

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 2019



Company information

Directors

Brian Marsh OBE *Chairman*

Alice Foulk *Managing Director*

Jonathan Newman *Group Director of Finance*

Daniel Topping *Chief Investment Officer*

Pankaj Lakhani *Non-executive*

Nicholas Carter *Non-executive*

Company Secretary

Sinead O'Haire

Company Number

05674962

Registered Office

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Auditors

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8th Floor, 6 New Street Square

London, EC4A 3AQ

Broker and Nominated Adviser

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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

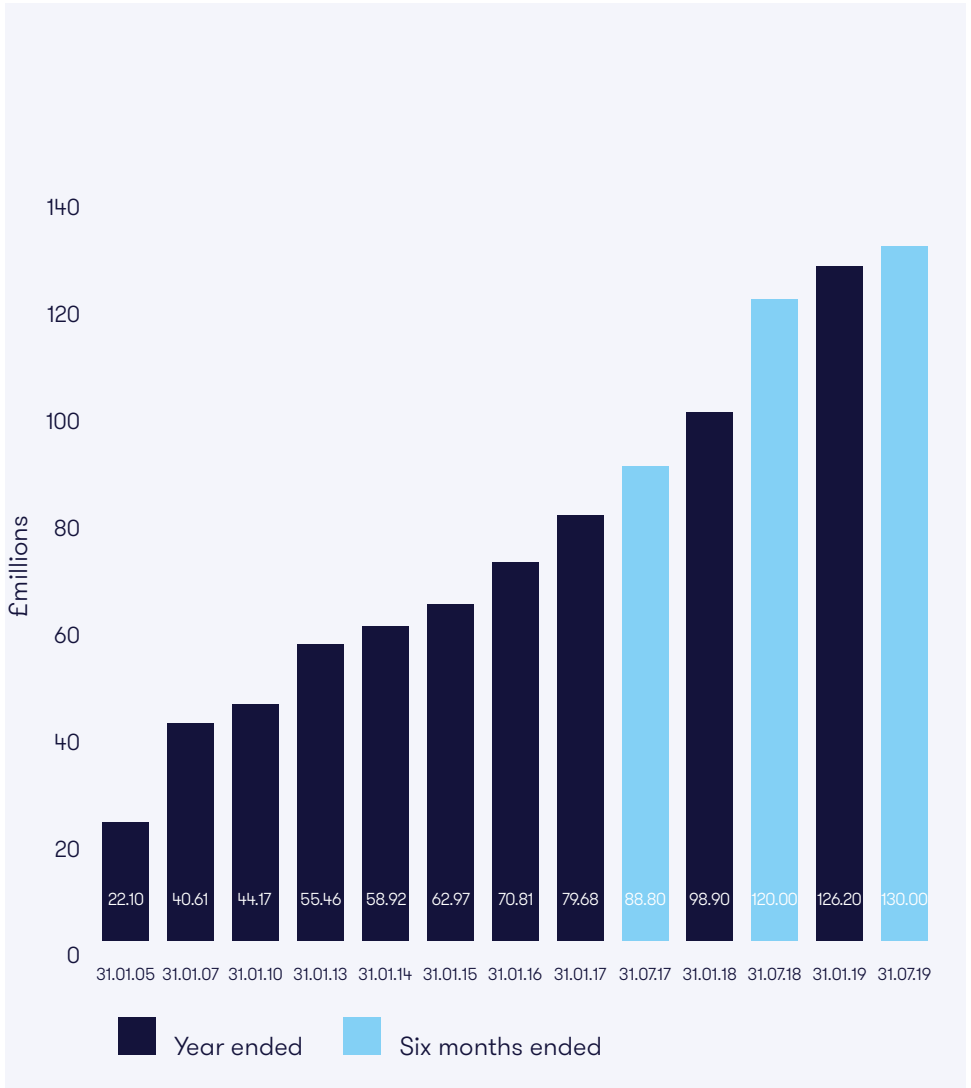
B.P. Marsh & Partners PLC is a specialist investor in early stage Financial Services intermediary businesses, including insurance intermediaries, financial advisors, wealth and fund managers and specialist advisory and consultancy firms. It considers investment opportunities based in various parts of the world.

