



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

Year End Results

For the year ending 31 January 2018

Camilla Kenyon, *Director & Head of Investor Relations*

Dan Topping, *Chief Investment Officer*

Jonathan Newman, *Group Finance Director*

12 June 2018

Overview



Specialist

PE/VC investor in Financial Services intermediaries

25+

Years strong

Invested in 48 companies
and realised 32 since 1990



Robust balance sheet

£5.4m cash as at 31 January 2018



Up to £5m investment

For minority equity positions (20-40%)



Long-term view

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

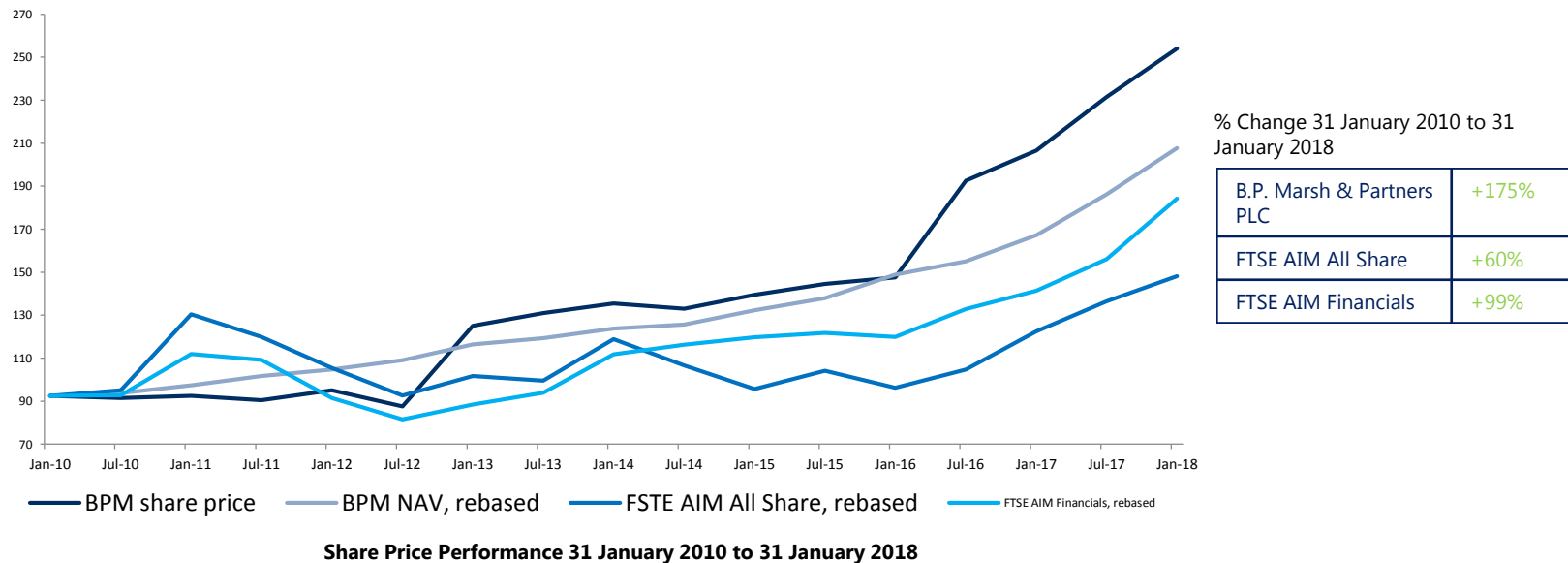


Industry knowledge

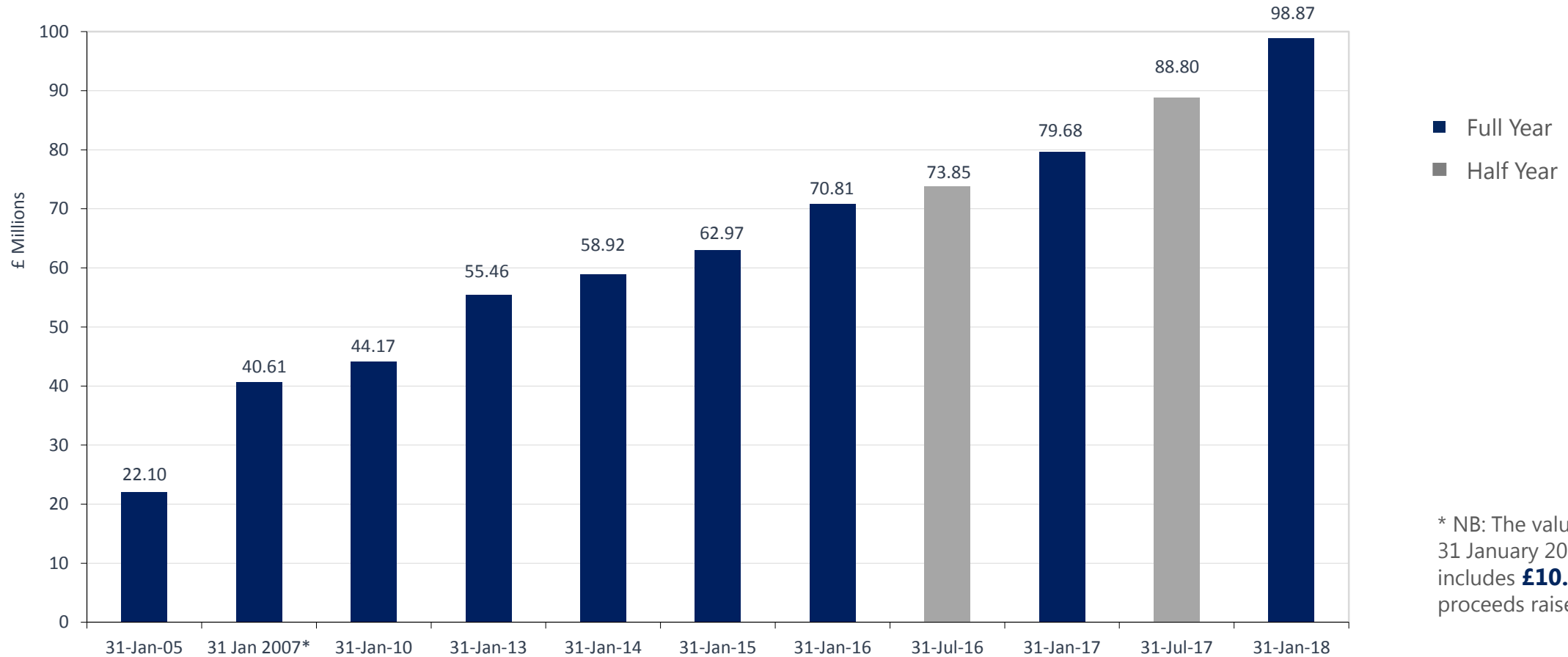
Significant, specialist experience and deep sector
knowledge acquired across several decades

