

B . P . M A R S H
& P A R T N E R S P L C



Interim Report

For the period ending 31 July 2017

Company information

Directors

Brian Marsh OBE *Executive Chairman*

Alice Foulk *Managing Director*

Daniel Topping *Chief Investment Officer*

Jonathan Newman *Group Finance Director*

Camilla Kenyon *Executive Director*

Campbell Scoones *Non-executive Director*

Stephen Clarke *Non-executive Director*

Pankaj Lakhani *Non-executive Director*

Nicholas Walker *Non-executive Director*

Company Secretary

Sinead O'Haire

Company Number

05674962

Registered Office

4 Matthew Parker Street

London, SW1H 9NP

Auditors

Rawlinson & Hunter Audit LLP

8th Floor, 6 New Street Square

London, EC4A 3AQ

Broker and Nominated Adviser

Panmure Gordon (UK) Limited

One New Change

London, EC4M 9AF

Registrar

Link Market Services

The Registry, 34 Beckenham Road

Beckenham, Kent, BR3 4TU

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Group Profile

The B.P. Marsh Group is a specialist venture capital / private equity investor in early stage financial services intermediary businesses, including insurance intermediaries, financial advisors, wealth and fund managers and specialist advisory and consultancy firms. It considers investment opportunities based in the United Kingdom, Europe, North America and internationally.

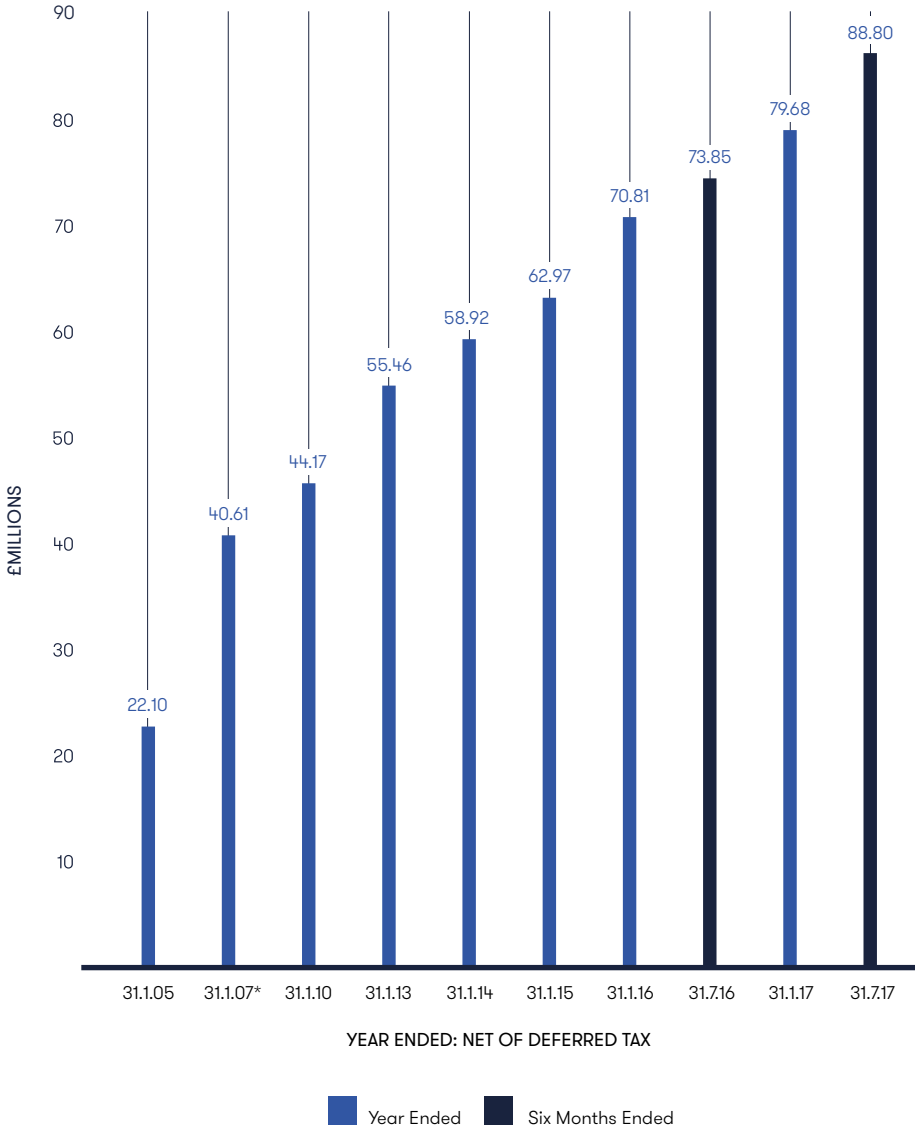
The Group typically invests amounts of up to £5m in the first round. Investment structure is flexible and investment stage ranges from start-up to more developed. The Group generally takes minority equity positions and does not seek to impose exit pressures, preferring to be able to take a long-term view where required and work alongside management to a mutually beneficial exit

route that maximises value. Each investment is built on the relationship with the management team and the Group considers this to be a key factor in its success. Follow-on funding is available to drive growth, alongside the input and experience of the Group's team.

