ICG ENTERPRISE TRUST

Preliminary Results

For the 12 months ended 31 January 2020

Embargoed until 7:00am on 28 April 2020

STRONG PORTFOLIO PERFORMANCE DELIVERS DOUBLE DIGIT GROWTH FOR THE YEAR

Continued short, medium and long-term outperformance of public markets

Performance to 31 January 2020	1 year	3 year	5 year	10* year
Net asset value per share (total return)	11.2%	40.6%	85.0%	190.5%
Share price (total return)	20.5%	49.1%	92.6%	286.1%
FTSE All-Share Total Return	10.7%	18.4%	35.6%	111.2%

*As the Company changed its year end in 2010, the ten-year figures are for the 121-month period to 31 January 2020.

Highlights:

- **NAV per share of 1,152p - total return of 11.2%[1] in the year**
  - Growth driven by strong EBITDA growth and realisation uplifts

- **11th consecutive year of double-digit underlying Portfolio growth**
  - 16.6%[1] constant currency return from the investment Portfolio; 14.6%[1] return in sterling
  - 17% average LTM earnings growth from Top 30 Companies; 46% of the Portfolio

- **Strong period for realisations with selective new investment**
  - £149m of proceeds received, equivalent to 20% of opening portfolio value
  - Realisations at 37%[1] uplift to carrying value; 2.4x[1] multiple to cost; consistent with five-year average
  - £159m of new investment; 39% into high conviction investments
  - Four co-investments completed; one alongside ICG and three alongside third party managers
  - £156m committed to 12 primary funds; five new relationships

- **Portfolio well diversified - weighted towards larger companies and more resilient sectors**
  - Focus on defensive growth means Portfolio is weighted towards more resilient sectors, such as healthcare, consumer staples, business services and technology
  - Portfolio is invested in larger companies in Europe and the US; bias to managers who have strong operational focus and demonstrable experience of successfully managing investments through economic cycles
  - ICG managed investments now represents 22% of the Portfolio; invested across the capital structure in companies with resilient business models

[1] Alternative Performance Measure

- **Impact of COVID-19 on Portfolio companies**
  - Situation is continually evolving, and we are working closely with our underlying managers, who have moved decisively to address immediate risks and implement plans to protect and preserve value
  - We believe the diversified and resilient nature of the Portfolio is well placed to navigate the challenges ahead
  - Performance and speed of recovery will vary between geographies, sectors and companies and will be dependent on business models, end markets and government policy

- **Sharp decline in public markets and economic fall-out from COVID-19 likely to impact Net Asset Value in the short term**
  - The Net Asset Value at January 2020 is based on valuations which preceded the current crisis
  - We expect recent falls in public markets and the broader consequences of COVID-19 to impact valuations in the coming months and we anticipate the rate of realisations from the Portfolio to slow
  - We will provide shareholders with an update in the announcement of our NAV as at 30 April 2020 in June

- **Balance sheet and liquidity**
  - Closing net asset value of £794m; investment portfolio represents 102% of net asset value
  - £162m total liquidity (including £14m of cash and £148m undrawn bank facility); uncalled commitments of £459m of which £82m are to funds outside their investment periods
    - New €176m (£148m) bank facility signed during the year
  - To provide increased flexibility, £40m was drawn from our bank facility in March, taking total gross cash balances to £56m at 23 April 2020

- **Annual dividend of 23p and buybacks**
  - Final dividend of 8p, taking total dividends for the year to 23p
  - 4.5% increase on previous year and 2.4% yield on year end share price
  - £3m of shares bought back in year; a further £1m purchased since the year end

Oliver Gardey, Head of Private Equity Fund Investments, ICG, commented:

“The portfolio delivered strong underlying returns in the year, extending the record of double-digit growth to 11 consecutive years. We continued to deploy capital selectively into companies with strong defensive characteristics in sectors with non-cyclical growth drivers and build new relationships with leading managers both in the US and Europe. We are especially pleased with the progress made in increasing our portfolio weighting to the US in line with our long-term strategic objectives.

“While the current economic conditions are uncertain, our portfolio is weighted towards more resilient and defensive companies. We invest with leading managers in the US and Europe, focused on mid-market and larger buyouts, with a bias towards those with strong in-house operating teams and capital markets specialists. In the weeks since the COVID-19 crisis unfolded, we have seen some of the benefits of the private equity model, with managers acting quickly and decisively to preserve and protect value. We believe the private equity model is well suited to dealing with current market conditions and are confident that our managers will adapt to future events and continue to grow value.

