



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

Annual Results

For the year ending 31 January 2021

Dan Topping, Chief Investment Officer
Jonathan Newman, Group Finance Director



Specialist

PE/VC investor in Financial Services intermediaries

30+

Years strong

Invested in 53 companies since 1990



18 current investments

Geographically diverse within our specialist sector



Up to £5m initial investment

For minority equity positions (20-40%)



Long-term view

Partnership approach to investment and mutually agreed exit route, maximising value

Average holding period of 5.2 years

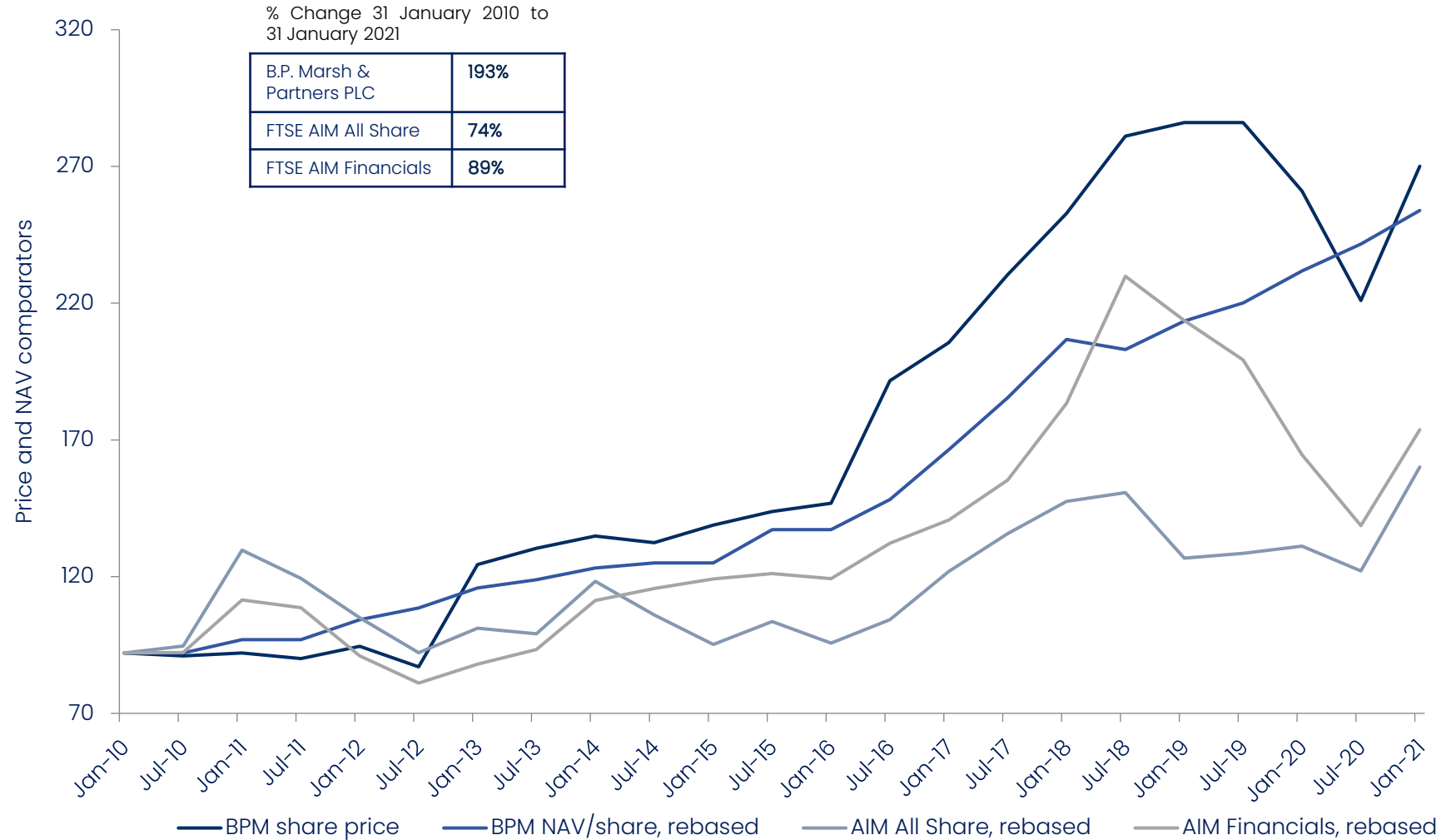


Industry knowledge

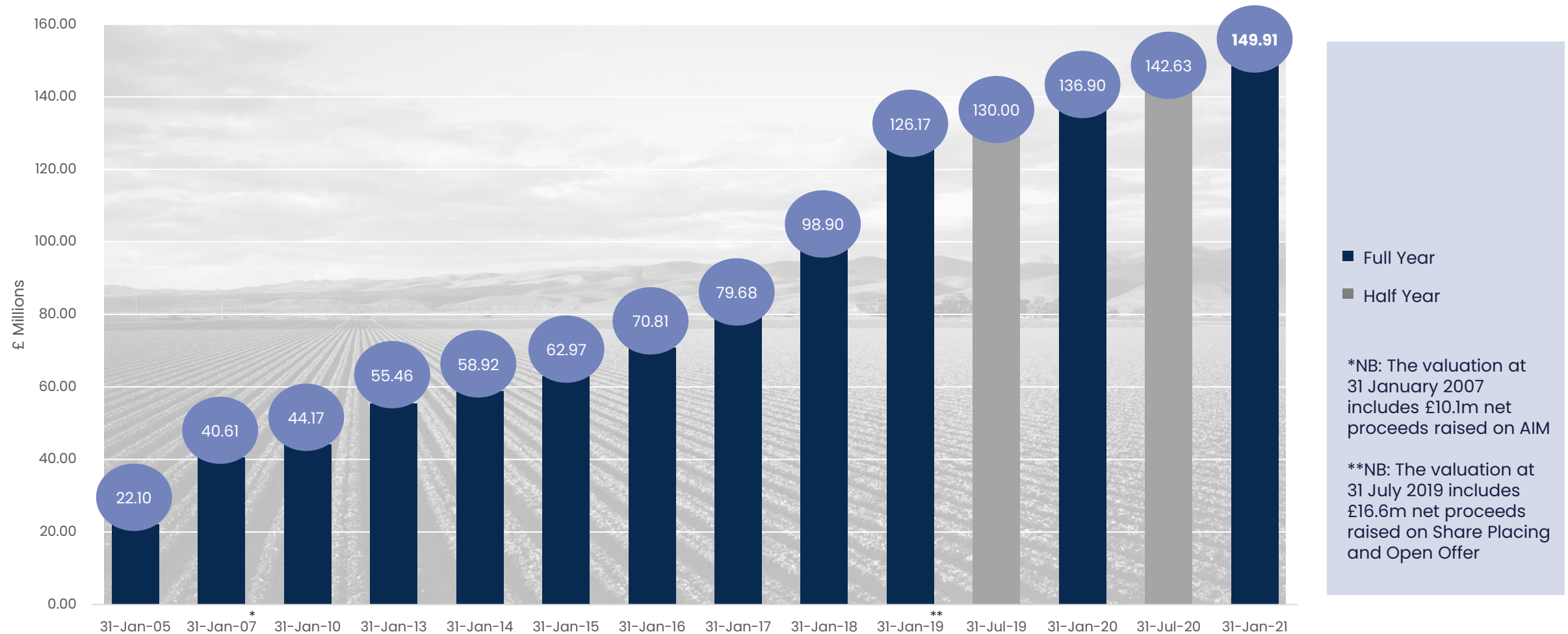
Significant, specialist experience and deep sector knowledge acquired across several decades

Summary – Year Ending 31 January 2021

- As at 31 January 2021 – 18 investments in portfolio with a NAV of **£149.9m** (31 January 2020 **£136.9m**)
- Total Shareholder return of **10.1%** for the period to 31 January 2021, including the dividend paid in July 2020
- Dividend of **2.44p** per share proposed for the year ended 31 January 2021
- Increase in Equity Portfolio Value of **10.9%** in period to 31 January 2021 to **£131.0m**
- Loan Book value of **£17.1m**
- **£0.7m** cash and **£2m** loan facility available as at 31 January 2021



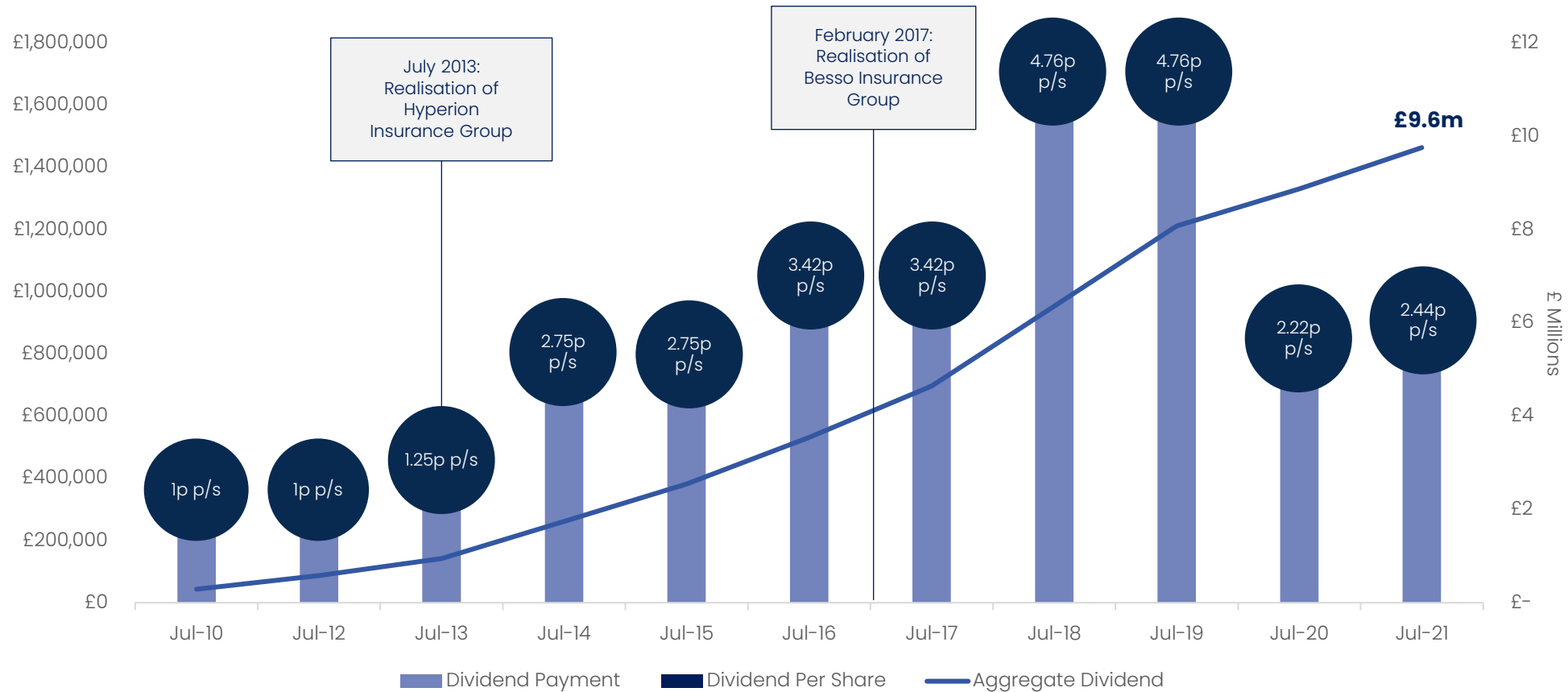
Performance: Net Asset Value (NAV)



