



Since 1857

**Gresham House**

*Specialist asset management*

# Specialists in sustainable alternatives

**Gresham House plc**

Interim results presentation

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30 June 2021

*For professional investors only*

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# PRESENTATION TEAM



**Tony Dalwood**  
Chief Executive Officer

- Leads the Group and is Chairman of the Investment Committee, overseeing balance sheet capital allocation
- Background in fund management (public and private equity) and building asset management businesses
- Formerly CEO at Schroder Ventures in London (SVG), PDFM (UBS Global Asset Management)



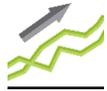
**Kevin Acton**  
Chief Financial Officer

- Oversees the Group finance function for Gresham House plc, including divisional entities
- Chartered accountant with background in finance and operations within private equity and debt opportunity funds
- Formerly at Oaktree Capital, 3i Group, Deloitte

# SPECIALISTS IN ALTERNATIVES

Gresham House is a specialist alternative asset management group, quoted on the London Stock Exchange (GHE.LN / market cap c.£300m<sup>1</sup>), providing funds, direct investments and tailored investment solutions, including co-investment.

## Strategic Equity



Public Equity

£0.9bn



Private Equity

£0.5bn

## Real Assets



Forestry

£1.9bn



New Energy & Sustainable Infrastructure

£1.0bn



Housing

£0.4bn

£1.4bn

£3.3bn

£4.7bn AUM as at 30 June 2021 | £5.4bn AUM pro forma post-acquisition

## Our purpose

*To deliver effective alternative investment solutions to ensure clients achieve their financial objectives whilst making a meaningful contribution to advancing the world's transition to a more sustainable way of life.*



## Gresham House vs. industry average

PRI scores in 2020

Strategy & Governance



Peers

Gresham House



Awarded the LSE Green Economy Mark

1. Market Cap as at 27 August 2021

# CONTENTS

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2021 INTERIM RESULTS

**6**

GRESHAM HOUSE TODAY

**13**

STRATEGIC PRIORITIES

**17**

2021 PRIORITIES & CONCLUSION

**23**

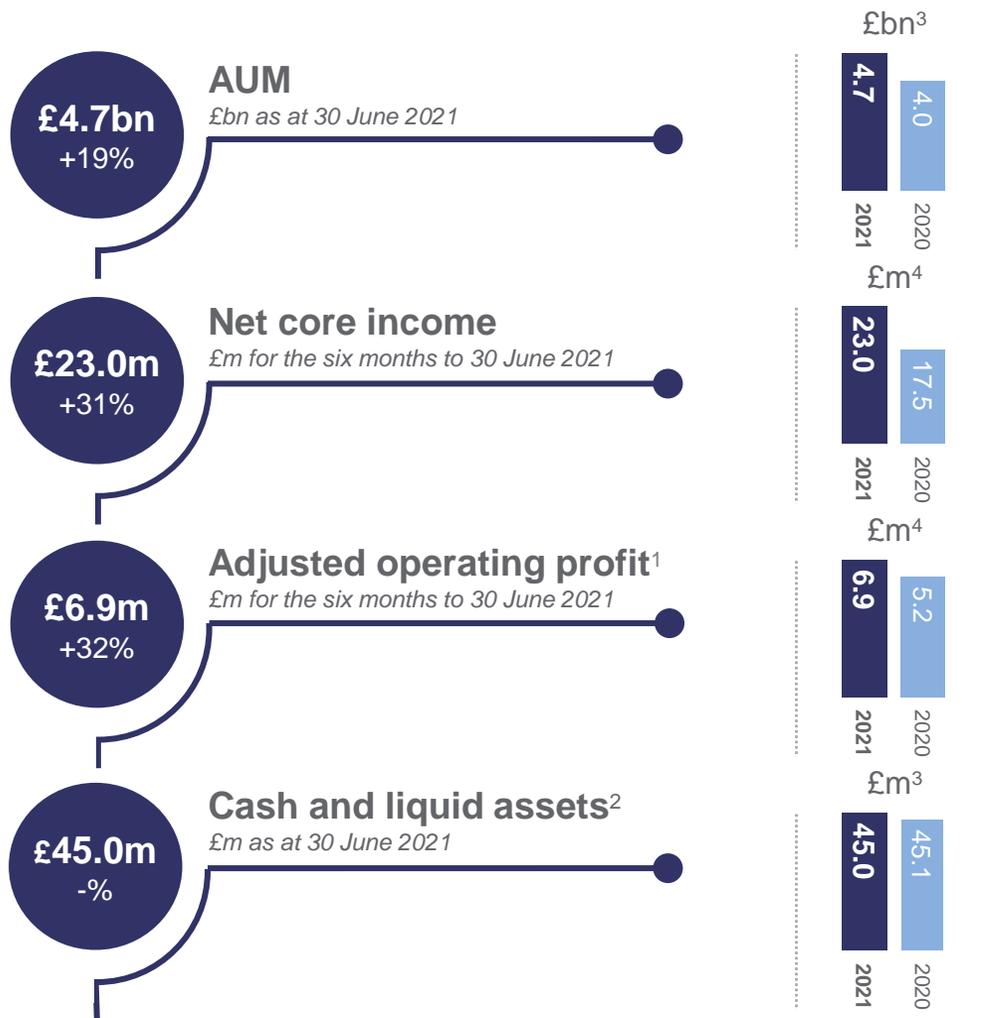
APPENDIX

**26**



# **2021 INTERIM RESULTS**

# 2021 INTERIM RESULTS



- AUM up 19% in H1 to £4.7bn
- Organic AUM growth of £0.5bn an increase of 12%
- Net core income increased by 31% to £23.0m
- Investing in the business to capture growth opportunities
- Adjusted operating profit of £6.9m up 32% on H1 2020
- Adjusted operating margin maintained at 30% (H1 2020 30%)
- Used balance sheet to invest in key growth areas such as battery storage development and biodiverse habitats with the aim of increasing fee earning AUM
- On course to exceed management expectations for the full year 2021 and beyond

1. Adjusted operating profit is defined as the net trading profit of the Group after charging interest but before depreciation, amortisation, share-based payments relating to acquisitions, profits and losses on disposal of tangible fixed assets, net performance fees, net development gains and exceptional items

2. Cash and liquid assets includes cash and investments in tangible and realisable assets

3. At as 30 June 2021 and 31 December 2020

4. For the six month period to 30 June 2021

**Past performance is not a reliable indicator of future performance.**

# 2021 AUM UPDATE

as at 30 June 2021

£ millions		AUM Dec-20	Net Fund Flows <sup>1</sup>	Performance	Funds Acquired/Won	AUM Jun-21	Total Growth
Strategic Equity	Public Equity	508	53	149	255	965	90.0%
	Private Equity	412	11	54	-	477	15.8%
	<b>Subtotal</b>	<b>920</b>	<b>64</b>	<b>203</b>	<b>255</b>	<b>1,442</b>	<b>56.7%</b>
Real Assets	Forestry	1,811	25	149	-	1,985	9.6%
	New Energy & Sustainable Infrastructure	932	-	(4)	-	928	(0.4)%
	Housing	307	16	-	44	367	19.5%
	<b>Subtotal</b>	<b>3,050</b>	<b>41</b>	<b>145</b>	<b>44</b>	<b>3,284</b>	<b>7.7%</b>
<b>Total AUM</b>		<b>3,970</b>	<b>105</b>	<b>348</b>	<b>299</b>	<b>4,722</b>	<b>19%</b>

- AUM growth of 19% in the first half of 2021 (£752m)
- Organic growth of 12% in H1 2021 (£453m)
- Strong performance in Strategic Equity and Forestry in the half of £348m
- Completed the acquisition of the Irish business, Appian Asset Management adding £299m

