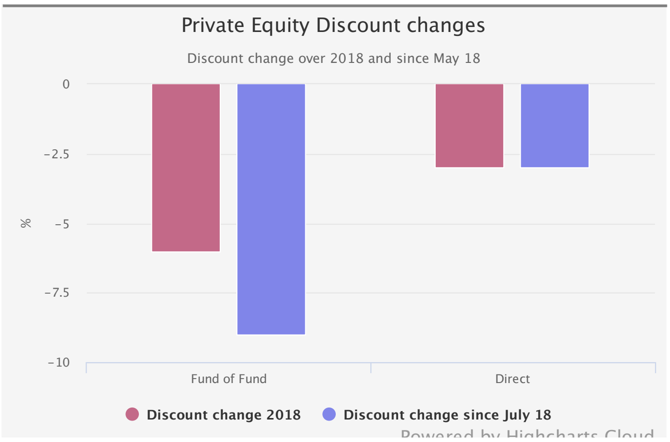
ICG Enterprise Trust

Update
16 January 2019

Summary

Market volatility, concerns around a trade war and worries over a slowing global economy have led to falls in markets during the latter half of 2018. Market sentiment has clearly changed since the summer. In the world of investment trusts this has led to discounts widening. The listed private equity sector has shared in this, but no-where has this de-rating been more heavily felt than in the fund of fund sub-sector. Discounts have widened considerably this year, but most especially from the position in May 2018. As the graph below shows, the average discount for the five fund of fund private equity trusts has widened by 9% since May.

Fig.1: Listed Private Equity Trusts: Average Discount Changes



Source: Morningstar, Kepler Partners

In the case of ICG Enterprise, the discount has widened from 9% in May 2018 to 21% at the end of December 2018 – yet the portfolio continues to perform and fundamentals of the drivers of ICG Enterprise's returns remain unchanged. With an approach that has produced strong returns through the cycle, we take a closer look at the trust which moved to appoint ICG as manager three years ago.

The investment team believe the trust's strategy provides shareholders with the "best of both worlds" in terms of having a relatively concentrated investment portfolio, with the diversification benefits of a third-party funds portfolio.

The managers' choice of ICG as a home nearly three years ago is relevant at the current stage in the economic cycle. ICG's flagship funds are aiming for private equity type returns, but with lower volatility. The team aims to increase what they term "high conviction" investments - co-investments and ICG originated deals - where they (or the wider ICG investment team) has made the investment decision to invest in the underlying company.

Indeed, the team have increased their deployment rate into co-investments to c. 2.5% of NAV per investment (versus c.1% whilst at Graphite). We expect the top 30 holdings to increase to perhaps 55-60% of NAV (currently 47%). Over the past 12 months 39% of all capital deployed has been invested in and alongside ICG as the team take advantage of the proprietary deal flow the trust now benefits from.

Given the backdrop of the past year or so, the team believe that a highly selective approach is key and remain cautious. As such, and across the portfolio and the recent investments, three themes dominate. The team have been investing in companies

Analysts:

William Heathcoat Amory
+44 (0)203 384 8795

Pascal Dowling
+44 (0)203 384 8869

Thomas McMahon, CFA
+44 (0)203 795 0070.

William Sobczak
+44 (0)203 598 6449

Kepler Partners is not authorised to make recommendations to Retail Clients. This report is based on factual information only.

The material contained on this site is factual and provided for general informational purposes only. It is not an invitation or inducement to buy, sell or subscribe to any product described, nor is it a statement as to the suitability or otherwise of any investments for any person. The material on this site does not constitute a financial promotion within the meaning of the FCA rules or the financial promotions order. Persons wishing to invest in any of the securities discussed in the website should take their own independent advice with regard to the suitability of such investments and the tax consequences of such investment.

which in their view exhibit defensive growth (recurring revenue, quality earnings, barriers to entry), structural downside protection (including investing in the debt and equity of deals), and relative value (where deal dynamics has facilitated investment at very attractive valuations).

Portfolio

The ICG Enterprise approach

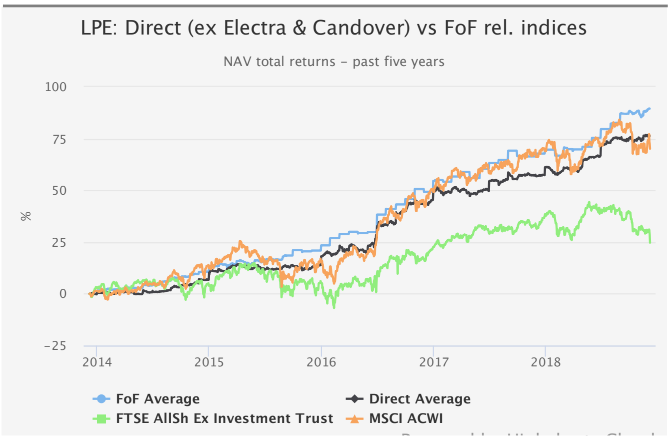
ICG Enterprise has been listed since 1981 and has been investing in both direct transactions and private equity funds for over 20 years. In the early years, the direct investments were dominated by its former manager, Graphite Capital, but as the third-party funds portfolio grew, co-investments alongside these managers and secondary investments were added.