2018 Summary - Year End 31 January 2018

- As at 31 January 2018 – 16 investments in portfolio with a NAV of **£98.9m** (31 January 2017 **£79.7m**), with an average holding period of 3.36 years
- Equity Portfolio increase of **31.3%** year to 31 January 2018 (**22.1%** year to 31 January 2017)
- Dividend of **4.76p** per share declared for the year ended 31 January 2018, to be paid in July 2018
- Total Shareholder Return of **25.5%** for year to 31 January 2018 (**13.9%** for the year to 31 January 2017)
- **£5.4m** cash and treasury funds at 31 January 2018



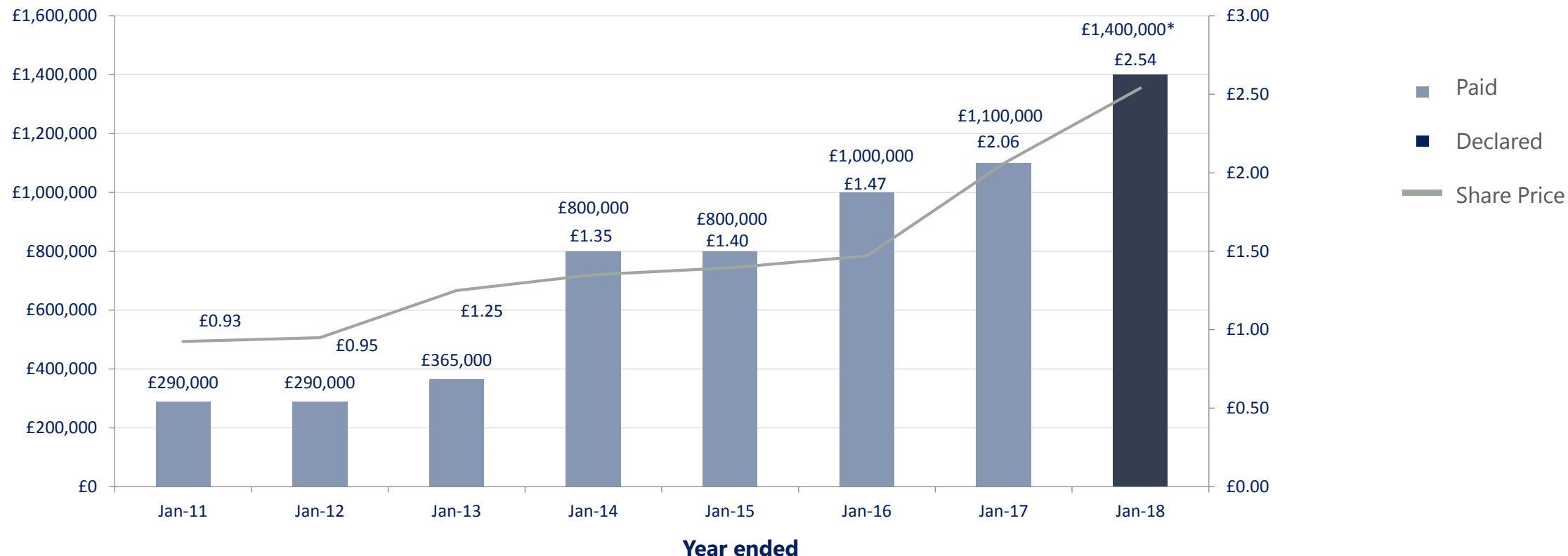
Performance: Net Asset Value (NAV)



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

Dividends

- The Group's historic dividend payments are shown below. Total shareholder return in year to 31 January 2018 is **25.5%**



- Aggregate dividend **£1.4m**, based on current shareholding (*up to additional **£0.4m** dependent on Placing completion and Open Offer take-up)
- It is the Board's intention to maintain this level for the year ending 31 January 2019 and thereafter to continue to pay dividends when circumstances allow
- The Board aims to strike a balance between rewarding shareholders with a sustainable yield and investing cash to deliver long-term capital growth

Conditional Placing and Open Offer – Post Year end Event

- **£18.49m** total investment by PSC
 - **6.17m** new shares in the Placing for **£15.55m**
 - purchase of **1.17m** B.P. Marsh Management Limited shares for **£3m**
- Up to **£1.5m** Open Offer element (**up to 595,238 shares**)
- Increased share capital and reduction in Brian Marsh's holding to **c. 44.2%**
- PSC's holding on completion to be **c. 19.6%** depending on full take up of the Open Offer
- The Group will receive up to **£17.05m** in cash to deploy in new investments and existing portfolio
- No change in the Group's investment model
- No Board changes
- Bigger, stronger Group, ready for the next phase of its development



