

Introductory Factsheet



Gresham House Strategic plc

Investment mandate: Strategic Public Equity

Gresham House Strategic plc invests primarily in UK and European smaller public companies, adopting the Gresham House Strategic Public Equity investment strategy (SPE) which applies private equity style techniques and due diligence alongside a value investment philosophy to construct a focused portfolio expected to be comprised of 10-15 companies. The manager aims for a considerably higher level of engagement with investee company stakeholders in support of a clear equity value creation plan, targeting above market returns over the long-term.

KEY FACTS

NAV per share:

£36.4m/987.8p*

Benchmark: Unconstrained

GHAM appointed manager on August 10th 2015

Share price:

837.5p**

Strategic Public Equity investment mandate

Ticker: GHS

* As of 11th December 2015 weekly NAV announcement.

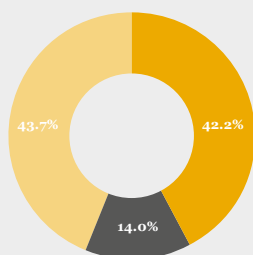
** Mid price as of 11th December 2015.

SIGNIFICANT SHAREHOLDINGS*

	£m	% NAV
IMImobile	15.8	43.4
Miton Group	1.3	3.6
SpaceandPeople	1.3	3.6
Castlestree Investments	1.1	3.0
Quarto Group	0.8	2.2
Be Heard Group	0.6	1.6
Cash and other net assets (GBP)	15.5	42.6

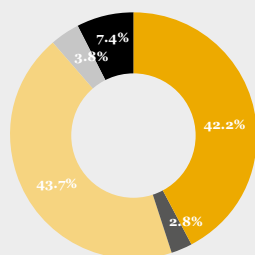
* As of 11th December 2015 – only six holdings at present while the manager invests funds.

Mkt Cap breakdown



■ Cash and other net assets
■ £0 – £50m
■ £50m – £100m

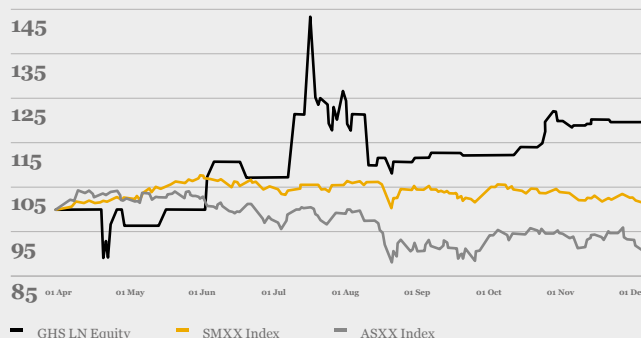
Sector analysis



■ Cash and other net assets
■ Investment companies
■ Software and Computer Services
■ Financial Services
■ Media

SHARE PRICE PERFORMANCE SINCE 1st APRIL 2015

Appointment of Gresham House and adoption of SPE Investment mandate on 10th August 2015



Discrete performance	1st April	30th Sept	11th Dec
Share Price	700p	785p	837.5p
		12.1%	6.7%
NAV	970.0p*	989.3p	987.8p**
		1.9%*	(0.1%)

* To ensure a clear comparison the April 2015 NAV has been adjusted to include the £2.3m incentive fee paid to SVML managers in respect of IMI mobile which was paid in August 2015.

** NAV as at 11th December and announced on 14th December.

FUND MANAGERS & INVESTMENT TEAM

Tony Dalwood Fund Manager and Chairman Investment Committee

20 years of investment and operating experience. Established SVGIM and launched Strategic Equity Capital plc and the Strategic Recovery Funds. Former CEO of SVG Advisers (Schroder Ventures London).

Graham Bird Fund Manager

20 years of investment, advisory and operating experience. Previously Executive Chairman of paybyphone (a subsidiary of paypoint plc), Director of Strategic Investments at SVGIM and a Director within the Corporate Finance department at JP Morgan Cazenove.

Jonathan Dighe Investment Team

Over five years of UK small cap equities experience, working as both a research analyst and as a Director on the equity sales desk at Charles Stanley Securities.

INVESTMENT COMMITTEE

Tom Teichman

30 years VC & banking experience having founded SPARK Ventures in 1995. Former Investment Committee member at Brandt's, Credit Suisse, Bank of Montreal and Mitsubishi Finance London. Start-up investor/director of lastminute.com, mergermarket.com and Chairman of notonthehighstreet.com

Bruce Carnegie-Brown

Bruce is currently chairman of Moneysupermarket.com Group plc. He is a non-executive director of Santander UK plc. He was previously a managing partner of 3i QPE plc, a managing director of JP Morgan and CEO of Marsh Ltd.