Dividends



The Group's historic dividend payments are shown below. Aggregate dividend per share of **30.1p** paid since flotation.



- Aggregate dividend of **£0.9m**, to be paid in July 2021, representing **100%** of the realised underlying profit for the year to 31 January 2021
- The Board aims to strike a balance between rewarding shareholders with distributions from realisations and investing cash to deliver long-term capital growth
- The Board is committed to paying further dividends following significant realisations of investments at a time when these create optimal value for shareholders



- B.P. Marsh's insurance intermediary investments have continued to see pricing increases across sectors in which they operate
- Covid-19 has acted as an accelerant for prevailing market trends which had not gained full traction before 2020
- This included premium pricing increases and insurers reducing their risk appetite for new business and seeking to mitigate existing exposures
- These trends will continue into 2021 and we do not see any change on the horizon as the year progresses
- B.P. Marsh does not have any exposure to balance sheet risk via its investment portfolio and is therefore unaffected directly by insurance losses. However, given our Managing General Agency (MGA) investments are partners with their carriers, they are extremely conscious of the importance of protecting and growing their partners' balance sheets
- The consolidation activity that has taken place over the last number of years continues to impact the Insurance Market
- This provides opportunities to the Group, both in terms of new investments and activity within our underlying portfolio
- The Group's appetite for investment remains the same, from financing start-ups to investing in established businesses up to a maximum of £5m as an initial investment amount

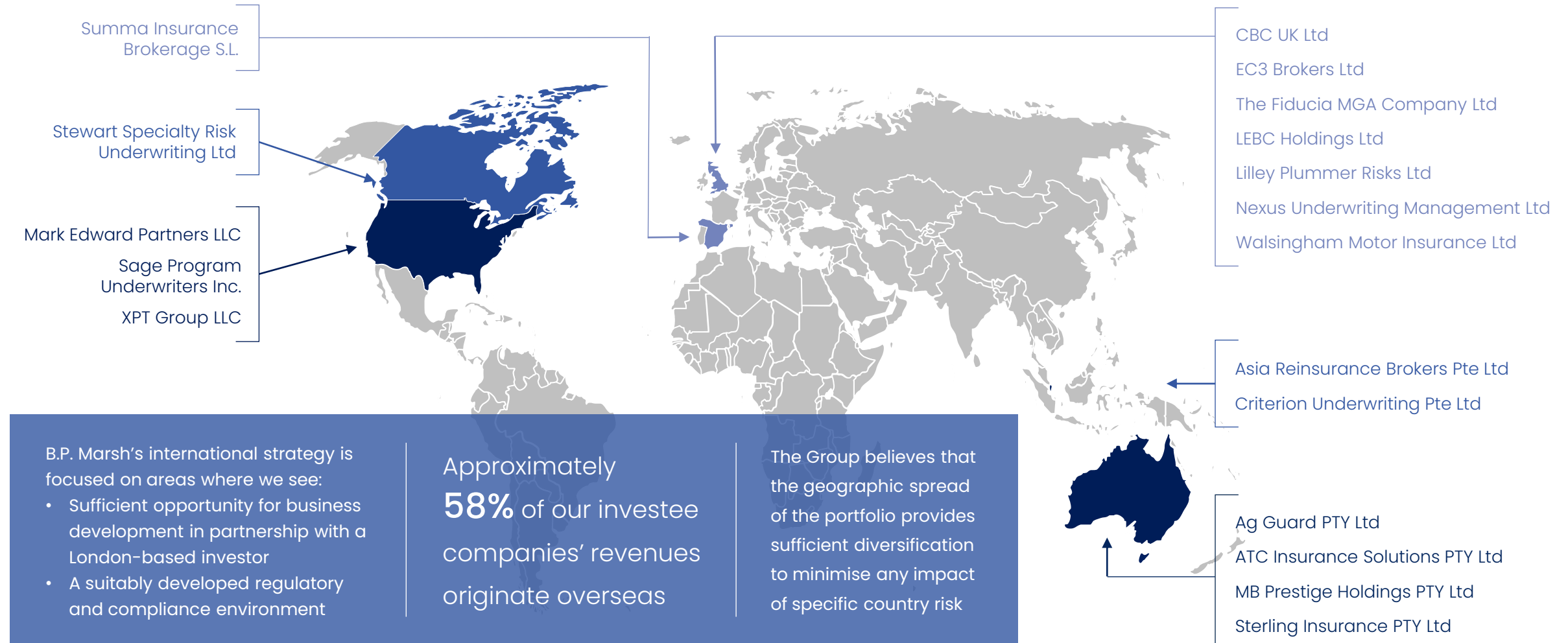
Covid-19 Impact & Outlook



- Since the outbreak of Covid-19, B.P. Marsh has continued to work with and support each of its investee companies
- Given our mantra of investing in a diverse portfolio across the insurance sector, we believed the portfolio to be well-positioned and collectively resilient
- The longevity of the pandemic could not have been predicted, yet our convictions have held true: our portfolio has shown consistent growth over our financial year
- During the pandemic the emphasis has been on our existing portfolio, ensuring stability during an ever-changing environment

- As we begin to see a return to partial normality and vaccination programmes gain momentum in the UK and globally, our focus is shifting from assisting the portfolio to taking advantage of new growth opportunities that will transpire as world economies recover from the pandemic
- There is continued demand from the wider private equity market for financial services and intermediary investments, which provides exit opportunities for our portfolio companies
- B.P. Marsh continues to see a strong pipeline of new investment enquiries and is well-positioned to find investment opportunities with prospect for substantial growth

International Portfolio



Insurance Intermediary Overview



B.P. Marsh's insurance intermediary portfolio companies are budgeting to produce in aggregate **£1.4bn** (c. \$1.9bn) of Gross Written Premium (GWP) in 2021, an increase from £1.1bn (c. \$1.5bn) in 2020, of which:

MGAs
£765m
55%

Total
£1.4bn

Brokers
£635m
45%

The Group's Managing General Agencies (MGAs) are budgeting to place **over £765m** of GWP, producing **over £77m** of commission income in 2021, across over 30 product areas, on behalf of more than 50 insurers

The Group's Broking investments are budgeting to place **over £635m** of GWP, producing **over £40m** of commission income in 2021, accessing specialty markets around the world

Overview – Broking Investments

- Since inception, much of B.P. Marsh's growth has been underpinned by a successful track record of investing in Brokers, both in the Lloyd's and London market, as well as internationally
- Our Broking investments are, in the aggregate, budgeting to place **over £635m** of GWP in 2021
- This will produce **over £40m** of commission income and EBITDA of over **£8m** in 2021, accessing specialty markets around the world
- The majority of our broking investments are relatively recent, having occurred over the past five years; we are now seeing strong returns from a number of these investments and expect them to develop further as part of our long-term investment strategy

Brokers	Date of Investment	Jurisdiction	Equity % at 31 January 2021	Valuation at 31 January 2021	Cost of Investment	% of NAV
CBC	Feb-17	UK	49.16%	£8,616,000	£663,500	5.7%
Summa	Jan-05	Spain	77.25%	£7,435,000	£6,096,143	5.0%
EC3	Dec-17	UK	35.00%	£6,500,000	£6,500,000	4.3%
Lilley Plummer Risks	Oct-19	UK	30.00%	£2,304,000	£1,008,242	1.5%
Asia Reinsurance Brokers	Apr-16	Singapore	25.00%	£545,000	£1,551,084	0.4%
Mark Edward Partners	Oct-17	USA	30.00%	£0	£4,572,822	0.0%
Total	-	-	-	£25,400,000	£20,391,791	16.9%

Overview – Managing General Agencies (MGAs)

