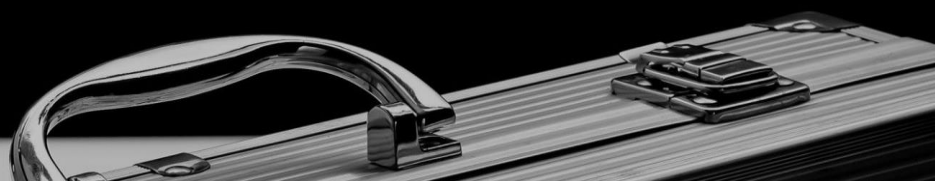


LMS Capital Plc Quarterly Factsheet

Q1 - March 2018



Targeting a net annual return on equity of 12-15% over the long-term, new investments will be made in private equity, public equities and alternative specialist asset classes focussing on smaller deals below £50m enterprise value. The team invests and partners with management teams of profitable and cash generative companies.

LMS – KEY FACTS

NAV per share:
75p*

Share price:
47.65p**

Ticker:
LMS

* As of 31 March 2018
** Mid price as of 29 March 2018

PORTFOLIO BREAKDOWN*

	NAV £m	% of portfolio
Quoted Stocks		
Gresham House	4.0	6.6
UK Private		
Entuity	3.6	6.0
US Private		
YesTo	9.2	15.3
Penguin	12.6	20.9
Medhost	7.2	12.0
UK Funds		
Brockton Capital	4.6	7.6
US Funds		
Opus Capital Venture Partners	3.1	5.1
Others	12.6	21.1
Cash	6.1	10.0
Other net assets/liabilities	(2.8)	(4.6)
Company net assets	60.2	

PORTFOLIO PERFORMANCE

Performance	2018 Q1 ¹	FY2017 ²
LMS NAV PER SHARE	-6.25%	+12.7%

Source: Gresham House Asset Management and LMS Capital Plc published results as at 31 March 2018¹ and 31 December 2017²

Annual Management fee: 1.5%

Performance fee: 15% over an 8% hurdle

No performance fee payable to GHAM in respect of assets held prior to the adoption of the new investment policy

Shares in issue 80.7 million

Investment Manager: Gresham House Asset Management GHAM

The asset management division of Gresham House Plc (GHE), specialises in managing assets on behalf of third party clients focused on funds and co-investments across a range of differentiated and illiquid alternative investment strategies. The company is built around a long-term investment philosophy and applies private equity techniques to due diligence and investment appraisal.

INVESTMENT MANAGER'S REPORT

The Company's unaudited net asset value ("NAV") at 31 March 2018 was £60.2m (31 December 2017 £64.5m), equivalent to 75p per share (31 December 2017: 80p per share).

The most significant movements in the quarter were:

- A strengthening of sterling against the US Dollar and decreases in prices of quoted securities in the period from 1 January 2018 to 31 March 2018 account for £3.8m of the reduction in NAV. The principal items within this are:
 - IDE Group plc share price reduction £1.4m
 - Weatherford share price reduction £0.7m
 - An adverse change of approximately 3.7% in the sterling/US Dollar exchange rate over the period has resulted in a reduction in NAV of £1.5m
- Other net changes amount to a £0.5m reduction. In addition to operating costs, the main items are:
 - Gain on sale of Brockton Capital LLP of £0.6m. As announced by the Company on 26th March, actual proceeds were £3.1m. This amount, which included a distribution of surplus cash in the vehicle sold, exceeded by £0.6m, the estimate used in the 31 December 2017 NAV
 - Reduction of £0.7m in the carrying value of Medhost a co-investment with Primus Capital which is the lead manager. The reduction is based on Primus Capital's most recent reported carrying value published late March

The reduction in share price of IDE Group between the end of December 2017 and end of March 2018 followed a number of announcements in the first quarter. However, the company has confirmed that trading for the year to 31 December 2017 was broadly in line with expectations, although cash generation was weaker than expected. Full year results are due for release in early May.