The Group has invested in 47 businesses since it was founded in 1990 and its management team has a wealth of experience and a well-developed network within the financial services sector.

The Group's aim is to be the capital provider of choice for the financial services intermediary sector and to deliver to its investors long-term capital growth alongside a sustainable distribution policy.

Group Valuation



*NB: The valuation at 31 January 2007 includes £10.1m net proceeds raised on AIM

Chairman's Statement

Interim Results

B.P. Marsh & Partners Plc, the niche venture capital provider to high growth businesses, announces its unaudited Group interim results for the six months to 31 July 2017 (the "Period").

The financial highlights for the Period are:

- Net Asset Value ("NAV") at 31 July 2017 of £88.8m (31 July 2016: £73.8m)
- Increased NAV per share of 304p (31 Jan 2017: 273p, 31 July 2016: 253p)
- Increase in the equity value of the portfolio of 24.6% in the Period
- 12.8% total shareholder return (31 July 2016: 5.8%)
- Significant rise in profit after tax (unaudited) of £10.2m (31 July 2016: £4m)
- Final dividend of 3.76p per share declared and paid in July 2017
- Dividend of 3.76p per share intended for year to 31 January 2018
- Cash and treasury funds balance of £22m, of which £13.2m uncommitted
- Current uncommitted cash of £8.6m available for investment
- Increase to the top limit of funding to £5m from £3m

The portfolio highlights for the Period are:

- New investments in CBC UK Ltd ("CBC") and XPT Group LLC ("XPT")
- Disposals of Besso Insurance Group Limited ("Besso") and Trireme Insurance Group Limited ("Trireme") delivering combined proceeds of £32.0m before tax

- Additional investment in LEBC Holdings Limited ("LEBC")
- Follow-on funding to Nexus Underwriting Management Limited ("Nexus")
- New investment post-period end in Mark Edward Partners LLC ("MEP")

Chairman's Statement

I am pleased to present the unaudited Consolidated Financial Statements of B.P. Marsh & Partners Plc for the six month period to 31 July 2017.

The Net Asset Value has increased to £88.8m from £73.8m as at 31 July 2016, representing an NAV per share of 304p (31 July 2016: 253p), and unaudited profit after tax in the Period was £10.2m, compared to £4m in the six months to 31 July 2016.

The disposals of Besso and Trireme during the Period provided the Company with combined proceeds of £32.0m before tax and we will deploy this into new investments and our existing investee companies.

We have for some time been following North America as an opportunity base and we are pleased to have made two new investments in US insurance intermediary businesses founded by industry veterans: XPT in June and Mark Edward Partners after the period end.

Meanwhile in London we made a new Lloyd's broking investment in CBC, a typical B.P. Marsh venture in a small business with big ambitions and a capable team to fulfil them.

Within the portfolio we took the opportunity to make an additional investment into LEBC, the national UK financial advisory business. LEBC has grown strongly in recent years and continues to do so by developing its traditional advice model to incorporate the best in technology advancement and steadily growing its corporate project work. In addition, we provided additional financial support to Nexus by means of a £4m loan facility to enable Nexus to continue its M&A activity, with three new acquisitions made in 2017 to date.

We have a strong pipeline of new opportunities to consider and a healthy cash balance and our decision to increase our top limit for new investments from £3m to £5m in February has proved fruitful, opening new investment avenues for us to explore. The portfolio now has a healthy geographic spread, reflecting our overseas investment strategy to only invest in territories with a well-developed regulatory and compliance framework and where there are good opportunities for growth in partnership with a London-based investor. Our portfolio businesses in Australia, Canada, Singapore, and South Africa, whilst currently small scale, provide a solid footprint for development.

The Board is pleased to note the continued narrowing of the share price discount to NAV per share, continuing the progress we have made over the past five years. We value all our shareholders, large and small, and are pleased to record a 12.8% shareholder return in the period. We paid a dividend of 3.76p

per share in July 2017, with this intended to be repeated in the coming two years. In addition, we have a stated Buy-Back policy that enables us to buy back shares should the NAV discount threshold reach 25% or more.

On a wider note, the 2017 Atlantic hurricane season is expected to rank among the costliest in recent years after a decade or so without major losses to the insurance industry. None of our investee companies are exposed to underwriting risk and, indeed, they should benefit from any tightening of rates following these events. However, the full effects will not become clear for some time.

The global political situation remains uncertain and we continue to keep a watchful eye on events. Meanwhile, with the Company making solid progress, we remain measured, diligent and energetic in pursuing our objectives.

Business Update

New Investments

Investment in CBC UK Ltd

On 17 February 2017, the Group acquired, through a newly established company Paladin NewCo Limited (“Paladin”) (now called Paladin Holdings Limited), an effective 35% shareholding in CBC.