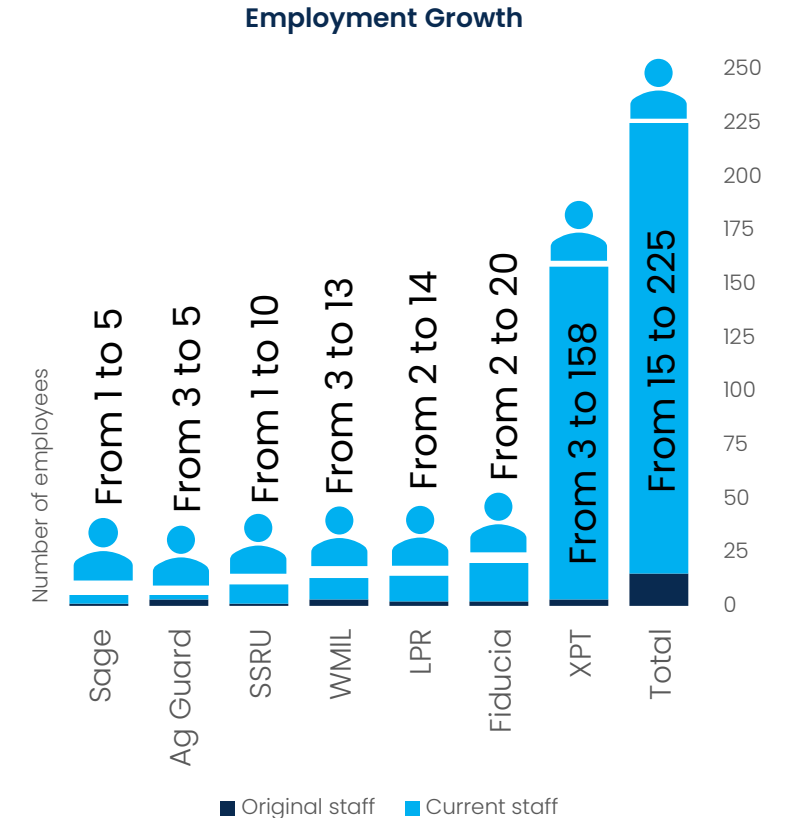
- B.P. Marsh's MGAs are budgeting to produce GWP **of over £765m** in 2021, in the aggregate
- This will produce **over £77m** of commission income and EBITDA of **over £27m** in 2021
- These MGAs focus on profitable underwriting, in a market where access to insurer capital is restricted
- All our investments maintain the continued support of the insurer partners for 2021 into 2022

MGAs	Date of Investment	Jurisdiction	Equity % at 31 January 2021	Valuation at 31 January 2021	Cost of Investment	% of NAV
Nexus	Aug-14	UK	17.51%	£40,906,000	£11,126,554	27.3%
XPT	Jun-17	USA	29.80%	£12,812,000	£7,330,052	8.5%
ATC	Jul-18	Australia	20.00%	£6,846,000	£2,865,523	4.6%
SSRU	Jan-17	Canada	30.00%	£5,671,000	£19	3.8%
MB	Dec-13	Australia	40.00%	£3,237,000	£479,707	2.2%
Fiducia	Nov-16	UK	35.18%	£3,313,000	£227,909	2.2%
Sterling	Jun-13	Australia	19.70%	£2,749,000	£1,945,411	1.8%
Walsingham	Dec-13	UK	40.50%	£2,247,000	£600,002	1.5%
Ag Guard	Jul-19	Australia	41.00%	£1,490,000	£1,465,071	1.0%
Sage	Jun-20	USA	30.00%	£1,207,000	£202,758	0.8%
Total	-	-	-	£80,478,000	£26,243,006	53.7%

Analysis – Start-Up Investments

- Since the origins of B.P. Marsh in 1990, we have carved out a niche focus backing entrepreneurial individuals from start-up phase
- Carrying out such investments has become part of our DNA, demonstrating the strategy of proactively helping investments to mature
- B.P. Marsh was instrumental in co-founding and funding Hyperion Insurance Group in 1994, seeing the business develop to a staff count of 3,000 and revenues of £229m at exit
- B.P. Marsh has a strong track record of investing in start-ups and, since 2013, has invested in seven start-up businesses

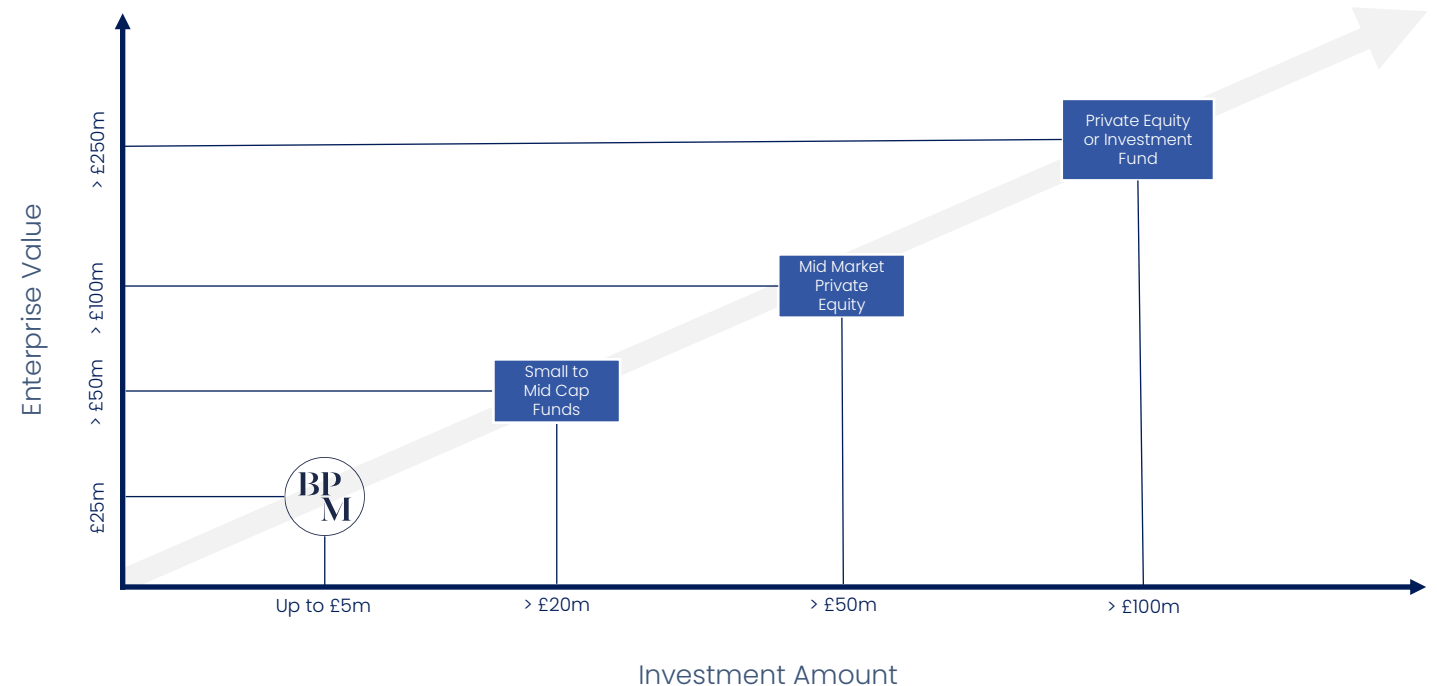
- These investments can produce considerable shareholder returns
- B.P. Marsh's patient investment strategy is key in terms of supporting start-ups, which sometimes find the early years challenging
- Our long-term investor strategy involves providing follow-on funding, as well as providing strategic and financial support via our appointed Non-Executive Director and wider team
- With our support, these start-up investments have grown and now employ around 225 staff
- The success of the Group's strategy with start-ups is evidenced by our results



Bridging the Gap



- The Group is a specialist in providing early-stage finance, investing in businesses with an **Enterprise Value of between zero and c. £25m**
- Our **flexible approach to investment** translates into the Group operating in a **niche segment where funding is difficult to obtain**
- The Group's primary competitors typically would require an **Enterprise Value of at least £50m** before an opportunity becomes of interest
- The Group is able to tailor its investment model to suit each opportunity, offering funding to businesses **who fall outside the criteria of traditional Private Equity houses**
- Opportunities come from specialists in their own field looking to go it alone, management teams looking to engineer a buy-out or existing businesses looking for growth capital
- Investing in businesses at this value stage can be **high risk**, however, the **valuation multiples used are often lower**, meaning the Group often can secure an advantageous price, whilst also providing the investment capital required
- With the support of the Group, these businesses develop over time **achieving considerable growth in value**
- These investments then attract the interest of **mid-market Private Equity houses**, eventually being sold through competitive run processes
- The Group see this investment approach as **'Bridging the Gap'**

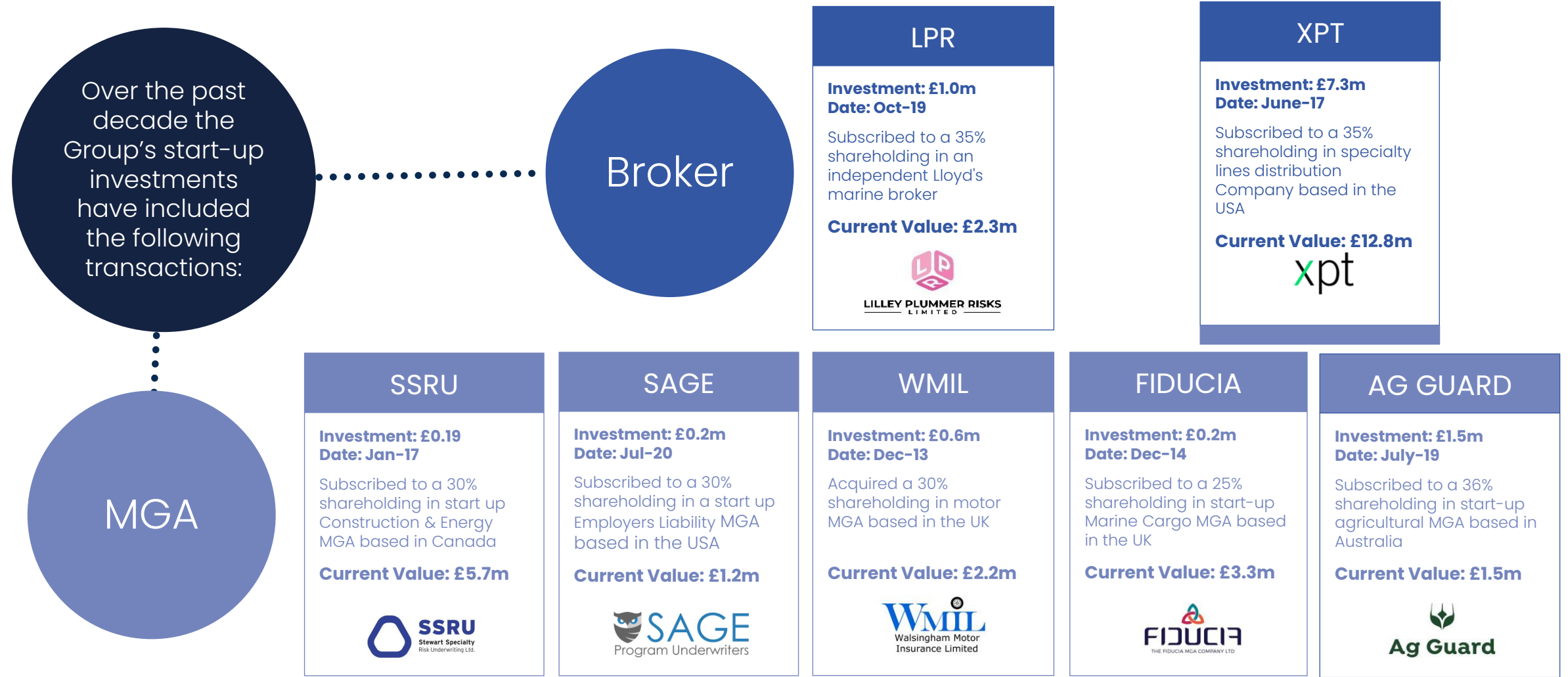


Analysis – Start-Up Investments

The Group has made seven start-up investments in both MGAs and brokers. 39% of the portfolio comprises start-up investments made since December 2013.