PSC & B.P. Marsh – Investment Rationale

- Complementary listed businesses operating in the insurance intermediary sector
- Excellent strategic fit
- Investors in businesses from early stage to mature
- Investors in insurance intermediary businesses, without taking underwriting risk
- Successful investment track records
- PSC had followed B.P. Marsh for a significant time before making an approach – a long-term approach also favoured by the Group
- Possibilities for joint working in the UK and internationally
- Strong cultural fit with both businesses operating under a similar philosophy
- Increased capabilities for both parties



PSC – Business Overview



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

- The PSC Insurance Group (PSC) operates a diversified insurance intermediary Group with operations and investments in Australia, New Zealand and the United Kingdom
- PSC has a proven track record in business acquisition, establishment and turnaround in the insurance services industry. The PSC Group comprises a portfolio of businesses ranging from start-ups to mature businesses
- PSC is listed on the Australian Stock Exchange (ASX), with a market capitalisation of approximately **AUD \$731m**
- PSC's principal businesses within the general insurance intermediary and services market comprise:
 - insurance broking;
 - underwriting agencies;
 - an authorised representative network business in Australia and NZ
 - wholesale insurance broking in the United Kingdom; and
 - reinsurance broking in the United Kingdom;
- PSC also operates complementary businesses including life insurance broking, on-line direct general insurance and third party claims management. PSC does not take underwriting risk however maintains relationships with many insurers in Australia, NZ and the UK
- The PSC Insurance Group has a diverse client base. It predominantly services the insurance needs of SMEs. These clients have access to the full range of business services offered by PSC. The PSC Insurance Group also services other insurance brokers through its United Kingdom broking and underwriting agency operations and services insurance carriers by way of their reinsurance operations

Joint Share Ownership Plan (JSOP)

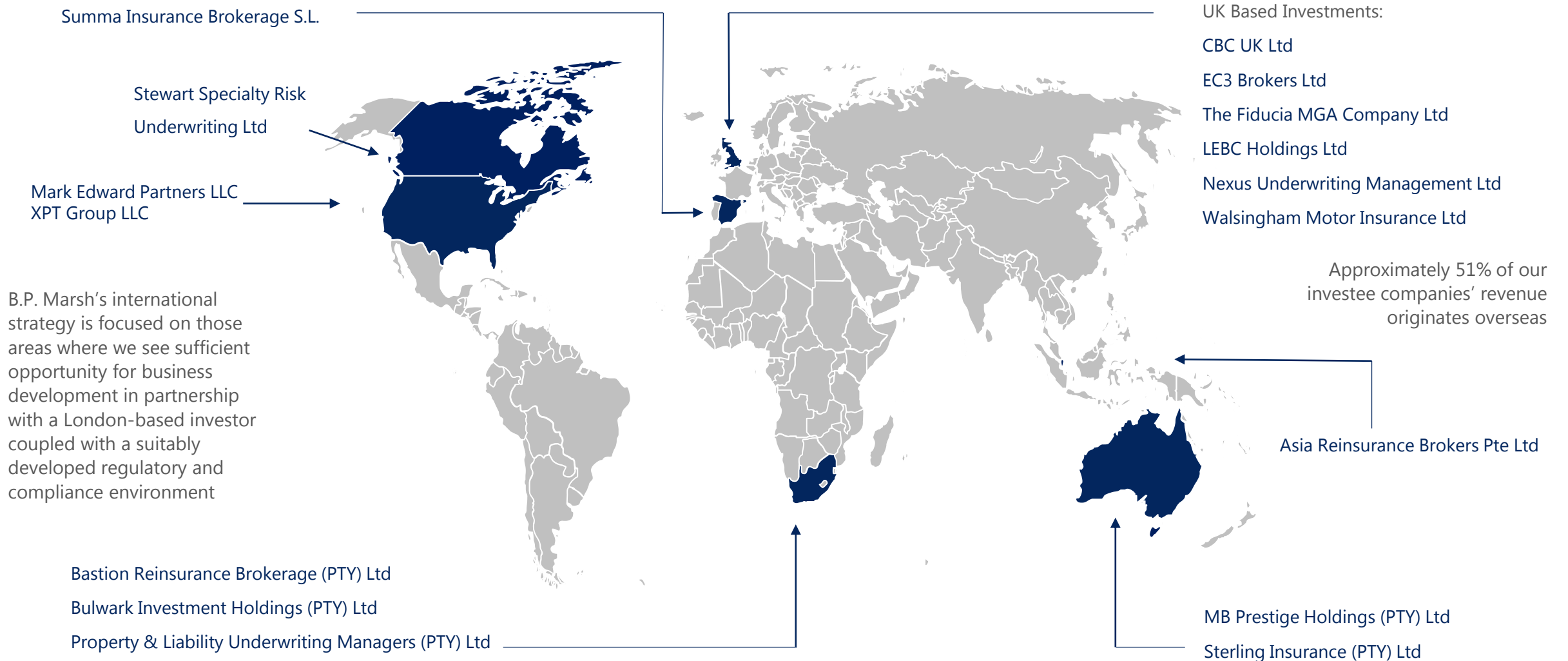
- Previous **5%** JSOP came to an end in November 2017 and saw year-on-year improvements in shareholder return and increase in share price **138p** to **245p** over the three-year period
- A new **5%** three-year JSOP to be instituted to incentivise and retain the management team
- **c.1,400,000** new shares to be issued at market price at close on 12 June 2018 on a partly-paid basis
- 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 current B.P. Marsh staff working at the Group on the date the previous JSOP matured to be included, in varying proportions
- Nominal value of shares paid by the Trust out of funds loaned by the Group with additional consideration left outstanding until shares are sold
- Proceeds of share sales divided between the joint owners so staff receive the amount of market growth, less a carrying cost