CBC is a Retail and Wholesale Lloyd’s Insurance Broker, offering a wide range of services to commercial and personal clients as well as broking solutions to intermediaries. For the year ending 31 December 2017, CBC has a forecast Revenue of £5.55m with a forecast EBITDA of £0.63m. As part of the transaction, the Group

Chairman's Statement

partnered with CBC's management team and Andrew Wallas, who joined the Board as Non-executive Chairman, delivering a 50% and 15% shareholding to both parties, respectively.

This transaction was made through Paladin to which the Group provided £4m of funding. This was provided via the subscription for a 35% shareholding in Paladin for nominal value and a Loan Facility of £4.0m which was fully drawn down on completion.

Having exited investments in two Lloyd's brokers, Besso and Trireme, during the Period, the Group was pleased to establish this new position in the Lloyd's broking sector, one of its traditional markets.

Investment in XPT Group LLC

On 13 June 2017, the Group invested US\$6m into XPT, a New York based specialty lines insurance distribution company, subscribing for a 35% stake.

XPT is a newly established operation which is in active discussions with a number of parties over potential minority and majority investments into established entities in the US wholesale insurance arena. XPT plans to make one or two US-based acquisitions before the end of its first year.

The management team at XPT is a line-up of industry veterans, including Tom Ruggieri, formerly of Marsh, Advisen and Swett & Crawford; Mark Smith, former president and CEO of Stewart Smith and Jeff Heath, the

founder of Heath Group. The investment in XPT is a return to the North American market for the Group, following on from the Company's recent investment in Canada, Stewart Specialty Risk Underwriting Ltd.

Investment in Mark Edward Partners LLC (post Period end)

On 12 October 2017, the Group invested into MEP taking a 30% equity stake and providing a US\$2m loan facility available for future growth.

MEP is a specialty insurance broker offering a wide range of risk management services to both commercial and private clients. MEP is a national U.S. firm with licenses to operate in all 50 states and has offices in New York, Palm Beach and Los Angeles.

By investing in MEP, B.P. Marsh is entering into partnership with Mark Freitas, who has over 30 years of experience in the insurance industry. Having begun his career at American International Group ("AIG"), Mark joined Crystal & Company, where he subsequently became President and Chief Operating Officer, and saw the business increase its revenues significantly. He then left Crystal & Company in 2009 to establish MEP.

Increased Holdings

LEBC Holdings Ltd

The Group purchased a further 17.84% stake in LEBC for aggregate consideration of £7.14m on 26 July 2017. The shares were purchased for cash from several sellers, including retiring employee shareholders, members of

Management via LEBC's Employee Benefit Trust and Joint Share Ownership Plan and the Founder and CEO, Jack McVitie. As part of the transaction, the Joint Share Ownership Plan repaid the outstanding loan facility of £1m in full.

Following the purchase, the Company has an aggregate shareholding of 60.88% in LEBC, while the balance continues to be held by Founder and CEO, Jack McVitie and LEBC Management. The Group's usual strategy is to take minority equity positions. However in this instance the opportunity to make an additional investment proved compelling. The increase to a majority position will not result in any changes as the existing management will continue to run the business day to day. However, the Group has appointed Oliver Bogue as an additional director of LEBC alongside Camilla Kenyon, subject to regulatory approval.

Follow-on Funding

Nexus Underwriting Management Ltd

On 10 July 2017, the Group provided Nexus, in which it holds an 18.14% shareholding, with a £4m Loan Facility secured as part of a wider debt fundraising exercise, to undertake M&A activity.

Nexus secured £30m in loan facilities in total, with the balance of £26m provided by funds managed by HPS Investment Partners, LLC ("HPS"), the global investment firm. To date, Nexus has drawn down £18m of this £30m facility, including £2m from the Group, using it alongside existing cash resources to acquire Vectura Underwriting ("Vectura"), Equinox

Global Limited ("Equinox") and Zon Re Accident Reinsurance ("Zon Re") with further M&A activity planned for the remainder of 2017.

Vectura was established in 2007 and is a Managing General Agency based in London and offering clients a wide range of insurance products in the Marine Cargo space, in particular international cargo and freight liability insurance.

Equinox, founded in 2009, is a Trade Credit Managing General Agent with Lloyd's Coverholder approval with offices in London, New York, Paris, Hamburg and Amsterdam.

Zon Re is a management-owned Reinsurance Underwriting Manager based in New Jersey and founded in 2003 which offers domestic and international reinsurance capacity in the accident reinsurance space, specifically for primary life, property & casualty and accident & health.

By way of background, since the Company's investment in 2014, Nexus has grown its Gross Written Premium income from £56m in 2014 to a forecast £157m in 2017, an increase of 180%. In the same period, commission income has increased from £12.3m to a forecast £31m, an increase of 152%, and EBITDA has increased from £2.6m to a forecast £11m, an increase of 323%. The 2017 forecast figures include the three acquisitions noted above on a full year basis.

