



Since 1857

Gresham House

Specialist asset management

GRESHAM HOUSE PLC INTERIM REPORT AND ACCOUNTS

Six months to 30 June 2019

September 2019

PRESENTATION TEAM



TONY DALWOOD, CHIEF EXECUTIVE

- 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, FINANCE DIRECTOR

- 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

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INTRODUCTION



SPECIALISTS IN ALTERNATIVES

Gresham House is an AIM-quoted specialist alternative asset management group (GHE.LN), providing funds, direct investments and tailored investment solutions, including co-investment.

- Specialist in five areas of alternative investment
- Growing organically and through acquisition, expanding our shareholder base, and developing our pipeline investment opportunities
- Focused on shareholder value, through growth in AUM, profit margins, ROCE, and EPS
- Committed to operating responsibly and sustainably, building long-term value across our portfolio

STRATEGIC EQUITY

PUBLIC EQUITY

PRIVATE EQUITY

- Gresham House Strategic plc (GHS)
- Gresham House Strategic Public Equity Fund LP
- LF Gresham House UK Micro Cap Fund
- LF Gresham House UK Multi Cap Income Fund

- LMS Capital plc
- Baronsmead VCT plc
- Baronsmead Second VCT plc

c.£0.6bn¹

REAL ASSETS

FORESTRY

NEW ENERGY

HOUSING & INFRASTRUCTURE

- Gresham House Forestry Fund LP
- Forestry Partnership LLP
- Managed Accounts
- FIM Sustainable Timber & Energy LP
- FIM Forest Fund I LP
- FIM Timberland LP

- Gresham House Energy Storage Fund plc (GRID)
- Hazel Renewable Energy VCT 1 & 2 plc
- FIM Solar Distribution LLP
- Gresham House Wind Energy 1 plc
- FIM Wind Energy LP
- Managed Accounts

- Gresham House British Strategic Investment Fund LP (BSIF)

c.£1.9bn¹

£2.5bn¹

INTERIMS SUMMARY

SIX MONTHS TO 30 JUNE 2019

- Organic growth in AUM of £183m to £2.5bn
(2018: £2.3bn)
- Revenue growth of 209% to £15.3m
(H1 2018: £4.9m)
- Adjusted operating profit grown to £4.4m
(H1 2018: £0.4m)
- First full period of benefit from FIM Services Ltd and Livingbridge VC LLP acquisitions
- Cost savings and identified captured acquisition synergies of over £1m
- International expansion through significant Irish forestry mandate with AXA Investment Managers - Real Assets
- Investment in platform and people

“Continued organic growth and integration alongside significant strategic investment in our platform.”

ASSETS UNDER MANAGEMENT¹

£2.5BN

+8%

ADJUSTED OPERATING PROFIT²

£4.4M

+1,090%

REVENUE²

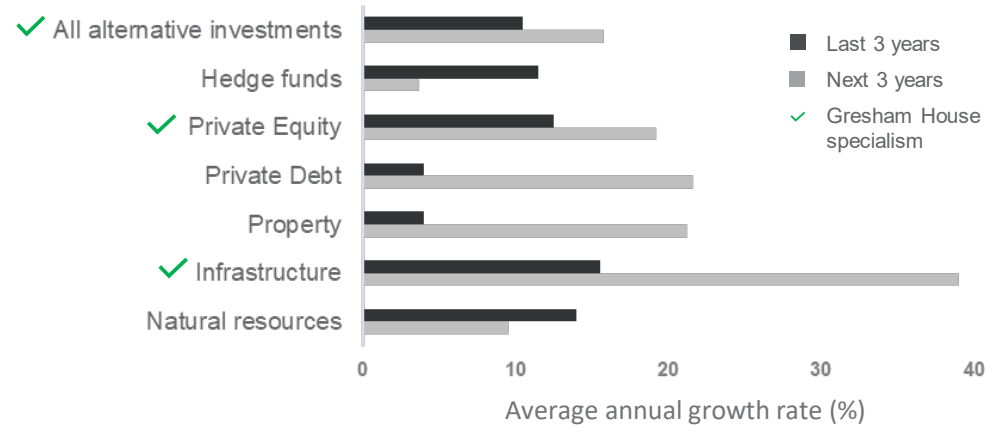
£15.3M

+209%

1. As at 30 June 2019
2. Six months to 30 June 2019

ASSET ALLOCATION TO ALTERNATIVES

Strong growth expected for most alternative asset classes.



Changes in broad strategic asset allocation for UK Pension Plans 2003-2019.

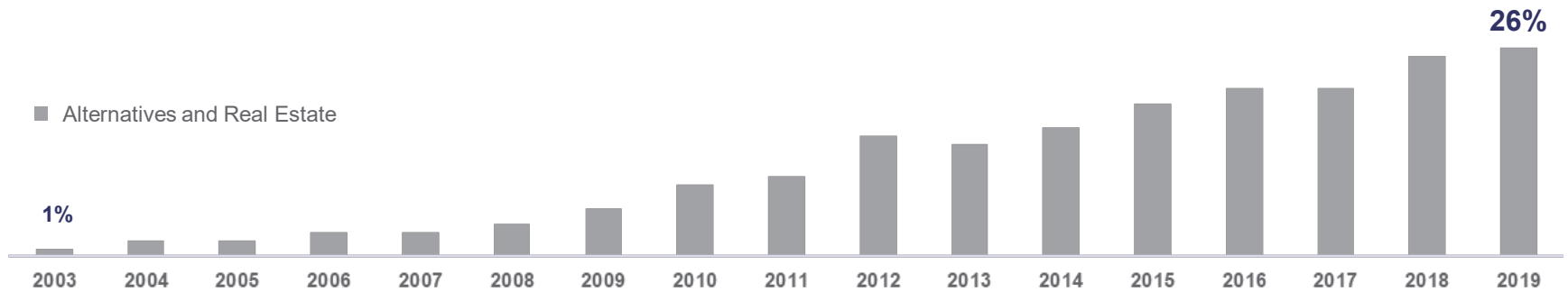


Chart 1 <https://info.mercer.com/rs/521-DEV-513/images/ie-2019-european-asset-allocation-survey-2019.pdf>

Chart 2 BarclayHedge, Preqin, Fidante Partners. Forecasts are subject to estimation errors and may deviate significantly from the performance shown.