Investments

Investment	Sector	Jurisdiction	Cost of equity investment (£'000)	Fair market value 31 January 2018 (£'000)	Equity As at 31 January 2018	Year of initial investment	Movement in Period to 31 January 2018 (£'000)	Movement in Period to 31 January 2018
EC3 Brokers	Insurance Broking	UK	5,000	5,000	20.0%	2017	-	-
Mark Edward Partners	Insurance Broking	U.S.	4,573	4,219	30.0%	2017	(354)	(7.7)%
Summa	Insurance Broking	Spain	6,096	4,018	77.3%	2005	(822)	(17.0)%
Paladin (CBC)	Insurance Broking	UK	4	2,372	35.0%	2017	2,369	67,671.4%
ARB	Insurance Broking	Singapore	1,268	779	20.0%	2016	(574)	(42.4)%
Bastion	Insurance Broking	South Africa	100	-	35.0%	2014	(100)	(100.0)%
XPT	Insurance Group	U.S.	4,790	4,219	35.0%	2017	(571)	(11.9)%
Nexus	MGA	UK	8,575	20,544	17.08%	2014	6,629	47.6%
Sterling	MGA	Australia	1,945	2,198	19.7%	2013	(180)	(7.6)%
PLUM	MGA	South Africa	1,220	-	42.5%	2015	(1,846)	(100.0)%
MB	MGA	Australia	480	1,840	40.0%	2013	255	16.1%
Walsingham	MGA	UK	600	692	40.5%	2013	492	246.0%
Fiducia	MGA	UK	75	75	25.0%	2016	-	-
Bulwark	MGA	South Africa	-	-	35.0%	2015	-	-
SSRU	MGA	Canada	-	-	30.0%	2017	-	-
LEBC	IFA	UK	12,374	33,166	59.34%	2007	12,821	63.0%
Total			47,100	79,122			18,119	

MGA – Managing General Agent; IFA – Independent Financial Adviser

International Strategy



Specific Activity New Investments – Lloyd's Brokers



- On 18 December 2017 the Group invested **£5m** in EC3 Brokers Group Limited, for a **20%** stake
- EC3 is an independent Lloyd's broker and reinsurance broker, established in 2014 by its current CEO, Danny Driscoll, following a management buyout from AJ Gallagher
- EC3 provides services to a wide range of clients across several sectors, including construction, casualty, entertainment and cyber & technology, with a focus in the US, UK and Middle Eastern markets
- For the year ending 31 December 2018 EC3 is forecasting revenue of **£9.8m** and an EBITDA of **£2.6m**



- The Group acquired **35%** of CBC UK Limited in February 2017, via a thinly capitalised holding company, Paladin NewCo Limited (now 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
- The Group provided initial consideration of **£4m**, via equity and loans
- For the year ending 31 December 2018, CBC are forecasting revenue of **£6.1m** and EBITDA of **£1.3m**
- Andrew Wallas was appointed as Chairman, with over 40 years of experience in the insurance industry

B.P. Marsh Strategy to Invest in North America

- In 2016 a strategic decision was made to directly enter the North American arena, which would constitute B.P. Marsh's first direct investment since 2006, given North American significance in the Insurance Market
- To source new investments, B.P. Marsh utilised its existing contacts, both in the UK and North America, and also attended national insurance events, such as the CHART Exchange Convention
- Since the beginning of 2017, B.P. Marsh has received over 20 relevant North American investment opportunities, and has completed on three investments, being:
 - Stewart Specialty Risk Underwriting Ltd
 - XPT Group LLC
 - Mark Edward Partners LLC
- A number of investment opportunities within the North American region have also been passed onto our existing investments, where they do not fit B.P. Marsh's direct investment criteria

Specific Activity New Investments – USA



- On 13 June 2017 the Group invested USD **\$6m** into XPT for a **35%** shareholding
- XPT is a newly established US speciality lines insurance distribution company
- XPT is led by industry veterans, led by Tom Ruggieri, formerly of Marsh and Swett & Crawford
- Since the Group's investment, XPT has made two acquisitions, Western Security Surplus Insurance Brokers Inc, a Texas-based wholesale broker and managing general agency, and W.E. Love & Associates Inc, a North Carolina based managing general agency



- On 12 October 2017 the Group invested USD **\$6m** in MEP for a **30%** shareholding
- MEP is a specialty retail insurance broker offering a wide range of risk management products to commercial and private clients
- Provides core insurance products in Financial & Liability, Property & Casualty, Personal Lines, Life Insurance, Cyber and Affinity Groups. Also has developed a number of unique product offerings
- The company was set up in 2014 by Mark Freitas, Founder and CEO
- In 2017 MEP produced income of USD **\$14.7m** and EBITDA of USD **\$5m**

Specific Activity within the Portfolio During the Period (i)

- Throughout the Group's financial year to 31 January 2018, Nexus has undertaken a number of acquisitions, Vectura Underwriting, Equinox Global, Zon Re Accident Reinsurance, Apsley Specialty and Credit Risk Solutions
- This M&A activity was funded via a **£30m** loan facility, with **£26m** provided via HPS Investment Partners, the global investment firm and **£4m** from the Group
- Since the Group's investment in Nexus back in 2014, Nexus has grown its Gross Written Premium from **£56m** in 2014 to **£132m** in 2017
- During the same period, commission income has increased from **£12.3m** to **£23.5m** in 2017 and EBITDA has increased from **£2.6m** to an estimated **£10m** in 2017
- Nexus was placed 91st in a league table ranking Britain's private companies with the fastest-growing profits, as present by the Sunday Times Profit Track 100
- In January 2018, Nexus appointed senior industry figure Mike Sibthorpe as its Chief Executive Officer of Insurance and Reinsurance.



