

# Key Information Document

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Alert

You are about to purchase a product that is not simple and may be difficult to understand.

## Product

Product: LMS Capital Plc Ord 10p Shares  
ISIN: GB00B12MHD28  
Website: www.lmscapital.com  
Manufacturer: Gresham House Asset Management Limited, Octagon Point, 5 Cheapside, London, EC2V 6AA  
020 3 837 6270  
www.greshamhouse.com  
Competent Authority: Financial Conduct Authority  
Date of production of KID: 1 January 2018

## What is this product?

### Type

This product is classified as an Alternative Investment Fund. It is listed on the London Stock Exchange Main Market as an Investment Company. Its focus is on private investment predominantly through direct investment at the smaller end of the UK private equity market.

### Objectives

The company aims to achieve absolute total returns over the medium to long term, principally through capital gains and supplemented with the generation of a longer term income yield. The Company targets a return on equity, after running costs, of between 12% and 15% per annum over the long term.

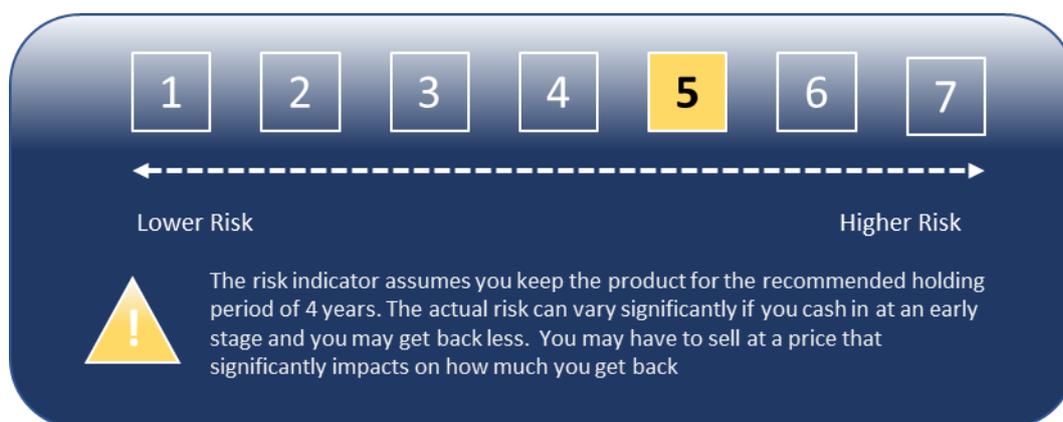
The Company may invest in public or private securities; investments may be made in the form of, among other things, equity, equity-related instruments and debt instruments. The Company may hold controlling or non-controlling positions and may invest directly or indirectly.

### Intended Retail Investor

Limited to retail investors who have been advised by an authorised financial advisor or who are certified High Net Worth or self-certified Sophisticated Investors.

## What are the risks and what can I get in return

### Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets. **The assessment is based on past share price performance which should not be taken as an indication of future performance.** We have classified this product as 5 out of 7 which is a medium high risk class. The classification is based on historical share price performance. This rates the potential losses from future performance at a medium-high level. This product does not include any protection from future market performance so you could lose some or all of your investment.

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### Performance scenarios

Performance Scenarios		1 year	2 years	4 years (Recommended holding period)
Stress Scenario	What you might get back after costs	£5,233	£3,856	£2,413
	Average return each year	(47.7%)	(30.7%)	(19.0%)
Unfavourable scenario	What you might get back after costs	£6,750	£5,434	£3,784
	Average return each year	(32.5%)	(22.8%)	(15.5%)
Moderate scenario	What you might get back after costs	£9,051	£8,232	£6,809
	Average return each year	(9.5%)	(8.8%)	(8.0%)
Favourable scenario	What you might get back after costs	£12,130	£12,462	£12,247
	Average return each year	21.3%	12.3%	5.6%

This table shows the money you could get back over the next 1, 2 or 4 years under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an extrapolation of potential future performance based purely on past share price movements, reflecting historic factors relating to the previous investment policy and company management structure. They are not an exact indicator of future performance. The company adopted a new investment policy and management structure in August 2016. What you get will vary depending on how the markets and underlying investments perform and how long you keep the investment/product. The stress scenario shows what you might get back in extreme market circumstances using the same mathematical extrapolation of historic share price movements.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

### What happens if Gresham House Asset Management Limited is unable to pay out?

There is no direct financial exposure for shareholders of LMS Capital Plc to Gresham House Asset Management Limited. Liquidity in LMS Capital Plc shares is provided through its listing on the London Stock Exchange and is dependent on buyers and sellers.

Gresham House Asset Management Limited is covered by the Financial Services Compensation Scheme. In the event that Gresham House Asset Management Limited cannot meet its liabilities, the scheme will cover eligible claimants for up to £50,000. Please note, the scheme does not cover a failure of the LMS Capital Plc fund. For more information see [www.fscs.org.uk](http://www.fscs.org.uk).

### What are the costs

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include costs associated with early exit. The figures assume you invest £10,000. The figures are estimates and may change in the future.

#### Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment scenarios £10,000	If you cash in after 1 year	If you cash in after 2 years	If you cash in at the end of the recommended holding period
Total costs	£739	£1,428	£2,805
Impact on return (RIY) per year	7.4%	7.1%	7.0%

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### Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; and
- the meaning of the different cost categories.

The table below shows the impact on return per year

One off costs	Entry costs	0.50%	Stamp duty or Stamp Duty Reserve Tax is payable on share purchases. Investors may also incur commission costs from their broker and may incur an indirect cost from the bid-offer spread.
	Exit costs	0%	There are no direct costs or charges related to exiting the product. However, investors may incur commission costs from their broker and may incur an indirect cost resulting from the bid and offer spread.
Ongoing costs	Portfolio transaction costs	0.31%	The impact of the costs of buying and selling underlying investments. The impact is calculated based on the average annualised net transaction costs based on last three years' transactions
	Other ongoing costs	5.08%	The impact of the costs paid each year to manage the product, including management fees of 1.5% p.a. of NAV payable to the investment manager (reducing on NAV exceeding £100m) and other ongoing costs, including administration, regulation, board, listing costs, underlying investment management costs and other costs necessarily incurred.
Incidental costs	Performance fees and carried interests	1.50%	The average annual impact of carried interest and performance incentives paid over the last five years. These relate to historic arrangements. Under current arrangements, the investment manager is entitled to a performance fee of 15% of the gain in the net asset value of investments made under the new investment policy, to be paid out of realised profits only, subject to a minimum hurdle of 8% per annum performance

### How long should I hold it and can I take money out early?

#### Recommended minimum holding period: 4 years

An investment in LMS Capital plc should be regarded as a longer term investment. The recommended minimum holding period is 4 years, however this product is traded on the Main Market of the London Stock Exchange and investors are therefore able to realise their investment at any time subject to normal market conditions.

### How can I complain?

If you have a complaint about this product, you can call our team on **020 3837 6270**, email us at [info@greshamhouse.com](mailto:info@greshamhouse.com) or write to us at **Gresham House Asset Management Limited, Octagon Point, 5 Cheapside, London, EC2V 6AA**. If you remain dissatisfied with our service and you are an eligible complainant, you may ask the Financial Ombudsman Service to consider your complaint. For more information see [www.financialombudsman.org.uk](http://www.financialombudsman.org.uk).

### Other relevant information

Please read the publicly available information on the company carefully before making your investment decision and confirm with your independent financial adviser that you have the expertise, experience and knowledge to properly understand the risks of investing in the company.