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.

The Group invests amounts of up to £5m in the first round, and takes a flexible approach to investment structures, reviewing stages from start-up to more developed. The Group initially only 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.

B.P. Marsh has invested in over 50 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.

Group Valuations



NB: The valuation at 31 January 2007 includes £10.1m net proceeds raised on AIM. The valuations from and including 31 July 2018 include £16.6m net proceeds raised in the July 2018 Share Placing and Open Offer. 31 July 2018 and 31 January 2019 are restated for IFRS 16.

Chairman's Statement

Interim Results

B.P. Marsh & Partners Plc, the specialist investor in financial services intermediary businesses, announces its unaudited Group interim results for the six months to 31 July 2019 (the "Period").

The financial highlights for the Period are:

- Net Asset Value ("NAV") at 31 July 2019 of £130.0m (31 July 2018 restated¹: £120.0m; 31 January 2019 restated¹: £126.2m)
- NAV per share of 361p (31 July 2018: 333p; 31 January 2019: 350p)
- 4.0% increase in the equity value of the portfolio in the Period
- Profit after tax of £5.6m
- Final dividend of 4.76p per share for the year to 31 January 2019 declared and paid in July 2019
- Cash balance of £1.4m as at 31 July 2019
- Loan facility of £3.0m available to use for investment

The key developments for the Period are:

- LEBC Holdings Limited valuation impacted by withdrawal from Defined Benefit transfer market. Management actions are underway
- XPT Group LLC, based in New York City, completed a fourth acquisition in the Period and, post Period-end, successfully raised \$40.0m in aggregate in funding and acquired its fifth business

- Nexus Underwriting Management Limited secured an additional £16.0m in new loan facilities and completed the acquisitions of a specialist Trade Credit Broker and a London-based Financial and Professional Lines Managing General Agency
- New investment in Ag Guard PTY Limited of Sydney, Australia

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 2019.

On 2 September 2019, LEBC Group Limited voluntarily ceased the provision of Defined Benefit pension transfer advice pursuant to a market-wide review by the FCA. As a consequence of this, the Group has reduced the valuation of its holding in LEBC to £23.9m. However due to strong performance elsewhere within the portfolio, the Group is still aiming to conclude the year in a satisfactory position in terms of Net Asset Value. Our Net Asset Value as at 31 July 2019 was £130.0m or 361p per share, up 3% over the Period, notwithstanding the revaluation of LEBC.

During the Period, our partners in New York City, XPT, acquired Klein & Costa Insurance Services, a Managing General Agency and surplus lines broker located in California. XPT continues to have a promising pipeline of new investment opportunities, and we look forward to supporting its growth.

¹ Restated for IFRS 16

Nexus has continued with its successful acquisition strategy over the Period. In April 2019, it acquired Credit & Business Finance Limited, a specialist trade credit broker, and Capital Risks MGA Limited, a Warranty and Indemnity Managing General Agency. Nexus is now the leading independent UK trade credit broker. Most recently, in July 2019, Nexus acquired Plus Risk Limited, a London based Financial and Professional Lines Managing General Agency.

We were very pleased to complete a new acquisition over the Period. In July 2019, the Group subscribed for a 36% equity stake in Ag Guard Pty Limited (“Ag Guard”), which provides insurance solutions for the Australian agriculture sector, with insurance capacity provided by Munich Re.

The Group’s Australian investments continue to perform well, with ATC being a star performer, achieving significant EBITDA growth.

Walsingham has seen strong growth throughout the Period, with its results exceeding expectations.