Chairman's Statement

Disposals

Besso Insurance Group Ltd

The Group announced on 4 January 2017 that it had reached an agreement to sell its entire 37.94% shareholding in Besso for cash to BGC Partners Inc ("BGC"). Completion was announced on 28 February 2017, with the Group receiving £21.6m in cash (net of transaction costs and pre-tax) following BGC's 100% acquisition of Besso for an enterprise valuation of approximately £70.5m. Various adjustments were then made by reference to completion accounts, resulting in additional £0.4m consideration proceeds (net of transaction costs and pre-tax) being payable to the Group.

The Group's final proceeds from this sale represent an increase of £0.7m on the valuation at 31 January 2017 and an IRR of 21.9% since 1995, when the Company originally invested. It also represents an increase of 58% on its last published valuation of the same stake in Besso of £13.9m at 31 July 2015, being the last valuation prior to the commencement of the sale process.

Trireme Insurance Group Ltd

On 3 April 2017, the Group announced its intention to dispose of its 29.94% shareholding in Trireme for £2.96m cash, to its fellow shareholder US Risk Midco, LLC ("US Risk"). Due to the aggregate quantum of disposals and loan repayments within the portfolio over the previous 12 months, this required the approval of the Company's shareholders at a General Meeting. Such authority was

given on 19 April 2017 and accordingly the sale completed shortly thereafter.

This disposal represents an uplift of 15% over the Group's valuation at 31 July 2016 and an IRR (including fees) of 15.6% since 2010, the date of investment.

As part of the disposal, Trireme repaid in full the outstanding £2.16m drawn down under its £2.42m loan facility with the Group, plus fees and accrued interest. As such, the total pre-tax proceeds received by the Group amounted to £5.19m.

Portfolio news

The Group's portfolio businesses have continued to develop as anticipated during the Period. Specific instances or developments are noted below:

The Fiducia MGA Company Ltd ("Fiducia")

Fiducia, the UK Marine Cargo Underwriting Agency, has opened a new office in Birmingham and launched a comprehensive marine trades facility for the UK regional marine market. The office will be headed by underwriter Marc Watts, with assistant underwriter Gemma Ballard and with Bob Watts leading development. The team had previously worked together, both at Groves John and Westrup and at Northern Marine Underwriting.

CEO Gerry Sheehy commented "Fiducia officially launched in November 2016 with ambitions to recruit experienced specialists with the aim of broadening the firm's product

base. Further expansion is planned over the next year and we are also seeing interest in our product set and capabilities from Europe.”

LEBC Holdings Ltd

LEBC became directly authorised by the FCA on 1 August 2017. The business, which was previously an authorised representative of Tenet, has a compliance framework in place that has enabled the authorisation process.

Jack McVitie, Chief Executive, commented “Direct authorisation ensures we will be able to continue to put our clients at the heart of everything we do and will provide them with unequalled service across our 16 offices nationally. Given the pace of change we have seen in the business and the industry at large over the last few years, now is clearly the right time to make this change.”

LEBC continues to be at the forefront of technological change within the wealth management sector and to look at ways to drive additional business and revenue using technology, in combination with its traditional face-to-face advice model. On 3 October 2017 LEBC announced that its “bionic” advice service had passed £1bn of new clients’ assets invested, an increase of 100% in only nine months and with more than 37,000 clients using the service.

The corporate projects work undertaken by LEBC The Retirement Adviser continues to grow. The 2017 Moneyfacts Awards announced in September saw LEBC

The Retirement Adviser winning the Retirement Adviser of the Year Award.

Sterling Insurance (PTY) Ltd (“Sterling”) MB Prestige Holdings (PTY) Ltd (“MB”)

The Group’s two investments in Australia; Sterling and MB, continue to perform in line with or above the Group’s expectations at the current time.

Summa Insurance Brokerage, S.L. (“Summa”)

For the year ended 31 December 2016 Summa met its budget, reporting Revenue of €6.1m and recurring EBITDA of €1.4m.

Despite some consolidation following the global financial crisis, the Spanish insurance intermediary market remains fragmented, with a high number of small regional players. Summa is one of the largest consolidators of regional insurance brokers in Spain, with an extensive network of offices and agents throughout the country. As such, the Group believes that Summa is well positioned to take advantage of growth opportunities moving forward. This has been demonstrated by Summa’s recent acquisition of Mikel Lasa Correduria de Seguros, a regional insurance broker based in Mondragon, the capital of the Basque Country. Additionally, the Group continues to work with Summa to develop their interaction with the Lloyd’s and London Insurance Market.

The Board of both B.P. Marsh and Summa are aware of the ongoing independence movement in Catalonia and are monitoring the situation closely.

Chairman's Statement

Walsingham Motor Insurance Ltd ("Walsingham")

Walsingham, the specialist fleet motor insurance underwriting agency, has continued to exceed expectations this year and is forecasting to deliver revenue and profits above budget for the year.