The resulting portfolio is more concentrated than a traditional fund of funds (FoF), but more diversified than a typical directly invested private equity fund. The high conviction portfolio of investments is intended to increase exposure to investments the team believe will outperform, and the portfolio of third-party funds providing diversification and the potential for punchy returns, in addition to providing deal flow for the high conviction portfolio.

ICG Enterprise within the LPE sector

Within the listed private equity sector, investors have a choice between the directly investing funds, or the FoFs. Like all asset classes, manager selection is key. If we look across the whole LPE sector, in aggregate, the more diversified FoFs have outperformed the directly invested funds by some margin. Whilst there have been a small handful of direct managers that have performed very well – there are a number that have performed poorly and the dispersion of returns is far more pronounced than their listed FoF peers. According to numbers from JPMorgan Cazenove, HG Capital has generated a 193% return over the last 10 years, whereas the worst performers have lost investors' money in the last 10 years. The weighted average of returns over ten years has been 51%. Similarly, with the FoF group there are a handful of managers that have performed well (ICG Enterprise being the best with NAV returns of 168%) and some that have performed less well. Importantly, the dispersion of returns is far less pronounced than the direct peers, which has in turn resulted in a better weighted average return of 90% (28.7% outperformance on average over 10 years). The graph below shows the simple average returns of both peer groups relative to listed markets over the past five years, showing funds of funds outperforming over this time period too.

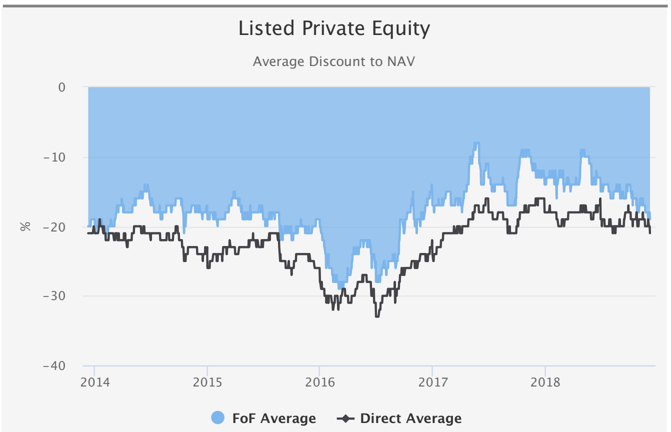
Fig.2: Listed Private Equity Trusts NAV Performance



Source: Morningstar, Kepler Partners

The outperformance of FOFs has for a while now been reflected in narrower discounts than the directly invested peer group. As the graph below shows, over the past five years we have seen the better performing FOF's trade on narrower discounts, reflecting the lower risk (directly investing funds have more concentrated risk – both at the underlying company level layered with the single manager risk), and their aggregate superior returns. However, of late, FoFs average discounts have widened out once again, and are now broadly in line with the direct investing peer group.

Fig.3: Average Discounts Of LPE Trusts



Source: Morningstar, Kepler Partners

ICG Enterprise's strategy seeks to combine both approaches, providing investors with a portfolio of around 500 companies, of which the most concentrated exposures (the top 30, which are dominated by the company's high conviction investments) representing just under half the value (47%). While diversification at the manager and company level reduces risk, concentration in the top 30 companies/high conviction investments is designed to allow individual holdings to make a difference to performance. At the same time, the managers aim to avoid being too concentrated in any one position which will materially impact shareholder capital if things don't work out.

The move to ICG – evolving the proposition

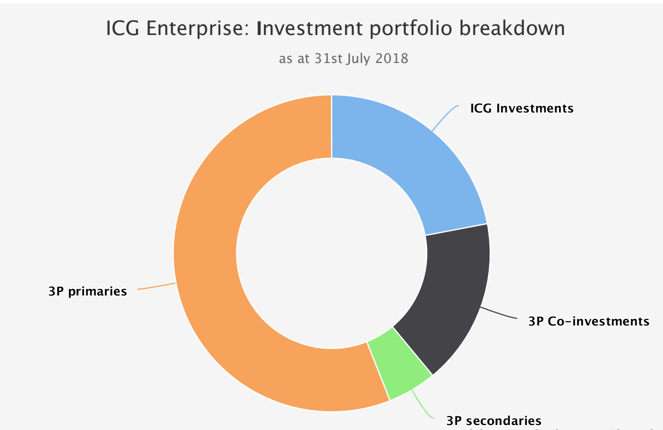
Consistent with the continuing development of the investment thesis, ICG Enterprise continues to evolve now that the team are at ICG. They have now been at ICG for almost three years. ICG is a large alternative asset manager specialising in private credit, debt and equity with a 30-year track record over €33bn of assets under management. The move provided the Enterprise team with a number of strategic benefits, including the ability to use ICG's global platform to access proprietary deal flow, but also to provide insights into the market from the private equity expertise of the c.140 investment professionals of the firm.