Rupert Robinson

Former CEO and CIO of Schroders Private Bank and was instrumental in driving organic growth in AUM which doubled between 2008 and 2012 from £4.5 to more than £9bn. Prior to Schroder Rupert was Head of UK Wealth Management at Rothschild Asset Management.

MANAGER MARKET COMMENTARY

Since April investors have witnessed substantial market volatility, as the short term focus on the US interest rate outlook combined with the recognition of slowing Chinese growth and geo-political concerns in Europe and the Middle East, led to equity market falls across the globe.

During calendar Q3, the divergence within the equity market was stark and a reminder that the UK Allshare market is dominated by large global companies, whilst many smaller companies are more UK domestically exposed. The FTSE100 fell

7.0% in Q3, whilst the small companies index (ex IT) fell only 2.4%. Year to date (September 2015) the FTSE100 has fallen 7.7% (capital only) however the small companies index (ex IT) has risen 7.7% – a 15% divergence.

There are now signs that the UK market is well into a bull market phase of the cycle, evidenced by high corporate profit margins and rising M&A activity which is now close to the same levels as 2006-7. Indeed public to private transactions appear to be increasing, and example in Q3 includes Providence

Equity Partners takeover of Chime Communications. Valuations are also above the long term average, with the FTSE Allshare now on a trailing 15X P/E ratio. When looking at the return on equity cycle, it stands out that corporates are nearing the top of historic ranges. Within this, there are now clear areas of market underperformance with valuations of oil & gas, banks, and mining sectors versus the perceived 'quality' sectors of household goods, software, and tobacco diverging markedly from historic long term averages.

INVESTMENT MANAGER SUMMARY REPORT

Gresham House intends to publish factsheets quarterly, however given our recent appointment as Investment Manager in August and change of investment mandate I will set out the core strategic holdings below. I look forward to updating investors again in January when we publish our Q3 update.

IMImobile (IMO) is a high growth, high margin software and services business that is benefiting from the global trend in mobile data growth, providing clients with solutions that significantly improve customer communications through smarter mobile engagements. It is a significant holding representing 43% of the portfolio. We are highly engaged with the management team in support of value creation through organic growth and acquisitions. The business recently announced strong interim results (3rd December) reflecting an increasing migration to a SaaS model and high margin growth areas which is encouraging. We believe there is opportunity to simplify the messaging and positioning of the business with investors which, together with new product launches, increased scale and growing revenues, should lead to a re-rating in line with peers over the medium term.

Miton Group (MGR) is a leading active investment management business with an established multi-asset proposition and a proven track record to launch new single strategy funds with in excess of £2.5bn AUM across a range of OEICs, Investment Trusts and Unit Trusts. The company has built an infrastructure to support significantly higher AUM and benefits from significant operational gearing. We invested in the business following a period of material outflows and underperformance within specific funds, backing the management team to make changes to improve performance, stabilise funds suffering from outflows and deliver a resumption to AUM growth and recovery in the earnings profile of the business. Performance has

significantly improved with a number of funds within group delivering top quartile returns and we believe the business will report net inflows in excess of £300m when they next update the market. Growth in AUM should lead to a return to margins in-line peers of the medium term.

SpaceandPeople (SAL) markets and manages promotional space for marketing campaigns and retailing in shopping centres, railway stations and other high footfall locations and is at the forefront of developing the concept of space as an advertising and promotional medium. It offers consumer brands the opportunity to promote their products via direct engagement with consumers through a mix of experiential marketing events and complementary, above the line advertising and multimedia campaigns. 2014 was a challenging year with profits downgrades due to specific contracts not being renewed, delays in Germany and reduced space under management. Operating margins have fallen to around 3%. Signs of recovery are now evident which, in our view, will both grow top line and help restore margins. This has been evident in the recovery of the share price from its low point in the latter part of 2014. We believe normalised operating margins of c.10% can be achieved and note that peak margins have been as high as 20%. Success would lead to both an improved rating, significant profits growth and cash generation. SAL announced a significant contract win in September.

Castlestreet Investments (CSD) is a cash shell (formerly Cupid plc) with the majority of its market capitalisation value in cash and to a lesser extent deferred consideration, relating to the disposal of legacy operating assets, due to be paid shortly. The company is looking to execute value accretive acquisitions within the technology space, focusing on profitable companies with good recurring revenue. The main shareholders are highly experienced 'deal-doers' with a successful track record who are

well known to the Gresham House team. We took on this investment in August with a view to supporting management in their next acquisition.