The Group has experienced a healthy flow of new investment opportunities, with 42 received over the Period, compared to 32 received over the period to 31 July 2018. We continue to look at a number of domestic and international opportunities.

Currently, 50% of our investee companies’ revenue emanates from the UK, and 50% emanates from overseas.

Since incorporation, we have achieved an average annual compound growth in Net Asset Value of 11.7%, excluding any new funds raised.

Business Update

Summary of Developments in the Portfolio

New Investments

Ag Guard PTY Limited (“Ag Guard”)

On 12 July 2019 the Group invested in Ag Guard, based in Sydney Australia.

The Group subscribed for a 36% equity stake in Agri Services Company PTY Limited, which in turn acquired 100% of Ag Guard, for an initial cash consideration of AU\$1.47m (c.£823,000). Further consideration of up to AU\$1.13m (c.£628,000) may become payable, subject to performance.

Founders Alex Cohn (Managing Director), Martin Birch (Technical Director) and Ben Ko (Finance & Operations Director) have considerable experience in the provision of general insurance services in the Australian rural sector.

It is expected that the Group’s investment in Ag Guard, with the backing of a strong and experienced management team, will enable Ag Guard to become a serious market player over the next five years.

Chairman's Statement

Portfolio news

UK

LEBC Group Limited ("LEBC")

The Group notes its recent announcement regarding its investee company LEBC Holdings Limited released on 2 September 2019, in which it holds a 59.3% shareholding. LEBC Holdings Limited is the parent company of LEBC Group Limited, the UK IFA business.

Pursuant to the FCA's market-wide review of the defined benefit ("DB") transfer market, LEBC agreed to voluntarily cease the provision of DB pension transfer advice and projects, with effect from 2 September 2019.

Advice in the DB transfer market represents c.20% of LEBC's total revenue in its current year. As such, the cessation of the provision of advice in this area has impacted LEBC as can be seen by the Group's reduction in valuation of its equity of LEBC to £23.9m.

However, LEBC, excluding DB transfer business, is still expected to produce annual revenue of c. £19.0m alongside an acceptable underlying profit position.

In line with its successful long-term investment strategy, the Group will continue to support LEBC as it evolves its business, which provides a range of financial solutions, for the benefit of its customers, staff and shareholders. LEBC

has implemented a significant restructuring and is working on a number of initiatives, some of which have already been implemented, including its bionic advice offering. The Group will work closely with LEBC's management team to return LEBC to the position it was in before the withdrawal from the DB market, and have recently assisted in the recruitment of a new Chairman to the holding company Board.

Since the Company invested in LEBC in April 2007, the current valuation represents a 1.9x money multiple.

Nexus Underwriting Management Limited ("Nexus")

In April 2019 the Group provided Nexus with a £2.0m revolving credit facility, as part of Nexus' wider debt fundraising exercise in order to undertake M&A activity, bringing the total loan funding from the Company to £6.0m.

In addition to the facility from the Company, Nexus secured an additional £14.0m loan facility from funds managed by HPS Investment Partners, LLC ("HPS"), a leading global investment firm.

The funding provided by both B.P. Marsh and HPS has resulted in Nexus securing a total of £46.0m of loan funding, including the £30.0m of loan funding secured from both B.P. Marsh and HPS in July 2017.

Nexus is forecasting an adjusted EBITDA of c.£20.0m over the next 12 months, which would represent a compound annual increase in EBITDA of 45% since B.P. Marsh's investment in August 2014.

During the Period, Nexus completed three acquisitions; Credit & Business Finance Limited ("CBF"), a specialist trade credit broker, Capital Risks MGA Limited ("Capital Risks"), a Warranty and Indemnity MGA, and Plus Risk Limited ("PBL"), a Financial and Professional Lines MGA.

Following the acquisition of CBF, Nexus became the leading independent UK trade credit broker, fulfilling one of its strategic goals as well as uniting the two biggest producers of 'new to market' business.