Dan Topping, Chief Investment Officer & Nexus Board Member commented:



"Nexus continues on an exciting growth trajectory . We were pleased to support Nexus with loan funding over the course of 2017 to allow it to pursue its expansive M&A Strategy"

Specific Activity within the Portfolio During the Period (ii)

- On 26 July 2017, the Group purchased a further **17.84%** stake in LEBC for a consideration price of **£7.14m**, increasing the Group's holding in LEBC to **60.88%**
- In February 2018, LEBC completed the acquisition of Aspira, a Bristol-based advisory firm with 50 staff and nearly £0.5bn of funds under management, for a cash consideration of **£5m**
- This acquisition was partly funded via a **£1.5m** loan from the Group. As a result of this transaction the Group's shareholding in LEBC reduced to **59.34%**
- LEBC's performance continues to deliver strong organic growth, declaring a turnover of **£18.1m** and a trading profit of **£3m** for the year ended 30 September 2017
- In the current financial year, LEBC is trading significantly ahead of last year
- From 1 August 2017, LEBC became a directly authorised entity, having previously been an Appointed Representative of TenetConnect Limited



Camilla Kenyon, Director & LEBC Board Member commented:

"We were pleased to make an additional investment into LEBC during the year and to provide loan funding in order that they could acquire Aspira. LEBC continue to demonstrate strong performance"

Investment Model

Specialist Investor

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

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
Reinsurance 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 and robo advisers

Alternative finance platforms

Other FS intermediaries

Consultancy firms
Boutique advisory
Compliance services

Investment Process

BUSINESS PLAN

Initial Assessment

- Strong network of industry contacts brings new opportunities
- Each opportunity is scrutinised by the New Business Department
- Suitable opportunities are referred to be considered by the New Business Committee
- The opportunity is then championed by a member of the Committee, who is responsible for managing the investment process through to the Investment Committee and the PLC Board

HEADS OF TERMS

Due Diligence

- In-house comprehensive fact-finding and due diligence process - three-year historic and forecast P&L, balance sheet, cash flow forecasts required
- Financial, legal and commercial due diligence carried out as needed
- In-depth modelling is undertaken

INVESTMENT DOCUMENTS

Completion

- Final negotiation
- Completion

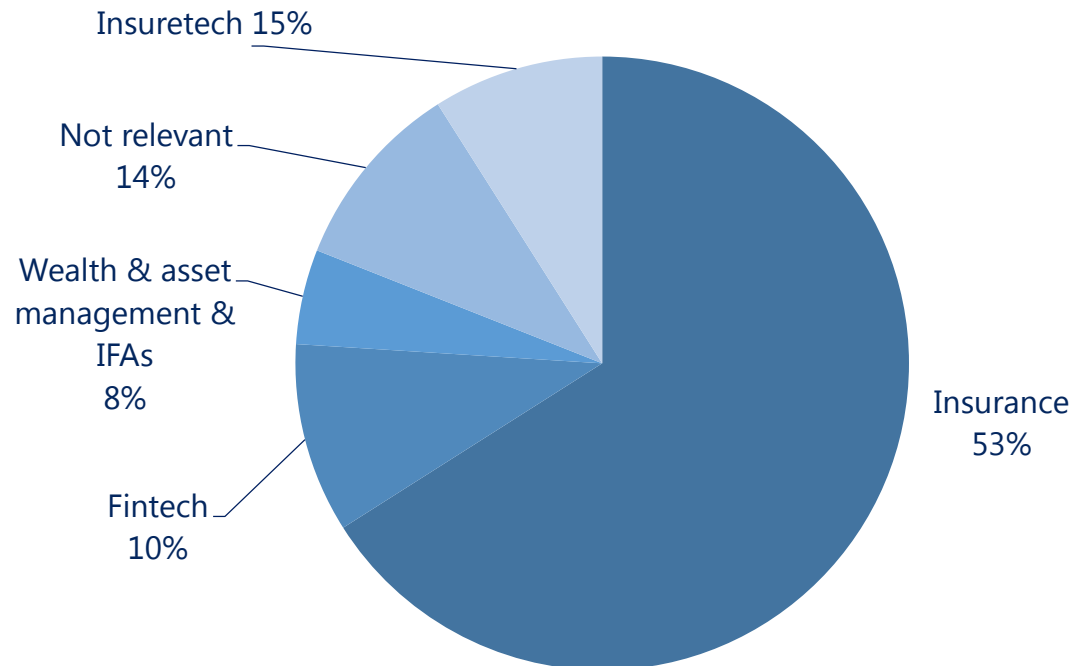
Post Transaction Support

- Business plans tested
- Post-investment plan compiled by BPM team
- Follow on funding

Investment Opportunities

- **77** new investment enquiries in period to 31 January 2018 (in line with previous years totals; 84 and 71)
- **4** completed; CBC & EC3 (UK Lloyd's brokers) and XPT & MEP (U.S.)
- **6** referrals on to portfolio companies as potential bolt-ons

77 enquiries to 31 January 2018



Current Pipeline

- MGA pipeline continues to be strong, including start-ups
- Overseas insurance intermediaries
- Wealth management sector active
- Referrals for UK and overseas investments

Previous Non-Insurance Intermediary Investments

- Portfolio Design Group International (trader in secondary life assets, particularly UK endowment policies and US Life Settlements. Sold in 2014)
- Broucour (business sales agent for SME businesses. Sold in 2016)
- Principal Investment Management (discretionary fund manager, sold in 2008)
- Thomson Group (IFA, sold in 2001)