Their choice of ICG as a home is perhaps of more relevance at the current stage in the cycle. ICG's flagship funds are aiming for private equity type returns, but with lower volatility – achieved through investing across the capital structure - supplying mezzanine finance as well as equity. The trust has been invested with ICG since 1989, and ICG managed investments now make up 22% of the trust's portfolio. We sat down with the managers recently to review the move to ICG and how this has directly influenced the portfolio as it now stands.

Increased exposure to "high conviction" investments

The team aims to increase what they term "high conviction" investments as a proportion of the portfolio. Essentially, these are the investments where the team (or the wider ICG investment team) has made the investment decision to invest in the underlying company; investments that the team believe will outperform through the cycle. Of course, this differs from other fund of funds, where third-party managers make the underlying investment decisions. Alongside the ICG managed investments, high conviction investments are made up of third-party direct co-investments and third-party secondary investments. Together, high conviction investments currently represent 44% of the portfolio and has represented 61% of capital deployed in the six months to 31st July 2018, up from 42% at the end of the last financial year on 31 January 2018.

Fig.4: Investment Portfolio Breakdown



Source: ICG Enterprise

More geographic diversity

ICG Enterprise's origins - offering exposure to a UK mid-market buy-out manager (Graphite Capital) - mean that it is perhaps not surprising that the portfolio has been dominated by UK companies. European companies have also been a feature through third party managers, but US companies have hitherto not been a focus.

With ICG's existing US business, as well as the fact that the US represents a very significant part of private equity activity world-wide, it's unsurprising that the manager's view increasing the allocation to US companies as attractive. It is also significant that, generally speaking, top performing US private equity funds have outperformed those in the UK and Europe. At the time of the move to ICG, the company had c.14% of the portfolio invested in the US, compared to the current 24%. Over time, the team expect the exposure to the US to increase to 30-40% of the portfolio – through third-party funds but also through "high conviction" investments.

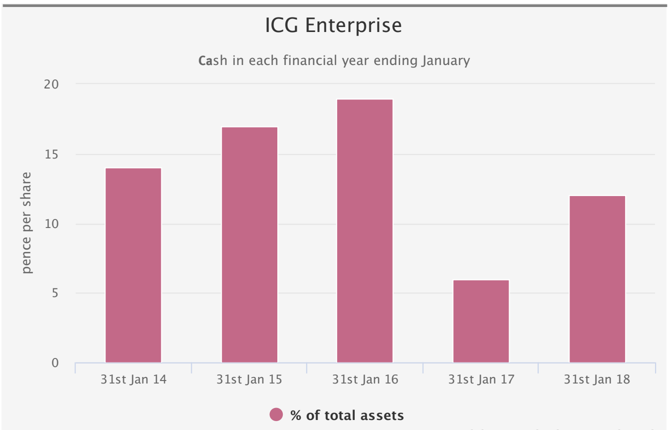
Increased rate of deployment into compelling opportunities

The company has c.500 individual holdings, but the top 30 make up just under half of the portfolio, and the top 15 companies represent c. 31%. In this way, the top end of the portfolio has a similar degree of concentration that one might find in a typical equity fund. Going forward, it is co-investments and ICG originated deals that will likely populate the higher echelons of the portfolio in terms of weighting.

Looking back, the team believe that they were too cautious in deploying capital whilst at Graphite. This resulted in higher than targeted cash levels, but also co-investments that were not large enough to make a significant difference to performance. Given the co-investment portfolio has been the strongest performing part of the portfolio - with no losses experienced to date - the opportunity cost of this conservatism can be seen to be relatively high. Since joining ICG the team has invested in nine co-investments, of which five have been sourced through the ICG network.

Within ICG, the team have increased their deployment rate into co-investments to c. 2.5% of NAV per investment (versus c.1% whilst at Graphite). As a result, high conviction investments should become a much larger proportion of assets without requiring the team to be any less selective. We expect the top 30 holdings to increase to perhaps 55-60% of NAV, compared to the current level of 47%. Indeed, over the past 12 months 39% of all capital deployed (£154m) has been invested in and alongside ICG as the team take advantage of the proprietary deal flow the trust now benefits from. The corollary of this is the team has managed to reduce the average percentage of cash held by the trust to c. 10% of net assets (from an historic average over the previous 10 financial years of c.18%), despite record periods for proceeds from the portfolio (£352m over the last two years).