2019 INTERIM RESULTS



FINANCIAL HIGHLIGHTS

2019 INTERIMS

- 8% AUM increase to £2.5bn
 - 2018: £2.3bn
- 209% revenue growth to £15.3m
 - H1 2018: £4.9m
- Adjusted operating profit¹ increased to £4.4m
 - H1 2018: £0.4m
- Strong balance sheet with cash and liquid assets of £36.3m as at 30 June 2019
- Post-period end debt facility fully repaid

ASSETS UNDER MANAGEMENT (£M AS AT)

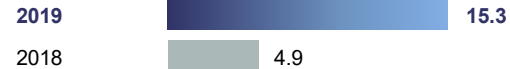
£2,450M



+8%

REVENUE (£M FOR THE SIX MONTHS TO JUNE)

£15.3M



+209%

ADJUSTED OPERATING PROFIT¹ (£M FOR THE SIX MONTHS TO 30 JUNE)

£4.4M



+1,090%

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

INCOME STATEMENT

CONTINUED PROFITABILITY

- Revenue growth of 209%
- First full period of revenues from FIM and Livingbridge businesses post-integration
- Identified and captured annualised synergies of over £1m
- Adjusted operating profit increased to £4.4m (H1 2018: £0.4m)
- Adjusted operating margin improved to 29% (H1 2018: 8%)
- Continued improvement towards long-term target of 40%+ operating margins
- Investment in the platform, systems and team to support growth

Income Statement for six months to 30 June	2019 £m	2018 £m
Income	15.3	4.9
Administrative overheads (excl. Amortisation, Depreciation and Exceptional items)	(10.6)	(4.6)
Finance costs	(0.3)	-
Adjusted operating profit	4.4	0.4
Amortisation, depreciation and profit on disposal of fixed assets	(4.4)	(0.8)
Exceptional items	(0.8)	(1.0)
Net trading loss	(0.7)	(1.5)
(Losses) / gains on investments (incl. associates and other fair value movements)	(0.1)	1.1
(Losses) / gains from discontinued operations	(0.0)	0.0
Tax	0.1	-
Net operating loss after exceptional items	(0.7)	(0.4)
Adjusted operating margin	29%	8%



BALANCE SHEET

SIGNIFICANT CASH & REALISABLE ASSETS

- Strong gross cash position of £15.8m
- Tangible and realisable assets of £36.3m, well-positioned for growth
- Partial repayment of Santander debt facility to £2.9m from £9.8m
- Debt fully repaid post-period end
- Paid maiden dividend of 3.0p in the period
- Co-investment alongside clients in the year (e.g. GRID), focusing on alignment




Balance Sheet as at end of month	Jun-19 £m	Dec-18 £m
Assets		
Investments ¹	20.4	17.8
Accrued income - Persimmon	-	1.0
Cash	15.8	14.0
Tangible / realisable assets	36.3	32.8
Intangible assets	62.2	65.9
Other assets	11.1	5.8
Total assets	109.5	104.5
Liabilities		
Borrowing	2.9	9.8
Deferred consideration	9.2	8.4
Other creditors	8.9	7.0
Total liabilities	21.0	25.3
Non-controlling interest	0.5	0.5
Net assets	89.1	79.7

1. IFRS requires the consolidation of Gresham House Forestry Friends and Family Fund LP. This has been adjusted here for the £532,000 non-controlling interest (Dec-18: £527,000) to show the Group's position on an investment basis

GRESHAM HOUSE GROWTH & STRATEGIC PRIORITIES



2019 STRATEGIC PRIORITIES UPDATE

Strategic priority	Status	Progress to date
 Organic growth in total AUM	✓	GRID - £50m new placing of shares (30 June 2019) and £15m post-period end
	—	BSIF - continued portfolio deployment and fundraising in H2
	✓	Forestry - delivery of £94m acquisition and fundraising, plus international expansion
	—	UK Micro Cap and UK Multi Cap Income - flat growth in context of difficult UK equity markets
	✓	VCTs - £25m raised for Baronsmead top-up fundraising
	✓	GHS growth plans enhanced with development of ASI joint venture
	—	Flat AUM growth from client portal co-investment facility
 Acquisition growth in total AUM	✓	Successful integration of FIM and Livingbridge
	✓	Identified operating synergies captured, over £1m of savings
 Adjusted operating profit	✓	Improved by 1,090% to £4.4m

BREXIT AND BEYOND

BREXIT HAS BOTH POSITIVE AND NEGATIVE IMPACTS ON THE GROUP

Positive

- Brexit has led to a weakening of sterling, which has benefited UK timber prices for UK growers
- Potential trade tariffs with a 'hard' Brexit would further increase the pricing of UK timber
- Gresham House equity funds are defensively positioned with low leverage

Negative

- Reduction in investment in UK equities and allocations to UK equities, however, market pricing is already at a material discount, creating investment opportunities
- Fundraising environment challenging but could rebound rapidly when certainty on Brexit outcome known

The funds and products managed by the Group are long term in nature and backed by either real assets or strong fundamentals in our equity business. We therefore remain confident in the long-term value that can be created for shareholders and clients.



CONCLUSION

POSITIONED FOR CONTINUED GROWTH

- ✓ Organic growth and capitalisation of acquisitions driving shareholder value
- ✓ Profitability on track, margins improving towards medium to long-term targets
- ✓ Identified synergies of over £1m captured
- ✓ Strong balance sheet - £16m cash and debt fully repaid post-period end
- ✓ Solid fundraising post-period end across strategies



APPENDIX



GRESHAM HOUSE PLC SHAREHOLDINGS

Board / Management / Directors / Investment Committee & Advisory Group members circa 9%¹

The Royal County of Berkshire Pension Fund	16.3
Lion Trust Asset Management	7.9
Majedie Asset Management	7.8
Mr Richard C Dawson	5.4
Aberdeen Standard Investments	5.0
Schroder Investment Management	3.6
LMS Capital	3.6
River & Mercantile Asset Management	3.0
Stirling Family	2.9
Canaccord Genuity Wealth Management	2.6
Charles Stanley	2.0

1. Based on notifications and share register analysis as at 30 June 2019. Total number of shares 27,239,162.

GRESHAM HOUSE MANAGEMENT COMMITTEE



Tony Dalwood

Chief Executive Officer, Gresham House plc

Tony is an experienced investor and adviser to public and private equity businesses. Tony established SVG Investment Managers (a subsidiary of SVG Capital plc) and acted as CEO and chairman of this entity, and launched Strategic Equity Capital plc. His previous appointments include CEO of SVG Advisers (formerly Schroders Ventures (London) Limited), membership of the UK Investment Committee of UBS Phillips & Drew Fund Management and the board of Schroders Private Equity Funds. He was also Chair of the London Pension Fund Authority's Investment Panel from 2010 to 2018. He is currently a director of JP&L plc and a director of Branton Capital Limited.



Kevin Acton

Finance Director, Gresham House plc

Kevin is Finance Director for Gresham House plc and has over 17 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.



Rupert Robinson

Managing Director, Gresham House Asset Management

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

General Counsel

Samee is General Counsel and Company Secretary of Gresham House plc and is responsible for Group legal matters. He has over 21 years' legal, commercial and financial experience, covering private and public equity, M&A and corporate finance. Samee has a first-class honours degree in law and qualified as a solicitor with Slaughter and May, London. Samee joined Gresham House from the Abu Dhabi Investment Authority (ADIA), one of the world's largest sovereign wealth funds, where he built and led the legal and compliance function for its Private Equities department. 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 matters. He was also a member of the SVG fund management risk committee.



Andrew Hampshire

Chief Operating Officer & Chief Technology Officer

Andrew joined Gresham House in February 2017 and is responsible for operational and technology initiatives across Gresham House. He has a strong technology, operations and business background, having previously 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 Warwick University.