The NAV at the end of March is based on the valuation of the Company's investments as at 31 December 2017, adjusted for transactions in the three months ended 31 March 2018, price movements on quoted securities, movements in foreign currency exchange rates, cash calls and distributions from funds, latest reports from third party fund managers, purchases and sales of quoted and unquoted securities and operating expenses.

Since the end of March, further movements in the prices of the Company's quoted investments and changes in the sterling/US Dollar exchange rate have not had a significant impact (either individually or in aggregate) on the Company's NAV as at the end of March.



PORTFOLIO MANAGEMENT

Gresham House Asset Management ("GHAM") continues to manage the portfolio through its board representation on those investments where LMS has board rights and through maintaining regular dialogue and meetings with third party managers and others.

During the period since 1 January 2018 the principal portfolio events have been the conclusion of the sale of the Company's interest in Brockton Capital LLP and an investment of £600,000 in Northbridge Industrial Services PLC ("Northbridge"), an AIM quoted company that hires and sells specialist industrial equipment to utilities, public sector and oil and gas industries. The Northbridge investment is via a participation in an 8% p.a. yielding convertible loan instrument.

The investment was sourced by GHAM and is the Company's first investment, other than follow on investments in the existing

portfolio, since the conclusion of its realisation strategy and adoption of its new investment policy in August 2016.

Strategy and outlook

Liquidity events on the Company's larger investments are controlled by third party managers, however, based on the information available, the Company believes there is the reasonable prospect of liquidity from the existing portfolio over the next 18 months. The proceeds from the sale of Brockton Capital LLP have provided the Company with some liquidity to commence new investment activities.

The Board and the manager continue to evaluate strategic options for the Company to increase scale and enhance shareholder value.

FUND INFORMATION

INVESTMENT COMMITTEE

Tim Farazmand

Tim acts as a Gresham House nominee Advisor on the LMS plc Investment Committee. He has a strong background in UK mid-market Private Equity with over 30 years in the industry working with a broad variety of companies such as LDC, 3i, RBS PE and Catalyst Fund Management. Most recently Tim was a MD at LDC, the private equity subsidiary of Lloyds Bank plc.

Robert Rayne

Robbie has expertise in a wide range of sectors including real estate, media, consumer, technology and energy. He established LMS Capital's investment activities in the early 1980s as Investment Director and later Managing Director and Chief Executive of London Merchant Securities. Robbie is Non-Executive Chairman of Derwent London plc and is involved with a number of charitable trusts and foundations.

Tony Dalwood (Chairman)

20 years of investment and operating experience. Established SVG Investment Managers and launched Strategic Equity Capital plc and the Strategic Recovery Funds. Former CEO of SVG Advisers (Schroder Ventures London). Previous member of the UK Investment Committee at PDFM (UBS Asset Management)

FUND MANAGERS

Graham Bird

Fund Manager, Investment Committee Member, 20 years of investment, advisory and operating experience. Previously Executive Chairman of paybyphone (a subsidiary of PayPoint plc), Director of Strategic Investments at SVGIM and a Director within the Corporate Finance department at JP Morgan Cazenove.

Pardip Khroud

Pardip is Investment Director at Gresham House. She has 13 years' experience in audit, private equity transactions and global tax restructuring at KPMG, as a Senior Manager at Lloyds Banking Group and most recently as an Investment Manager at Lloyds Development Capital (LDC). At LDC she managed numerous investments and was also appointed to the Board of portfolio companies uSwitch and Bluestone.

Nick Friedlos

Nick joined the GHAM team in August 2016, having previously joined LMS in 2012 to oversee the realisation strategy and was instrumental in structuring the Company's new arrangements with GHAM. Nick is a Chartered Accountant by training and was a partner at PriceWaterhouseCoopers. For the last 20 years Nick has worked as a consultant to and as CFO and CEO in alternative asset investment businesses including real estate, private equity and renewable energy.

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