As part of the acquisitions, key management from the new acquisitions became shareholders in Nexus. The new acquisitions have increased Nexus' forecast revenue by £2.83m and EBITDA by £1.39m. The Group recognises the recent growth in Nexus, which has been reflected in the Company's valuation for its holding in Nexus increasing from £30.12m to £40.3m.

Nexus were pleased to announce the appointment of Andrew Moss, as non-executive Chairman. Andrew spent five years as Group

CEO of Aviva Plc, and prior to this he held senior positions within Lloyd's of London. He was most recently Chairman of Parker Fitzgerald, a London Based management consultancy firm, where he helped steer their recent acquisition by Accenture to its successful outcome.

The Company welcomed this appointment pursuant to Nexus' avowed goal of achieving £20.0m of annualized EBITDA by the 2020 financial year, which will well position it as the pre-eminent London Market specialty MGA and strategically manoeuvre Nexus to review its next stage of development.

CBC UK Limited ("CBC")

CBC, the London-based Lloyd's broking business has increased its EBITDA by 40% in 2018, and is on target for increasing at the same rate in 2019.

CBC continues to strengthen its product offering with strategic hires and has recently hired an experienced Financial Products team. During the Period, the Group provided a £0.5m loan to support CBC in these endeavours.

The Fiducia MGA Company Limited ("Fiducia")

In November 2016, the Group invested in Fiducia, a UK Marine Cargo Underwriting Agency, established by CEO Gerry Sheehy, based in Leeds.

Chairman's Statement

Fiducia is a registered 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.

During the Period, the Group invested £0.12m in Fiducia, being its pro-rata share of a £0.35m fundraising, with the remainder being provided by its CEO and founder, Gerry Sheehy.

Since Fiducia commenced trading, it has grown from a start-up position to producing in excess of estimated £10.0m forecast Net Written Premium in the year ending 31 December 2019, across its specialist lines of business.

EC3 Brokers Limited ("EC3")

In December 2017, the Group invested in EC3, an independent specialist Lloyd's broker and reinsurance broker.

Since investment, EC3 is expected to grow its top line revenue from c. £9.0m to a budgeted target of approaching £14.0m in the year to 31 December 2019, whilst also maintaining a good underlying profit margin.

Over the same period, B.P. Marsh has worked with EC3 to augment its management function, and further develop its product offering to deliver both top and bottom-line growth.

Walsingham Motor Insurance Limited ("Walsingham")

Walsingham, the London-based motor fleet MGA, continued its strong progress in 2018 reporting £19.8m in premium and generating EBITDA for the year of £0.6m. 2019 has seen further steady growth, reporting £21.5m in premium in 10 months' trading with EBITDA expected to be c.60% ahead of 2018.

USA

XPT Group LLC ("XPT")

The Group invested into XPT, the U.S. based specialty lines insurance distribution company, in June 2017.

In July 2019, XPT acquired Klein & Costa Insurance Services ("Klein & Costa"), an MGA and surplus lines broker located in Santa Ana, California.

Established in 2001, Klein & Costa provides broking services in the areas of Professional Liability and Speciality Lines, and as an MGA it represents three carriers with broad delegated underwriting authority.

Following the acquisition, Klein & Costa became part of Western Security Surplus Insurance Brokers ("WSSIB"), XPT's wholesaler and MGA based in Texas and California, and began trading under the WSSIB name. This acquisition provided WSSIB with entry into a new location and introductions to Klein & Costa's retail producers.

Since XPT commenced trading, it has grown from start-up to \$165.0m in Gross Written Premium and is approaching \$3.9m of adjusted EBITDA in its current financial year ending 31 December 2019.

Following the Period-end, XPT successfully secured \$40m, in aggregate, of funding from Madison Capital Funding LLC (“Madison Capital”). As part of the transaction, Madison Capital took an equity interest in XPT Group LLC.