**Past performance is not a reliable indicator of future performance. Capital at risk.**

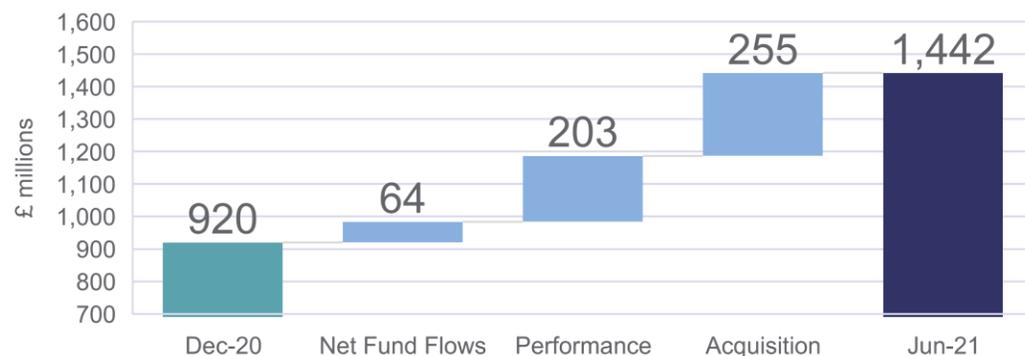
Figures from 1 January 2021 to 30 June 2021.

1. Including funds raised, redemptions and distributions.

# INTERIM 2021 AUM UPDATE

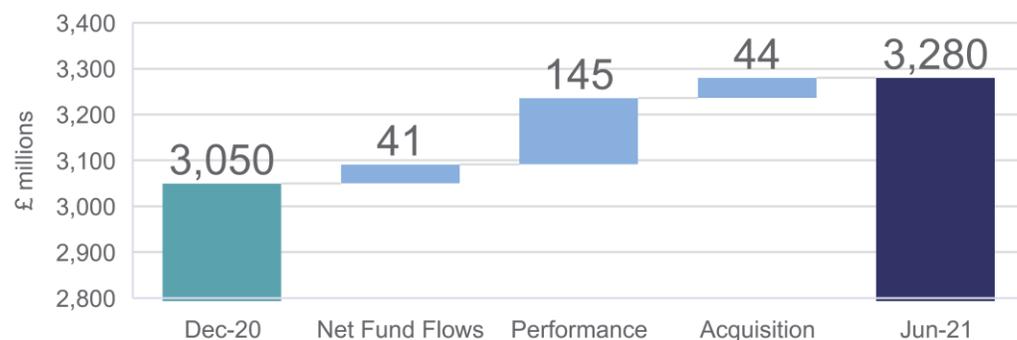
AUM progression for the half year to 30 June 2021

## Strategic Equity



- AUM growth of £522m (+57%)
- Robust net fund inflows of £64m from open ended funds and Baronsmead VCTs
- Portfolio value increased by £203m as market recovers
- Appian acquisition adds £255m to AUM for Strategic Equity funds

## Real Assets



- AUM growth of £230m (+8%)
- Fundraising of £41m, including Forestry and Housing
- Revaluation of forests added a further £149m, less a £4m downward revision in one new energy fund
- Acquisition of Appian added £49m to the Housing funds

Figures from 31 December 2020 to 30 June 2021

**Past performance is not a reliable indicator of future performance.**

# INCOME STATEMENT

*Resilience growth in a challenging environment*

- Net core income +31%
- Long-term revenue streams - weighted average length of management contract of 14 years on £1.4bn of AUM
- Adjusted operating profit up 32%
- Investment in the business to continue to drive growth with adjusted operating margins at 30%
- Net operating profit after tax of £5.2m includes:
  - Gains on investments of £3.3m in the first half of 2021

Income Statement <i>for the 6 months to 30 June</i>	2021 £m	2020 £m
Net core income	23.0	17.5
Administrative overheads <small>(excl. Amortisation, Depreciation and Exceptional items)</small>	(16.0)	(12.3)
Finance costs	(0.1)	-
<b>Adjusted operating profit</b>	<b>6.9</b>	5.2
Performance fees net of costs	1.9	-
Variable compensation attributable to performance fees	(1.5)	-
Realised gains of development projects	0.8	-
Variable compensation attributable to realised gains on development projects	(0.5)	-
Development project costs	(0.2)	-
<b>Adjusted operating profit, performance fees and realised gains net of costs</b>	<b>7.4</b>	<b>5.2</b>
Amortisation, depreciation and profit on disposal of fixed assets	(4.2)	(4.5)
Share based payments related to acquisitions	(0.3)	(0.3)
Exceptional items	(0.1)	(1.1)
Gains/(losses) on investments <small>(incl. associates and other fair value movements)</small>	3.3	(0.9)
Tax	(0.9)	(0.6)
<b>Net operating profit/ (loss) after tax</b>	<b>5.2</b>	2.2
Adjusted operating margin	<b>30%</b>	30%

# BALANCE SHEET

*A strong balance sheet*

- Tangible / realisable assets comprise cash and investments totalling £45.0m (2020: £45.1m)
- Cash of £10.1m (2020: £21.9m)
- Opportunities for balance sheet use in the next 12-24 months
  - Product development – renewables and battery storage projects
  - Cornerstone new fund products

Balance Sheet as at	Jun 2021 £m	Dec 2020 £m
<b>Assets</b>		
Investments <sup>1</sup>	34.9	23.2
Cash	10.1	21.9
<b>Tangible / realisable assets</b>	<b>45.0</b>	45.1
Intangible assets	63.1	60.0
Other assets	28.6	18.1
<b>Total assets</b>	<b>136.7</b>	123.2
<b>Liabilities</b>		
Borrowing	5.0	-
Contingent consideration	9.8	6.9
Other creditors	20.5	19.8
<b>Total liabilities</b>	<b>35.3</b>	26.7
<b>Net assets</b>	<b>101.4</b>	96.5

1. The above presentation of the Group's balance sheet highlights the Group's direct exposure to those vehicles and entities that it has invested in. We have therefore adjusted the IFRS statement of financial position for the following items which are required to be consolidated under IFRS 10 to present the Group on an investment basis: DevCo Projects – included the "Assets of a disposal group held for sale" (£15.7m) and "Liabilities of a disposal group classified as held for sale" (£6.4m); included "investment in associates" (£11.0m); included "investments in development projects (£2.0m); Gresham House Forestry Friends and Family Fund LP - reduced the value by the non-controlling interest amount (£0.8m) to show the Group's underlying exposure to this fund.

# INVESTMENTS ALIGNED WITH CLIENTS

Strategic investment to align with clients and grow the business

- GHS: 21% ROIC
- GRID: 15% ROIC
- DevCo Projects are battery storage projects to deliver to GRID when operational (34-100% ROIC)
- Gresham House Forestry Fund - cornerstone investment (33% ROIC)
- LF Gresham House Smaller Companies Fund - cornerstone investment (17% ROIC)
- ReSI plc - acquired as part of TradeRisks acquisition\*
- BSIF LP - £1.0 million commitment\*
- SEC plc - Won mandate in 2020\*

\* ROIC figures over the medium term not applicable as investment made in the year

Investment Portfolio	2021 £m	2020 £m
<b>Investment in associates</b>		
Gresham House Strategic plc (GHS)	11.0	8.4
Noriker Power Limited (equity)	-	0.7
	<b>9.1</b>	<b>9.1</b>
<b>Investment in securities</b>		
Gresham House Energy Storage Fund plc (GRID)	2.0	2.9
DevCo Projects (battery storage)	11.2	5.8
Gresham House Forestry Fund LP	2.1	2.1
Gresham House Strategic Public Equity LP	1.2	1.1
LF Gresham House Smaller Companies Fund	0.7	0.7
ReSI plc	1.0	0.9
BSIF LP	0.5	0.3
SEC plc	3.3	0.2
ReSI LP	0.2	-
Environment Bank Ltd	1.2	-
Noriker Power	0.2	-
Other	0.2	0.1
	<b>23.8</b>	<b>14.2</b>
<b>Total investments (excl. non-controlling interests)</b>	<b>34.9</b>	<b>23.3</b>

A blurred photograph of a modern office interior. The scene is brightly lit, likely from large windows on the right side. Several people are visible in motion, walking through the space. The background shows office furniture and structural elements, all rendered out of focus to create a sense of activity and movement. A vertical blue line is positioned on the left side of the frame, partially overlapping the text.