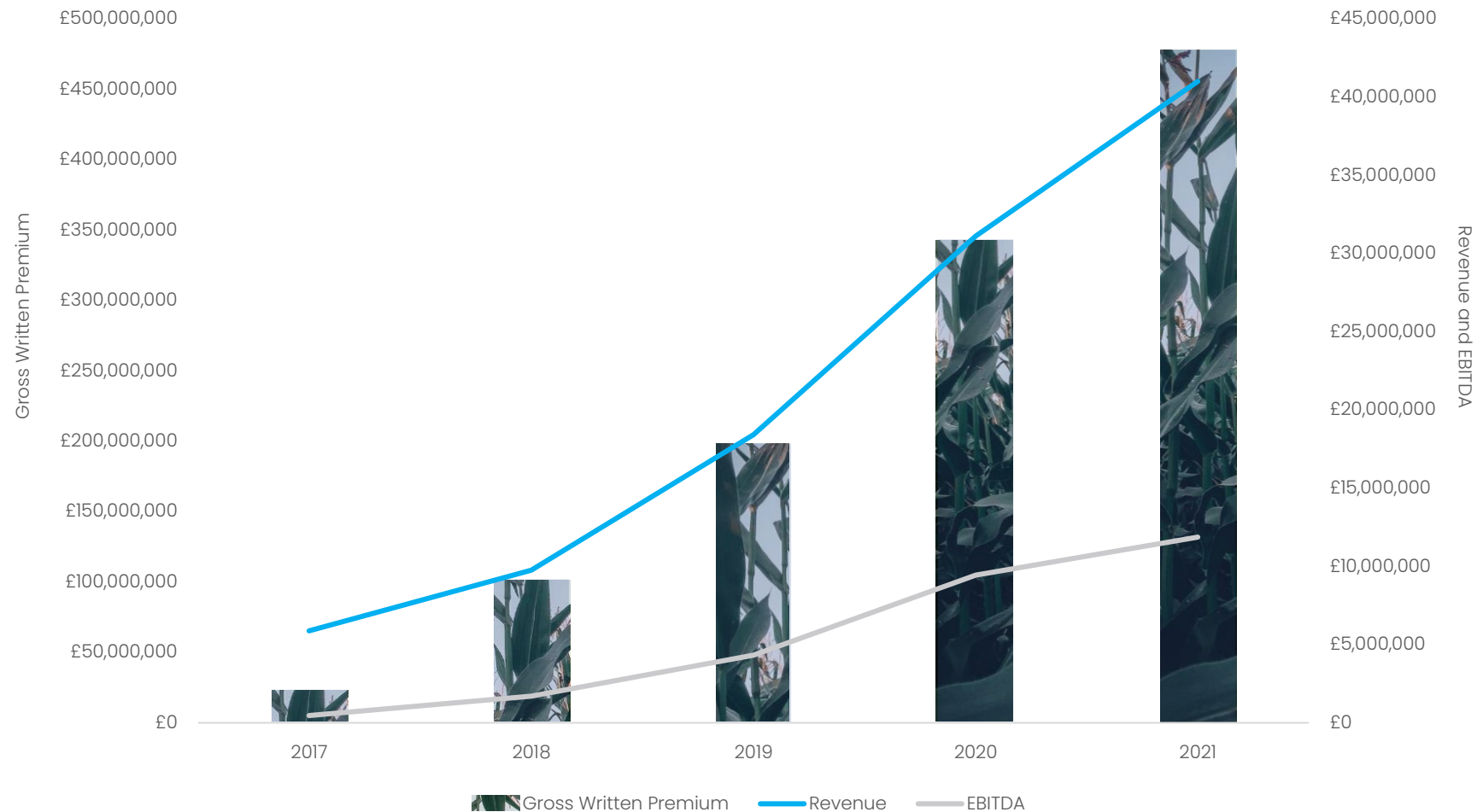
			£000s									
			BP Marsh Investment			31 January 2021			Gross Written Premium / Premium Placed		EBITDA	
Investee Company	Date of Investment	Shareholding	Loan	Equity	Total	Loan	Equity	Total	2020A	2021F	2020A	2021F
AG Guard	Jul-19	41%	0	1,460	1,460	0	1,490	1,490	929	3,962	-	23
Fiducia	Dec-14	35%	2,545	228	2,773	2,545	3,313	5,858	17,464	23,404	323	492
Sage	Jul-20	30%	0	203	312	0	1,207	1,207	2,553	12,659	104	370
SSRU	Jan-17	30%	171	0	170	171	5,671	5,842	50,175	32,808	2,232	2,732
WMIL	Dec-13	41%	286	600	886	286	2,808	3,094	26,997	26,781	1,006	961
XPT	Jun-19	30%	1,452	7,330	8,752	1,452	12,812	14,264	189,837	259,120	5,406	6,242
Lilley Plummer Risks	Oct-19	30%	0	1,008	1,000	0	2,304	2,304	15,323	22,764	374	652
Total	-	-	4,454	10,829	15,353	4,454	29,605	34,059	303,278	381,498	9,445	11,472

Analysis – Start-Up Investments

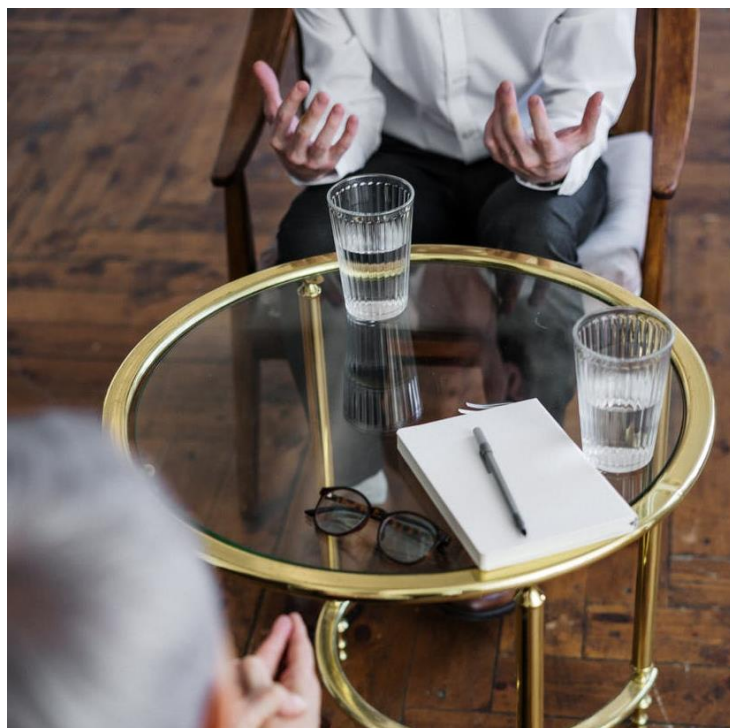


Analysis – Start-Up Investments – Growth

This graph shows the group's ability to assist in the growth of our start-up investments, showing the growth of Gross Written Premium, Revenue and EBITDA:



Highlights – IFA Investment– LEBC Holdings Limited (LEBC)



	Date of Investment	Jurisdiction	Equity % at 31 January 2021	Valuation at 31 January 2021	Cost of Investment	% of NAV
LEBC Holdings Limited	April-07	UK	53.9%	£25,000,000	£12,374,000	16.7%

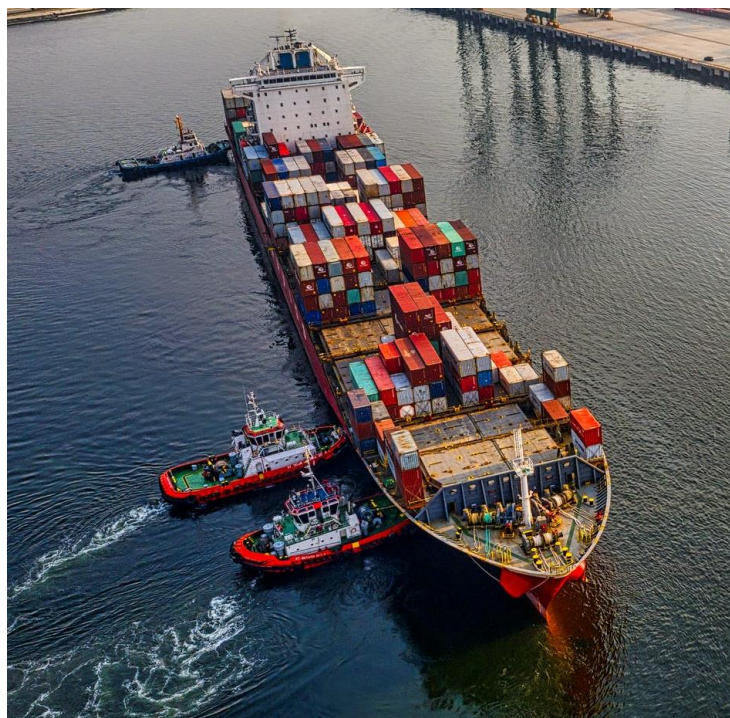
- B.P. Marsh has been invested in LEBC, the **Independent Financial Advisory** company providing expert financial advice to individuals, since **April 2007**
- LEBC has been through a period of change over the past 18 months, as has been announced to the market, following the voluntary decision to exit the Defined Benefit transfer advisory market in **September 2019**
- In line with our mantra, throughout this transition the Group has supported LEBC, having confidence in its underlying business model and its current management team
- LEBC's core IFA business has held up well during a difficult Covid-19 trading environment
- LEBC's centralised investment proposition has provided a degree of stability to clients' portfolios in a time of extreme volatility
- Private client advisors have continued to provide quality advice to individuals faced with unprecedented disruption to their lives
- During this time, LEBC has built a platform for accelerated growth through a number of avenues:
 - Increased penetration of its client base
 - Technology development
 - Advisor recruitment
- As such, it is anticipated that LEBC will produce an acceptable profit for a business of LEBC's size, and for the seven months year to date has achieved an adjusted EBITDA of **£1.8m.**
- To date the IRR to B.P. Marsh is **33%**, incl. loans

