



Since 1857

Gresham House

Specialist asset management

GRESHAM HOUSE PLC
ANNUAL GENERAL MEETING

16 MAY 2019



AGENDA

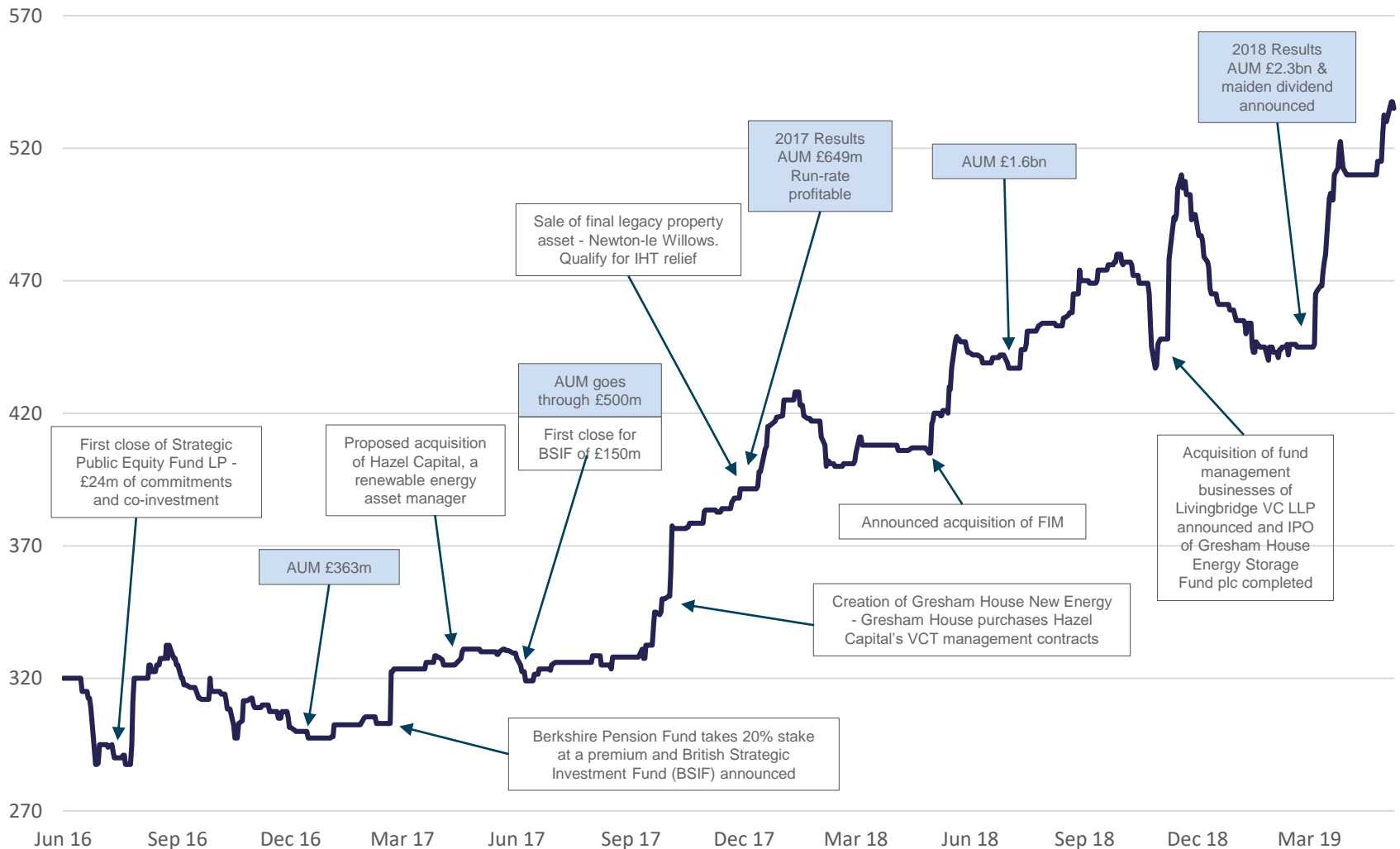
GRESHAM HOUSE PLC

- OVERVIEW 3
- 2018 RESULTS 7
- STRATEGIC PRIORITIES 2019 10

RESOLUTIONS 14

GRESHAM HOUSE PLC – OVERVIEW

GRESHAM HOUSE PLC - THE GROWTH STORY





THE SPECIALIST ALTERNATIVE ASSET MANAGER

- Specialist in five areas of alternative investment
- Focused on assets with long-term investment horizons and stable recurring management fee income
- Healthy pipeline for growth: **Organic** through structural increase in alternative asset allocations; **Acquisitions** alongside management value-add in terms of distribution, central functions and product development