Dividend

A final dividend of 3.76p per share declared and paid in July 2017.

The Board aims to find a balance between utilising cash to invest in the existing portfolio and new opportunities, with providing investors with a healthy but sustainable yield. It is the Board's aspiration to maintain a dividend of at least 3.76p per share for the years ending 31 January 2018 and 2019, subject to ongoing review and approval by the Board and the shareholders.

Share Buy-Back

During the period of six months to 31 July 2017 the Group undertook seven Buy-Back transactions from the Market in line with its Buy-Back policy as announced on 3 March 2017 and 24 July 2017.

The Group's Share Buy-Back Committee meets periodically to decide if Buy-Back transactions should be undertaken when the discount to Net Asset Value of the Group's share price exceeds 25%. The suitability of the 25% threshold is regularly monitored by the Board.

The Buy Backs are intended as a stabilising mechanism and have been particularly useful during periods of market instability.

The Group bought back 28,646 shares in total during the Period for an aggregate price of £53,967. These shares were transferred into Treasury and formed part of the award to Management and other staff as part of the Group's Share Incentive Scheme as announced on 29 June 2017.

Business Strategy

The Group invests amounts of up to £5m in the first round of funding and takes minority equity positions in Financial Services intermediaries, normally acquiring between 20% and 40% of an investee company's total equity. During the holding period, additional investment can lead to the Group having a majority holding, as is the case currently in LEBC and Summa. In these circumstances, day to day business operation remains with management, with the Group providing input, advice and assistance, as with all of its portfolio businesses.

The Group is comfortable with taking a long-term investment horizon. Based on our current portfolio, the average investment has been held for approximately 3.4 years.

The Group requires its investee companies to adopt minority shareholder protections and appoint a director to its board.

Since 1990 the Group has generated an average NAV annual compound growth rate

of 11.7%. Its successful track record can be attributed to a number of factors that include a robust investment process, management's considerable sector experience and a flexible approach to exit.

Cash Balance

The Group has a current uncommitted cash balance of £8.6m available for new investment opportunities and for developing the existing portfolio.

Board Change

The Board was pleased to announce the appointment of Nicholas Walker as a Non-Executive Director, with effect from 6 September 2017. Upon appointment, Mr Walker also joined the Company's Remuneration Committee and Audit Committee.

Mr Walker is well-known to the Group, having worked with him in his capacity as Joint Managing Partner of Socios Financieros, the Madrid-based corporate finance firm which he founded in 1991, on matters relating to Summa, the Group's Spanish investment. This involvement resulted in Mr Walker's appointment as Non-Executive Director of Summa in February 2017.

Prior to founding Socios Financieros, Mr Walker was Vice President and Country Head of the Spanish M&A team at Citicorp from 1988-1991 and was an Analyst and Vice President at Bank of America International, including a member of its European M&A Group from 1985-1988.

The Board considers that Mr Walker's long track record in European and international M&A will bring additional depth to the Group and provide an excellent resource for the Management team and look forward to his contribution.

Outlook and New Business Opportunities

During the six-month period the Group has continued to see a strong flow of new investment opportunities, both in the UK and internationally. Discussions are ongoing on a number of these.

The increase in the Group's top limit of first round investment funding from £3m to £5m, announced in February, has had a positive impact by widening the Group's sphere of opportunity.

In the insurance sector, Managing General Agency start-up opportunities are a continuing trend. Insuretech opportunities continue to make headlines, however the Group has yet to see one that fits with its investment model and is suitably compelling. On the wealth management side, the Group continues to be interested in businesses with ambitious and capable management teams, whether Independent Financial Advisers, fund managers or other intermediaries. The impact caused by Hurricanes Harvey, Irma, Maria and Nate, is still being measured, with latest estimates of industry insured catastrophe losses for 2017 to date ranging from \$100bn - \$130bn. The Group's investee insurance intermediary businesses are not exposed to primary insurance risk but may witness

Chairman's Statement

positive adjustments to risk pricing that typically follows such events.

During the Period the Group reviewed 38 opportunities, of which 66% were insurance-related, 5% IFA and wealth management, 10% fintech and platforms and 10% other financial services opportunities. By way of comparison, during the interim period to 31 July 2016 the Group reviewed 45 new opportunities.

Brian Marsh OBE, Chairman
17 October 2017

“This solid set of results demonstrates substantial growth in our Investment Portfolio in line with our strategy to deliver value to shareholders”.

