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.

Product: LMS Capital plc Ord 10p Shares (the "Shares")

ISIN: GB00B12MHD28

Website: www.lmscapital.com

Manufacturer: LMS Capital plc (the "Company")

Competent Authority: Financial Conduct Authority

Date of production of KID: 20 September 2023

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 could I get in return?

Risk indicator

1	2	3	4	5	**6**	7

Lower risk and typically lower rewards — Higher risk and typically higher rewards

The risk indicator assumes you keep the Product for 5 years. The actual risk can vary significantly if you redeem at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as a 6 out of 7, which is the second highest risk class. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

Performance Information

The main factors that will affect the performance of the Shares are:

- The performance and management of the portfolio of investments in private and listed small cap companies across the US, UK, and the EU;
- The ability of the Company to identify and acquire promising investments within the principal sectors of LMS Capital's expertise; and
- Investor sentiment and broader market conditions, particularly within the US and UK.

For a longer-term picture of performance and risk, a proxy was created using the Fund's total return index going back to 28 November 2019, backfilled with a listed private equity index going back until 31 December 1999. The average 5-year rolling return for this proxy was 8.7% per annum. We have used the 8.7% figure for the Reduction in Yield Calculation below.

The performance since November 2019 has coincided with the reset of the Company's investment strategy, focussing on energy, real estate and late-stage private equity, following its return to self-management at the start of 2020.

The Company has not been fully invested during this period and returns have been below the 8.7% average rolling return calculated. Looking forward the Board continues to target long-term returns on its balance sheet equity of between 12% and 15% per annum.

What could affect my return positively?

Specific factors that may affect returns positively include: - strong performance of the underlying portfolio of investments in private and listed small cap companies; the ability of the investment committee and advisory groups to enhance the operations of the companies within the portfolio; and, the ability of the Company to identify and acquire promising investments at a favourable entry price, within the principal sectors of LMS Capital's expertise - the Real Estate, Energy and late-stage Private Equity sectors. External factors that will likely affect returns positively would be an extended period of favourable developed market conditions allowing for growth within the smaller end companies of the Real Estate, Energy, and late-stage Private Equity sectors. In addition, a strengthening of investor sentiment would likely lead to an increase in returns, since as at 31 July 2023, the Shares were trading at a discount of 61.4%.

In terms of quantitative evidence, the proxy's best 5-year rolling performance was 27.6% per annum.

What could affect my return negatively?

Specific factors that may affect returns poorly include: - poor performance across the portfolio of underlying investments; poor liquidity management; a lack of investment opportunities that fit the Company's investment approach; and, poor operational management of the Company and its portfolio. External factors that will likely affect returns negatively would be an extended period of recession across developed markets, and a decrease in valuations across Real Estate, Energy, and private equity markets. In addition, unfavourable currency changes, particularly between the US dollar and the pound sterling, will likely negatively affect returns.

In terms of quantitative evidence, the proxy's worst 5-year rolling performance was -14.8% per annum.

What could happen in severely adverse market conditions?

Under severely adverse market conditions, the investor could expect to lose some or all of their investment. The markets are currently experiencing adverse market conditions, and the Shares have experienced a loss of 42.2% between January 2022 and September 2023. The proxy experienced a more severe loss of 60.8%, which occurred during the financial crisis between May 2007 to March 2009, before recovering in November 2010.

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 of £10,000			
Scenarios	if you cash in after 1 year	if you cash in after 3 years	if you cash in after 5 years
Total Costs	£514	£1,910	£3,944
Reduction In Yield (RIY) per year	5.14%	5.14%	5.14%

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.

This table shows the impact on return per year			
One-off costs	**Entry costs**	0.00%	The impact of the costs you pay when entering your investment. (This is the most you could pay and could pay less). The impact of costs already included in the price (this is the most you will pay and you could pay less).
	Exit costs	0.00%	The impact of costs of exiting your investment when it matures.
Ongoing costs	**Portfolio transaction costs**	0.25%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	4.77%	The impact of the costs that we take each year for managing your investment.
Incidental costs	**Performance fees**	0.12%	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.
	Carried interest	0.00%	The impact of carried interest.

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

Recommended minimum holding period: 5 years

An investment in LMS Capital plc should be regarded as a longer term investment. The recommended minimum holding period is 5 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 0207 935 3555, email us at shareholderenquiries@linkgroup.co.uk or write to us at Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. 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.

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.