Highlights – Start-Up Investments – Stewart Specialty Risk Underwriting (SSRU)



- SSRU was a start-up MGA investment, specialising in the Energy and Construction space in Canada, which launched in January 2017
- B.P. Marsh provided a loan facility of **£275,000 (c. CA\$450,000)** and took an equity shareholding of **30%** at a nominal value of **£19 (CA\$30)**
- Since launch, SSRU's GWP has grown to **£19m (c. CA\$33m)** in 2020 and is looking to produce **£31.6m (c. CA\$55m)** in GWP in 2021
- The progress has been achieved via organic growth across its existing commercial casualty book and establishing a property division
- This has allowed SSRU to achieve the initial goals set out in its business plan, to become a 'one stop shop' for insurance services to the Canadian P&C market specialising in the Natural Resources, Manufacturing and Construction sectors
- EBITDA has grown to **£2.2m (c. CA\$3.7m)** for **2020**, and is currently budgeting to see substantial growth in 2021
- In B.P. Marsh's financial year, its shareholding in SSRU has increased in value by **124%** to **£5.6m**
- To date the IRR to B.P. Marsh is **142%**, incl. loans

Highlights – Start-Up Investments – Lilley Plummer Risks Limited (LPR)



- B.P. Marsh invested in the newly-formed Lloyd's broker LPR in **October 2019**, taking **a 30%** shareholding for a cash consideration of **£1m**
- Whilst LPR was established to be a marine Lloyd's broker, the business has quickly expanded its product offering into a number of niche and diverse areas across several geographic locations
- As part of these expansion plans, LPR has made many new hires, adding significant experience and capabilities to its management team
- Since investment, LPR has performed well, achieving revenues of **c. £1.5m** in its first 15-month period of operations. This positive performance has continued into LPR's current financial year
- In **September 2020**, LPR established a broker in Cyprus called **LPR Insurance Brokers**, which received Lloyd's of London approval on **30 April 2021**
- In B.P. Marsh's financial year, its shareholding in LPR has increased in value by **74%** to **£2.3m**
- To date the IRR to B.P. Marsh is **103%**, incl. loans



LILLEY PLUMMER RISKS
LIMITED

Highlights – Start-Up Investments – The Fiducia MGA Company Limited (Fiducia)



- B.P. Marsh invested in the start-up UK Marine Cargo MGA Fiducia in **November 2016**, taking a **25%** shareholding for a cash consideration of **£0.075k**, alongside a loan facility of **£1.725m**
- Fiducia was established by its CEO Gerry Sheehy and is a registered Lloyd's Coverholder which, at formation, specialised in the provision of Marine and Cargo Insurance
- Since investment, the Group provided Fiducia with additional funding, both via equity and loan, allowing the business to develop over time, taking advantage of growth opportunities
- This strategy has seen Fiducia develop new facilities across several markets, including Marine Trades, Terrorism, Engineering, Fine Art and Specie and Marine Equipment
- After launching **five** years ago, Fiducia is currently budgeting to produce GWP of approaching **£24m** in **2021**
- Fiducia continues to seek out new opportunities in underserved areas of the marine market, working with brokers and insurance carriers to develop products to support these areas
- In B.P. Marsh's financial year, its shareholding in Fiducia increased in value by **99.5%** to **£3.3m**
- To date the IRR to B.P. Marsh is **33%**, incl. loans



Highlights – The Wider Portfolio – XPT Group LLC (XPT)



xpt

- Throughout the Group's financial year, XPT has continued its expansion strategy
- This has included the completion of **three further acquisitions**:
 - International Property & Casualty Brokers of Nevada – an excess and surplus lines General Agency
 - Houston Surplus Lines – an excess and surplus lines General Agency
 - LP Risks – an MGA and surplus lines broker
- These three acquisitions take XPT's total to **eight acquisitions** since being founded in 2017
- During the year, XPT also launched an MGA platform called **Platinum Speciality Underwriting**, which focuses on developing MGAs in a number of niche product areas, such as Trucking liability and Bars & Taverns programmes
- Since the Group's investment in XPT, GWP has grown to a budget in 2021 whereby XPT will control premium in excess of **£250m (\$350m)**
- Moving into 2021 and beyond, we view XPT as well-positioned in the market to continue its expansion plans, both via organic growth and further acquisitions
- In B.P. Marsh's financial year, its shareholding in XPT has increased in value by **17%** to **£12.8m**
- To date the IRR to B.P. Marsh is **35%**, incl. loans

Highlights – The Wider Portfolio – CBC UK Limited (CBC)



- Established in 1985, CBC is a longstanding Retail and Wholesale Lloyd's Insurance Broker
- In B.P. Marsh's financial year, its shareholding in CBC has increased in value by **10%** to **£8.6m**
- B.P. Marsh supported the MBO of CBC in 2017, providing **£4m** in loans, which allowed Management to buy out a major shareholder. As part of this MBO, we also supported the appointment of Andrew Wallas as Non-Executive Chairman, an individual well-known to the Group
- To date the IRR to B.P. Marsh is **38%**, incl. loans
- At the time of investment, CBC had been loss-making, but reported an EBITDA **profit of £1.6m** in its financial year to 30 December 2020
- This represented a substantial year-on-year increase, and the Group anticipates that this growth will **continue into 2021**
- With B.P. Marsh's support, CBC continues to be active in the market, seeking new hires to expand its product offering. This follows CBC's employment of a new team dedicated to International Financial products

Highlights – The Wider Portfolio – Nexus Underwriting Management Limited (Nexus)



- Throughout the Group's financial year, Nexus has performed well and is budgeting significant growth in 2021
- This is an achievement given the considerable challenges posed by Covid-19, especially in the Aviation sector
- During the year Nexus established a wide-ranging programme agreement with A-rated insurer Crum & Forster, allowing Nexus to underwrite existing trade credit products on a fully admitted basis in the US
- Nexus also established Xenia, uniting all elements of Nexus's independent broking divisions, including Credit Risk Solutions and Credit and Business Finance
- The acquisition of the Hiscox MGA Marine business also completed in December 2020, bringing an expert team that provides yacht and marine trades insurance
- Since B.P. Marsh's investment in Nexus in **2014**, GWP has grown from **£50m** to estimated GWP of **£427m** and EBITDA has increased from **£2.6m** to an estimated **£18.2m** in 2021
- B.P. Marsh's valuation of Nexus has increased from an investment of **£1.6m** in **2014** (for a **5%** shareholding) to **£40.9m** at as 31 January 2021 (for a shareholding of **17.5%**)
- During this period, B.P. Marsh invested a further **£9.5m**
- Since its initial investment, B.P. Marsh has provided Nexus with a **£4m** credit facility as part of Nexus' wider debt fundraising exercise in order to undertake M&A activity
- Alongside this Nexus secured a **£40m** loan facility from funds managed by HPS Investment Partners LLC
- To date the IRR to B.P. Marsh is **33%**, incl. loans