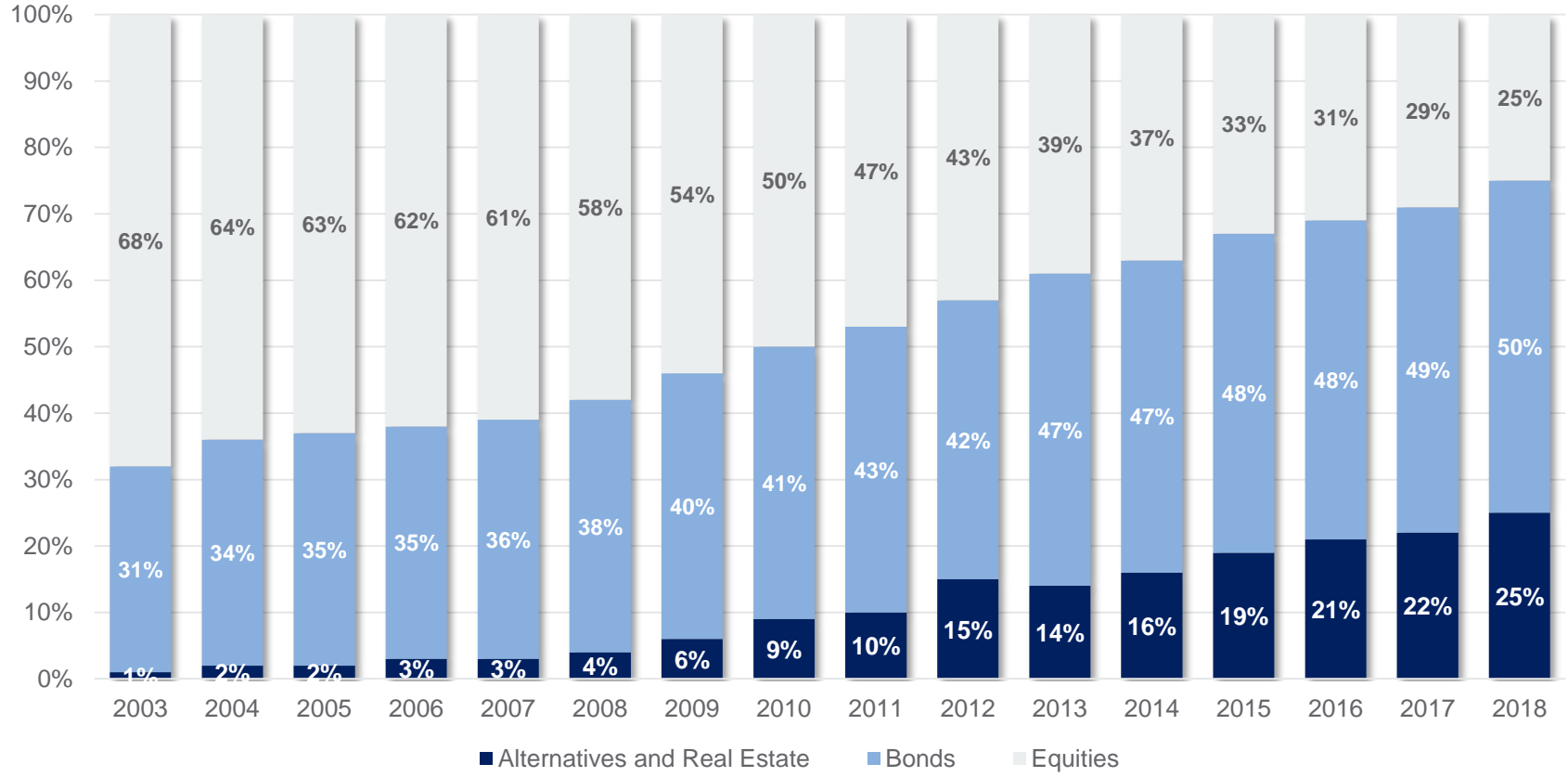
1. As at 31 December 2018



INCREASING ASSET ALLOCATION TO ALTERNATIVES

Pension funds, institutional investors and family offices are increasing exposure to alternatives. Longer-term illiquid assets lead to stable revenue streams with additional performance fees and carried interest.