XPT has secured loan funding of \$18.0m to refinance its current debt facility, and an additional \$22.0m to support future growth. The financing with Madison Capital provides XPT with an opportunity to enter the next phase of its development and continue to seek strategic acquisitions in the North American insurance market.

As part of the fundraising, Madison Capital invested \$2.0m and took an equity holding in XPT which values XPT at an enterprise value of \$54.0m. This is approximately 10% greater than the Group’s 31 July 2019 valuation.

In tandem with the fundraising, XPT completed the acquisition of Sierra Specialty Insurance Services, Inc (“Sierra”). Sierra is an MGA and wholesale broker based in Fresno, California, and specialises in the provision of insurance to independent retail agents. Sierra represents XPT’s fifth acquisition of an established business.

Australia

ATC Insurance Solutions (PTY) Limited

Sterling Insurance (PTY) Limited

MB Prestige Holdings (PTY) Limited

Ag Guard (PTY) Limited

B.P. Marsh’s existing investments in Australia continue to perform well in a challenging insurance market, with premium income and profitability increasing across the board.

This is in response to a more positive insurance market internationally, and it also underlines the intrinsic quality of these companies and their management teams.

Additionally, the Group was pleased to note that all of the Company’s Australian MGAs successfully renewed their underwriting capacity support with Lloyd’s and the international insurance markets.

ATC Insurance Solutions (PTY) Limited (“ATC”) saw strong growth throughout the Period, reporting a significant increase of Gross Written Premium from AU\$61.0m in 2018 to AU\$84.0m in 2019.

The Company’s newest investment, Ag Guard, is a start-up which will no doubt face initial challenges, however we believe that the management team we have backed, with our investment support and underwriting support from Munich Re, has a strong growth horizon looking to the future.

Chairman's Statement

Canada

Stewart Specialty Risk Underwriting Ltd ["SSRU"]

SSRU, the Toronto-based provider of specialty insurance products to a wide array of clients in the Construction, Manufacturing, Onshore Energy, Public Entity and Transportation sectors, commenced operations in February 2017.

Since the Group's investment, SSRU has grown its Gross Written Premium from nil to a forecast position of over CA\$9.0m in the year ending 31 December 2019, and achieving a profit and dividend yield.

Europe

Summa Insurance Brokerage, S.L. ["Summa"]

Summa is a regional consolidator of insurance brokers with 16 branches across Spain.

Whilst the Spanish insurance market continues to be a challenging place in which to operate, Summa continues to deliver c. €45.0m of annual premium and an annual adjusted EBITDA of over €1.2m.

The Group is also pleased to note that Summa has recently achieved Lloyd's Coverholder status, which will bolster its product offering going forward.

Dividend

In July 2019 the Group paid a dividend of £1.7m to shareholders, equating to a dividend per share of 4.76p. The Board continues to strike a balance between investing cash into new opportunities for long-term capital growth and providing shareholders with a yield. This was the final dividend from an agreed three-year distribution following the successful realisation of Besso in February 2017. The Board is committed to paying further dividends funded by the proceeds of future portfolio realisations.

Share Buy-Backs

The Group has a share buy-back policy, as announced on 17 July 2019, that enables it to buy back shares when the Company's share price is more than 15% below the Company's most recently published Net Asset Value, within the permitted constraints of the Market Abuse Regulation.

The Board remains of the view that the authority to undertake low volume buy-backs of shares, when regulatory restrictions allow, is an important stabilising mechanism in times of market or share price volatility. During the Period, the buy-backs were conducted with the backdrop of market turbulence and the Board believes that these transactions had a stabilising effect on the Company's share price.

During the six-month period to 31 July 2019 a number of buy-backs were undertaken, amounting to 51,416 shares, at an average price of £2.81 per share, which are being held in Treasury.

Directorate Changes

On 23 August 2019, the Group announced that Camilla Kenyon would be resigning her position as Executive Director, with effect from 31 August 2019.