Brian Marsh OBE, Chairman

Consolidated Statement of Comprehensive Income

For the period ended 31 July 2017

	Unaudited 6 months to 31 July 2017		Unaudited 6 months to 31 July 2016		Audited Year to 31 January 2017	
	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investment						
Realised gains on disposal of equity investments (net of costs)	718		248		248	
Provision against equity investments and loans	(650)					
Unrealised gains on equity investment revaluation	11,701		4,003		11,243	
		11,769		4,251		11,491
Income						
Dividends	638		381		787	
Income from loans and receivables	620		676		1,351	
Fees receivable	674		308		816	
		1,932		1,365		2,954
Operating Income		13,701		5,616		14,445
Operating expenses		(2,136)		(1,170)		(3,086)
Operating Profit		11,565		4,446		11,359
Financial income	337		251		467	
Financial expenses	(75)		(7)		(36)	
Exchange movements	58		151		402	
		320		395		833
Profit on ordinary activities before taxation		11,885		4,841		12,192
Income taxes		(1,670)		(827)		(2,398)
Profit on ordinary activities after taxation attributable to equity holders		£10,215		£4,014		£9,794
Total comprehensive income for the period		£10,215		£4,014		£9,794
Earnings per share – basic and diluted (pence)		35.0p		13.8p		33.5p

The result for the period is wholly attributable to continuing activities.

Consolidated Statement of Financial Position

As at 31 July 2017

	Unaudited 6 months to 31 July 2017		Unaudited 6 months to 31 July 2016		Audited Year to 31 January 2017	
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Non-current assets						
Property, plant and equipment		177		12		15
Investments – equity portfolio	62,982		53,109		39,350	
Investments – treasury portfolio	15,449		5,114		5,230	
Loans and receivables	12,531		15,159		7,157	
		91,139		73,394		51,752
Current Assets						
Non-current assets as held for sale					24,217	
Trade and other receivables	1,475		2,807		5,062	
Cash and cash equivalents	6,591		4,537		7,327	
		8,066		7,344		36,606
Liabilities						
Non-current liabilities						
Corporation tax provision			(1,136)			
Deferred tax liabilities	(4,923)		(5,131)		(6,728)	
		(4,923)		(6,267)		(6,728)
Current liabilities						
Trade and other payables	(871)		(442)		(718)	
Corporation tax provision	(4,611)		(184)		(1,230)	
		(5,482)		(626)		(1,948)
Net Assets		£88,800		£73,845		£79,682
Capital and reserves – equity						
Called up share capital		2,923		2,923		2,923
Share premium account		9,390		9,374		9,381
Fair value reserve		20,739		20,482		26,191
Reverse acquisition reserve		393		393		393
Capital redemption reserve		6		6		6
Capital contribution reserve		6		4		5
Retained earnings		55,343		40,663		40,783
Shareholders' funds – equity		£88,800		£73,845		£79,682
Net asset value per share (pence)		304p		253p		273p

The Interim Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 16 October 2017 and signed on its behalf by: B.P. Marsh & J.S. Newman

Directors

Brian Marsh OBE

[Executive Chairman, aged 76 \(R\) \(I\) \(V\)](#)

Brian started his career in insurance broking and underwriting in Lloyd's and the London and overseas market over 55 years ago and was, from 1979 to 1990, chairman of Nelson Hurst & Marsh (Holdings) Ltd, before founding the Group. Brian has over 30 years' experience in building, buying and selling financial services businesses particularly in the insurance sector.

Alice Foulk BA (Hons)

[Managing Director, aged 30 \(R\) \(I\) \(V\)](#)

Alice joined B.P. Marsh in September 2011 having started her career at a leading Life Assurance company. In 2014 she took over as Executive Assistant to the Chairman, running the Chairman's Office and established herself as a central part of the management team. In February 2015 Alice was appointed as a director of B.P. Marsh and a member of the Investment Committee. In January 2016 Alice was appointed Managing Director where she is responsible for the overall performance of the Company and monitoring the Company's overall progress towards achieving its objectives and goals, as set by the Board.

Daniel Topping MCSI, ACIS

[Chief Investment Officer, aged 33 \(I\) \(V\)](#)

Daniel joined B.P. Marsh in February 2007. In 2011, having spent a period of time as Investment Assistant to the Chairman he was appointed as a director of B.P. Marsh and in January 2016 was appointed as Chief Investment Officer. In his position

as Chief Investment Officer Daniel has overall responsibility for the portfolio and investment strategy for B.P. Marsh, working alongside the Board and the Investment Directors to structure, develop, support and monitor the portfolio. In May 2015 Daniel was appointed as a member of the Valuation Committee and is a member of the Investment Committee, evaluates new investment opportunities and currently has seven nominee appointments across the portfolio.

Jonathan Newman ACMA, CGMA, MCSI

[Group Finance Director, aged 42 \(I\) \(V\)](#)

Jonathan is a Chartered Management Accountant with over 19 years' experience in the financial services industry. He joined the Group in November 1999 and was appointed a director of B.P. Marsh in September 2001 and Group Finance Director in December 2003. Jonathan is responsible for the Group's finance function, provides senior financial advice to all companies within the Group's portfolio, evaluates new investment opportunities and is also the Group's nominee director on the board of one of its investee companies.

Camilla Kenyon

[Executive Director, aged 44 \(I\)](#)

Camilla (Millie) was appointed to the main board in 2011, following her appointment as Head of Investor Relations in 2009. She has dual responsibilities within the Group, running both Investor Relations and the New Business Department and is Chair of the New Business Committee evaluating new investment opportunities.