Fig.5: Cash Levels At Financial Year End

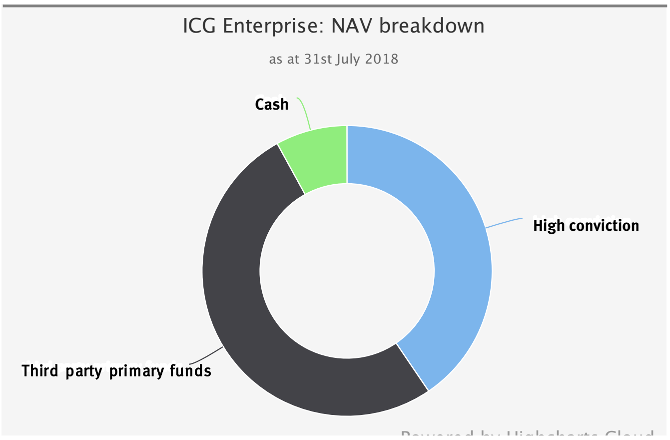


Source: ICG Enterprise Trust

Portfolio

The simplest way to look at the company is by breaking it down into high conviction investments, third party funds and cash.

Fig.6: ICG Enterprise: Breakdown Of NAV



Source: ICG Enterprise

High-conviction

As we mention above, the team are targeting a portfolio weighting of 50-60% over the next three to five years. Of this, roughly half will be made by ICG and half through co-investments and secondary fund investments. ICG itself invests across 18 different strategies, however the team has allocated capital to only four of these, all of which are targeting equity type returns. It is worth noting that board of ICG Enterprise sign off approval on all commitments to ICG Funds and that the team do not anticipate making allocations to any credit or real estate funds within the ICG fund range.

ICG European Mezzanine & Equity

This is the strategy that the trust has invested in since 1989 and has delivered consistently strong returns for investors. The strategy is led by ICGs CIO and CEO Benoit Durteste with a team of 23 investment professionals across six offices. The Enterprise Trust team are particularly attracted to this strategy at the current stage in the cycle, given the risk reward characteristics that its investments are structured to deliver. ICG invests across the capital structure, in both the debt (mezzanine) and equity with target returns similar to buyout funds but with lower risk. The team are actively allocating more capital to this strategy having announced a €40m commitment to the ICG Europe VII earlier this year. Including co-investments in DomusVi, Visma and Minimax the trust had an exposure of £143m (including uncalled commitments) at 31st July 2018.

ICG Strategic Equity

This is a shorter duration, special situation type of fund. Led by Andrew Hawkins and a team of seasoned direct private equity investors, the team is based in both the US and Europe. On a highly selective basis, the team acts as a partner with incumbent private equity managers to purchase the remaining unrealised portfolio companies in mature funds, providing the original investors in those funds with liquidity. These types of situations are highly complex and are typified by investors who want liquidity and managers who are not incentivised to realise investments at the current value. By working alongside the incumbent private equity managers, the team is typically able to make investments at below market valuations, and re-incentivise the manager to ensure alignment with investors once again to achieve strong returns. The team has so far completed ten transactions at entry multiples of between 6x and 7x EBITDA, and has achieved solid returns to date on these investments. The trust had an exposure of £42m to this strategy (including uncalled commitments) at 31st July 2018 and it is expected that the trust will continue to allocate capital to co-investments and future fundraisings.

ICG Asia Mezzanine & Equity

This fund follows a strategy which is very similar to the European strategy (described above) investing in a combination of mezzanine debt and equity to target returns comparable to a typical buyout fund but with lower risk. The fund only makes investments in developed markets in Asia, largely Australia and New Zealand, Singapore and South Korea. This accounted for a small proportion of NAV (4%) at 31st July 2018.

Third-party co-investments

At 31 July 2018, third party co-investments represented equity in 18 companies across 12 managers, and represented 17% of the portfolio. The co-investment portfolio has been a staple in the trust's portfolio since soon after it launched. Since 2004, the team has leveraged the relationships they have built from the third-party funds portfolio to source deal-flow in investments. As noted above, the team will typically invest anything from £5m to £15m in individual co-investments, aiming to enhance returns through increasing weightings to investments they find attractive. Co-investments also have the advantage of reducing the fee load, as they tend to be free of management and performance fees from the underlying manager.