Millie had worked with the Company since 2006. The Board is grateful for her contribution as an Executive Director since 2011.

As part of Millie's departure from the Group, an internal restructuring process was undertaken with her role being divided amongst the existing Management Team. The Investor Relations function will sit with the Chairman, Managing Director and Company Secretary, and New Business responsibilities will be assumed by the Investment Department.

On 2 October 2019, the Group announced that Campbell Scoones, aged 72, resigned as a Non-Executive Director of the Company. Campbell also resigned from his role on the Remuneration Committee. The Nominations Committee will be considering candidates for Campbell's replacement.

Business Strategy

The Group invests amounts of up to £5.0m 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 makes long-term investments with an average holding period post-float of 6.4 years, with our current portfolio being held on average for approximately 4.3 years. As ever, we do not invest in companies that accept Insurance Underwriting risk.

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

Since 1990 the Group has generated an average NAV annual compound growth rate of 11.7% [excluding the £10.1m proceeds raised on flotation and £16.6m proceeds raised as part of the Placing & Open Offer completed in July 2018]. Its successful track record can be

Chairman's Statement

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

At 31 July 2019 the Group's cash balance was £1.4m. During the Period, the Group entered into a £3.0m loan facility, provided by Brian Marsh Enterprises Limited, a company in which the Chairman, Brian Marsh, is a director and sole shareholder.

The loan facility provides the Group with further investment funds at an interest rate of the higher of either 4% or the UK 1-month LIBOR plus 3.25%, which are available to be drawn down until July 2020.

The Board considers that these are commercially advantageous terms, compared to other avenues of funding available.

Outlook and New Business Opportunities

In addition to making the investment in Ag Guard during the Period to 31 July 2019, the Group continues to look at a number of MGAs and Insurance Brokers both domestically and internationally, alongside several interesting opportunities outside the insurance space.

36% of enquiries received by the Company emanated internationally, and 64% of enquiries received by the Company were domestic.

The Group has produced a satisfactory overall performance in the Period. The Group's strategy is to generate long-term value and the Board is confident in the Group's ability to do so, notwithstanding short-term market uncertainties.

Brian Marsh OBE, Chairman
14 October 2019

“B.P. Marsh has continued its long track record of delivering NAV growth from its diverse portfolio of investments, despite specific challenges. As a leading specialist investor in global financial services intermediaries and with 50% of our investment portfolio revenues emanating from outside of the UK, the outlook for the rest of the financial year is positive.”

Brian Marsh OBE, Chairman

Consolidated Statement of Comprehensive Income

For the period ended 31 July 2019

	Unaudited 6 months to 31 July 2019		Unaudited 6 months to 31 July 2018 Restated ¹		Audited Year to 31 January 2019 Restated ¹	
	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investment						
Provision against equity investments and loans	(36)		-		(2,595)	
Unrealised gains on equity investment revaluation	4,077		5,540		14,106	
		4,041		5,540		11,511
Income						
Dividends	1,879		1,585		2,684	
Income from loans and receivables	615		539		1,079	
Fees receivable	600		572		868	
		3,094		2,696		4,631
Operating income		7,135		8,236		16,142
Operating expenses		(1,706)		(1,956)		(3,928)
Operating profit		5,429		6,280		12,214
Financial income	14		66		108	
Financial expenses	(38)		(46)		(88)	
Exchange movements	171		27		(25)	
		147		47		(5)
Profit on ordinary activities before taxation		5,576		6,327		12,209
Income taxes		18		(79)		232
Profit on ordinary activities after taxation attributable to equity holders		£5,594		£6,248		£12,441
Total comprehensive income for the period		£5,594		£6,248		£12,441
Earnings per share – basic and diluted (pence)		15.6p		20.8p		37.6p