# **GRESHAM HOUSE TODAY**

# SUPPORTED BY STRONG MARKET TRENDS

ESG considerations	2019	2020	Change
Investors considering ESG	55%	<b>89%</b>	▲
Investors complying with regulation	56%	<b>84%</b>	▲
Plans integrating ESG into investment policy	68%	<b>88%</b>	▲
Plans developing a set of ESG beliefs	19%	<b>55%</b>	▲

Source: Mercer 2020

- Interest in and active involvement with Sustainable Investment set to increase further
- Gresham House well positioned at both product and group levels
- ESG funds have shown resilience in face of global crisis
- Record global inflows recorded between April 2020 and June 2020<sup>1</sup>

1. Financial Times, Morningstar research, August 2020

# CREATING SHAREHOLDER VALUE

*Continuing to develop through acquisition and organic growth*

Successful delivery of our business model creates long-term sustainable management fees and carried interest, creating value for clients and shareholders.

## Partnership with clients

Deep understanding of our clients' needs to provide tailored long-term investment solutions.

## Long-term alignment

Internal management investment and Group balance sheet co-investment alongside clients.

## Sustainable investment outperformance

Experienced team with a strong investment track record across alternative asset classes.

## Attracting and retaining top talent

Culture of empowerment encouraging individual flair and entrepreneurial thinking.

### Focused on

- Profit growth
- Multiple expansion
- Cash generation and balance sheet



# STRONG ACQUISITION TRACK RECORD

Management team have a strong track record of delivering acquisitions, generating growth and capturing synergies.

- Rigorous Investment Committee process for all acquisitions
- Must be in line with GH25 strategy
- Must achieve ROIC of 15% or greater in the medium term
- Delivers enhanced AUM growth as part of the Gresham House platform
- Earnings accretive

Acquisition	Date of acquisition	AUM at acquisition	AUM June 2021	AUM growth	ROIC <sup>1</sup>
Aitchesse Limited (Forestry)	Nov 2015	£192m	£585m	£393m	21%
Hazel Capital LLP (New Energy)	Oct 2017	£169m	£607m	£438m	20%
FIM Services Limited (Forestry)	May 2018	£893m	£1,666m	£773m	23%
Livingbridge VC LLP (Strategic Equity)	Nov 2018	£476m	£860m	£384m	17%

1. Return on Invested Capital from acquisition date to 30 June 2021

A blurred, high-angle view of a modern office interior. The space is bright and airy, with large windows in the background. Several people are seen walking through the office, their figures softened by motion blur. The overall atmosphere is professional and dynamic.

# **STRATEGIC PRIORITIES**

# GRESHAM HOUSE 5 YEAR PLAN - GH25

## Financial targets

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- Double shareholder value
- AUM £6bn+
- EBITDA margins 40%+
- ROCE 15%+

## Strategic targets

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- Leaders in ESG and sustainable investing
- Majority investment products outperforming
- Significant market share in specialist products
- Build on international presence
- Client diversification and depth
- Enhance brand value

# GROWTH AND 2021 PRIORITIES



- ✓ Fundraising for Gresham House UK Forestry Growth and Sustainability Fund LP and acquisition of forests for clients - **raised £127m**
- Launch New Zealand Carbon Credit opportunity in 2021 - **Ongoing**



- ✓ Continue to grow GRID in 2021 to fund acquisition of further utility-scale battery storage projects - **£100m raised**
- ✓ Develop utility-scale battery storage projects as part of the exclusive pipeline with GRID to enable GRID's continued growth and recognition of development gains by the Group – **Invested £3m H1 2021**
- ✓ Launch Gresham House British Sustainable Infrastructure Fund II LP (BSIF II), the follow-on infrastructure LP fund to BSIF by the end of 2021 - **£100m raised**



- ✓ Launch Gresham House ReSI LP fund, the shared ownership housing fund targeting institutional investors - **£120m committed**



- ✓ Expand fundraising LF Gresham House LF UK Micro Cap and LF Gresham House UK Multi Cap Income funds alongside growing LF Gresham House UK Smaller Companies fund – **net inflows of £106m<sup>1</sup>**



- ✓ Fundraising for Baronsmead VCTs alongside successful deployment of capital - **£32m raised in 2021, totalling £65m for total fund raise**

1. For the period from 1 January 2021 to 3 September 2021



# STRATEGIC HIGHLIGHTS

- Achieving international expansion through the completion of the acquisition of Appian Asset Management in Ireland and the expected completion of a further international forestry mandate in Australia, subject to regulatory approval
- Recognised for leadership in sustainable investment through fund performance and award wins
- Increased client diversification and AUM through additional organic fundraises post period end of over £350 million
- Mobeus VCT acquisition brings additional £369m AUM
- New Audit Committee Chair Designate appointed - Sarah Ing



# SUSTAINABLE INVESTMENT HIGHLIGHTS

- Gresham House Asset Management Limited has met the FRC's expected standard of reporting in 2021 and been listed as a signatory to the 2020 UK Stewardship Code
- Sustainability Committee established by the Board which will be chaired by Gareth Davis
- Commenced a large project this year to better understand our climate impact as a business and as investors, ahead of planned reporting against the TCFD recommendations in 2022

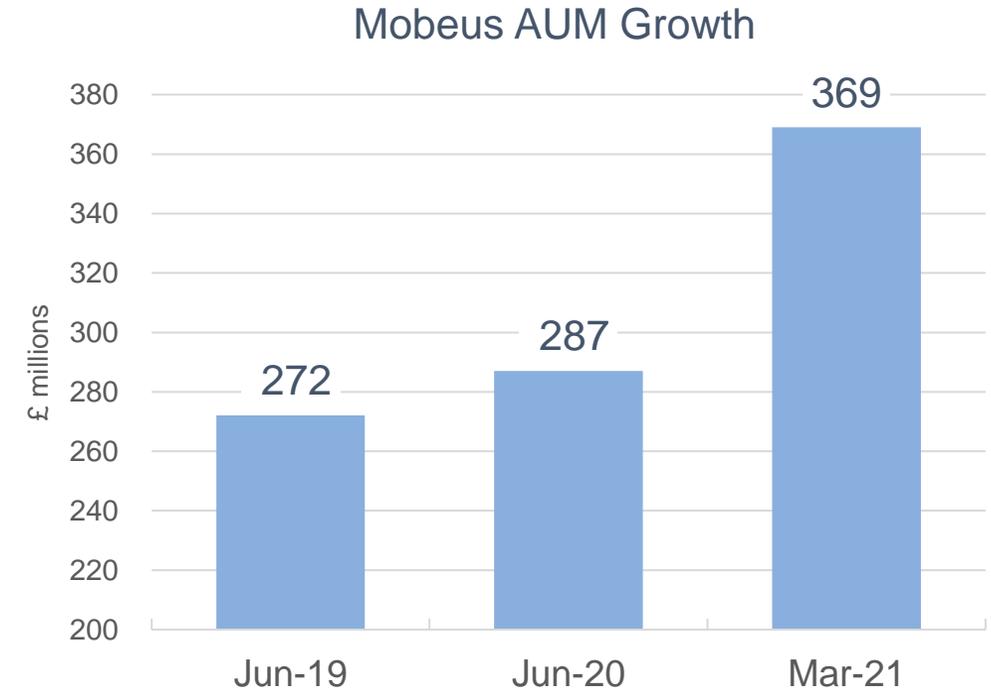


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# **ACQUISITION - MOBEUS VCT BUSINESS**