GRESHAM HOUSE INVESTMENT COMMITTEE



Tony Dalwood

Investment Committee (Chairman)

Tony is an experienced investor and adviser to public and private equity businesses. Tony established SVG Investment Managers (a subsidiary of SVG Capital plc) and acted as CEO and chairman of this entity, and launched Strategic Equity Capital plc. His previous appointments include CEO of SVG Advisers (formerly Schroders Ventures (London) Limited), membership of the UK Investment Committee of UBS Phillips & Drew Fund Management and the board of Schroders Private Equity Funds. He is currently the chairman of the Investment Panel and on the board of the London Pensions Fund Authority, a director of JPEL plc and a director of Branton Capital Limited.



Bruce Carnegie-Brown

Investment Committee

Bruce is Chairman of Moneysupermarket.com Group plc and of Lloyd's of London. He is also Vice Chairman and Lead Independent Director of Banco Santander S.A. and a Non-Executive Director of Santander UK plc. Until November 2015, he was Chairman of AON UK.



Rupert Robinson

Investment Committee

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.

GRESHAM HOUSE KEY MANAGERS



Graham Bird

Managing Director, Strategic Public Equity

Graham leads the Strategic Public Equity strategy alongside Tony Dalwood. He is experienced in fund management and in building both corporate advisory and asset management businesses. Prior to joining, Graham spent six years as a senior executive at PayPoint plc, most recently as director of strategic planning and corporate development. He was executive chairman and president of PayByPhone, a multi-national division of PayPoint operating out of Canada, the UK and France between 2010-2014.



Ken Wotton

Managing Director, Quoted Investment

Ken joined in November 2018, having spent 11 years leading Livingbridge's Equity Funds investment team, managing AIM and other listed investments. He graduated from Oxford before qualifying as a Chartered Accountant with KPMG. He then moved into equity research with Commerzbank, followed by Evolution Securities where he built sector expertise in telecoms and technology and knowledge of large and small listed companies and corporate transactions.



Oliver Hughes

Managing Director, Forestry

Olly has over 20 years experience in the finance sector beginning his career with Baring Brothers and then ING Barings, more recently he was a Partner and Head of Infrastructure at Oxford Capital. Olly is a specialist real asset investment manager with a background in developing, structuring and managing a wide array of financial and infrastructure asset backed portfolios. He has a BA and MA from Oxford University and also holds the Investment Management Certificate from the CFA Society in the UK.



Ben Guest

Head of Gresham House New Energy

Ben is the Head of the Gresham House New Energy division and Fund Manager for the British Strategic Investment Fund (BSIF). He founded Hazel Capital (now Gresham House New Energy) in April 2007 and was the managing partner and chief investment officer. With over 20 years' investment experience, Ben's expertise spans the investment spectrum, from infrastructure, to public equities and venture capital. He is responsible for the origination and execution of investment opportunities alongside on-going portfolio management.



Ed Simpson

Investment Director, Gresham House New Energy

Ed has over 24 years' experience, having previously managed investments at Downing LLP, Bridges Ventures and CT Investment Partners. He has vast experience in the energy and infrastructure space, from venture to project finance. A qualified accountant, Ed's previous experience includes both advising and managing growing companies, as a management consultant, corporate finance advisor and COO / CFO. He holds an MA in Economics from Clare College, Cambridge.

GRESHAM HOUSE NON-EXECUTIVE BOARD



Anthony Townsend

Non-Executive Director (Chairman)

Anthony has spent over 40 years working 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 to 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.



Rachel Beagles

Non-Executive Director

Rachel joined the Company on 1 March 2018. Rachel is currently chairman of the Association of Investment Companies and Securities Trust of Scotland plc, and a senior independent director of both the Aberdeen New India Investment Trust plc and BlackRock Emerging Europe plc, where she also chairs the audit committee. Previously, she was vice-chairman of Newlon Housing Trust and a non-executive director and audit committee chair of Crown Place VCT plc and Schroder UK Mid Cap Fund plc. Prior to this, Rachel was a managing director and co-head of the pan-European banks equity research and sales team at Deutsche Bank's corporate and investment banking division, following a period as a director of Bankers Trust International.



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.



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 Vitesse Media Plc, an AIM listed digital media and events business.



Sir Roy Gardner

Sir Roy is Chairman of Serco plc and Senior Independent Director of Mainstream Renewable Power Ltd. Previously, he was Chairman of Mainstream Renewable Power Ltd., Senior Advisor to Credit Suisse, a Non-Executive Director of Willis Group Holdings Limited, Chairman of Compass Group PLC, Chief Executive of Centrica plc, Managing Director of GEC-Marconi Limited and a Director of GEC plc and Managing Director of STC PLC. He has also been the Non-Executive Chairman of Manchester United plc, Plymouth and a Non-Executive Director of Laporte plc. Sir Roy is also an Advisor to Antin Infrastructure Partners, Digitalis Reputation and Gresham House PLC. He is the former Chairman of the Apprenticeship Ambassadors Network. Sir Roy is a Fellow of the Chartered Association of Certified Accountants, City & Guilds Institute and the Energy Institute and shortly to be Chairman of the Board of Governors at St Albans School.



Gareth Davis

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 as CEO, Imperial grew to be one of the world's largest tobacco 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. He also advises SMEs. Gareth is a very experienced international businessman having developed businesses in all Continents.



Alan Mackay

Alan has been a private equity investor for 30 years, in roles including Senior Partner and Global Head of Healthcare at the private equity firm 3i Group plc. He became CEO of Hermes GPE in 2010 before leaving to co-found GHO in 2014. Alan has invested in a number of high-growth healthcare companies including Quintiles and Phibro Animal Health, and currently serves on the boards of drug development specialist Quotient Sciences, pharmaceutical ingredient specialist Alcaliber, and intensive care specialist Linimed Gruppe. Alan holds a Bachelor's degree in Law, an MSc in Enterprise and is a graduate of the Advanced Management Programme at INSEAD. He has served as Chairman of the BVCA, and previously its Responsible Investment Advisory Board.



Sir Laurie Magnus

Sir Laurie Magnus is a Senior Advisor to Evercore Europe investment banking. Sir Laurie was previously Chairman of Lexicon Partners and has nearly 40 years of experience in the corporate finance advisory business, latterly specialising in the financial institutions sector. Prior to joining Lexicon Partners in May 2001, Laurie was a Partner in the Phoenix Partnership, becoming a Managing Director in the Financial Institutions Group of Donaldson, Lufkin & Jenrette after it acquired Phoenix in 1997. He spent the first 18 years of his career at Samuel Montagu, now part of HSBC Investment Bank, where his final responsibility was as Deputy Head of UK Corporate Finance. This included a posting in Singapore, where he was Area Manager responsible for Midland Bank's operations in Southeast Asia. He is Chairman of Pantheon International plc and J.P. Morgan Multi-Asset Trust plc. He is a non-executive Director of Aggregated Micropower Holdings plc and Fidelity Japan Trust plc. In the not for profit sector, he is Chairman of Historic England and a Trustee of The English Heritage Trust, a Trustee of The Allchurches Trust and Chairman of The Windsor Leadership Trust.

GROWTH TIMELINE

DELIVERED AUM GROWTH THROUGH A COMBINATION OF ORGANIC AND ACQUISITION GROWTH



Organic

December 2014: New management buy-in team appointed.