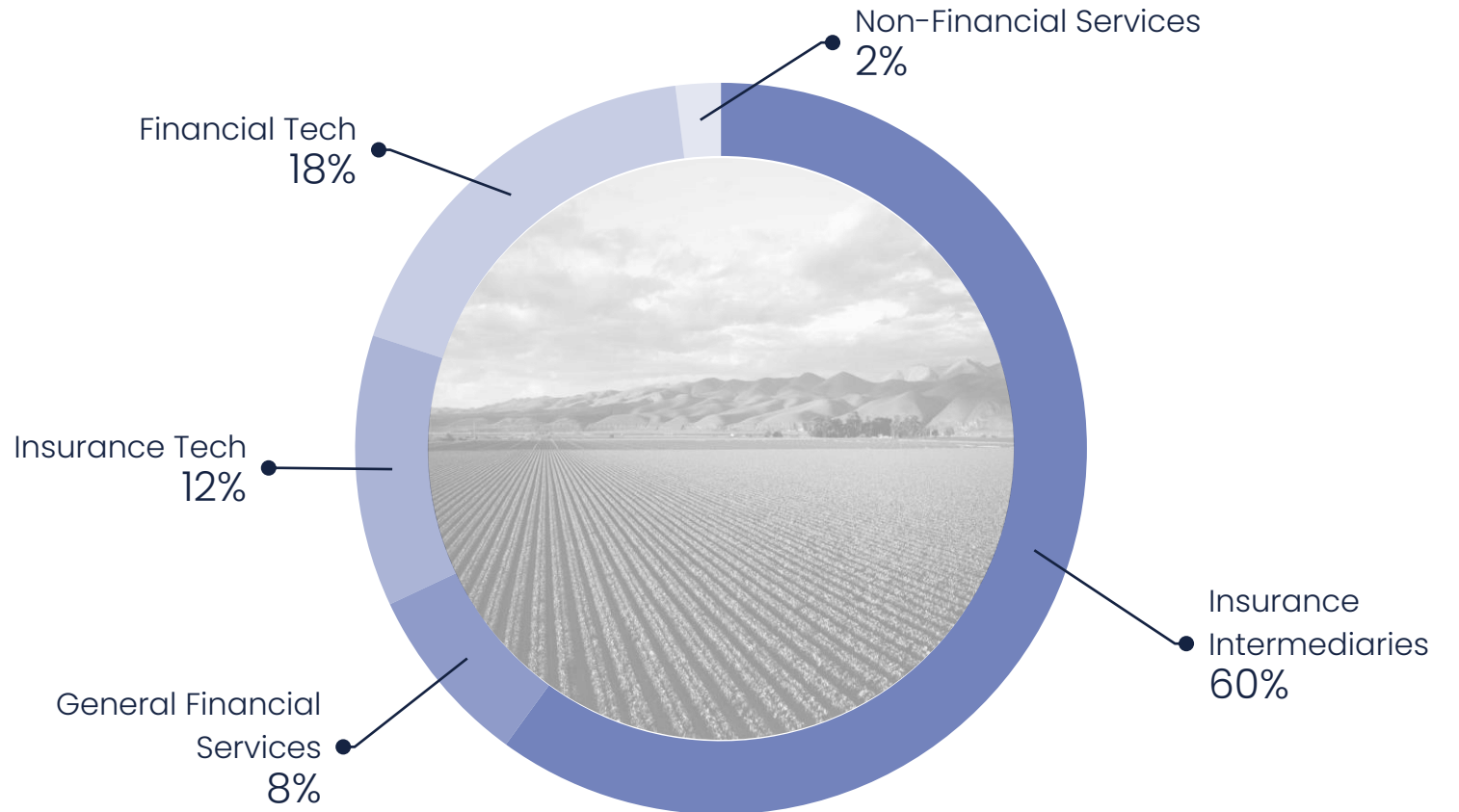
Investment Opportunities



- **50** new investment enquiries in year to 31 January 2021
- **40%** of these new investment enquiries emanated internationally, compared to **60%** domestic enquiries

Current Pipeline

- Both the MGA and Broking sectors remain active, regardless of Covid-19
- B.P. Marsh is in the process of reviewing several relevant opportunities in its heartland
- Wealth management sector is active



Investment Model – New Opportunities

What we look for

- Entrepreneurs who have identified a niche area to apply their expertise
- Ambitious, capable management teams with strong, demonstrable business plans
- Companies with solid value propositions and potential to benefit from value-add

Insurance Intermediaries

Lloyd's Brokers
UK regional brokers
Overseas (Re)insurance brokers
Managing General Agents
Third Party Administrators
Claims Administrators
Loss Adjusters
Insuretech

Wealth and Asset Management

Independent Financial Advisers (IFAs)
Wealth and asset managers
Fund Managers
Wealth tech
Alternative finance platforms

Other FS intermediaries

Consultancy firms
Boutique advisory
Compliance services

Financial Highlights – Year Ended 31 January 2021

NAV of £149.9m

31 January 2020: £136.9m

NAV per share of 416.4p*

31 January 2020: 380.1p

Consolidated Profit after Tax: £13.7m

Year ended 31 January 2020: £12.5m

Underlying Profit before Tax: £0.9m

Year ended 31 January 2020: £0.8m

*On 12 June the Group expects certain performance criteria to be met for a long-term incentive plan. This could dilute the NAV per share to 411.3p.

Financial Highlights – Year Ended 31 January 2021

Average compound NAV growth of 8.2% p.a. since flotation and 11.7% p.a. since 1990*

Excl. £10.1m raised on flotation and £16.6m raised in the July 2018 Share Placing and Open Offer

Final dividend of 2.44p per share (£0.9m) to be paid on 30 July 2021

To Shareholders registered at the close of business on 25 June 2021

£0.7m cash at 31 January 2021

Net of dividend paid

£2m Loan Facility available

£1m drawn down from £3m facility as at 31 January 2021

*This excludes any value for the Group itself

Cash Position



Cash at 1 February 2020	£0.8m
Equity investments	£(2.4)m
Loans granted	£(1.1)m
Loans repaid	£2.9m
Advances of borrowings	£1.0m
Tax repayments	£0.2m
Dividend paid	£(0.8)m
Other operating movements	£0.1m
Cash at 31 January 2021	£0.7m
Current cash balance	£1.8m
Current Total Available Cash (inc. Loan Facility, net of proposed dividend)	£2.5m

Loan Portfolio



Investment	31 January 2021 (£'000)	31 January 2020 (£'000)
Broucour	37	-
Fiducia	2,545	2,470
LEBC	1,500	1,000
MB Group	-	282
Nexus	4,000	6,000
Paladin (CBC)	5,096	4,596
Stewart Specialty Risk	171	258
Summa	2,056	2,012
Walsingham	286	715
XPT	1,452	1,512
Total	17,143	18,845



- A leading specialist investor in global financial intermediary companies for over 30 years
- Diversified in terms of company concentration, geography and currency, mitigating risk
- A proven track record of creating excellent value for shareholders:
 - Identifying future industry leaders through the provision of early stage capital and support
 - Increasing the value of the companies it invests in – 10.9% growth in equity portfolio delivered in year to 31 January 2021, despite specific challenges
 - Achieving significant value for shareholders at realisation
 - Returning value to shareholders
- Compound NAV growth of 8.2% since flotation, 11.7% since inception

Appendices



1. Equity Investments
2. Portfolio
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5. Board Members
6. Growth Strategy
7. Investment Model
8. Investment Process
9. Adding Value
10. Minority Investor Protections
11. Key Shareholders
12. Joint Share Ownership Plan
13. Contacts

Equity Investments – Underwriting Agencies

Investment	Sector	Jurisdiction	Fair market value 31 January 2021 (£'000)	Equity As at 31 January 2021	Cost of equity investment (£'000)	Year of initial investment	Movement in Year to 31 January 2021 (£'000)	Movement in Year to 31 January 2021 (%)
Nexus	MGA	UK	40,906	17.5%	11,126	2014	861	2.2%
ATC	MGA	Australia	6,846	20.0%	2,865	2018	517	8.2%
SSRU	MGA	Canada	5,671	30.0%	-	2017	3,137	123.8%
MB	MGA	Australia	3,237	40.0%	480	2013	521	19.2%
Sterling	MGA	Australia	2,749	19.7%	1,945	2013	477	21.0%
Walsingham	MGA	UK	2,247	40.5%	600	2013	202	9.9%
Fiducia	MGA	UK	3,313	35.2%	228	2016	1,622	95.9%
Ag Guard	MGA	Australia	1,490	41.0%	1,465	2019	133	9.8%
Sage	MGA	USA	1,207	30.0%	203	2020	1,004	495.3%
Walsingham Holdings Limited	Holding Company	UK	73	20.0%	-	2018	15	25.9%
Criterion	MGA	Singapore	-	29.4%	50	2018	-	-

MGA – Managing General Agent

Equity Investments – Brokers and Other

Investment	Sector	Jurisdiction	Fair market value 31 January 2021 (£'000)	Equity As at 31 January 2021	Cost of equity investment (£'000)	Year of initial investment	Movement in Year to 31 January 2021 (£'000)	Movement in Year to 31 January 2021 (%)
Paladin (CBC)	Insurance Broking	UK	8,616	49.2%	664	2017	806	10.3%
Summa	Insurance Broking	Spain	7,435	77.3%	6,096	2005	1,315	21.5%
EC3 Brokers	Insurance Broking	UK	6,500	35.0%	6,500	2017	(288)	(4.2%)
LPR	Insurance Broking	UK	2,304	30.0%	1,008	2019	979	73.9%
ARB	Insurance Broking	Singapore	545	25.0%	1,551	2016	(285)	(34.3%)
Mark Edward Partners	Insurance Broking	USA	-	30.0%	4,573	2017	-	-
LEBC	IFA	UK	25,000	59.3%	12,374	2007	-	-
XPT	Insurance Group	USA	12,812	29.8%	7,330	2017	1,861	17.0%
Portfolio Value								
Total			130,951		59,058		12,877	10.9%*

*adjusted for £2.4m new investment during year
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Portfolio as at 31 January 2021

<p>Agri Services Company PTY Limited</p> <p>41.0%</p>	<ul style="list-style-type: none"> • Investment date: July 2019 • Ag Guard is an Australian-based MGA which provides insurance to the Agricultural Sector
<p>Asia Reinsurance Brokers (Pte) Limited</p> <p>25.0%</p>	<ul style="list-style-type: none"> • Investment date: April 2016 • ARB is a 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
<p>ATC Insurance Solutions PTY Limited</p> <p>20.0%</p>	<ul style="list-style-type: none"> • Investment date: July 2018 • ATC is an Australian-based MGA and Lloyd's Coverholder. ATC specialises in Accident & Health, Construction & Engineering, Trade Pack and Sports insurance • ATC was established in 2006 by Chris Anderson, the current CEO
<p>CBC UK Limited</p> <p>49.2%</p>	<ul style="list-style-type: none"> • Investment date: February 2017 (through Paladin Holdings Limited) • 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 • Assisted in an MBO of CBC, allowing Management to buy out a major shareholder

Portfolio as at 31 January 2021 Continued

<p>Criterion Underwriting Pte Limited</p> <p>29.4%</p>	<ul style="list-style-type: none"> Investment date: July 2018 B.P. Marsh helped establish Criterion alongside Partners in Asiare Holdings (PTE) Limited and Asia Reinsurance Brokers (PTE) Limited 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
<p>EC3 Brokers Limited</p> <p>35.0%</p>	<ul style="list-style-type: none"> Investment date: December 2017 EC3 is an independent specialist Lloyd's broker and reinsurance broker founded by its current CEO, Danny Driscoll, who led a management buy-out 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
<p>The Fiducia MGA Co Limited</p> <p>35.2%</p>	<ul style="list-style-type: none"> Investment date: November 2016 Fiducia is a UK Marine Cargo Underwriting Agency, with registered Lloyd's Coverholder status which specialises in the provision of insurance solutions across a number of Marine risks including Cargo, Transit Liability, Engineering and Terrorism Insurance
<p>LEBC Holdings Limited</p> <p>59.3%</p>	<ul style="list-style-type: none"> Investment date: April 2007 LEBC is a national Independent Financial Advisory company providing services to individuals, corporates and partnerships, principally in employee benefits, investment and life product areas and 16 offices throughout the UK