# MOBEUS VCT BUSINESS

- Mobeus' VCT business manage four VCTs with **AUM of £369m** as at 31 March 2021
- **Strong brand name**
- **Team** consists of 14 investment professionals, including 2 partners and five finance and middle office staff
- VCTs are in the **top five performers over 3, 5 and 10-year investment periods** compared to other generalist VCTs<sup>1</sup>
- Generated **EBITDA of £4.5m** for the year to 30 June 2021
- **EBITDA margin of c.50%** for the year to 30 June 2021
- Average gross management fee margin of 2.2%



## Mobeus Income & Growth VCT plc

Launch year: 2004  
NAV Mar-21: £101m

## Mobeus Income & Growth 2 VCT plc

Launch year: 2000  
NAV Mar-21: £74m

## Mobeus Income & Growth 4 VCT plc

Launch year: 1999  
NAV Mar-21: £82m

## The Income & Growth VCT plc

Launch year: 2000  
NAV Mar-21: £112m

# IMPACT OF ACQUISITION ON GRESHAM HOUSE

## GH25 targets - financial impact

### AUM growth £6bn+

- ✓ Adds £369m to AUM to 30 June 2021, plus funds raised since 30 June 2021 of £0.35bn increases pro forma AUM to £5.4bn

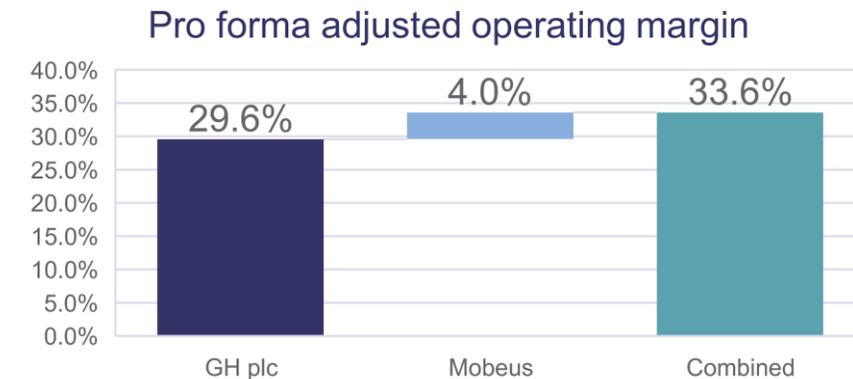
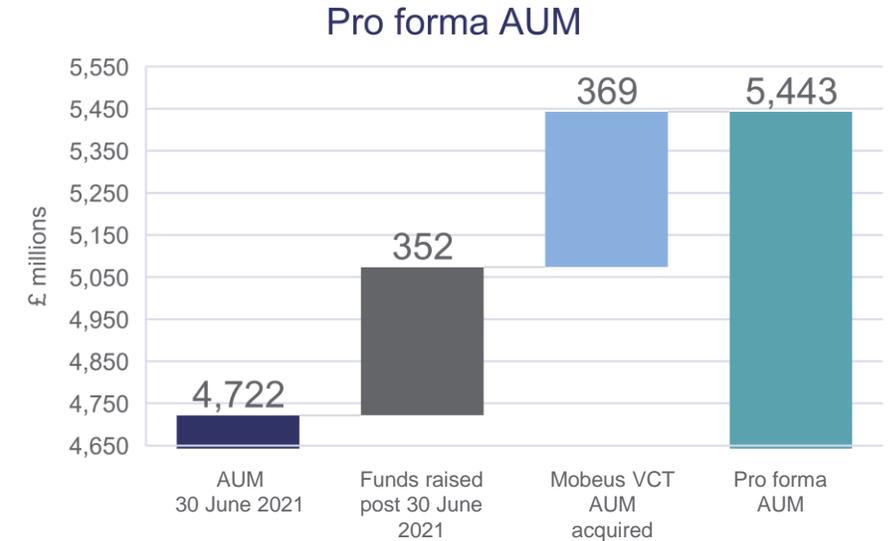
### Operating profit and margin of 40%+

- ✓ Operating profit increases by £4.5m<sup>1</sup> (annualised)
- ✓ Group operating margin improvement of c.4.0%<sup>1</sup> (annualised)

### Return on invested capital of 15%+

- ✓ Expected to achieve medium term target ROIC of +15%

**Materially earnings enhancing on day one**



1. Based on the EBITDA for Mobeus VCT business for the year to 30 June 2021 on an annualised basis

# CONCLUSION

- Strong period of AUM growth in H1 2021 - AUM increased by 19% to £4.7bn
- International expansion delivered through completion of Appian Asset Management acquisition
- Sustainable Investment solutions continue to make a positive social impact
- Targeted fundraising planned across all divisions for 2021 on track with c.£350m raised post-period end
- Announced acquisition of Mobeus' VCT business enhances our specialist VCT business
- Proforma AUM post 30 June 2021 of £5.4bn

A blurred photograph of a modern office interior. The scene is brightly lit, likely from large windows in the background. Several people are visible, appearing as soft, out-of-focus shapes as they move through the space. The floor is light-colored, and the overall atmosphere is one of a busy, professional environment.

# APPENDIX

# OUR PURPOSE

Deliver effective and alternative investment solutions to ensure clients achieve their financial objectives whilst making a meaningful contribution to advancing the world's transition to a more sustainable way of life.

Our commitment to integrating sustainable investment practices across our strategies makes an active contribution to the sustainability agenda at a global, local and asset level.

As people, we are driven, ambitious and reflective. We take decisions based on robust analysis and in-depth research, while always ensuring we look back on our results with a critical eye.

We believe our culture of empowerment, individual flair and entrepreneurial thinking enables us to design and implement innovative investment solutions capable of building a sustainable future for all our stakeholders.

Gresham House manages investments and co-investments through its FCA-regulated investment management platform (Gresham House Asset Management) on behalf of institutions, family offices, charities and endowments and private individuals.



# MANAGEMENT COMMITTEE



**Tony Dalwood**  
Chief Executive

Tony is an experienced public and private equity investor and adviser. He established SVG Investment Managers (part of SVG Capital plc), acting as CEO and chairman, and launched Strategic Equity Capital plc. Previous roles include CEO of SVG Advisers (formerly Schroders Ventures (London) Limited), membership of the UBS Phillips & Drew Fund Management UK Investment Committee and the Schroders Private Equity Funds Board. He is Investment Panel Chairman and on the Board of the London Pensions Fund Authority, and a director of JPEL plc and Branton Capital Limited.



**Rupert Robinson**  
Managing Director

Rupert has over 30 years' experience in Private Wealth and Asset Management. As former CEO and CIO of Schroders Private Bank, he was instrumental in driving organic growth in AUM which doubled between 2008 and 2012 from £4.5bn to more than £9bn. Prior to Schroders, Rupert was Head of UK Wealth Management at Rothschild Asset Management. Rupert is Chairman of Gresham House Forestry.



**Samee Khan**  
Chief Legal Officer

Samee is responsible for all Group legal matters. He has over 21 years' legal, commercial and financial experience, covering private and public equity, M&A and corporate finance. Samee joined from the Abu Dhabi Investment Authority (ADIA), where he built and led the Private Equities legal and compliance function. Prior to ADIA, Samee worked at SVG Capital plc, where he was involved in the structuring and development of private equity solutions, negotiations relating to private and public equity investments, and corporate finance. He was also a member of the SVG fund management risk committee. Samee holds a first-class degree in Law and qualified as a solicitor with Slaughter and May in London.