¹Restated for IFRS 16

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

Consolidated Statement of Financial Position

As at 31 July 2019

	£'000	Unaudited 31 July 2019 £'000	Unaudited 31 July 2018 Restated ¹ £'000	Unaudited 31 January 2019 Restated ¹ £'000	Audited 31 January 2019 Restated ¹ £'000
Assets					
Non-current assets					
Property, plant and equipment	150		158		158
Right-of-use asset	1,378		1,560		1,468
Investments – equity portfolio	106,969		88,291		101,947
Investments – treasury portfolio	–		4		14
Loans and receivables	16,339		14,753		14,509
		124,836		104,766	118,096
Current assets					
Trade and other receivables	5,626		2,412		2,867
Cash and cash equivalents	1,420		15,350		7,855
		7,046		17,762	10,722
Liabilities					
Non-current liabilities					
Lease liabilities	(1,289)		(1,453)		(1,372)
Deferred tax liabilities	–		–		–
		(1,289)		(1,453)	(1,372)
Current liabilities					
Trade and other payables	(401)		(825)		(1,064)
Lease liabilities	(163)		(156)		(160)
Corporation tax provision	(48)		(61)		(48)
		(612)		(1,042)	(1,272)
Net assets		£129,981		£120,033	£126,174
Capital and reserves – equity					
Called up share capital		3,748		3,599	3,748
Share premium account		29,363		25,327	29,358
Fair value reserve		50,204		37,562	46,128
Reverse acquisition reserve		393		393	393
Capital redemption reserve		6		6	6
Capital contribution reserve		31		10	21
Retained earnings		46,236		53,136	46,520
Shareholders' funds – equity		£129,981		£120,033	£126,174
Net Asset Value per share (pence)		361p		333p	350p

¹Restated for IFRS 16

The Interim Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 14 October 2019 and signed on its behalf by:

B.P. Marsh & J.S. Newman

Directors & Company Secretary

Brian Marsh OBE

Executive Chairman, aged 78 (I) (V) (N)

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. Brian's considerable experience being Chairman of numerous companies in Financial Services means he is well suited as the Executive Chairman of B.P. Marsh. Brian is a member of the Investment, Valuation, and Nominations Committees.

Alice Foulk BA (Hons)

Managing Director, aged 32 (R) (I) (V) (N) (D)

Alice joined B.P. Marsh in September 2011 having started her career at a leading Life Assurance company. In February 2015 Alice was appointed as a director of B.P. Marsh and in January 2016 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. Alice is a member of the Remuneration, Investment, Valuation, Nominations and Disclosure Committees.

Daniel Topping MCSI, ACIS

Chief Investment Officer, aged 35 (I) (V) (N)

Daniel was appointed as a director of B.P. Marsh in March 2011 having joined the Group in February 2007, following two years at an independent London accountancy practice. Daniel graduated from the University of Durham in 2005 and is a member of the Securities and Investment Institute and the Institute of Chartered Secretaries and Administrators. In January 2016 Daniel was appointed as Chief Investment Officer of the Group and is a member of the Investment, Valuation and Nominations Committees. Daniel is the Senior Executive with overall responsibility for the portfolio and investment strategy for the Group, working alongside the Board and Investment Directors to find, structure, develop, support and monitor the portfolio. Daniel currently has multiple nominee appointments across the investment portfolio.

Jonathan Newman ACMA, CGMA, MCSI

Group Finance Director, aged 44 (I) (V) (D)

Jonathan is a Chartered Management Accountant with over 20 years' experience in the financial services industry. He joined the Group in November 1999, having started his career at Euler Trade Indemnity, 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 strategic financial advice to all companies within the Group's portfolio, evaluates new investment opportunities and is a member of the Investment and Valuation Committees. Jonathan has nominee directorships within three investee companies.

Pankaj Lakhani FCCA

Non-executive Director, aged 65 (R) (A) (V) (N)

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. Pankaj is Chairman of both the Remuneration and Audit Committees and is also a member of the Valuation and Nominations Committees.