Investments Financial Highlights –Year Ended 31 January 2018

Equity Portfolio value increase of **31.3%** for the year ending 31 January 2018

- NAV of **£98.9m**
(31 January 2017: **£79.7m**, 31 July 2017: **£88.8m**)*
- NAV per share of **339p**
(31 January 2017: **273p**, 31 July 2017: **304p**)*
- Consolidated profit after tax **£20.2m**
(31 January 2017: **£9.8m**, 31 July 2017: **£10.2m**)

Underlying profit before tax of **£0.7m** for the year ending 31 January 2018 (2017: **£0.6m**),
excluding unrealised equity and all underlying treasury portfolio movement

*Net of provision for deferred tax

Investments Financial Highlights –Year Ended 31 January 2018

- Average compound NAV growth of **12.0% p.a.** since 1990 (excl. **£10.1m** raised on flotation)*
- Final Dividend of **4.76p** per share declared and will be paid on 31 July 2018 to Shareholders registered at the close of business on 13 July 2018
- **£5.4m** cash and treasury funds at 31 January 2018

*This excludes any value for the Group itself

Cash Position

Cash at 1 Feb 2017 (including treasury funds)	£12.6m
Proceeds from disposal of investments	£25.0m
Equity investments	£(21.7)m
Loans granted	£(15.6)m
Loans repaid	£8.9m
Tax payments	£(3.1)m
Dividend paid	£(1.1)m
Net treasury gains and other investment income	£0.5m
Other operating movements	£(0.1)m
Cash at 31 January 2018 (including treasury funds)	£5.4m

Loan Portfolio

Investment	31 January 2018 (£'000)	31 January 2017 (£'000)
Bastion*	342	342
Besso	-	1,808
Broucour	155	255
Bulwark*	665	615
Fiducia	1,619	350
LEBC	1,500	1,005
MB Group	603	759
Nexus	4,000	-
Paladin (CBC)	3,996	-
PLUM*	1,115	-
Stewart Specialty Risk	201	152
Summa	2,283	2,346
Trireme	-	2,155
Walsingham	1,200	1,200
Total	17,679	10,987

*A provision has been made against the loans to the three South African investments. A new strategic plan has been implemented to effect change, and we continue to monitor performance closely

Summary

- Equity Portfolio increase of **31.3%** since 31 January 2017
- Final Dividend of **4.76p** per share declared and to be paid on 31 July 2018 and intend to maintain that level for the year ending 31 January 2019
- **£5.4m** of cash and treasury funds at year end
- Share price of **284p** with a discount to Net Asset Value of **16.2%** (at close 11 June 2018)
- Conditional Placing and Open Offer announced on 12 June 2018
- **£15.55m** investment by PSC and up to **£1.5m** Open Offer, producing up to **£17.05m** cash for the Company to invest
- Portfolio performing well and presenting good opportunities for development
- A bigger, stronger Company, ready for the next phase of its development

- 1. Management Team**
- 2. Board Members**
- 3. Growth Strategy**
- 4. Adding Value**
- 5. Portfolio**
- 6. Minority Investor Protections**
- 7. Financials**
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Management Team



Brian Marsh OBE

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 BA (Hons)

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, running the Chairman's Office. Alice was appointed as the Managing Director in January 2016 and is a member of the Investment Committee and other key operating Committees of the Board.



Dan Topping ACIS MCSI

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 Secretaries 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 January 2016.

Management Team



Camilla Kenyon

Director, Head of IR

Camilla was appointed to the main Board in 2011, following her appointment as Head of Investor Relations in 2009. She has dual responsibilities for Investor Relations and New Business and is Chair of the New Business Committee reviewing new opportunities. She has currently two non executive appointments and is a standing member of the Investment Committee. She has been shortlisted in the Specialist Investor category in the 2018 Women in Finance Awards.



Jonathan Newman ACMA CGMA MCSI

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 Finance Director in December 2003. Jonathan advises investee companies and has a non-executive appointment at one investee company.

Board Members

Campbell Scoones

Non-Executive Director

Campbell Scoones has over 45 years' experience in the Lloyd's 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, Citicorp Investment Limited, Marsh & McLennan Companies and Admiral/Encon Underwriting.

Nicholas Walker MSc, (Comb Hons)