Secondary investments

Secondary investments only made up 5% of the portfolio at 31st July 2018. The secondary market is highly competitive with over $95bn of capital raised for secondary transactions over the last three years (Source: FT). Given the competitive landscape, we have seen the percentage of the portfolio made up by secondary investments decline as assets are sold and the team deploy capital into more attractive areas of the market. That said, the flexibility to allocate capital to secondary investments through the cycle is important and we have recently seen the trust take advantage of an opportunity to purchase a secondary position in a fund managed by The Jordan Company, in a non-competitive process, alongside its primary commitment.

Third party funds portfolio

The trust has been investing in third party funds since the late 1980s, with the exposure being built up since a dedicated investment team was formed in 2004. Funds form the foundation of the strategy and are the main source of deal-flow for the co-investments in the high conviction portfolio. At 31 July 2018, £367m (56% of the portfolio) was invested across 65 funds. This part of the portfolio is more diversified than the high conviction portfolio.

The portfolio is made up of both European and US managers and of the 37 managers in the portfolio, 27 are active relationships. Outside Graphite, the portfolio also has meaningful exposure to funds managed by Cinven, CVC, BC Partners, TH Lee and PAI.

The third-party funds portfolio has also been a key driver of the growth in the portfolio's exposure to the US, with eight new US third-party managers added to the portfolio over the last two and a half years. As mentioned above, the team are targeting an exposure to the US of 30-40%, so one should expect to see more US funds added to the portfolio.

Current market environment

Over the last few years, within the listed private equity market, we have seen private equity managers take advantage of favourable conditions to sell portfolio companies and crystallise value for investors. Whilst this backdrop provides a good environment for exits, on the investment side the intense competition for good quality assets, compounded by the significant amount of capital raised by private equity over the last few years, has continued to drive up pricing.

Given this backdrop the team believe that a highly selective approach is key and remain cautious in deploying the high level of cash generated by the portfolio and within the high conviction portfolio are focusing on high-quality defensive business and special situations where they can achieve relative value. The trust's flexible mandate allows the team to deploy capital into specific high conviction opportunities on a case-by-case basis, adapting the mix of investments to the current market environment.

Across the portfolio and the recent investments, three themes dominate:

Defensive growth – companies that have a relatively low correlation to the economic cycle. These companies have strong recurring revenue streams, good quality earnings and high barriers to entry. Recent investments include the co-investment in Endeavor Schools alongside US mid-market investor Leeds Private Equity and Abode Healthcare, a provider of hospice treatment and home health services in the US alongside Tailwind Capital.

Structural downside protection – a number of the investments made in the last 12 to 18 months in particular have structural downside protection as well as defensive growth qualities. These co-investments have been alongside ICG, investing in both the equity and mezzanine debt of the companies. These investments have the advantage of the downside protection of the debt investment, with the potential upside of holding equity. Recent investments include co-investments in Visma, a provider of accounting software and accounting outsourcing services in Nordic and Benelux region (which the trust also holds via Cinven), Domus Vi, the French operator of retirement homes and Minimax, a leading global provider of fire protection systems.

Relative value – the team have been able to deploy capital into a number of situations where the deal dynamics has facilitated investment at very attractive valuations,

ICG Enterprise Trust is a client of Kepler Trust Intelligence. Material produced by Kepler Trust Intelligence should be considered as factual information only and not an indication as to the desirability or appropriateness of investing in the security discussed.

whether this through its commitment to the ICG Strategic Equity strategy (see above) or a number of "late primaries" (where the fund is partially invested at the time of the commitment), such as Oak Hill or Leeds Private Equity. It is a feature of private equity fundraisings that investors in the final close invest at the original cost, even if the portfolio companies have subsequently grown profits and been marked up in value. These late primaries also give the team good visibility on the assets in the fund allowing them to apply their bottom up approach to due diligence.

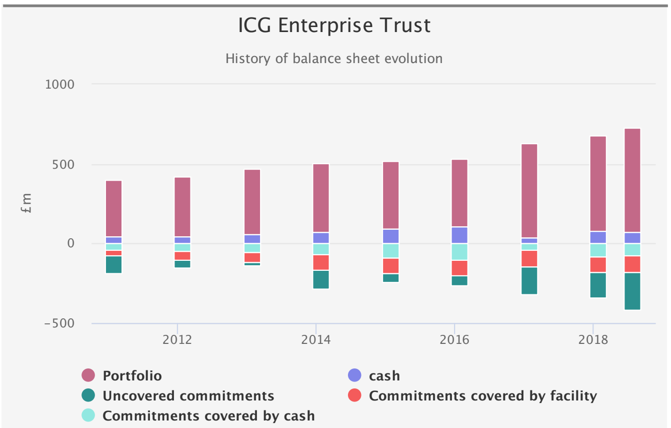
Gearing

Management of cash and commitments to funds is a key part of the board and management's role – aiming to be as fully invested as possible, but careful not to find themselves over-extended if conditions deteriorate. It is worth noting that historically ICG Enterprise has been managed on a conservative basis and the company avoided any form of dilutive rights issues due to the careful management of the balance sheet in the run-up to the global financial crisis.