Nicholas Carter

Non-executive Director, aged 76 (R) (A)

Nicholas was appointed to the Board of B.P. Marsh on 1 May 2019 and has over 50 years' experience in the Lloyd's Insurance Market having held a variety of positions within Nelson Hurst & Marsh Limited, Citicorp Insurance Brokers Limited and Nelson Hurst Plc. Upon joining the Group Nicholas was appointed a member of the Remuneration Committee and Audit Committee.

Sinead O'Haire, LLB (Hons), FCIS

Chief Legal Officer & Group
Company Secretary (N) (D)

Sinead joined B.P. Marsh in 2009 and was appointed Group Company Secretary in June 2011. Sinead attends all Board and Committee meetings and works closely with the Chairman's Office and Board in all matters of governance and to oversee the effective functioning and leadership of the Company, as well as ensuring compliance with the stock market regulations. Sinead is also a member of the Nominations and Disclosure Committees and is responsible for negotiating and finalising the legal aspects of new investments, any follow-on funding and eventually the exit process.

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
- (N) Member of the Nominations Committee during the Period
- (D) Member of the Disclosure Committee during the Period

Investments

As at 31 July 2019 the Group's equity interests were as follows:

Ag Guard PTY Limited

(www.agguard.com.au)

In July 2019 the Group subscribed for a 36% stake in Agri Services Company PTY Limited, which in turn acquired 100% of the equity in Ag Guard PTY Limited ("Ag Guard"). Ag Guard is a Managing General Agency, which provides insurance to the Agricultural Sector, based in Sydney, Australia.

Date of investment: July 2019

Equity stake: 36%

31 July 2019 valuation: £827,000

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: 25%

31 July 2019 valuation: £692,000

ATC Insurance Solutions PTY Limited

(www.atcis.com.au)

In July 2018, the Group invested in ATC, an Australian-based MGA and Lloyd's Coverholder, specialising in Accident & Health, Construction & Engineering, Trade Pack and Sports insurance.

Date of investment: July 2018

Equity stake: 20%

31 July 2019 valuation: £7,157,000

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: 44.3%

31 July 2019 valuation: £4,907,000

Criterion Underwriting Pte Limited

The Group helped establish Criterion alongside its Partners in Asiare Holdings (PTE) Limited and Asia Reinsurance Brokers (PTE) Limited in July 2018. Criterion is a start-up Singapore-based Managing General Agency providing specialist insurance products to a variety of clients in the Cyber, Financial Lines and Marine sectors in Far East Asia.

Date of investment: July 2018

Equity stake: 29.4%

31 July 2019 valuation: £0

EC3 Brokers Limited

(www.ec3brokers.com)

In December 2017, the Group invested in EC3 Brokers Limited, an independent specialist Lloyd's broker and reinsurance broker, via a newly established NewCo, EC3 Brokers Group Limited. Founded by its current Chief Executive Officer Danny Driscoll, who led a management buyout to acquire EC3's then book of business from AJ Gallagher in 2014, EC3 provides services to a wide array of clients across a number of sectors, including construction, casualty, entertainment and cyber & technology.

Date of investment: December 2017

Equity Stake: 20%

31 July 2019 valuation: £5,911,000

The Fiducia MGA Company Limited

(www.fiduciamga.co.uk)

Fiducia, founded in November 2016, is a 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: 35.2%

31 July 2019 valuation: £926,000

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: 59.3%

31 July 2019 valuation: £23,859,000

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 2019 valuation: £0

Investments

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 2019 valuation: £2,568,000

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: 17.8%

31 July 2019 valuation: £40,295,000

Stewart Specialty Risk Underwriting Ltd

(www.ssruc.ca)

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 2019 valuation: £1,103,000

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 2019 valuation: £2,493,000

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: 77.3%

31 July 2019 valuation: £4,443,000

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 2019 valuation: £1,839,000

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 2019 valuation: £9,949,000



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