Non-Executive Director

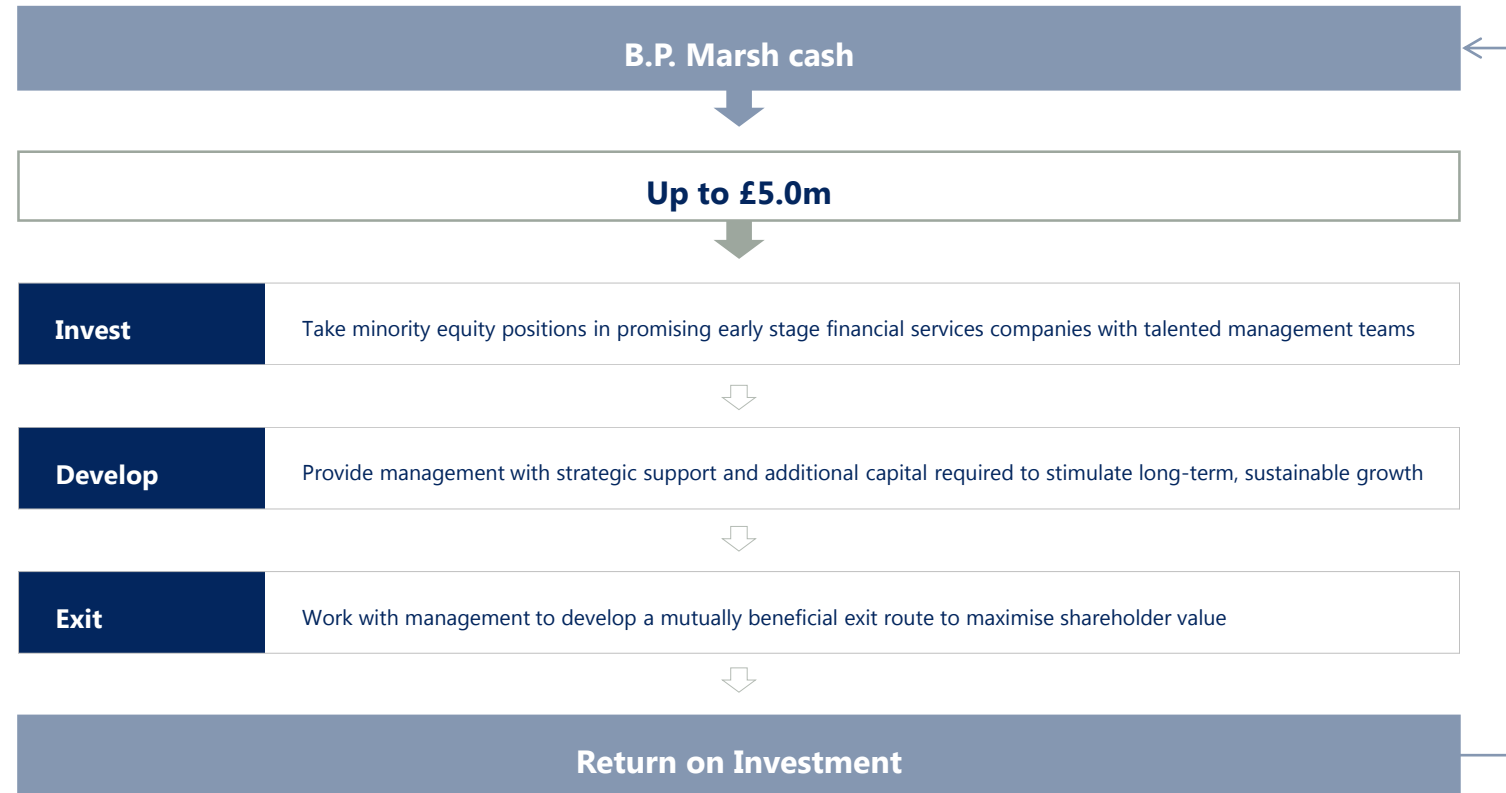
Nick has over 30 years' experience in the Financial Services sector. Nick started his career at the Bank of America International and joined Citicorp Investment Bank in 1988 where he was appointed Country Head of its Spanish and Portuguese M&A Team. In 1991 Nick co-founded Socios Financieros S.A., a leading Madrid based independent corporate advisory firm. Nick is a member of the Audit Committee and Remuneration Committee and a Nominee Director on the Board of Summa Insurance Brokerage SL.

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.

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.



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

Portfolio as at 31 January 2018

Asia Reinsurance Brokers (PTE) Limited – 20%	<ul style="list-style-type: none"> • Group invested in 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
Bastion Reinsurance Brokerage (PTY) Limited – 35%	<ul style="list-style-type: none"> • Group invested in December 2014 • Bastion specialises in the provision of reinsurance solutions over a number of complex issues, engaged by various insurance companies and managing general agents
Bulwark Investment Holdings (PTY) Limited – 35%	<ul style="list-style-type: none"> • April 2015, alongside its existing South African Partners, established a new venture, Bulwark Investment Holdings (PTY) Limited • Bulwark is a South African-based holding company which establishes Managing General Agent in South Africa
CBC UK Limited – 35%	<ul style="list-style-type: none"> • Group invested in 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
EC3 Brokers Limited– 20%	<ul style="list-style-type: none"> • Group invested in 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

Portfolio as at 31 January 2018 Continued

The Fiducia MGA Co Limited – 35%	<ul style="list-style-type: none"> • Group invested in 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
LEBC Holdings Limited – 59.34%	<ul style="list-style-type: none"> • April 2007 invested in LEBC • 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
MB Prestige Holdings Limited – 40%	<ul style="list-style-type: none"> • December 2013 invested in MB • 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%	<ul style="list-style-type: none"> • The Group invested in 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 – 17.08%	<ul style="list-style-type: none"> • Invested in 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
Property & Liability Underwriting Managers (PTY) Limited – 42.5%	<ul style="list-style-type: none"> • 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

Portfolio as at 31 January 2018 Continued

Stewart Specialty Risk Underwriting Ltd – 30%	<ul style="list-style-type: none"> • Invested in SSRU in 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
Sterling Insurance (PTY) Limited – 19.7%	<ul style="list-style-type: none"> • Invested in June 2013 through the investment vehicle 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
Summa Insurance Brokerage, S.L. – 77.3%	<ul style="list-style-type: none"> • January 2005 the Group provided finance to a Spanish management team with the objective of acquiring and consolidating 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
Walsingham Motor Insurance Limited – 40.5%	<ul style="list-style-type: none"> • Invested in December 2013 • Walsingham is a niche UK Motor MGA, established in August 2012 and commenced trading in July 2013 • Specialises in fleet motor products
XPT Group LLC – 35%	<ul style="list-style-type: none"> • Invested in June 2017 • 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

Minority Investor Protections

- The Group believes that day-to-day operational control of the business is the domain of the executive management team. However, the Group's position is well protected and portfolio investments are actively monitored
- The Group outlines from the time of investment the number of 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