**Kevin Acton**  
Chief Financial Officer

Kevin has over 19 years' finance and operational experience in private equity and asset management. Kevin joined Gresham House from Oaktree Capital Management where he was a senior vice president responsible for finance and operations in the European principal team covering private equity and debt opportunity funds. Prior to joining Oaktree, Kevin was director, group reporting and valuations for 3i Group plc. Kevin qualified as a chartered accountant with Deloitte and is a fellow of the Institute of Chartered Accountants of England and Wales.



**Andrew Hampshire**  
Chief Operating Officer & Chief Technology Officer

Andrew joined in 2017 and is responsible for operational and technology initiatives across the Group. He has a strong technology, operations and business background, having worked for LDC and the wholesale division of Lloyds Banking Group where he led numerous operational improvement and technology programmes. Throughout his career Andy has advised companies on identifying value creation opportunities to support growth that can be driven through operational improvement and technology as well as supporting on complex post-merger integrations. Andy holds an MBA from the University of Warwick.

# NON-EXECUTIVE BOARD



**Anthony Townsend**

Non-Executive Director (Chairman)

Anthony has spent over 40 years in the City and was chairman of the Association of Investment Companies (2001-2003). He is Chairman of BMO Global Smaller Companies plc and Finsbury Growth & Income Trust plc. He was a director of Brit Insurance Holdings plc (1999-2008), representing it on the Council of Lloyd's of London (2006-2008). Prior to this, he was managing director of Finsbury Asset Management Ltd (1988-1998). He was a non-executive director of Worldwide Healthcare Trust plc (1995-2013) and retired as a chairman of British & American Investment Trust plc on 31 Dec 2017. Anthony is on the Remuneration Committee and the Audit Committee and is a member of the board for Baronsmead Second Venture Trust plc.



**Simon Stilwell**

Non-Executive Director

Simon joined the Company as non-executive director on 18 December 2017. Simon has over 20 years' experience in the City and was, until 2015, Chief Executive of Liberum, the investment bank that he co-founded in 2007. Prior to Liberum, Simon was Head of Sales for Small Companies at Collins Stewart plc and was also a Director at Beeson Gregory Limited. Simon is also the Chairman of the Remuneration Committee and a member of the Audit committee, and CEO of Bonhill Group Plc, an AIM-listed digital media and events business.



**Gareth Davis**

Non-Executive Director

Gareth joined as non-executive director in October 2019, having previously served on our Advisory Group. Gareth's executive career was spent at Imperial Tobacco (now Imperial Brands), serving for 38 years. He became CEO in early 1996, leading the de-merger from Hanson plc later that year. During his tenure, Imperial grew to be one of the world's largest global consumer products businesses, posting huge shareholder returns. On retirement in mid-2010, the HBR cited him as one of the world's top 50 CEOs in terms of value creation. He became Chairman of William Hill plc in Sept 2010, Wolseley (now Ferguson plc) in Jan 2011 and DS Smith in Feb 2012.



**Richard Chadwick**

Non-Executive Director

Richard is a chartered accountant who was appointed to the Board of the Company on 17 June 2008 as a non-executive director. Richard spent 27 years within the J Sainsbury plc group of companies where he gained considerable experience of property development and financing, having been director of corporate finance and business development, and a non-executive director of the group's property development company. Richard is Chairman of the Audit Committee and a member of the Remuneration Committee.



**Rachel Beagles**

Non-Executive Director

Rachel joined the Company as a Non-Executive Director in March 2018 and is a member of the Audit, Remuneration and Nomination Committees. Rachel is currently a Non-Executive Director of Witan Investment Trust plc, Chair of NewlonBuild Limited, which is the private sale development subsidiary of Newlon Housing Trust, and has recently retired as Chair of the Association of Investment Companies. She spent her executive career in equity research and sales and she was Co-Head of the pan-European banks equity research and sales team and a Managing Director at Deutsche Bank's corporate and investment banking division. Since then she has worked as a Non-Executive Director on the Boards of a number of companies in the housing, asset management and investment company sectors.



**Sarah Ing**

Non-Executive Director (after 2022 AGM)

Sarah is a qualified chartered accountant and brings to the Board over 30 years' experience in financial services including audit, corporate finance, investment banking and asset management. During her executive career, she was a top-rated equity research analyst covering the UK general financial services sector and also founded and ran a hedge fund investment management business. Sarah is Non-Executive Director at CMC Markets plc, the FTSE Small Cap UK-based global provider of online retail trading, where she chairs the Group Remuneration Committee. Sarah is also a Non-Executive Director of Marex Group and is a member of the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee of XPS Pensions Group Plc. Sarah will become Richard's alternate with effect from 15 September 2021 and will operate as the Audit Committee Chair Designate up until the point that Richard retires from the Board at the conclusion of the 2022 AGM.

# SUSTAINABLE INVESTING COMMITTEE



**Rebecca Craddock-Taylor**  
Director, Sustainable Investment &  
Chair of the SIC



**Bozkurt Aydinoglu**  
Investment Director,  
New Energy



**Peter Bachmann**  
Managing Director,  
Sustainable Infrastructure



**Heather Fleming**  
Managing Director,  
Institutional Business



**Matthew Giles**  
Investment Director,  
Forestry



**Peter Bolton**  
Investment Director,  
Renewable Energy



**Andrew Hampshire**  
COO and CTO



**Lizzie Darbourne**  
Group Marketing Director



**Stevie Ingamells**  
Associate Director,  
Sustainable Infrastructure



**Adam Khanbhai**  
Investment Director,  
Strategic Equity



**Thomas Makey**  
Investment Director,  
Gresham House Ventures



**Vitoria Mann**  
Risk & Compliance Manager



**Emily Saunders**  
SIC Secretary



**Alexandra Seeboruth**  
Compliance Analyst



**Joe Thomas**  
Investment Director,  
Housing

# INVESTMENT CAPABILITIES

Capability	Structure	Target IRR / Total Return	Target income	Distribution cycle	Inflation linkage	Contractual cash flows	Investment term
Real Assets							
Infrastructure (BSIF)	LP	8-10% Total Return	5.0-6.0%	Quarterly <sup>2</sup>	✓	-	12 years
Housing (ReSI plc)	Listed	> 8% Total Return	5.0%	Quarterly	✓	-	-
Forestry	LP	7.0% IRR	2.1% <sup>1</sup>	Annually	✓	-	10 years
Battery Storage	Listed	8% unlevered, 15% levered Total Return	7.0% <sup>3</sup>	Quarterly	-	-	-
Wind	LP	7.5% IRR	10.0%	Bi-annually	✓	✓	10 years
Solar	LP	6.0% IRR	7.0%	Bi-annually	✓	✓	10 years
Strategic Equity							
Strategic Public Equity	Listed/LP	15% IRR	-	-	-	-	-
UK Micro Cap Fund	NURS	-	-	-	-	-	-
UK Multi Cap Income Fund	UCITS	-	-	Quarterly	-	-	-
UK Smaller Companies Fund	UCITS	-	-	-	-	-	-
Private Assets	Listed	12-15% IRR	-	-	-	-	-

1. The manager has the ability to amend distributions subject to the approval of the fund's advisory committee. This has been done once to date, in 2009, when timber prices crashed for a year as a result of very few new houses being built in the aftermath of the financial crisis

2. The income will be distributed quarterly on receipt, once the balance of cleared funds on the relevant partner's income account exceeds £250,000 or such a lower amount as the General Partner may determine from time to time

3. Is the target dividend from year two onwards (4.5p+ in the first year)

Note: The IRRs for investments in solar and wind are lower than the income returns due to the depreciating nature of these real assets