Directors

Millie is nominee director in one investee company and is a member of the Investment Committee. She has over 20 years of experience in the financial services industry, including numerous Board appointments and is a Member of the Investor Relations Society.

Campbell Scoones

Non-executive Director, aged 70 (R)

Campbell joined B.P. Marsh in April 2013 and has over 45 years' experience in the Lloyds and overseas insurance broking and underwriting markets. Having started his career in 1966, Campbell has worked for a number of Lloyd's insurance broking and underwriting firms during this time, including, inter alia, Nelson Hurst & Marsh Group, Admiral Underwriting, Marsh & McLennan Companies and Encon Underwriting. Campbell served on the Remuneration Committee until 24 April 2017.

Stephen Clarke FCA

Non-executive Director, aged 79 (R) (A)

Stephen is a Chartered Accountant with many years' experience in structuring Venture Capital Projects. Stephen has worked at KPMG, the Industrial Reorganisation Corporation and was appointed Director of Charterhouse Development Capital. Stephen is a qualified Chartered Accountant, and has a Diploma in Management Development from Harvard Business School. Stephen has held many Directorships including at Nelson Hurst & Marsh, one of Lloyd's of London's largest Managing Agency Groups and has had Directorships of numerous Lloyd's and non-Lloyd's Insurance Brokers. Stephen joined the

Group in 1993 and provides specialist advice to the Board on entry and exit deals.

Pankaj Lakhani FCCA

Non-executive Director, aged 63 (R) (A) (V)

Pankaj joined B.P. Marsh in May 2015 and has over 30 years' experience within the global insurance sector, having worked at Marsh McLennan Group, Nelson Hurst & Marsh Group, Admiral Underwriting and Victor O. Schinnerer. Upon joining the Group Pankaj was appointed a member of the Remuneration Committee and the Valuation Committee. In May 2016 Pankaj was also appointed a member of the Audit Committee.

Nicholas Walker MSc, BA (Comb Hons)

Non-executive Director, aged 56

Post Period end appointment with effect from 6 September 2017.

Nick joined B.P. Marsh in September 2017 and has over 30 years' experience in the Financial Services sector. Nick started his career at the Bank of America International and joined Citicorp Investment Bank in 1988 where he was appointed Country Head of its Spanish and Portuguese M&A Team. In 1991 Nick co-founded Socios Financieros S.A., a leading Madrid-based independent corporate advisory firm.

KEY

(R) Member of the Remuneration Committee during the Period

(A) Member of the Audit Committee during the Period

(I) Member of the Investment Committee during the Period

(V) Member of the Valuation Committee during the Period

Investments

As at 31 July 2017 the Group's equity interests were as follows:

Asia Reinsurance Brokers Pte Limited

(www.arbrokers.asia)

In April 2016 the Group invested in Asia Reinsurance Brokers Pte Limited ("ARB"), the Singapore headquartered independent specialist reinsurance and insurance risk solutions provider. ARB was established in 2008, following a management buy-out of the business from AJ Gallagher, led by the CEO, Richard Austen.

Date of investment: April 2016

Equity stake: 20%

31 July 2017 valuation: £1,340,000

Bastion Reinsurance Brokerage (PTY) Limited

(www.bastionre.co.za)

In December 2014 the Group invested in Bastion Reinsurance Brokerage (PTY) Limited ("Bastion"), a start-up Reinsurance Broker based in South Africa. Established in May 2013 by its CEO and Chairman, Bastion specialises in the provision of reinsurance solutions over a number of complex issues, engaged by various insurance companies and managing general agents.

Date of investment: December 2014

Equity stake: 35%

31 July 2017 valuation: £100,000

Bulwark Investment Holdings (PTY) Limited

In April 2015 the Group, alongside its existing South African Partners, established a new venture, Bulwark Investment Holdings (PTY) Limited ("Bulwark"), a South African based holding company which establishes

Managing General Agents in South Africa. To date Bulwark has established two new Managing General Agents: Preferred Liability Underwriting Managers (PTY) Limited and Mid-Market Risk Acceptances (PTY) Limited.

Date of investment: April 2015

Equity stake: 35%

31 July 2017 valuation: £0

CBC UK Limited

(www.cbciinsurance.co.uk)

Established in 1985, CBC is a Retail and Wholesale Lloyd's Insurance Broker, offering a wide range of services to commercial and personal clients as well as broking solutions to intermediaries. The Group assisted in an MBO of CBC allowing Management to buy out a major shareholder via parent company Paladin Holdings Limited.

Date of investment: February 2017

Equity stake: 35%

31 July 2017 valuation: £693,000

The Fiducia MGA Company Limited

(www.fiduciamga.co.uk)

Fiducia is a recently established UK Marine Cargo Underwriting Agency, established by its CEO Gerry Sheehy. Fiducia is a Lloyd's Coverholder which specialises in the provision of insurance solutions across a number of Marine risks including, Cargo, Transit Liability, Engineering and Terrorism Insurance.