Consolidated Statement of Financial Position (IFRS) at 31 January 2018

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	Audited Year to 31 January 2018 £'000	Unaudited 6 months to 31 July 2017 £'000	Audited Year to 31 January 2017 £'000
Tangible and intangible assets	167	177	15
Investments at fair value – Equity Portfolio	79,122	62,982	63,567
Debtors / Loans receivable	16,814	14,006	12,219
Cash and treasury funds	5,404	22,040	12,557
Creditors < 1 year (tax and other payables)	(2,672)	(5,482)	(1,948)
Creditors > 1 year (Loans and, tax & other payables)	-	-	-
Net Assets (excl. Deferred tax)	98,835	93,723	86,410
Deferred Taxation provision	32	(4,923)	(6,728)
NET ASSETS			
24.1% increase in year to 31 January 2018 after dividend (25.5% before dividend)	98,867	88,800	79,682

Consolidated Statement of Comprehensive Income (IFRS) at 31 January 2018

	Audited Year to 31 January 2018 £'000	Unaudited 6 months to 31 July 2017 £'000	Audited Year to 31 January 2017 £'000
Gains on investments (realised and unrealised)	18,837	12,419	11,491
Impairment of investments and loans	(2,122)	(650)	-
Operating income	3,862	1,932	2,954
Total income	20,577	13,701	14,445
Operating expenses and FX movement	(4,189)	(2,078)	(2,684)
Provision against deferred consideration	(341)	-	-
Net financial income/(expenses)	471	262	431
Profit before tax	16,518	11,885	12,192
Taxation	3,731	(1,670)	(2,398)
Post tax profit for period	20,249	10,215	9,794
Earnings per share	69.3p	35.0p	33.5p

Consolidated Statement of Cash Flows (IFRS)_{at 31 January 2018}

	Audited Year to 31 January 2018 £'000	Unaudited 6 months to 31 July 2017 £'000	Audited Year to 31 January 2017 £'000
Net cash from operating activities	234	(213)	(69)
Taxation	(3,076)	(93)	(102)
Purchase of property, plant and equipment	(179)	(176)	(8)
Equity investments made	(21,653)	(11,931)	(8,278)
Net proceeds on sale of equity investments	24,935	24,935	10,253
Net sale / (purchase) of treasury investments	2,926	(9,965)	(1,324)
Net loans (granted to) / repaid by investee companies	(6,695)	(2,151)	6,046
Net financial income / (expenses)	19	8	7
Dividends paid	(1,098)	(1,099)	(999)
Payments made to repurchase company shares	(54)	(54)	(9)
(Decrease) / increase in cash in the period	(4,641)	(739)	5,517
FX movement	(38)	3	(4)
Cash at beginning of period	7,327	7,327	1,814
Cash and cash equivalents at period end	2,648	6,591	7,327

Key Shareholders at 31 January 2018

DIRECTORS

- Brian Marsh OBE - 56.7%*
 - B.P. Marsh Management Limited – 4.87%
 - Alice Foulk
 - Daniel Topping
 - Jon Newman
 - Camilla Kenyon
 - Campbell Scoones
 - Pankaj Lakhani
 - Nicholas Walker
- Less than 0.5% each

COMPANY SECRETARY

- Sinead O'Haire - Less than 0.5%

*includes 3.41% via the Marsh Christian Trust

MAJOR SHAREHOLDERS (>3%)

- IS Partners AG / Helium Special Situations Fund – 5.80%
- Hargreaves Lansdown Asset Management – 3.94%
- James Sharp & Co – 3.68%

PSC – Management Team



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PSC has an experienced team of insurance practitioners, with broad skill sets, at both Board and Executive level. These are utilised across the different businesses to leverage efficiencies and opportunities.

Paul Dwyer – Group Managing Director

Paul Dwyer was appointed to the Board on 10 December 2010. Prior to being the founder of the PSC Group, Mr Dwyer held a senior executive position with Oamps and previous to that role was a Regional Underwriter with CGU. As Group Managing Director and founder of the Group, Mr Dwyer's focus is the strategic direction of the Company, exploring acquisition and organic growth opportunities and to manage and work with the executives and staff within the Company to continually improve business operations.

Brian Austin – Chairman (Non Executive Director)

Brian Austin was appointed to the Board on 10 December 2010. With over 35 years industry experience, Mr Austin has held senior executive positions in the insurance industry, including as CEO of Oamps Insurance Brokers. Over that time Mr Austin has been instrumental in setting the strategy of capital raising and acquisitions.

John Dwyer – Executive Director

John Dwyer was appointed to the Board on 10 December 2010. Mr Dwyer has over 35 years' experience in the insurance industry, spending time with QBE as a Regional Underwriting Manager, commencing a joint venture with Oamps and eventually becoming Eastern Region Manager (NSW & ACT). As Director of Broking across the Group, Mr Dwyer brings specialist business integration and practical operational skills pivotal to growing the Group's business.

Rohan Stewart – Group Chief Executive Officer

Rohan Stewart joined the Company in 2009. Mr Stewart has over 30 years' experience in the insurance industry, working in a range of insurance brokerages and underwriters. Rohan has extensive experience in improving business efficiencies and administration, progressing to senior roles with Zurich International and Zurich Financial Services, joining Horsell International as an Executive Director in 2004 and joining PSC when acquired in 2009.

As Group Chief Executive Officer at PSC, Mr Stewart manages the day-to-day management of the Group including responsibility for key national insurer relationships. Rohan brings specialist business integration and practical operational experience to the Group and works closely with John Dwyer on the operational imperatives across the group.

Joshua Reid – Group Chief Financial Officer

Joshua Reid joined the Group in 2015. Mr Reid has over 20 years experience working in a variety of senior positions in the banking and finance industry. The majority of Mr Reid's career prior to joining the Group was with Macquarie Bank. Mr Reid plays a lead role in executing on the long term strategic goals of the Group, including leading the finance operations across the Group, acquisition and investment assessment and due diligence, business planning and managing the Group's funding and treasury function.

Contacts

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