August 2015: Gresham House appointed investment manager of SPARK Ventures plc (rebranded Gresham House Strategic plc) c.£40m AUM.

August 2016: Gresham House Strategic Public Equity LP first close. c.£24m AUM including co-investment commitment.

June 2017: British Strategic Investment Fund first close £150m AUM.

November 2018: Launch and IPO of Gresham House Energy Storage Fund plc (GRID).

January 2019: £25m top-up fundraising for Baronsmead VCTs closed in under ten days.

March 2019: Joint Venture with Aberdeen Standard Investment (ASI) relating to the Strategic Public Equity strategy announced.

May 2019: Appointment by AXA Investment Managers - Real Assets to manage 4,074 Irish forestry portfolio.

May-July 2019: £65 million placement of new equity in GRID

Acquisition

November 2015: Acquired Aitchesse Ltd. the UK leading forestry asset manager c.£200m AUM.

August 2016: Appointed investment manager to LMS Capital plc c.£90m AUM.

October 2017: Acquired Hazel Capital LLP, a leading new energy infrastructure business. Gresham House New Energy division formed.

May 2018: Acquired FIM Services Limited, a leading forestry and renewables business.

November 2018: Acquired the fund and investment management businesses of Livingbridge VC LLP. Including two Baronsmead VCTs and two OEICs with AUM of c.£0.5bn.

INVESTMENT CAPABILITIES

Investment capability	Structure	Target IRR / Total Return	Target income %	Distribution cycle	Inflation linkage	Contractual cash flows	Investment term
Real Assets							
Housing & Infrastructure (BSIF)	LP	8-10% Total Return	5.0-6.0%	Quarterly ²	✓	-	12 years
Forestry	LP	7.0% IRR	2.1% ¹	Annually	✓	-	10 years
Battery Storage	Listed	8% unlevered, 15% levered Total Return	7.0% ³	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	-	-	-	-	-
LF GH UK Micro Cap Fund	NURS	12-15% Total Return	-	-	-	-	-
LF GH UK Multi Cap Income Fund	OEIC	8-10% Total Return	4.0%	Quarterly	-	-	-
Private Assets	Listed	12-15% IRR	-	-	-	-	-
GH Ventures ⁴	LP	25% IRR	-	-	-	-	10 years

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.

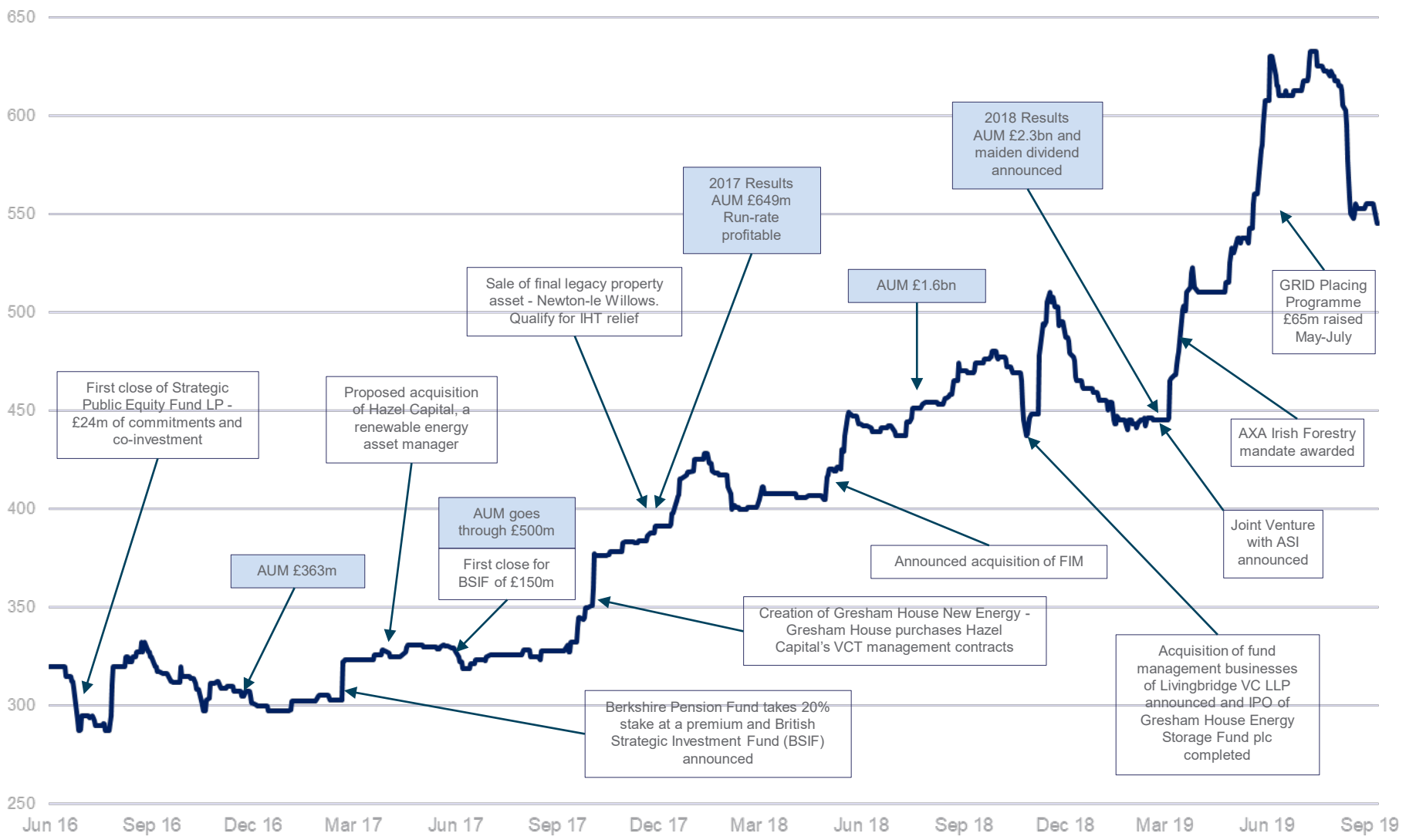
3. Is the target dividend from year two onwards (4.5p+ in the first year)

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

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



GRESHAM HOUSE PLC - THE GROWTH STORY



STRATEGIC EQUITY



GRESHAM HOUSE STRATEGIC PUBLIC EQUITY

Targets investment opportunities in which the manager believes there are value-creation opportunities through strategic, management and operational changes and 15% IRR over the medium term.

