (ATI), where he was Head of Investment. In 2001, he joined Aviva Investors, where he was promoted to Head of Sustainable and Responsible Investment in 2005.

Simon Clements also joined Liontrust in 2017 having spent five years at ATI. Prior to this, Simon spent 12 years at Aviva Investors (previously Morley Fund Management) where, most recently, he was Head of Global Equities. In his early career, Simon worked as a Portfolio Accountant and Risk and Performance Analyst before joining Aviva Investors in 2000 to help develop its global equity and sustainable investment propositions.

Chris Foster also moved to Liontrust in 2017, after joining ATI through the management training programme. During his two-year graduate scheme, Chris completed rotations in Alliance Trust Savings, Fund Sales, and Equity Investments.

Liontrust has won numerous accolades and awards for the performance of its Sustainable Investment team including: Investment Week Fund Manager of the Year Awards in 2020 for the Liontrust SF Cautious Managed and Liontrust SF Managed funds; Best ESG Fund (Liontrust SF Global Growth Fund) at the Portfolio Adviser Fund Awards 2020; Best Active Ethical/Sustainable Fund (Liontrust SF Global Growth Fund) at the AJ Bell Fund and Investment Trust Awards 2019; and Mixed Asset Fund of the Year (Liontrust SF Managed Growth Fund) at the FT Adviser 100 Club Awards 2020.

Liontrust

Liontrust is a specialist asset manager established in 1995, listed on the London Stock Exchange in 1999 and is a member of the FTSE 250. Headquartered on the Strand in London with additional offices in Edinburgh and Luxembourg, Liontrust has £30.9 billion in AuMA as at 31 March 2021, of which £10.2 billion is managed by the Sustainable Investment team.

Liontrust's purpose is to have a positive impact on its clients, stakeholders and society. Liontrust aims to do this by providing the environment which enables the fund managers and staff to flourish, helping its clients achieve their financial goals, supporting companies in generating sustainable growth and empowering and inspiring the wider community.

Disclaimer

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This announcement does not constitute a financial promotion and has not been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000.

ⁱ Past performance is not a guide to future performance, investments can result in total loss of capital.