As the graph below shows, the company has historically had higher levels of cash on the balance sheet than the managers would have liked, given that it has "cost" the company – in terms of lost opportunity – 2.2% pa over the last five years (Source: ICG Enterprise). The team feel that part of the benefit of being at ICG has been access to attractive deal-flow, which has meant that they have made strong progress towards becoming more fully invested over time. Cash at the end of July stood at 10% of NAV – a significant improvement on the average cash level over the past ten years of c 18%.

The trust has a gearing facility of c. £105m, which assuming it is fully utilised would enable the trust to be c 15% geared. However, the board and manager have stated that over the medium term, the intention is to be fully invested but ungeared, other than potentially for short

Fig.7: Cash Management



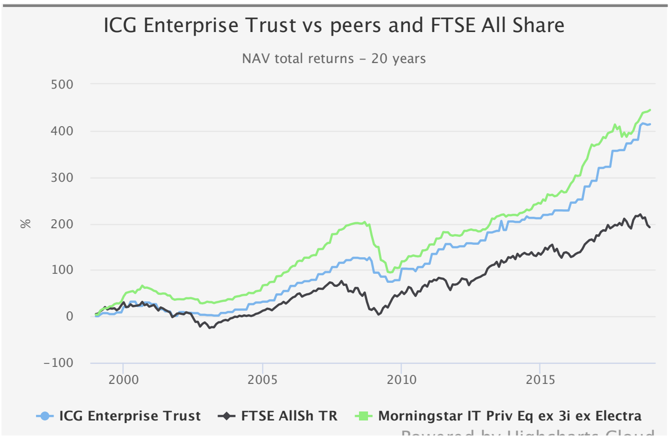
Source: ICG Enterprise

term working capital purposes. According to JPMorgan Cazenove estimates, the company has a commitment cover of 0.5x, meaning that total cash and borrowing facilities make up 50% of total commitments. This is broadly in line with the average for the other fund of fund peers average of 0.6x.

Returns

ICG Enterprise and the current listed private equity (LPE) sector as a whole have performed well in relative terms versus mainstream equities, as evidenced by the chart below.

Fig.8: 20 Year NAV Returns

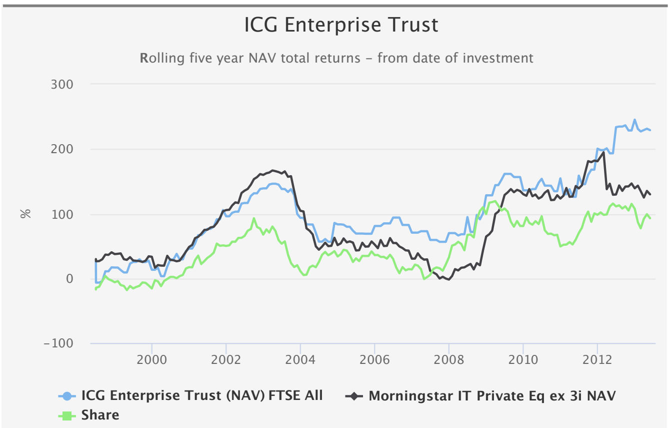


Source: Morningstar

Over the last 20 years (to the end of July 2018) ICG Enterprise's NAV has outperformed the FTSE All-Share by 2.2% pa,(source: ICG Enterprise) despite having the negative effect of not being fully invested over this time.

This type of investment needs to be viewed as a long term play, however. In the graph below we illustrate the rolling five year returns one would have made in NAV total return terms of ICG Enterprise, the LPE sector and the FTSE All

Fig.9: 5 Year NAV Returns

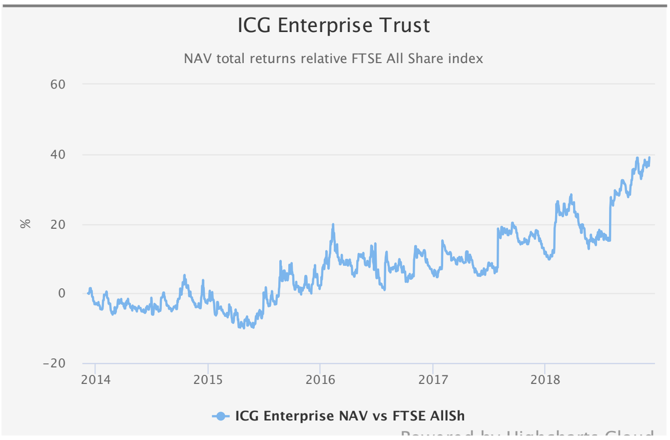


Source: Morningstar

Share up to the last ICG Enterprise NAV (end July 18). It is clear that over every period, ICG has outperformed public markets.