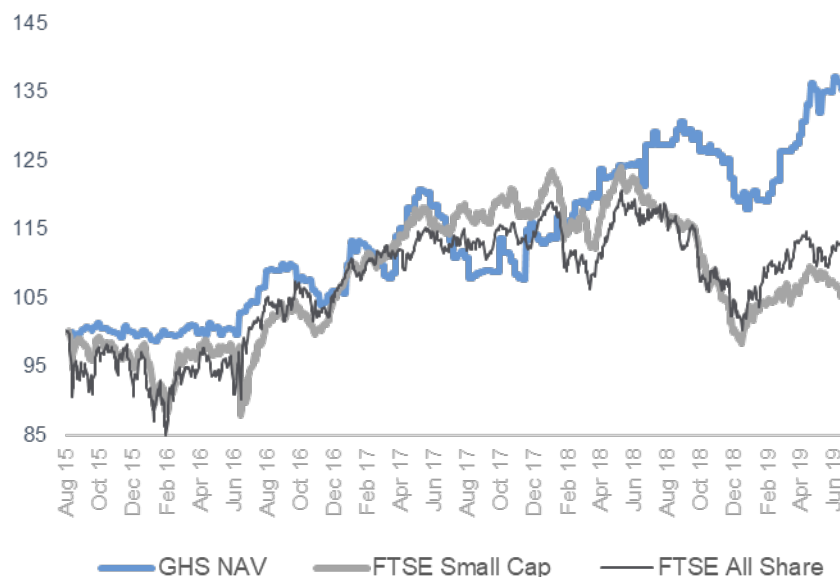
Key characteristics

1. Targeting influential minority stakes
2. High engagement with management and stakeholders to support value creation
3. Targeting inefficient areas of public markets
4. Focus on profitable, cash-generative companies with value characteristics
5. Under-researched target market offers opportunities to find value in less well known companies
6. Utilising private equity approach and disciplines, including due diligence

Funds managed

- Gresham House Strategic plc
- Gresham House Strategic Public Equity Fund LP

Relative performance vs FTSE small cap and All-Share¹



Investment Committee

- Anthony Dalwood (CEO, Gresham House, SVG Advisers)
- Graham Bird (SVG Investment Managers)
- Tom Teichman (SPARK Ventures, lastminute.com)
- Bruce Carnegie-Brown (Chairman, Lloyd's of London, Moneysupermarket.com Group plc)

¹ Rebased in pound sterling (£)
Source: Bloomberg, as at 30 June 2019
Past performance is not necessarily a guide to future performance.

LF GRESHAM HOUSE UK MICRO CAP FUND

A high-conviction, concentrated fund, seeking to deliver risk-adjusted returns with low correlation to its peer group via a dedicated focus on micro cap companies and fundamentals-based stock picking.

Key characteristics

1. Daily dealing FCA regulated OEIC
2. Internally seeded (2009), grown to £171.9m NAV¹
3. Focused on UK micro-cap investments (<£250m market cap)
4. Fundamentals-based stock picking approach
5. Upper second quartile performing IA UK smaller-companies fund over 3 years
6. Aims to deliver risk-adjusted returns with an absolute return focus
7. Targeting 12-15% total return

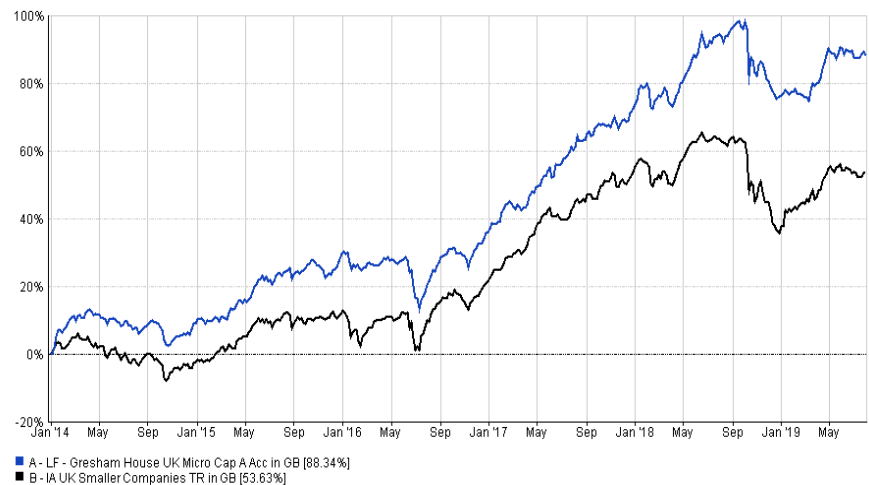
An attractive place to invest

- Inefficient markets: micro-caps remain under researched and below the radar
- A large dynamic universe: majority of UK smaller companies are micro-caps below £250m market cap
- Dynamic entrepreneurial environment: constant renewal of investment universe

1. As at 30 June 2019

Past performance is not necessarily a guide to future performance.

Total Return Bid-Bid line chart (from 31 December 2013 to 30 June 2019), of LF Gresham House UK Micro Cap Fund (A) and IA UK Smaller Companies Sector (B) from UK Investment Association universe



31/12/2013 - 31/07/2019 Data from FE 2019

Investment team

Well-established team with a broad network and access to specialist expertise derived from private equity heritage:

- Ken Wotton, Fund Manager, CA
- Brendan Gulston, Fund Manager
- Graeme Bencke, Fund Manager
- David Leahy, Analyst

LF GRESHAM HOUSE UK MULTI CAP INCOME FUND

Seeking risk-adjusted returns and low correlation to its peers through a focus on income yield and fundamentals-based stock picking.

Key characteristics

1. Launched in June 2017, grown to £40.1m NAV¹
2. Focus on profitable, cash generative growth businesses, with attractive dividends
3. Multi cap, with a bias towards small and mid-cap companies
4. Aims to deliver risk-adjusted returns with an absolute return focus
5. Targeting a 4% yield and 8-10% total return p.a.

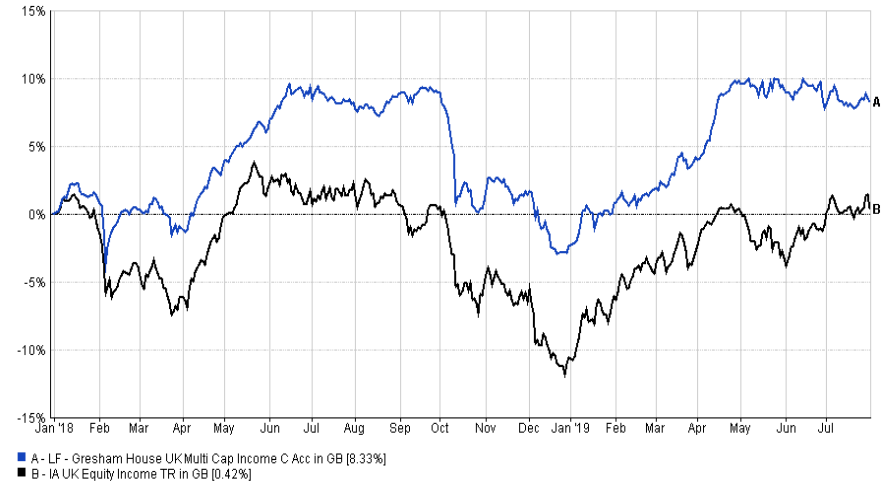
An attractive place to invest

- Diversification: 53% of dividends are from 10 FTSE 100 companies², our small / mid-cap bias results in low correlation with most income funds
- Inefficient markets: smaller companies are under researched and below the radar, offering income and growth opportunities for specialists
- Growth drivers: focus on sectors we believe drive the UK economy

1. As at 30 June 2019

2. Source: AJ Bell Dividend Dashboard. Forecast percentage contribution to FTSE 100 cash dividend payments in 2019
Past performance is not necessarily a guide to future performance.