Portfolio as at 31 January 2021 Continued

Lilley Plummer Risks Limited 30.0%	<ul style="list-style-type: none"> Investment date: October 2019 LPR is a specialist marine Lloyd's broker, based in London
MB Prestige Holdings PTY Limited 40.0%	<ul style="list-style-type: none"> Investment date: December 2013 MB is a MGA, headquartered in Sydney, Australia, recognised as a market leader in respect of prestige motor vehicle insurance in all mainland states of Australia
Mark Edward Partners LLC 30.0%	<ul style="list-style-type: none"> Investment date: October 2017 MEP is a New York-based specialty insurance broker offering a wide range of risk management services to both commercial and private clients. Founded in 2010 by Mark Freitas, its President and CEO, MEP provides core insurance products in Financial & Liability, Property & Casualty, Personal Lines, Life Insurance, Cyber and Affinity Groups
Nexus Underwriting Management Limited 17.5%	<ul style="list-style-type: none"> Investment date: August 2014 Nexus is an independent specialty Managing General Agency founded in 2008. Through its five operating subsidiaries Nexus specialises in Directors & Officers, Professional Indemnity, Financial Institutions, Accident & Health, Trade Credit Insurance and Political Risks Insurance Most recently, Nexus has acquired Vectura Underwriting, Equinox Global Limited and Zon Re Accident Reinsurance

Portfolio as at 31 January 2021 Continued

<p>Sage Program Underwriters, Inc 30.0%</p>	<ul style="list-style-type: none"> Investment date: June 2020 Based in Bend, Oregon and founded in 2020 by CEO Chuck Holdren, Sage provides Workers Compensation insurance to niche industries, including inland delivery and field sport sectors
<p>Stewart Specialty Risk Underwriting Ltd 30.0%</p>	<ul style="list-style-type: none"> Investment date: January 2017 SSRU is a recently established Specialty Casualty Underwriting Agency, based in Toronto, Canada. SSRU provides specialist insurance products to a wide array of clients in the Construction, Manufacturing, Onshore Energy, Public Entity and Transportation sectors
<p>Sterling Insurance PTY Limited 19.7%</p>	<ul style="list-style-type: none"> Investment date: June 2013 (through Neutral Bay Investments Limited) Sterling is a Sydney-based specialist underwriting agency offering a range of insurance solutions within the Liability sector, specialising in niche markets including hard-to-place and complex risks

Portfolio as at 31 January 2021 Continued

<p>Summa Insurance Brokerage, S.L.</p> <p>77.3%</p>	<ul style="list-style-type: none"> • Investment date: January 2005 • We provided finance to a Spanish management team in order to acquire and consolidate regional insurance brokers in Spain • Summa has acquired brokers all over Spain. It now has over 20 offices and continues to seek out new opportunities for expansion • Through acquisition, Summa is able to achieve synergistic savings, economies of scale and greater collective bargaining, thereby increasing overall value. Summa continues to seek new opportunities in Spain
<p>Walsingham Motor Insurance Limited</p> <p>40.5%</p>	<ul style="list-style-type: none"> • Investment date: December 2013 • Walsingham is a niche UK Motor MGA, that commenced trading in July 2013 and specialises in fleet motor products • Walsingham Holdings Limited, of which the Company controls 20%, in turn owns 11.7% of Walsingham purchased from a founding shareholder in May 2018
<p>XPT Group LLC</p> <p>29.8%</p>	<ul style="list-style-type: none"> • Investment date: June 2017 • XPT Group is a New York-based specialty lines insurance distribution company • Plan to develop a wholesale insurance broking and underwriting agency platform across the U.S. Specialty Insurance Sector

Consolidated Statement of Financial Position (IFRS) at 31 January 2021



	Audited year to 31 January 2021 £'000	Audited year to 31 January 2020 £'000
Tangible and intangible assets	123	151
Right of use asset	1,001	1,286
Investments at fair value – Equity Portfolio	130,951	115,666
Debtors / Loans receivable	20,231	21,228
Cash and treasury funds	709	787
Creditors < 1 year (Loans and tax and other payables)	(2,169)	(1,044)
Creditors > 1 year (Loans and tax & other payables)	(939)	(1,204)
Net Assets (excl. Deferred tax)	149,907	136,870
Deferred Taxation provision	-	-
NET ASSETS		
9.5% increase in year to 31 January 2021 after dividend (10.1% before dividend)	149,907	136,870

Consolidated Statement of Comprehensive Income (IFRS) at 31 January 2021



	Audited year to 31 January 2021 £'000	Audited year to 31 January 2020 £'000
Gains on investments (realised and unrealised)	12,877	11,570
Amounts recovered from / (impairment of) investments and loans	37	(69)
Operating income	4,504	5,194
Total income	17,418	16,695
Operating expenses and FX movement	(3,619)	(4,362)
Net financial (expenses)/income	(64)	(61)
Profit before tax	13,735	12,272
Taxation	(14)	258
Post tax profit for period	13,721	12,530
Earnings per share	38.2p	34.9p

Consolidated Statement of Cash Flows (IFRS) at 31 January 2021

	Audited year to 31 January 2021 £'000	Audited year to 31 January 2020 £'000
Net cash from operating activities	408	1,189
Taxation	234	261
Purchase of property, plant and equipment	(5)	(26)
Equity investments made	(2,408)	(2,551)
Net proceeds on sale of equity investments	-	402
Net sale of treasury investments	-	14
Net loans repaid by/(granted to) investee companies	1,796	(4,163)
Net financial (expenses)/income	(64)	(61)
Advances of borrowings	1,000	-
Net decrease in lease liabilities	(160)	(160)
Dividends paid	(798)	(1,712)
Payments made to repurchase company shares	-	(243)
Increase/(decrease) in cash in the year	3	(7,050)
FX movement	(81)	(18)
Cash at beginning of year	787	7,855
Cash and cash equivalents at year end	709	787

Management Team



Brian Marsh
Executive Chairman

Brian Marsh has over 55 years' experience in insurance broking and underwriting. Brian was, from 1979 to 1990, chairman and major shareholder of the Nelson Hurst & Marsh Group, the international insurance intermediary, and has more than 30 years' experience building, buying and selling financial services businesses particularly in the insurance sector.



Alice Foulk
Managing Director

Alice Foulk 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's Office. Alice was appointed as a director of B.P. Marsh in February 2015 and as the Managing Director in July 2016. Alice is a member of the Investment Committee and other key operating Committees of the Board.



Daniel Topping
Chief Investment Officer

Dan Topping is a Member of the Chartered Institute of Securities and Investment (MCSI) and an Associate of the Institute of Chartered Securities and Administrators (ACIS). He graduated from Durham University in 2005 and joined B. P. Marsh in February 2007. In 2011 he was appointed as a director and currently has a number of non-executive appointments over multiple investee companies and evaluates new investment opportunities. Dan was appointed the Chief Investment Officer in July 2016.



Jonathan Newman
Group Finance Director

A Chartered Management Accountant with over 20 years' experience in the financial services industry, Jonathan joined the Company in November 1999 and became Group Finance Director in December 2003. Jonathan advises investee companies and has a non-executive appointment at three investee companies.

Non-Executive Board Members



Pankaj Lakhani FCCA
Non-Executive Director

A Certified Accountant, Pankaj Lakhani has over 40 years' of accounting experience within the Insurance Market and joined the Company as Non Executive Director in May 2015. Pankaj is the Chairman of both the Audit and Remuneration Committee.



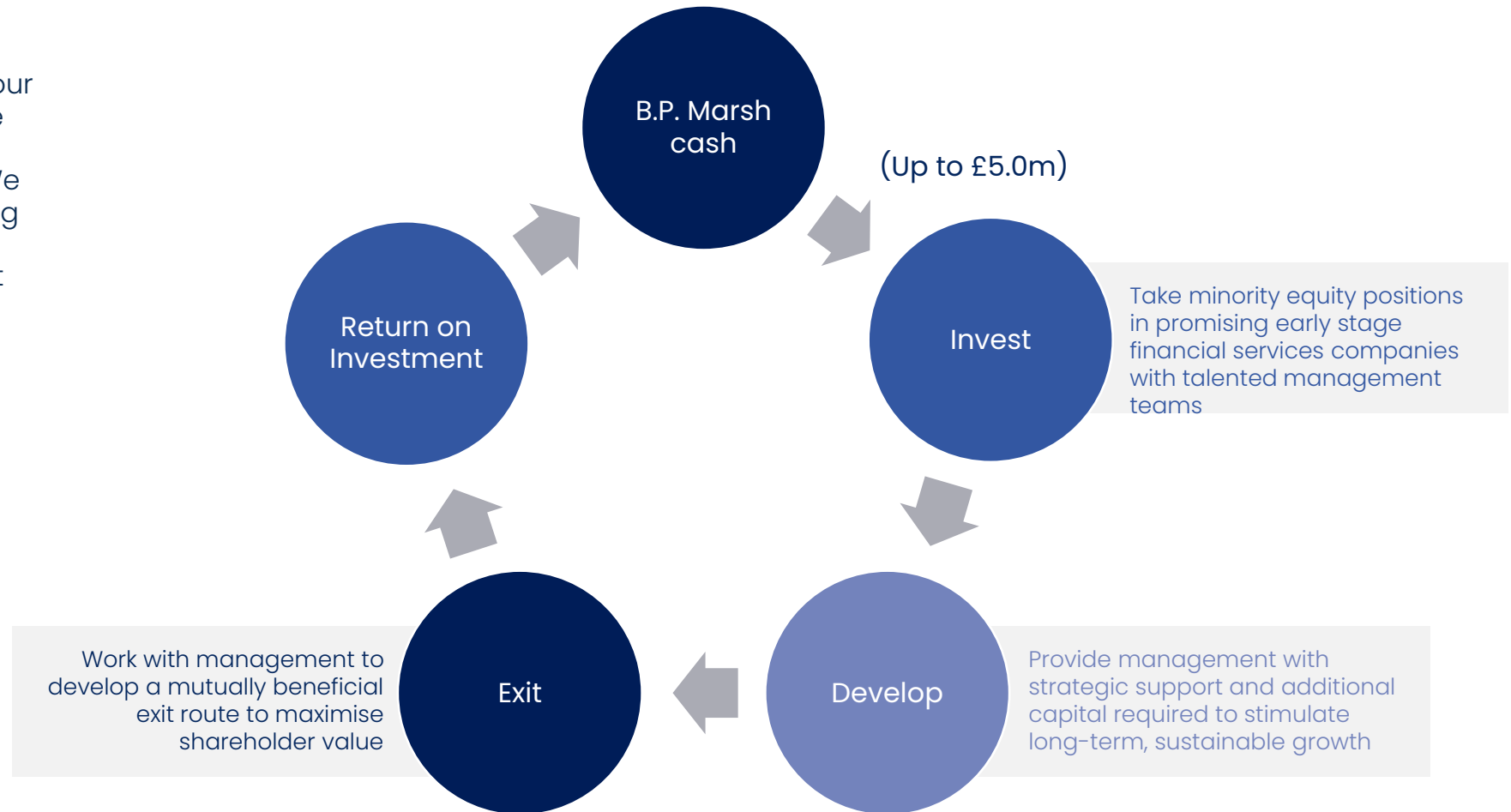
Nicholas Carter
Non-Executive Director

Nicholas Carter has over 50 years' experience in the Lloyd's Insurance Market. Nick held a variety of positions within Nelson Hurst & Marsh Limited, Citicorp Insurance Brokers, Nelson Hurst Plc, Alexander Forbes Pty. Ltd and Prime Professions Ltd. Nick joined the Company as a Non-Executive Director in May 2019.