As we refer to in the gearing / cash management section below, cash drag has the effect of muting performance. In the environment that we have had over the past five years, ICG estimate that cash drag has perhaps "cost" the company – in terms of lost opportunity – approximately 3% pa. Despite this, and the tough competition that equity markets have put up, ICG Enterprise has been a good performer both relative to equity benchmarks and peers. On a five-year basis, to the end of July 2018, ICG is ahead of the FTSE All Share, as well as the listed private equity peer group (ex 3i). The graph below, in which an upward sloping indicates outperformance, and downward indicates underperformance, illustrates this perfectly. Indeed, the recent past has been very strong for the trust, and NAV performance has bettered the FTSE All-Share in each of the last three financial years, as shareholders have seen the benefit of the differentiated strategy coming through.

Fig.10: Relative Returns



Source: Morningstar, Kepler Partners

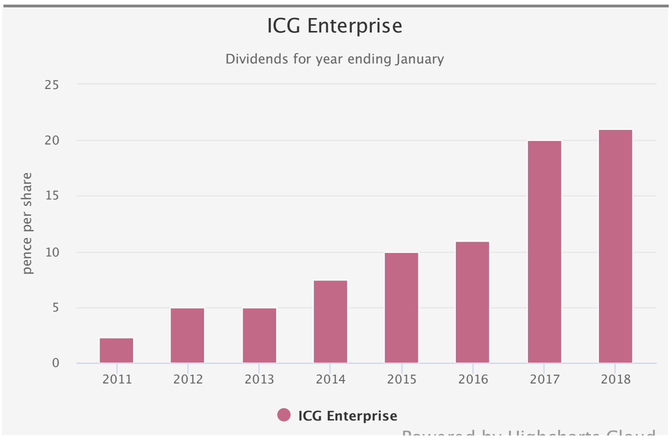
As we refer to in the discount section, ICG Enterprise's discount has widened out dramatically since the recent bout of equity market volatility started in Q4 2018, perhaps anticipating a significant fall in the NAV. It is perhaps worth reflecting that whilst there is certainly a link to public market valuations, conservatively managed listed private equity trusts are reasonably well equipped to deal with market falls.

If we take the extreme experience of 2008 as an example, valuations across the private equity market space fell dramatically. However, and whilst past performance is no guide to future performance, in ICG Enterprise's case the NAV fell by 22% from peak to trough on a total return basis in the 2008/09 financial crisis. By comparison, Pantheon International generated a NAV total return of -33% over the same period, and Standard Life Private Equity Trust, a NAV total return of -42%. Whilst ICG Enterprise's NAV fall was severe, the impact was relatively short lived, which fully recovered on a NAV total return basis after approximately 18 months. The trust went onto generate 1.8x cost from underlying investments made in 2006-2008 (all figures source: ICG Enterprise).

Dividend

Recognising many investors' requirement for income, the board have been paying an increased dividend. The board have made an explicit target to pay a minimum dividend of 20p per share, as well as growing it progressively. The company also started making quarterly dividend payments, the first of which was paid in March 2018. For the financial year ending January 2018, the trust paid a dividend of 21p, a 2.4% yield on the current share price.

Fig.11: Dividend History



Source: ICG Enterprise

Management

This February marks the three-year anniversary of the team moving across to ICG Asset Management. Since they arrived at ICG, the team has expanded and there are also significant synergies with the rest of the ICG group which has 140 investment professionals in 13 countries.

The Private Equity Fund investment team, headed by Emma Osborne have been managing the trust (previously at Graphite) for 14 years. Emma joined Graphite from the private equity funds and co-investment team at Merrill Lynch. Prior to this she was a direct private equity and mezzanine investor. She is supported by a team of six investment professionals and an investment committee which Benoit Dureste (CEO and CIO of ICG plc) and Andrew Hawkins (Head of Strategic Secondaries) sit on.

As mentioned above, ICG has significant reach around the world and is a specialist manager of private debt, credit and equity with €33bn under management. As such, they have a significant deal flow of potential fund investments, as well as secondary and co-investment opportunities, which the team get to review for inclusion in ICG Enterprise trust which as their only "client" currently get exclusive access to these opportunities.