Total Return Bid-Bid line chart (from 31 December 2017 – 30 June 2019), of LF Gresham House UK Multi Cap Income Fund and IA UK Equity Income Sector from UK Investment Association universe.



29/12/2017 - 31/07/2019 Data from FE 2019

Investment team

Well-established team with a broad network and access to specialist expertise derived from private equity heritage:

- Ken Wotton, Fund Manager, CA
- Brendan Gulston, Fund Manager
- Graeme Bencke, Fund Manager
- David Leahy, Analyst

LMS Capital plc is targeting equity total returns on new capital invested over the long term of between 12% and 15% per annum after running costs.

Key characteristics

1. Focused on private equity and specialist asset classes managed by Gresham House
2. Gresham House is an experienced manager with a track record of creating value
3. Listed company structure provides liquidity
4. Value within existing portfolio, company engaged in identifying opportunity to “reset” for future growth
5. Rigorous ‘Private Equity’ approach - independent investment committee

Funds managed

- LMS Capital plc

Valuation opportunity

1. NAV per share is 73.3p¹. LMS Capital share price trades at c.33.3% discount²
2. Recent realisations have been at or slightly ahead of NAV
3. First new investment since August 2016 in Northbridge Industrial Services plc
4. Clear shareholder return drivers
5. Objective to increase liquidity, make further new investment, grow NAV and reduce discount

Investment Committee

Investment Committee and deal team with over 120 years of experience in Private Equity, Public Equity, Property and Energy.

1. As at 30 June 2019

2. LMS share price of 50.3p as at 30 June 2019 and applying 31 March 2019 NAV of 73.8p per share
Past performance is not necessarily a guide to future performance.

REAL ASSETS



Providing investors with exposure to structurally important sectors to the UK economy.

Key characteristics

1. Our strategy targets an 8-10% annual net return including an income yield of 5-6% p.a.¹
2. Focus on sub £50m investments where there is less competition
3. Asset-backed and income generating portfolio
4. Inflation linkage and uncorrelated returns
5. Focus on delivering a positive social impact as well as financial returns
6. Partnership approach through LP co-investment platform

Available investment structures

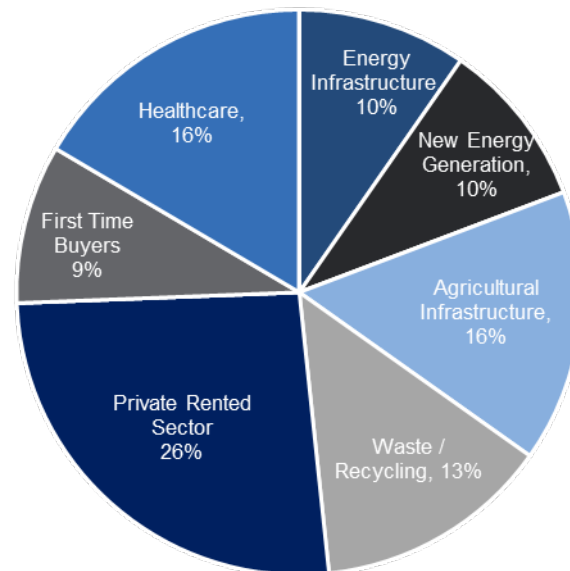
- Gresham House British Strategic Investment Fund (BSIF) LP
- LPs can be selective about investing in co-investment deals alongside BSIF

¹ The Investment Memorandum states 3-5% but 5-6% is based on current income projections once projects have stabilised and Fund is fully invested

² Assumes full deployment of identified investments as at 19 August 2019

Past performance is not necessarily a guide to future performance.

Current target portfolio sub-sector mix²



Investment resources

- Executive Investment Team of 6 core investment professionals led by Ben Guest and leverages additional resource from the New Energy team
- Investment Committee with over 120 years of combined experience with responsibility for oversights and capital allocation decisions

The UK's leading commercial forestry investment manager with c.130,000 hectares of managed forests.

Key characteristics

1. Target IRR of 7% p.a. and income of 2% p.a.
2. Biological growth uncorrelated to economies, interest rates or markets
3. A real asset with a positive correlation to inflation
4. Cash income from harvesting to support yield payments
5. Environmental and ethical investment
6. Potential additional returns from renewable energy and other land uses

Available investment structure

- LP - 100% Forestry
- LP - 80% Forestry / 20% renewables
- Segregated account

Market opportunity

1. UK a captive market for timber, importing c.80% of total timber requirement
2. UK Timber industry valued at over £8.5 billion by Office for National Statistics, sector is in the top 20 major industries in the UK¹
3. Strong compound annual growth rates, the IPD Annual UK Forestry Index averaged 15.7% over 10 years²
4. Exposure to a growing future global supply/demand imbalance

Investment Committee

Nearly 80 years' combined experience, with oversight and making capital allocation decisions.

- Olly Hughes
- Rob Carlow
- Colin Lees-Millais
- Edward Daniels

1. Timber Trade Federation

2. Forestry Commission IPD UK Annual Property & Forestry Indices. Annualised rates, Total Return, as at 31 December 2018
Past performance is not necessarily a guide to future performance.

Targets generation of sustainable financial returns for investors while supporting the shift from finite resources to a clean energy world.

Key characteristics

1. Asset-backed and income generating investments that are becoming or are already mainstream
2. Solar is the cheapest form of renewable energy in many parts of the world
3. Revenues from solar and onshore wind are partially index-linked, cash generative assets with a long 25+ year economic life
4. Onshore wind and solar - low operating risk, long-term maintenance contracts with low volatility in annual output
5. Energy Storage Systems are cost-effective battery-based storage plants which provide a solution for the National Grid to counter the challenge of renewable intermittency

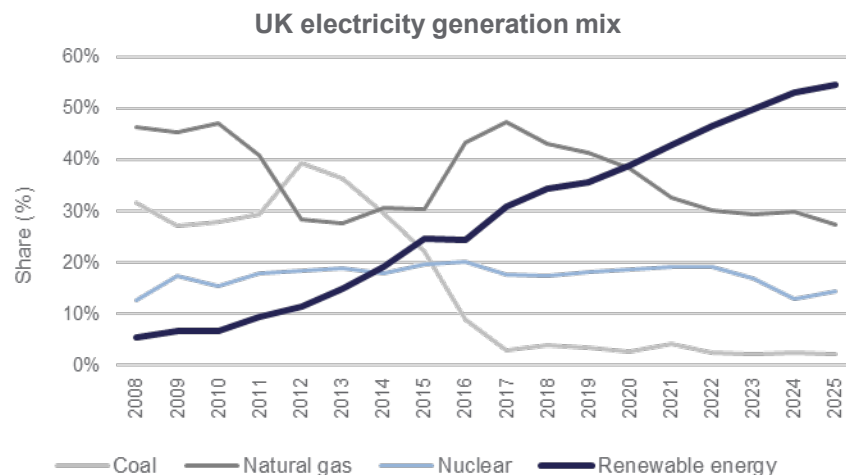
Investment structures available

- LP for Solar
- LP for Wind
- New Energy VCTs
- Gresham House Energy Storage Fund plc - listed
- Co-investment opportunities

*Chart source: BEIS Reference Scenario
Past performance is not necessarily a guide to future performance.*

Market opportunity

- Renewables increasingly dominant, with declining need for subsidies
- Decarbonisation of economy drives need for a reliable electricity supply based on renewable energy



Investment team

Team with proven capability in originating, acquiring, constructing and managing the operation of UK renewable energy infrastructure assets

GRESHAM HOUSE ENERGY STORAGE

Compelling investment opportunity in a fast-growing sector.