Growth Strategy



Our goal is to be the early stage capital provider of choice to the financial services sector. We apply our sector expertise to source attractive long-term investment opportunities both in the UK and internationally. We have a strong track record of helping our partner businesses develop before seeking an exit at a time that delivers maximum value for shareholders.



Investment Model



Specialist Investor

in early stage and SME financial services businesses, operating in niche segment where funding difficult to obtain

Relationship Driven

Investors in People

Up To £5m Initial Investment

20-40% minority equity stakes
Scope for follow on funding

Flexible Approach

to investment and exit

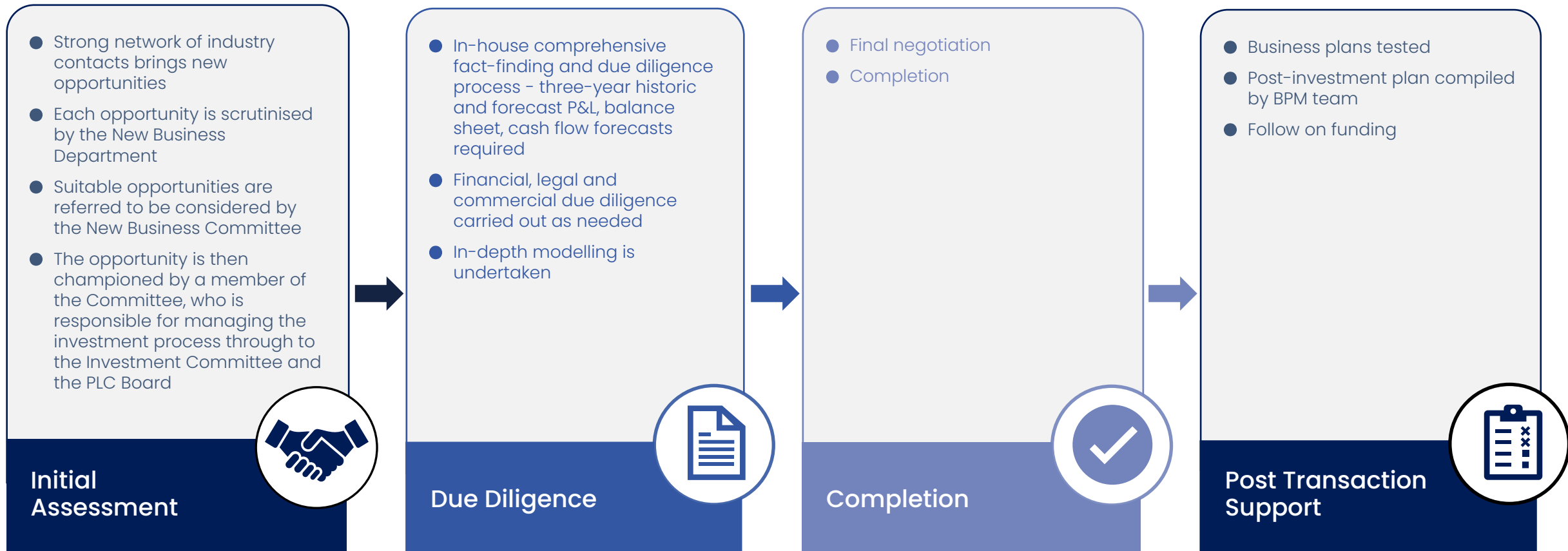
Long-Term View

Partnership approach to investment and mutually agreed exit route

Value Add

Apply significant specialist experience and deep sector knowledge acquired across several decades

Investment Process



Adding Value



Value creation driven by partnering with ambitious entrepreneurs seeking a partnership to provide growth capital and access to a team with a deep knowledge base in mergers, acquisitions, business sales, business growth and transformation, as well as the financial and legal aspects inherent in growing a business:

Board level
representation and
support for
management

Guidance on
strategy and
development

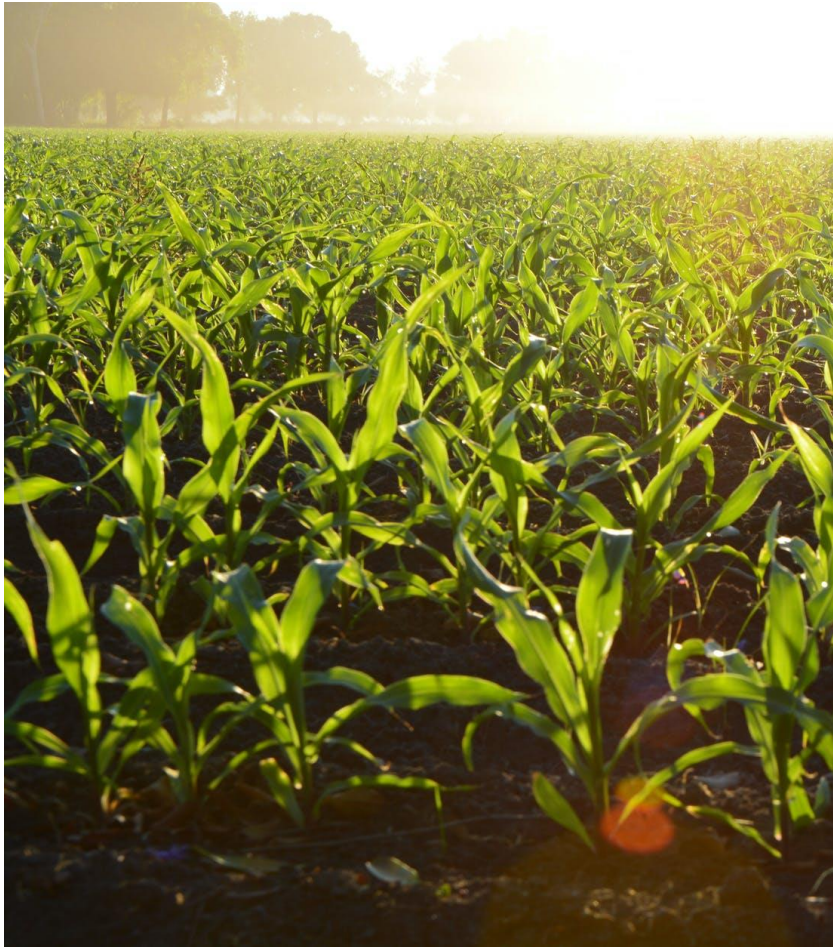
Provision of
follow-on funding

Referral of potential
M&A opportunities

Access to market
intelligence and
contacts

Identification of
exit path

Minority Investor Protections



- B.P. Marsh believes that day-to-day operational control of the business is the domain of the executive management team. However, our position is well protected and portfolio investments are actively monitored
- We outline from the time of investment the matters which would require consent from the Group, above certain agreed thresholds, before an investee company may proceed, these may include:
 - Alterations to share capital
 - Acquisitions
 - Capital expenditure or asset disposals of any nature outside pre-agreed limits
 - Capital protection
 - Appointments of directors and senior executives
 - Remuneration of directors and senior executives
 - Any material additional borrowing
 - Changes in the nature of the company's business
 - Application for a flotation
 - Dividend payments or other distributions including bonuses
- The Group has an extensive track record of working within companies as partners and places significant emphasis around investing time up-front in building relationships

Key Shareholders at 31 January 2021

Directors

Brian Marsh OBE	41.85%*
Alice Foulk	Less than 0.5%
Daniel Topping	Less than 0.5%
Jonathan Newman	Less than 0.5%
Pankaj Lakhani	Less than 0.5%
Nicholas Carter	Less than 0.5%

Group Company Secretary

Sinead O'Haire	Less than 0.5%
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*includes 3.4% via the Marsh Christian Trust

Major Shareholders (>3%)

PSC UK Pty Limited	19.74%
Hargreaves Lansdown Asset Management	4.15%
Mr. Martin MacLeish	4.09%
JTC Employer Solutions*	3.90%
James Sharp & Co	3.24%

*Trustee of the Company's Joint Share Ownership Plan

Joint Share Ownership Plan (JSOP)

Previous JSOP came to an end in November 2017 and saw year-on-year improvements in shareholder return and increase in share price **138p** to **245p** over the three-year period

A new **3.9%** three-year JSOP instituted to incentivise and retain the management team

1,461,302 new shares issued at market price of 281p at close on 12 June 2018 on a partly-paid basis

Subject to share price hurdle of **313p** on vesting date

New shares issued into joint beneficial ownership of employees and the newly formed Trustees of B.P. Marsh Employee's Share Trust (the "Trust")

All B.P. Marsh staff working at the Group on the date the previous JSOP matured to be included, in varying proportions

On 12 June 2021 the Group expects certain performance criteria to be met. Whilst these shares remain in the trust they hold no voting or dividend rights and are therefore non-dilutive until they are sold

On a sale in excess of **281p** per share the Group is entitled to received **£4.1m**



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& P A R T N E R S P L C

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Financial PR

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