Changes in broad strategic asset allocation for UK Pension Plans 2003 - 2018

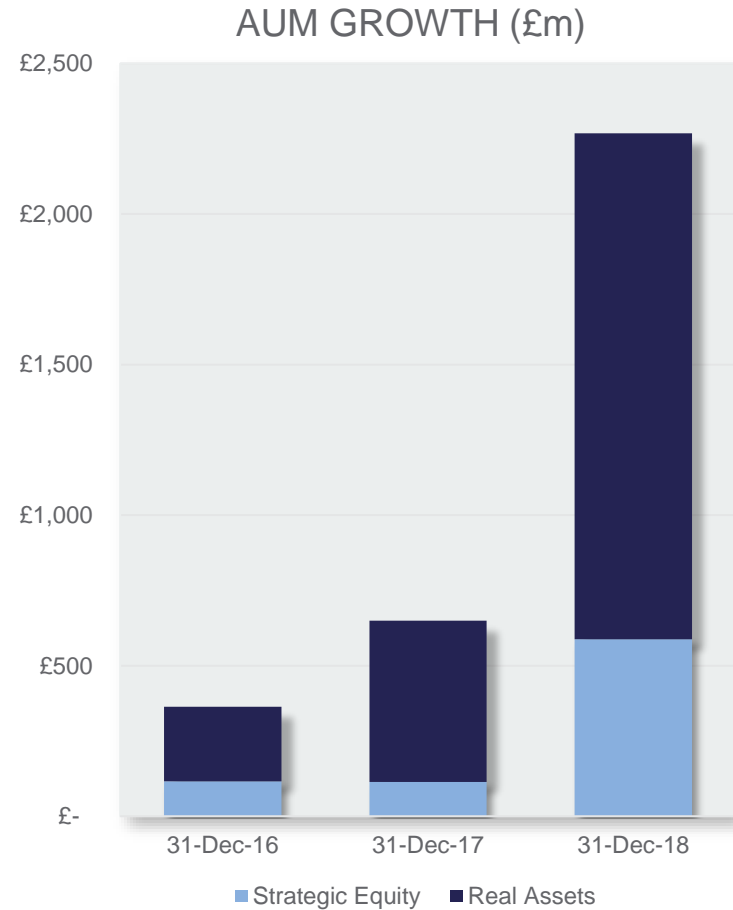


Source: <https://www.uk.mercer.com/our-thinking/wealth/european-asset-allocation-report-2018.html>

2018 RESULTS

2018 FINANCIAL HIGHLIGHTS

- 250% AUM increase in 2018 to £2.3bn (2017: £0.6bn)
- 125% revenue growth to £14.5m (2017: £6.5m)
- Adjusted operating profit¹ increased to £3.0m (2017: £0.7m loss)
- Total comprehensive net income increased to £0.6m loss (2017: £3.5m loss)
- Maiden dividend of 3.0p proposed, with a policy to grow sustainably over the long term



1. Adjusted operating profit is defined as net trading profit of the Group before deducting amortisation, depreciation and exceptional items relating to acquisition and restructuring costs, and includes dividends received from investments in associates

2018 OPERATIONAL HIGHLIGHTS

- **Two transformational acquisitions** of FIM Services Ltd (FIM) and Livingbridge VC LLP (Livingbridge VC);
 - Adding fee-enhancing AUM
 - Group becomes the largest UK commercial forestry asset manager and manager of the two well-respected Baronsmead VCTs
- **Organic growth of 30%** (£193m) from;
 - IPO of Gresham House Energy Storage Fund plc (GRID)
 - Growth of Gresham House Forestry and Strategic Equity divisions
- **Integration** of FIM and Livingbridge VC largely completed with identified synergies captured
- **Investment in the platform and people** to support identified future growth, including international organic opportunities

STRATEGIC PRIORITIES 2019

2019 STRATEGIC PRIORITIES

- **Organic growth** from fundraising for existing and new products:
 - **GRID** - new placing of shares to fund exclusive battery-storage pipeline announced
 - **BSIF** - final close and continued deployment
 - **Forestry** - delivery of acquisition and fundraising plans, and target international expansion
 - **UK Micro Cap and UK Multi Cap Income** - grow open-ended funds
 - **VCTs** - top-up fundraising for all products
 - **GHS and LMS** - strategic growth plans