Key characteristics

1. Gresham House Energy Storage Fund plc gives investors exposure to a portfolio of utility-scale Energy Storage Systems (ESS) providing attractive and sustainable dividends over the long term
2. Targets a total return of 8.0%¹ p.a. and a minimum target dividend of 7.0%² p.a.
3. Returns are not correlated to the absolute level of wholesale power prices and are not dependent on renewable subsidies
4. Fund represents the UK's largest portfolio of ESS projects
5. Seed portfolio of six operational assets (70MW) plus additional 154MW of exclusive, ready-to-build projects

Available investment structures

- Listed Investment Trust - ESF plc (ticker: GRID)
- Part of a diversified portfolio via BSIF
- Potential LP structure

1. This is a target only and not a profit forecast

2. 4.5p in the first year

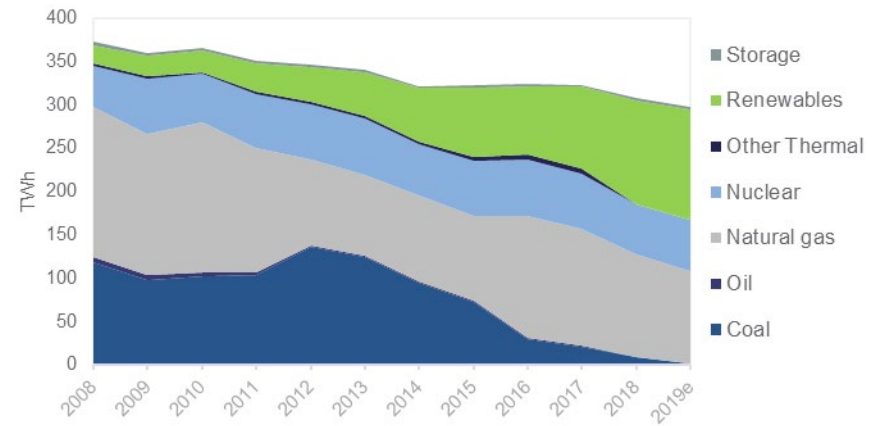
3. The Gresham House New Energy team formed ten years ago and has developed or invested in 28 solar projects (290MW) and five Energy Storage Systems (70MW) to date

4. Gresham House plc is a 28% shareholder in Noriker Power Limited

Past performance is not necessarily a guide to future performance.

Market opportunity

- Demand for energy storage is accelerating as deployment of renewables continues and coal and gas-fired generation are retired
- Decarbonisation of economy drives need for a reliable electricity supply based on renewable energy



Source: BEIS: Reference Scenario in Annex J, 2018 Updated Energy & Emissions Projections.

Investment team

- Our New Energy team has proven capability in this sector having developed six ESS to date³
- Strategic partnership with Noriker Power Limited⁴

GRESHAM HOUSE ONSHORE WIND

Sustainable real asset with an attractive return and low financial risk.

Key characteristics

1. Exposure to UK operational on-shore wind assets with ROC support
2. Target IRR of c.7.5% p.a. with a cash yield of c.10.0% p.a.¹
3. Cash flows from wind farms are relatively stable, with c.50% of revenue stream being index-linked (the ROC revenue)
4. Onshore wind is a mature technology with low operating risk (operating costs are largely fixed) and once operational benefit from long-term (20 year) contracts
5. Environmental and ethical investment

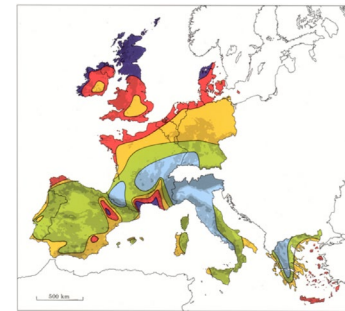
Available investment structures

- Limited Partnership (LP)
- Co-investment opportunities
- Potential YieldCo

1. This is a target only and not a profit forecast
 Chart source: Riso DTU National Laboratory, Denmark
 Past performance is not necessarily a guide to future performance.

Market opportunity

The UK is one of the best locations for wind power in the world. Decarbonisation of the economy drives the need for a reliable electricity supply based on renewable energy.



Wind resources at 50 metres above ground level for five different topographic conditions

Sheltered terrain		Open plain		At a sea coast		Open sea		Hills and ridges	
ms ⁻¹	Wm ⁻²	ms ⁻¹	Wm ⁻²	ms ⁻¹	Wm ⁻²	ms ⁻¹	Wm ⁻²	ms ⁻¹	Wm ⁻²
>6.0	>250	>7.5	>500	>8.5	>700	>9.0	>800	>11.5	>1800
5.0 - 6.0	150 - 250	6.5 - 7.5	300 - 500	7.0 - 8.5	400 - 700	8.0 - 9.0	600 - 800	10.0 - 11.5	1200 - 1800
4.5 - 5.0	100 - 150	5.5 - 6.5	200 - 300	6.0 - 7.0	250 - 400	7.0 - 8.0	400 - 600	8.5 - 10.0	700 - 1200
3.5 - 4.5	50 - 100	4.5 - 5.5	100 - 200	5.0 - 6.0	150 - 250	5.5 - 7.0	200 - 400	7.0 - 8.5	400 - 700
<3.5	<50	<4.5	<100	<5.0	<150	<5.5	<200	<7.0	<400

Investment team

Over 100 years' combined experience with oversight and making capital allocation decisions.

- Wayne Cranstone
- Richard Crosbie Dawson
- Ben Guest
- Ed Simpson
- Alf Francis
- Olly Hughes

Low risk, asset backed investment providing robust revenues with a strong degree of inflation protection.

Key characteristics

1. Our Funds provide exposure to operational solar PV assets with ROC support
2. Targets an IRR 6.0% p.a. with income yield of 7.0% p.a¹
3. Revenues from solar are partially index-linked and highly cash generative with a long 25+year economic life
4. Solar projects have low operating risk, long-term maintenance contracts with low volatility in annual output
5. Environmental and ethical investment

Available investment structures

- Limited Partnership (LP)
- Co-investment opportunities

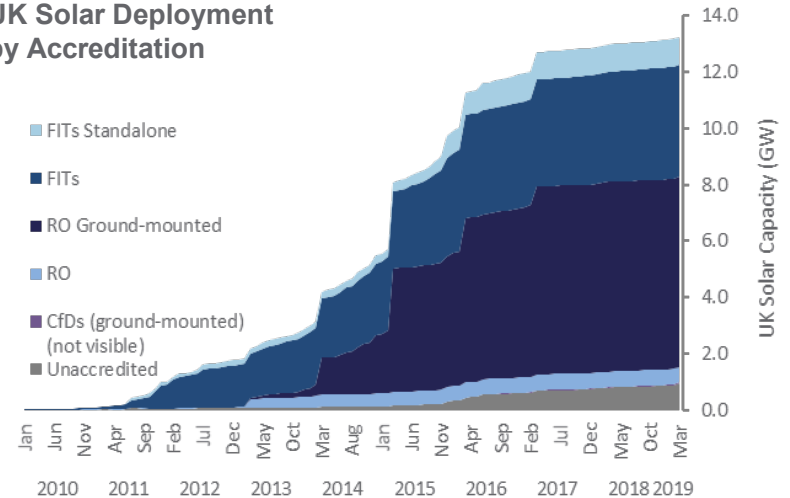
1. This is a target only and not a profit forecast

Chart source: Department of Business Energy and Industrial Strategy (June 2019)
Past performance is not necessarily a guide to future performance.

