

LMS CAPITAL PLC QUARTERLY FACTSHEET



Q3 - September 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 focusing on smaller deals below £50.0m enterprise value. The team invests and partners with management teams of profitable and cash generative companies.

LMS - KEY FACTS

NAV per share:
78.1p¹

Share price:
49.25p²

Ticker:
LMS

1. As at 30 September 2018
2. Mid price as at 29 October 2018

INVESTMENT MANAGER'S REPORT

The Company's unaudited Net Asset Value ("NAV") at 30 September 2018 was £63.1m (30 June 2018: £63.8m), equivalent to 78.1p per share (30 June 2018: 79.0p per share).

The most significant movements over the quarter were:

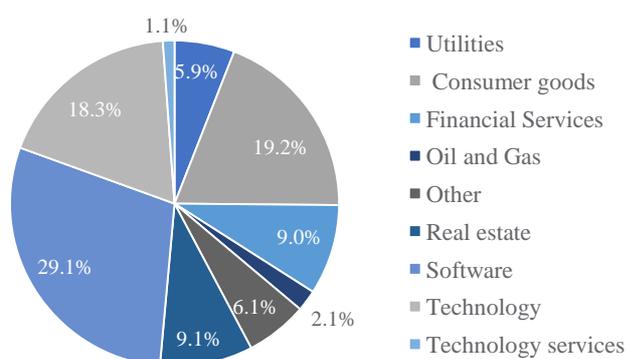
- The investment portfolio showed a net unrealised loss in the quarter of £0.4 million after including unrealised exchange gains of £0.5 million. The loss was due principally to changes in the prices of quoted securities
 - Reductions in the value of the Company's holdings in IDE Group and Weatherford were £0.8 million and £0.2 million respectively, in part offset by an increase of £0.4 million in the value of its holding in Gresham House plc
 - Other net movements in the portfolio amounted to a reduction of £0.3 million
- Other net charges, including operating costs for the quarter, amounted to a reduction of £0.3 million
- Approximately 62% of the portfolio at 30 September 2018 is denominated in US Dollars

The NAV at the end of September 2018 is based on the valuation of the Company's investments as at 30 June 2018, adjusted for transactions in the three months ended 30 September 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.

PORTFOLIO BREAKDOWN AS AT 30 SEPTEMBER 2018

	NAV £m	% of NAV
Quoted Stocks		
Gresham House	4.7	7.4
UK Private		
Entuity	3.6	5.7
US Private		
YesTo	9.3	14.7
Penguin	4.4	7.0
Medhost	8.6	13.6
NEP	3.1	4.9
UK Funds		
Brockton Capital	4.8	7.6
US Funds		
Opus Capital Venture Partners	3.2	5.1
Other	10.8	17.2
Cash	13.0	20.6
Other net assets/liabilities	(2.4)	(3.8)
Company net assets	63.1	100.0

SECTOR EXPOSURE



Performance	Q3 2018	Q2 2018	Q1 2018
LMS NAV per share	-1.1%	+6.0%	-6.8%

Source: LMS Capital plc published results as at 30 September 2018, 30 June 2018 and 31 March 2018

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)

Tony has 23 years of investment and operating experience. He established SVG Investment Managers and launched Strategic Equity Capital plc and the Strategic Recovery Funds. He was former CEO of SVG Advisers (Schroder Ventures London) and a previous member of the UK Investment Committee at PDFM (UBS Asset Management).

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.

FUND MANAGERS

Graham Bird

Graham is the Fund Manager and an Investment Committee Member. He has 25 years of investment, advisory and operating experience and was 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.

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

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