# RECOGNITION

## Winners

- ✓ Investment Week Fund Manager of the Year Award - Equities: UK Equity Income 2021
- ✓ Pensions Age Awards - Alternatives Manager of the Year 2021
- ✓ Citywire UK Awards - Equity: UK Equity Income 2021
- ✓ MSCI European Property Investment Awards - Best performing balanced portfolio in the Irish market 2021
- ✓ Pensions for Purpose Strategy Thought Leadership Award - Strategy Thought Leadership Award - for piece on "Role of timber in economic decarbonisation and urbanisation" 2020
- ✓ Investment Week - Specialist Investment Awards - Boutique of the Year (£1bn-£5bn AUM) 2020
- ✓ Funds Europe Awards - European Alternative - Investment Manager of the Year 2020
- ✓ Wealth Briefing European Awards - Alternative Investment Manager 2020
- ✓ Professional Pensions UK Pensions Awards - Alternative Investment Manager of the Year 2020
- ✓ Portfolio Adviser Fund Awards - Best Fund in the IA UK Smaller Companies sector 2020<sup>2</sup>

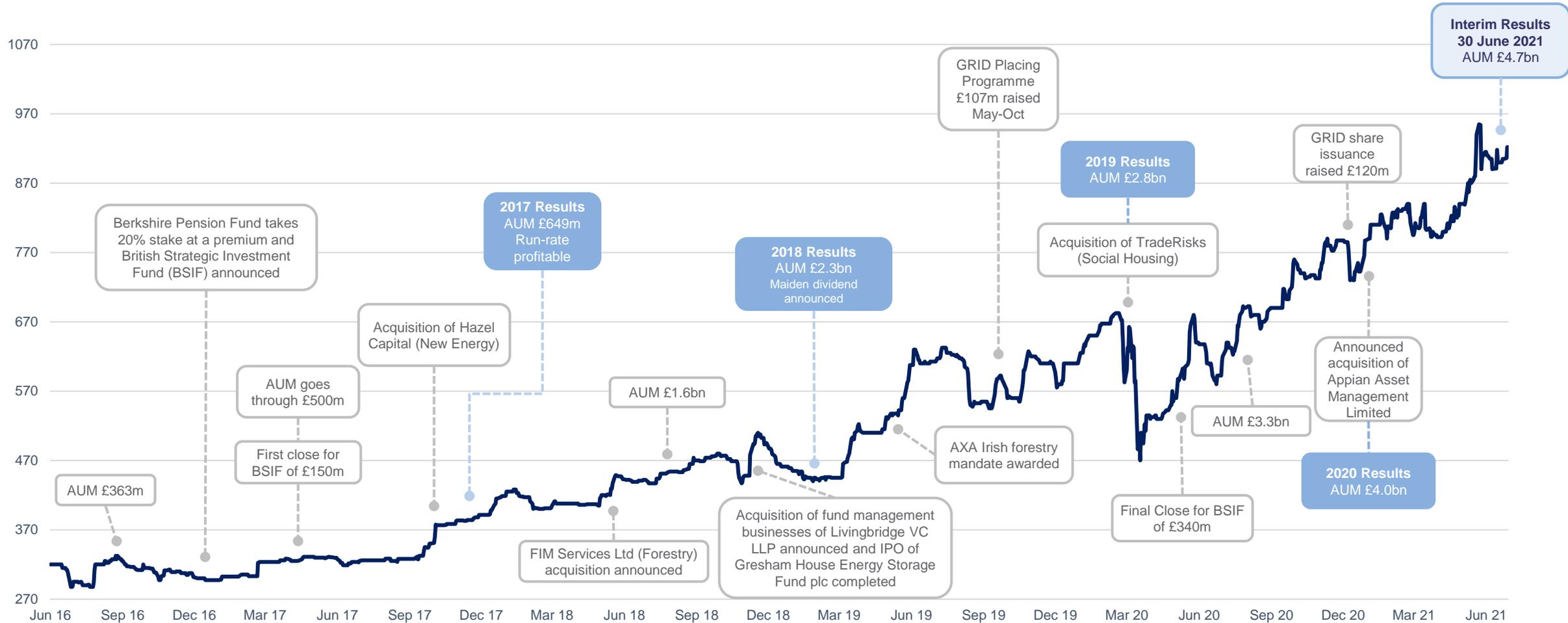


1. Yet to be announced
2. Awards for individual funds or investment/fund managers

## Finalists

- ✓ Money Age Asset Management Awards - Alternatives Investment Provider of the Year Awards - up to £100bn AUM 2021
- ✓ PLC Awards - Fund Manager of the Year 2021<sup>1</sup>
- ✓ Professional Pensions UK Pension Awards - Alternative Investment Manager 2021<sup>1</sup>
- ✓ Professional Pensions UK Pension Awards - ESG Manager of the Year 2021<sup>1</sup>
- ✓ Investment Week Investment Marketing & Innovation Awards - Thought Leadership (Institutional) 2021
- ✓ Investment Week Investment Marketing & Innovation Awards - Best Blog or Series 2021
- ✓ Sustainable & ESG Investment Awards - Best Sustainable & ESG Fund Management Group of the Year (AUM under £20bn) 2021<sup>1</sup>
- ✓ Sustainable & ESG Investment Awards - Thought-Leadership Award (Investment) 2021<sup>1</sup>
- ✓ European Pensions Awards - Thought-Leadership Award (Investment) 2021<sup>1</sup>
- ✓ European Pensions Awards - Alternatives Investment Manager of the Year 2021<sup>1</sup>
- ✓ Investment Week's 2021 Investment Company of the Year Awards – UK Smaller Companies 2021<sup>1</sup>
- ✓ Investment Week's 2021 Investment Company of the Year Awards – VCT Generalist 2021<sup>1</sup>
- ✓ AIM Awards 2021 - AIM Growth Business of the Year Award 201<sup>1</sup>
- ✓ Investment Company of the Year 2020 – Nominee - UK Smaller Companies<sup>2</sup>
- ✓ Investment Week Specialist Investment Awards - Best Specialist Small/Micro-cap Fund 2020<sup>2</sup>
- ✓ Investment Week Specialist Investment Awards - Best Specialist Real Assets Fund 2020<sup>2</sup>
- ✓ Investment Week Investment Marketing and Innovation Awards - Best Website 2020
- ✓ Portfolio Adviser Wealth Partnerships Awards - Investment Team of the Year 2020<sup>2</sup>
- ✓ European Pensions Awards - Alternatives Investment Manager of the Year 2020

# THE GROWTH STORY



As at 30 June 2021, Bloomberg, GHE LN Equity

**Past performance is not necessarily a guide to future performance.**

# ORGANIC GROWTH TIMELINE

Gresham House appointed investment manager of SPARK Ventures plc (rebranded Gresham House Strategic plc) - c.£40m AUM

Aug 2015



Gresham House British Strategic Investment Fund LP first close - £150m AUM

Jun 2017



£25m top-up fundraising for Baronsmead VCTs closed in under ten days

Jan 2019



c.£100m placement of new equity in GRID - £200m AUM

May-Oct 2019



Gresham House British Strategic Investment Fund LP close - £300m AUM

Jun 2020



Aug 2016

Gresham House Strategic Public Equity LP first close - c.£24m AUM, including co-investment commitment



Nov 2018

Launch and IPO of Gresham House Energy Storage Fund plc (GRID)



May 2019

Appointment by AXA Investment Managers - Real Assets to manage 4,074 Irish forestry portfolio



Mar 2020

Won investment management contract for Strategic Equity Capital plc (SEC)



Nov 2020

Gresham House Forest Fund I LP close - £108m AUM

# ACQUISITION GROWTH TIMELINE

Acquired Aitchesse Ltd. the UK's leading forestry asset manager c.£200m AUM.

Acquired Hazel Capital LLP, a leading new energy infrastructure business. Gresham House New Energy division formed.

Acquired the fund and investment management businesses of Livingbridge VC LLP. Including two Baronsmead VCTs and two OEICs with AUM of c.£0.5bn.