Date of investment: November 2016

Equity stake: 25%

31 July 2017 valuation: £75,000

Investments

LEBC Holdings Limited

www.lebc-group.com

In April 2007 the Group invested in LEBC, an Independent Financial Advisory company providing services to individuals, corporates and partnerships, principally in employee benefits, investment and life product areas.

Date of investment: April 2007

Equity stake: 60.87%

31 July 2017 valuation: £25,925,000

MB Prestige Holdings PTY Limited

www.mbinsurance.com.au

In December 2013 the Group invested in MB Prestige Holdings PTY Ltd (“MB Group”), the parent Company of MB Insurance Group PTY a Managing General Agent, headquartered in Sydney, Australia. MB Group is recognised as a market leader in respect of prestige motor vehicle insurance in all mainland states of Australia.

Date of investment: December 2013

Equity stake: 40%

31 July 2017 valuation: £1,655,000

Nexus Underwriting Management Limited

www.nexusunderwriting.com

In 2014 the Group invested in Nexus Underwriting Management Limited (“Nexus”), an independent specialty Managing General Agency, founded in 2008. Through its operating subsidiaries Nexus specialises in the provision of Directors & Officers, Professional Indemnity, Financial Institutions, Accident & Health, Trade Credit, Political Risks Insurance, Surety, Bond and Latent Defect Insurance, both in the UK and globally.

Date of investment: August 2014

Equity stake: 18.14%

31 July 2017 valuation: £19,381,000

Property & Liability Underwriting Managers (PTY) Limited

www.plumsa.co.za

In June 2015 the Group completed an investment in Property And Liability Underwriting Managers (PTY) Limited (“PLUM”), a Managing General Agent based in Johannesburg, South Africa. PLUM specialises in large corporate property insurance risks in South Africa and is supported by both domestic South African insurance capacity and A-rated international reinsurance capacity.

Date of investment: June 2015

Equity stake: 42.5%

31 July 2017 valuation: £510,000

Stewart Specialty Risk Underwriting Ltd

A Canadian based Managing General Agent, providing insurance solutions to a wide array of clients in the Construction, Manufacturing, Onshore Energy, Public Entity and Transportation sectors. SSRU was established by its CEO Stephen Stewart, who has over 25 years’ experience in the insurance industry having had senior management roles at both Ironshore and Lombard in Canada.

Date of investment: January 2017

Equity stake: 30%

31 July 2017 valuation: £0

Investments

Sterling Insurance PTY Limited

(www.sterlinginsurance.com.au)

In June 2013, in a joint venture enterprise alongside Besso, (Neutral Bay Investments Limited) the Group invested in Sterling Insurance PTY Limited, an Australian specialist underwriting agency offering a range of insurance solutions within the Liability sector, specialising in niche markets including mining, construction and demolition.

Date of investment: June 2013

Equity stake: 19.7%

31 July 2017 valuation: £2,368,000

Summa Insurance Brokerage, S. L.

(www.grupo-summa.com)

In January 2005 the Group provided finance to a Madrid-based Spanish management team with the objective of acquiring and consolidating regional insurance brokers in Spain. Through acquisition Summa is able to achieve synergistic savings, economies of scale and greater collective bargaining thereby increasing overall value.

Date of investment: January 2005

Equity stake: 77.25%

31 July 2017 valuation: £5,972,000

Walsingham Motor Insurance Limited

(www.walsinghamunderwriting.com)

In December 2013 the Group invested in Walsingham Motor Insurance Limited, a niche UK fleet motor Managing General Agency, which commenced trading in

July 2013. In 2015 the Group acquired a further 10.5% equity, taking the current shareholding to 40.5%.

Date of investment: December 2013

Equity stake: 40.5%

31 July 2017 valuation: £412,000

XPT Group LLC

(www.xptspecialty.com)

In June 2017 the Group backed the ex-Swett & Crawford CEO Tom Ruggieri and a strong management team to develop a New York-based wholesale insurance broking and underwriting agency platform across the U.S. Specialty Insurance Sector.

Date of investment: June 2017

Equity stake: 35%

31 July 2017 valuation: £4,551,000

Investments made after the Period end:

Mark Edward Partners LLC

(www.markedwardpartners.com)

Founded in 2010 by Mark Freitas, its President & Chief Executive Officer, Mark Edward Partners LLC (“MEP”) provides core insurance products in Financial & Liability, Property & Casualty, Personal Lines, Life Insurance, Cyber and Affinity Groups. MEP is a national U.S. firm with licenses to operate in all 50 states and has offices in New York, Palm Beach and Los Angeles.

Date of investment: October 2017

Equity stake: 30%

31 July 2017 valuation: N/A



B.P. Marsh & Partners plc

4 Matthew Parker Street
London, SW1H 9NP

T +44 (0)20 7233 3112

E enquiries@bpmarsh.co.uk

www.bpmarsh.co.uk