Through our recent investment in niche publisher **Quarto Group (QRT)** we are backing CEO Marcus Leaver to continue to grow earnings through operational improvement and furthering exposure to higher value markets through earnings accretive, bolt-on acquisitions. The strategy is to become a leader in various areas of niche publication in a fragmented industry. We believe shareholder value will be created through a combination of organic growth, continued strong cash generation (de-leveraging) and value created through the enhancing acquisitions. We have a strong relationship with Leaver and aim to support the strategy both financially and directly through expertise and advice.

Finally we invested in **Be Heard Group (BHRD)** at the end of November, supporting a digital marketing company with a plan to grow through acquisition, building a leading network of best in class digital businesses focused on marketing services, data analytics and e-commerce sectors. We are backing a proven management team with strong track records of value creation in the sector having founded, developed and sold a number of well-known integrated marketing services and advertising businesses.

The company is well positioned to benefit from key themes and trends such as the rapid growth in mobile data and the proliferation of connected devices while also supporting stock specific operational and management value creation initiatives.

Graham Bird
Head of Strategic Investments
Gresham House

FUND INFORMATION

Investment Manager: Gresham House Asset Management Ltd (GHAM). Appointed GHAM and adopted the SPE investment strategy on 10th August 2015.

Annual Management fee:
1.5%

Performance fee:
15% over a 7% hurdle

Shares in issue:
3,687,504 (excluding shares held in treasury)

Stock Exchange Ticker:
GHS

IMPORTANT INFORMATION: This factsheet (the "factsheet") is issued by Gresham House Strategic Plc ("GHS") for information purposes only. Its contents and any information provided may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose, without the consent of GHS. Acceptance of delivery of any part of the Factsheet by you constitutes unconditional acceptance of the terms and conditions of this notice. This factsheet does not itself constitute an offer to subscribe for or purchase any interests or other securities. It is not intended to be relied upon as the basis for an investment decision, and is not, and should not be assumed to be, complete. It is provided for information purposes only. Any investment is subject to various risks, none of which are outlined herein. All such risks should be carefully considered by prospective investors before they make any investment decision. You are not entitled to rely on this factsheet and no responsibility is accepted by GHS or any of its directors, officers, partners, members, employees, agents or any other person for any action taken on the basis of its content. No undertaking, representation, warranty or other assurance, express or implied, is made or given by or on behalf of GHS or any of its respective directors, officers, partners, members, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained in this Presentation and no responsibility or liability is accepted by any of them for any such information or opinions. Past performance is not indicative of future results. The value of investments may fall as well as rise and investors may not get back the amount invested. Changes in rates of foreign exchange may cause the value of investments to go up or down. No representation is made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided. Prospective investors should seek their own independent financial, tax, legal and other advice before making a decision to invest. The internal rates of return or IRRs presented on a "gross" basis do not reflect any management fees, carried interest, taxes and allocable expenses of the kind that will be borne by investors in a fund, which in the aggregate may be substantial. Prospective investors are reminded that the actual performance realised will depend on numerous factors and circumstances some of which will be personal to the investor. Statements contained in this factsheet that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of GHS. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. In addition, this Factsheet contains "forward-looking statements." Actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. Certain economic and market information contained herein has been obtained from published sources prepared by third parties and in certain cases has not been updated to the date hereof. While such sources are believed to be reliable, neither GHS nor any of its directors, partners, members, officers, employees, advisers or agents assumes any responsibility for the accuracy or completeness of such information. No person, especially those who do not have professional experience in matters relating to investments, must rely on the contents of this Factsheet. If you are in any doubt as to the matters contained in this factsheet you should seek independent advice where necessary. This factsheet has not been submitted to or approved by the securities regulatory authority of any state or jurisdiction.

For the Attention of United Kingdom Investors: This factsheet is intended for distribution in the United Kingdom only to persons who: (i) have professional experience in matters relating to investments, who are investment professionals, high net worth companies, high net worth unincorporated associations or partnerships or trustees of high value trusts, and investment personnel of any of the foregoing (each within the meaning of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005).

For the Attention of Investors outside the United Kingdom: This factsheet relates to an Alternative Investment Fund within the meaning of the Alternative Investment Fund Managers Directive and the availability of this Factsheet will be subject to registration in relevant jurisdictions as described in the documents relating thereto. Any dissemination or unauthorised use of this Factsheet outside the United Kingdom by any person or entity is strictly prohibited.