Acquired Appian Asset Management Limited, a Dublin-based active asset manager with AUM c.€330m AUM.

Nov 2015



Oct 2017



Nov 2018



Dec 2020



Aug 2016



May 2018



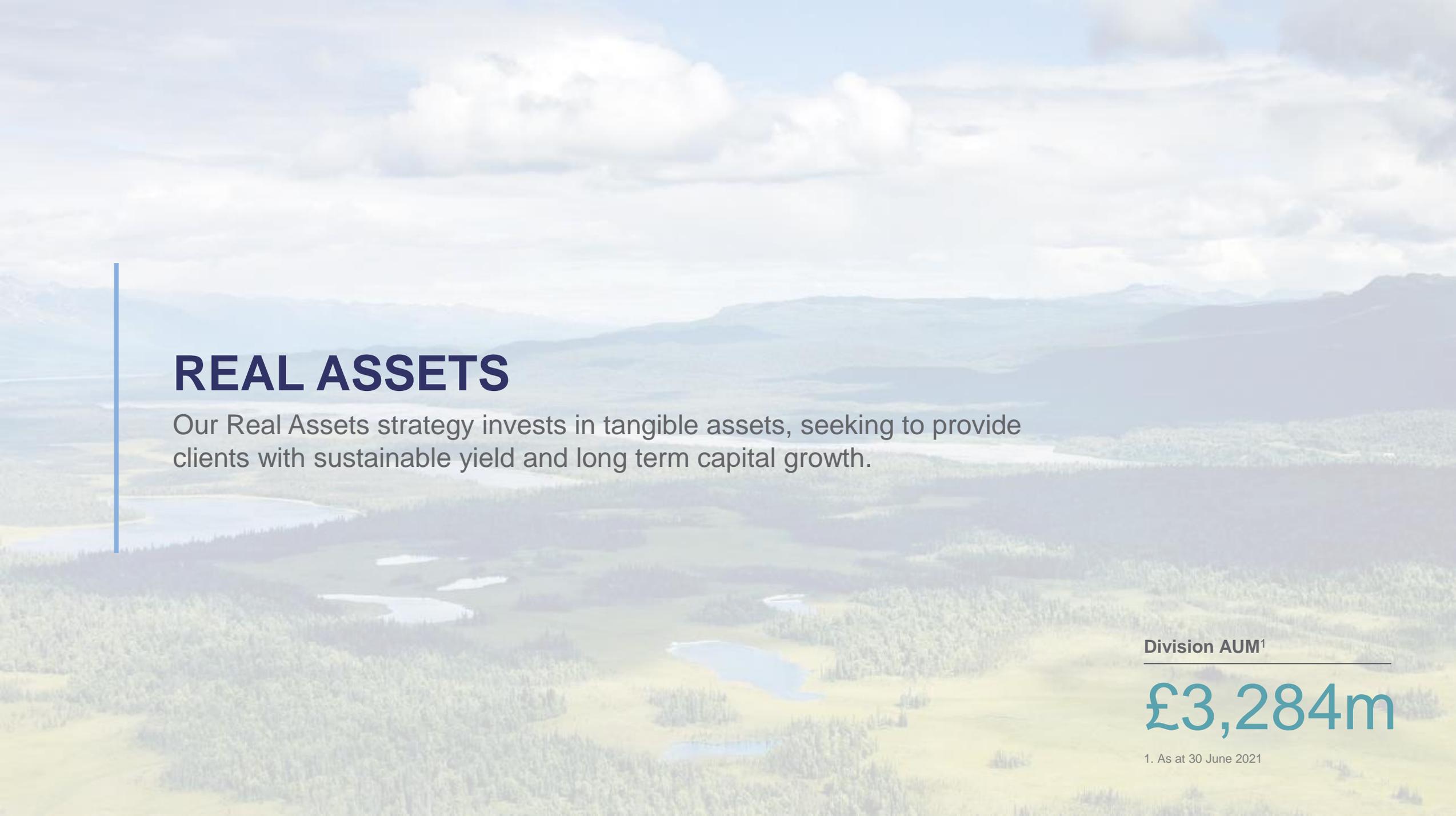
Mar 2020



Appointed investment manager to LMS Capital plc c.£90m AUM.

Acquired FIM Services Limited, a leading forestry and renewables business.

Acquired TradeRisks, investors in affordable shared ownership, retirement and Local Authority housing.



# REAL ASSETS

Our Real Assets strategy invests in tangible assets, seeking to provide clients with sustainable yield and long term capital growth.

Division AUM<sup>1</sup>

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£3,284m

1. As at 30 June 2021

# GRESHAM HOUSE REAL ASSETS TEAM

## Housing (team of 23)



**Alex Pilato**

Managing Director, Housing & Capital Markets

- 33 years' industry experience
- Previously TradeRisks and JP Morgan

## Forestry (team of 29)



**Olly Hughes**

Managing Director, Forestry

- 26 years' industry experience
- Previously Head of Infrastructure at Oxford Capital

## New Energy & Sustainable Infrastructure (team of 17)



**Ben Guest**

Managing Director, New Energy

- 25 years' industry experience
- Founder of Hazel Capital (now Gresham House New Energy)



**Peter Bachmann**

Managing Director, Sustainable Infrastructure

- 19 years' industry experience
- Previously angel investor and entrepreneur

Gresham House's Real Assets team comprises over 69 individuals dedicated to the Housing, Forestry and New Energy & Sustainable Infrastructure strategies.

# FORESTRY

Diversifies an investment portfolio and provides exposure to timber and underlying land value growth with strong inflation linkage.

- A real asset class that both diversifies an investment portfolio and provides exposure to both timber and underlying land value growth
- The team seeks attractive long-term returns, uncorrelated to traditional debt and equity asset classes, and underpinned by the biological growth of the trees



Capability	Target IRR / Total Return	Target income	Distribution cycle	Investment term	Structure
UK Forestry	7.0% IRR	2.1% <sup>1</sup>	Annually	10 years	LP
UK Forestry and Renewables	7.0% IRR	2% of NAV	Annually	10 years	LP
<i>International Forestry</i> <sup>2</sup>	7.0% IRR		Annually	10 years	LP

1. The manager has the ability to amend distributions subject to the approval of the fund's advisory committee. This has been done once to date, in 2009, when timber prices dipped for a year as a result of very few new houses being built in the aftermath of the financial crisis

2. Concept Fund currently under development. Fund name may be subject to change. There can be no guarantee that target returns will be achieved

**IRR and income yield figures are a target only and not guaranteed**

# NEW ENERGY

Returns are supported by strong asset backing, a sustainable income yield, and the potential for capital growth.

- Supporting the shift from reliance on finite resources to a new energy world powered by renewables, with the aim of generating sustainable long term returns
- Investments are focused on key transformative technologies: solar, wind and energy storage, and can be accessed through listed vehicles, Alternative Investment Funds (AIF) or direct investments



Capability	Target IRR / Total Return	Target income <sup>2</sup>	Distribution cycle	Investment term	Structure
Energy Storage Systems (GRID)	8% unlevered, 15% levered Total Return	7.0%	Quarterly	5 years	Listed Investment Company
Wind	7.25% IRR	8.0-12.0%	Bi-annually	25 years	LP
Solar	6.0% IRR	7.0-9.0%	Bi-annually	10-25 years	LP

1. The manager has the ability to amend distributions subject to the approval of the fund's advisory committee. This has been done once to date, in 2009, when timber prices dipped for a year as a result of very few new houses being built in the aftermath of the financial crisis

2. There can be no guarantee that target returns will be achieved

**IRR and income yield figures are a target only and not guaranteed**

# SUSTAINABLE INFRASTRUCTURE

A defensive asset class, providing downside protection from asset backing, an attractive income stream that is often inflation-linked and providing positive impact.