Market opportunity

Solar is an established power generation source in the UK and still growing. UK demand for clean energy will increase substantially as the economy continues to de-carbonise.

UK Solar Deployment by Accreditation



Investment team

Over 100 years' combined experience with oversight and making capital allocation decisions.

- Wayne Cranstone
- Richard Crosbie Dawson
- Rupert Robinson
- Ben Guest

What is Co-Investment?

- Alongside financial returns, many of our clients and investors look for opportunities to increase their investment into specific sectors and regions of their choice on a deal-by-deal basis.
- We aim to provide our clients with access to co-investment opportunities that are relevant to them in terms of industry focus, geographic location or investment size. We also aim to ensure that co-investors are provided with a comprehensive level of analysis to appraise the deal, in order to make a decision to invest with confidence.
- Ultimately, we strive to provide investors with the same level of information on a deal as if they had been sitting around the table participating in our investment committee meetings and decision-making process.

How does Co-Investment work?¹

1

Registration deadline

Gresham House's deal team identify a deal suitable for co-investment and make it available to appropriate co-investors on the portal. You are invited to review the opportunities and register for access for those that interest you.

2

Commence diligence

Once your registration has been confirmed you will be able to review our preliminary investment report/"5 pager" and then commit to the diligence phase of the deal indicating your likely level of financial commitment (this amount can be updated at any point in the process).

3

Review IC paper and reconfirm interest

Once the diligence has been completed; relevant copies of documents and the final investment report will be uploaded to the portal for your review. Once again you will be asked to "reconfirm" your interest in the deal as well as confirming your level of financial commitment.

4

Review final allocation and transfer funds

Once the final deal allocation and terms are agreed this will be uploaded on the portal along with instructions for transferring funds. The transfer of these funds completes the deal and this will then be updated and reflected in the portal for the next reporting cycle.

5

Deal completion

Ongoing monitoring of that investment in terms of progress updates and general information will be made available through the portal.

1. Our co-investors are required to sign a co-investment agreement up front before we provide access to any co-investment opportunities

OUR CLIENT PORTAL

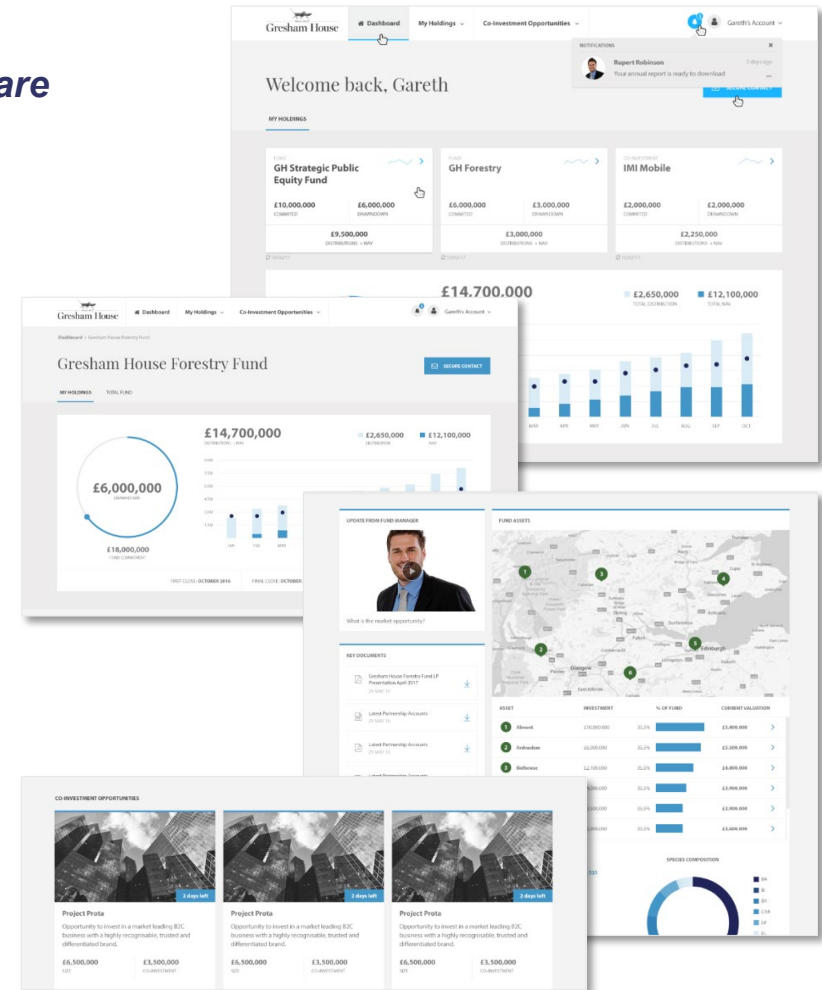
We believe our approach to asset management is differentiated by looking at new ways to adapt and share what we do with investors. This is evidenced, in part, through our investment into digital services.

We understand that key investor objectives in addition to financial returns are:

- Transparency
- Discretion (co-investment)
- Engagement and communication

Our proprietary online Client Portal provides investors with:

- Visibility into their holdings
- Further information on underlying assets (investment papers, research, analyst updates)
- Access to deal by deal co-investment opportunities allowing investors to focus on region/sector-specific investments



RECOGNITION

WINNERS

- Professional Pensions UK Pensions Awards 2019 - *Alternative Investment Manager of the Year*
- The Grant Thornton Quoted Company Awards - *Fund Manager of the Year 2019*¹
- Wealth Briefing European Awards 2019 - *Alternative Investment Manager*
- Wealth Briefing European Awards 2018 - *Alternative Investment Manager*

SHORTLISTED

- Financial News Asset Management Awards - *Alternatives Investment Provider of the Year*²
- LAPF Investment Awards - *Impact Manager of the Year 2019*²
- The Small Cap Awards - *Fund Manager of the Year 2019*¹
- Investment Week Fund Manager of the Year Awards - *Specialist Group of the Year 2019*
- Investment Week Fund Manager of the Year Awards - *UK Smaller Companies 2019*¹
- Investment Week Specialist Investment Awards 2019 - *Boutique Fund Manager of the Year*²
- Investment Week Specialist Investment Awards 2018



1. Awards for underlying Funds and/or Fund Managers of Gresham House.
2. Awaiting outcome

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