- Capitalise on **client portal co-investment facility**

- Continue **integration of FIM and Livingbridge** acquisitions

- Further invest in and **grow in-house team**

- Drive identified **operating synergies**

JOINT VENTURE WITH ABERDEEN STANDARD INVESTMENTS

- Announcement of a **Joint Venture between Gresham House plc and Aberdeen Standard Investments (ASI)**
- Joint Venture targeting the **launch of a new fund** utilising Gresham House's top-performing¹ **Strategic Public Equity (SPE) investment approach**
- Seeking to capitalise on **identifiable opportunity** from;
 - **Inefficiencies and valuation dislocations** in UK / European smaller companies markets
 - **MIFID II regulation and associated lack of research** driving opportunities for superior returns
- Leveraging **proven expertise and successful track record of Gresham House SPE team**¹ alongside **ASI's global distribution and product development capabilities**
- **ASI alignment of interests** through strategic 5% equity shareholding² in Gresham House plc
- Key benefits include **enhancing credibility of Gresham House** as leading alternative asset manager and **growing AUM for SPE strategy** plus other investment divisions in future

1. GHS plc the No.1 Smaller Company Fund over 12 months, including all closed and open-ended funds - source FE Trustnet and Morningstar as at 31 December 2018
SPE LP performing strongly, significantly ahead of its target returns

2. 5% of enlarged share capital post subscription

CONCLUSION - POSITIONED FOR CONTINUED GROWTH

- **Organic and acquisition growth** to continue to drive shareholder value
- **Profit growth** clear; target 40%+ operating margins in medium to long term
- Identified **synergies captured** and acquisition **integrations largely complete**
- **Strong balance sheet**; cash (£14m) plus net realisable assets (£19m)
- Maiden **dividend of 3.0p per share** and sustainable growth plan



Since 1857

RESOLUTIONS

RESOLUTION 1

To receive and adopt the annual report and accounts for the year ended 31 December 2018 together with the directors' report and the auditor's reports on those accounts

	For	Against	Withheld**
Number of Votes*	12,789,804 (100%)	0 (0%)	0

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.

RESOLUTION 2

To declare a final dividend of 3.0p per ordinary share for the year to 31 December 2018

	For	Against	Withheld**
Number of Votes*	12,789,804 (100%)	0 (0%)	0

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.

RESOLUTION 3

To re-elect as a director Richard Chadwick who retires in accordance with the Company's articles of association and offers himself for re-election

	For	Against	Withheld**
Number of Votes*	12,788,304	0	1,500
	(100%)	(0%)	

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.

RESOLUTION 4

To re-elect as a director Anthony Dalwood who retires in accordance with the Company's articles of association and offers himself for re-election

	For	Against	Withheld**
Number of Votes*	12,789,604 (100%)	0 (0%)	200

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.

RESOLUTION 5

To re-appoint BDO LLP as the Company’s auditor in accordance with Section 489 of the Companies Act 2006 (the “Act”), to hold office from the conclusion of the Meeting until the conclusion of the next annual general meeting

	For	Against	Withheld**
Number of Votes*	12,689,354 (99%)	100,250 (1%)	200

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.

RESOLUTION 6

To authorise the directors to fix the remuneration of the auditors

	For	Against	Withheld**
Number of Votes*	12,789,704 (100%)	0 (0%)	100

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.

RESOLUTION 7

To authorise the allotment of shares or grant subscription or conversion rights over 1,309,598 ordinary shares at a price of £4.96 per ordinary share in connection with the proposed subscription by Standard Life Aberdeen plc

	For	Against	Withheld**
Number of Votes*	12,789,409 (100%)	395 (0%)	0

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.

RESOLUTION 8

To authorise the allotment of shares or grant subscription or conversion rights

	For	Against	Withheld**
Number of Votes*	12,789,409 (100%)	395 (0%)	0

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.

SPECIAL RESOLUTION 9

To authorise the Company to disapply statutory pre-emption rights set out in section 561(1) of the Companies Act 2006 in connection with the allotment of equity securities in connection with the subscription to Standard Life Aberdeen plc

	For	Against	Withheld**
Number of Votes*	12,789,409 (100%)	395 (0%)	0

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.

SPECIAL RESOLUTION 10

To authorise the Company to disapply statutory pre-emption rights set out in section 561(1) of the Companies Act 2006 pursuant to the authority conferred in resolution 8.

	For	Against	Withheld**
Number of Votes*	12,789,409 (100%)	395 (0%)	0

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.

SPECIAL RESOLUTION 11

To authorise the purchase of own shares by the Company

	For	Against	Withheld**
Number of Votes*	12,784,804 (100%)	5,000 (0%)	0

* Includes discretionary proxy votes lodged in favour of the Chairman, votes for and against lodged in favour of third parties but excludes discretionary proxy votes lodged in favour of third parties.

** A vote withheld is not treated as a vote in law and would not be counted in the calculation of the proportion of the votes cast for or against a resolution.