The Board

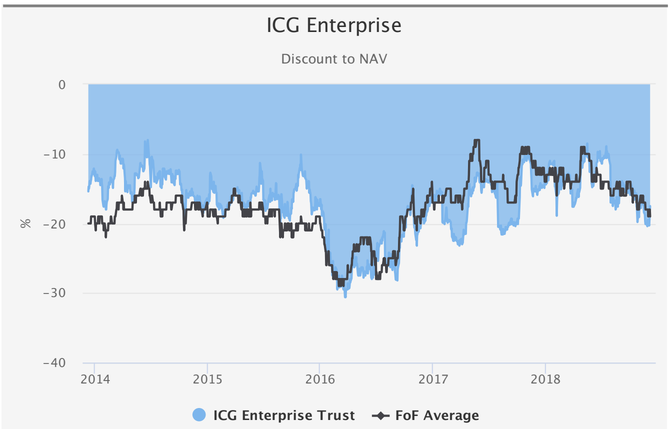
The board is chaired by the highly experienced Jeremy Tigue, who was the long-term manager of Foreign and Colonial Investment Trust from 1997 to 2014, during which time he invested in private equity fund of funds and served on the advisory boards of Pantheon and Harbourvest. Sandra Pajarola, who was previously head of PE fund investments at Partners Group. Lucinda Riches, former head of Equity Capital Markets at UBS, Andrew Pomfret, formed CEO of Rathbones and Alastair Bruce, former managing partner of Pantheon Ventures.

Discount

Private Equity Trusts have for the most part produced strong relative returns over the past five and 10 years. Recent performance has been driven by a healthy sellers-market, and many managers are taking advantage by selling assets at significant mark-ups, driving NAV returns for shareholders. At the same time, underlying earnings growth is strong, with portfolio revenue and earnings growth in the 'teens being reported by the various listed private equity trusts in the sector (it should be noted that these are always based on a sample of the portfolio).

This strong underlying performance has not gone unnoticed by investors, and over the two years to May 2018, discounts across the peer group had narrowed. Since then, ICG Enterprise's discount has widened out from a narrow point during the year of 8.5%, to the current level of 21%.

Fig.12: Discount History



Source: Morningstar, Kepler Partners

The trust does buy shares back opportunistically. Having not done so in the current financial year, the board have once again started getting active again. In the past few weeks the company has repurchased shares at a 20.4% discount to the last announced NAV.

Charges

When the company transferred to ICG from Graphite in February 2016, the board took the opportunity to negotiate the management fees payable to ICG from 1.5% to 1.4% of portfolio value, and 0.5% of uncalled commitments. ICG charge this fee only on qualifying assets – being investments outside the funds managed by Graphite and ICG directly. This means an effective management fee of c.1.1% of net assets of the trust.

In addition, the mangers are entitled to participate in an incentive scheme, which requires a co-investment of 0.5% of investments made and they receive 10% of any returns ahead of an 8% hurdle, again excluding ICG and Graphite funds (which represent 26.7% of the portfolio as at 31st July 2018). Unlike typical LTIP schemes that are prevalent in the listed market, this co-investment scheme requires that the team invest their post-tax earnings in each deal and creates long-term alignment of interests with shareholders by ensuring the managers invest in every underlying investment along the trust. We understand that the incentive has accounted for less than 2% of proceeds over the last 10 years.

Important Information

Kepler Partners is not authorised to market products or make recommendations to Retail Clients. This report has been issued by Kepler Partners LLP, is based on factual information only, is solely for information purposes only and any views contained in it must not be construed as investment or tax advice or a recommendation to buy, sell or take any action in relation to any investment.

If you are unclear about any of the information on this website or its suitability for you, please contact your financial or tax adviser, or an independent financial or tax adviser before making any investment or financial decisions.

The information provided on this website is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Kepler Partners LLP to any registration requirement within such jurisdiction or country. Persons who access this information are required to inform themselves and to comply with any such restrictions. In particular, this website is exclusively for non-US Persons. The information in this website is not for distribution to and does not constitute an offer to sell or the solicitation of any offer to buy any securities in the United States of America to or for the benefit of US Persons.

This is an information-only document derived from publicly available facts. It does not, and is not intended to, constitute investment research or marketing.

No representation or warranty, express or implied, is given by any person as to the accuracy or completeness of the information and no responsibility or liability is accepted for the accuracy or sufficiency of any of the information, for any errors, omissions or misstatements, negligent or otherwise. Any views and opinions, whilst given in good faith, are subject to change without notice.

Kepler Partners LLP (including its partners, employees and representatives) or a connected person may have positions in or options on the securities detailed in this report, and may buy, sell or offer to purchase or sell such securities from time to time, but will at all times be subject to restrictions imposed by the firm's internal rules. A copy of the firm's conflict of interest policy is available on request.

Past performance is not necessarily a guide to the future. The value of investments can fall as well as rise and you may get back less than you invested when you decide to sell your investments. It is strongly recommended that Independent financial advice should be taken before entering into any financial transaction.

PLEASE SEE ALSO OUR **TERMS AND CONDITIONS**

Kepler Partners LLP is a limited liability partnership registered in England and Wales at 9/10 Savile Row, London W1S 3PF with registered number OC334771.

Kepler Partners LLP is authorised and regulated by the Financial Conduct Authority.