- Targeting mid market (sub £50m) investments in local/regional projects where there is less competition to deliver superior financial returns alongside a positive social and environmental impact
- Sub sectors include Resource Efficiency, Digital Inclusion, Education, the Energy Transition and Waste Solutions. Investments in this area can provide innovative solutions and generally benefit from substantial real asset backing and therefore provide the potential for long term cash flows



Capability	Target IRR / Total Return	Target income	Distribution cycle	Investment term	Structure
BSI Infrastructure I	8.0-10.0% Total Return	3.0-5.0% <sup>1</sup>	Quarterly <sup>2</sup>	12 years	LP
BSI Infrastructure II	8.0-10.0% Total Return	3.0-5.0% <sup>1</sup>	Quarterly <sup>2</sup>	12 years	LP

1. Based on current income projections, once projects have stabilised and the Fund is fully invested, we expect that the income yield will be 5.0-6.0%

2. The income will be distributed quarterly on receipt, once the balance of cleared funds on the relevant partner's income account exceeds £250,000 or such a lower amount as the General Partner may determine from time to time

# HOUSING

Secure, asset-backed, inflation linked income, aiming to deliver social dividend and wider positive social impact.

- The BSI Housing Fund invests in modern methods of construction, Help to Buy mortgages, and affordable private rented sector accommodation
- ReSI REIT focuses on independent retirement rental, shared ownership and local authority housing
- Residential Secure Income LP focuses on delivering affordable new build modern shared ownership homes



Capability	Target IRR / Total Return	Target income	Distribution cycle	Min. Investment Term	Structure
<b>BSI Housing I</b>	8.0-10.0% Total Return	5.0-6.0%	Quarterly <sup>1</sup>	12 years	LP
<b>Residential Secure Income</b>	6.4% IRR	3.4% RPI Linked	Quarterly <sup>1</sup>	5 years	LP
<b>ReSI REIT</b>	8.0%+ Total Return	5.0% RPI Linked	Quarterly <sup>1</sup>	N/A	Listed Investment Company

*1. The income will be distributed quarterly on receipt, once the balance of cleared funds on the relevant partner's income account exceeds £250,000 or such a lower amount as the General Partner may determine from time to time*

**IRR and income yield figures are a target only and not guaranteed**



# STRATEGIC EQUITY

An investment philosophy applying a private equity approach to investing in both public and private companies.

Division AUM<sup>1</sup>

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£1,442m

1. As at 30 June 2021

# STRATEGIC EQUITY TEAM

## Private Equity

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**Bevan Duncan**  
Managing Director, Strategic Equity

- 16 years' industry experience
- Previously Livingbridge and KPMG



**Steve Cordiner**  
Head of Unquoted Investment

- 14 years' industry experience
- Previously Livingbridge and KPMG

## Public Equity

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**Ken Wotton**  
Managing Director, Public Equity

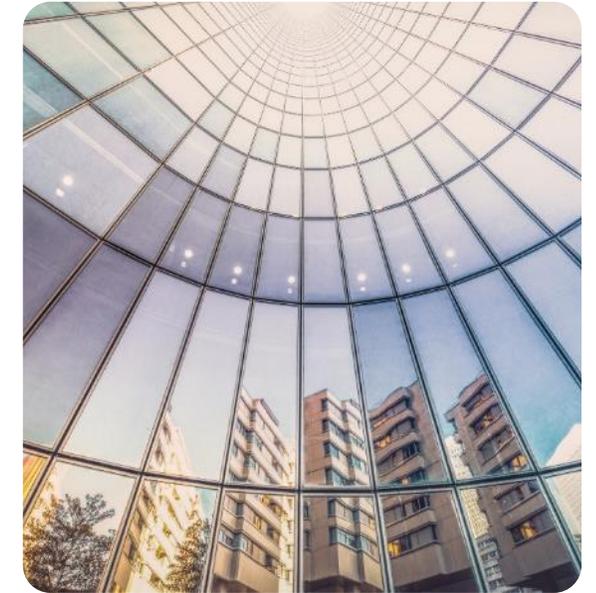
- 19 years' industry experience
- Previously Livingbridge and Commerzbank

With over a decade of experience working together, following the spin out of the teams from Livingbridge to Gresham House, the Strategic Equity team comprises over 22 individuals working across public and private equity strategies.

# PUBLIC EQUITY

Takes a private equity approach to quoted smaller companies to deliver superior long-term returns.

- Targeting superior long-term returns in a range of public equity investments, engaging rigorous due diligence and developing a deep understanding of each investment
- Applies a private equity approach to quoted equity and includes our open-ended equity funds, plus our strategic public equity listed and LP vehicles



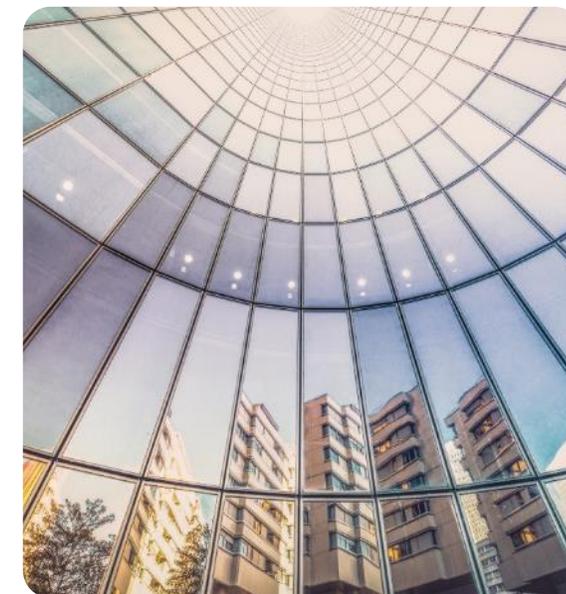
Capability	Target IRR / Total Return	Target income	Distribution cycle	Structure
Gresham House Strategic plc	-	-	-	Listed Investment Company
Strategic Equity Capital plc	-	-	-	Listed Investment Company
UK Micro Cap Fund	-	-	-	NURS
UK Multi Cap Income Fund	-	-	Quarterly	UCITS
UK Smaller Companies Fund	-	-	-	UCITS

*IRR and income yield figures are a target only and not guaranteed*

# PRIVATE EQUITY

Access to entrepreneurial, high growth, earlier stage and lower mid-market private companies.

- Building on the spin-out of Baronsmead from Livingbridge to Gresham House, the investment team includes eleven investment professionals with specialist partners in talent and technology - the core team have worked together for 10+ years
- Offers investors access to entrepreneurial, high growth, earlier stage and lower mid-market private companies



Capability	Target IRR / Total Return	Investment term	Structure
Baronsmead Venture Trust plc	-	5 years <sup>1</sup>	VCT
Baronsmead Second Venture Trust plc	-	5 years <sup>1</sup>	VCT

1. VCTs are available to buy daily, however in order to gain tax relief shares must be bought through a new equity raise and held for a minimum of five years

**IRR and income yield figures are a target only and not guaranteed**

**All tax reliefs are subject to individual circumstances and may be subject to change in the future.**

# GRESHAM HOUSE PLC SHAREHOLDERS

## Board / Management / Directors / Investment Committee & Advisory Group members c.10%<sup>1</sup>

The Royal County of Berkshire Pension Fund	14.2
Liontrust Asset Management	10.0
Amati Global Investors Ltd	4.7
Aberdeen Standard Investments	4.0
Richard C Dawson	3.9
Hargreaves Lansdown	3.9
Aviva Investors	3.9
Franklin Templeton Fund Management	3.6
Canaccord Genuity Wealth Management	3.4
Handelsbanken Wealth & Asset Management	2.6

1. Top 10 Shareholders based on shareholding at 30 June 2021. Total number of shares outstanding as at 30 June 2021 were 32,945,875