“Our flexible mandate, and in particular our high conviction approach, allows us to be nimble and adapt the mix of new investment to evolving market conditions. While in the short term, we do not expect to see significant new investment activity, when markets stabilise we are well placed to benefit from more favourable entry valuations and take advantage of the opportunities as they arise.

"Finally, it goes without saying that a key priority for us is the wellbeing and safety of our staff; they are the most important part of our business and we have taken the necessary actions to protect our employees, as well as maintaining business continuity."

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Comparison to prior year

	31 Jan 2020	31 Jan 2019
NAV per share	1,152p	1,057p
Realisations in the 12 months	£149m	£163m
Realisations – uplift to carrying value	37%	35%
Realisations – multiple to cost	2.4x	2.4x
Capital deployed	£159m	£158m
% of Capital deployed into high conviction investments	39%	50%
New primary fund commitments	£156m	£162m

Notes

Included in this document are Alternative Performance Measures ("APMs"). APMs have been used if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company, and for comparing the performance of the Company to its peers and its previously reported results. The Glossary includes further details of APMs and reconciliations to IFRS measures, where appropriate. The rationale for the APMs is discussed in detail in the Manager's Review.

In the Chairman's Statement, Manager's Review and Supplementary Information, reference is made to the "Portfolio". This is an APM. The Portfolio is defined as the aggregate of the investment portfolios of the Company and of its subsidiary limited partnerships. The rationale for this APM is discussed in detail in the Manager's Review. The Glossary includes a reconciliation of the Portfolio to the most relevant IFRS measure. In the Chairman's Statement, Manager's Review and Supplementary Information, all performance figures are stated on a total return basis (i.e. including the effect of re-invested dividends). ICG Alternative Investment Limited, a regulated subsidiary of Intermediate Capital Group plc, acts as the Manager of the Company.

Disclaimer

The year to 31 January 2020 was another strong period of double-digit growth for ICG Enterprise Trust, with NAV per share increasing from 1,057p to 1,152p, an 11.2% total return, ahead of the FTSE All-Share Total Return of 10.7%. Performance was again driven by strong underlying trading and realisations at significant uplifts to carrying value and cost.

Since our year end, the spread of COVID-19 has dramatically altered the economic and investment landscape. We cover the potential short to medium term impact of this global pandemic on the Portfolio later in my statement and in the Manager's Review.

Delivering on our strategic goals

We made further progress towards our strategic goals of becoming more fully invested, increasing our weighting towards high conviction investments and extending our geographical diversification.

Over the last three years, we have reduced the impact of cash drag on performance by becoming more fully invested without compromising the quality of the Portfolio[2]. This has been achieved without being any less selective and with a focus on investing responsibly, leveraging ICG's strong Environmental, Social and Governance ("ESG") credentials. Our flexible mandate has meant that we have been able to increase the capital deployed into our high conviction portfolio, which remains a significant driver of growth. These are investments the team has proactively decided to increase exposure to, either by individual co-investments alongside third party managers, proprietary investments managed by ICG or secondary fund holdings.

Our high conviction portfolio has generated a return of 19% p.a.[3] in local currencies over the last five years. We expect these investments to continue to enhance the strong returns generated from our third-party funds portfolio, which underpins our strategy, and has returned 14% p.a. in local currency over the last five years. During the year, 39% of total capital deployed was into high conviction investments, which represent 41% of the Portfolio.

In addition, we continue to diversify geographically with our US investments now representing 30% of the Portfolio, overtaking our exposure to the UK market for the first time. The US is the largest private equity market in the world, with a deep pool of leading private equity managers who have long track records of outperformance. We expect our weighting to the US market to continue to grow.

The importance of investing responsibly

Responsible investing remains a key focus for our investment team, who continue to work closely with ICG's ESG team to ensure that our investment programme is compatible with our ESG framework. The Board believes that the long-term success of the Company requires the effective management of both financial and non-financial measures, and fully endorses the increasing emphasis on responsible investment. We believe that companies that are successful in managing ESG risks, while embracing opportunities, will outperform over the long term.

Continued investment in the ICG Enterprise team

ICG has continued to invest in the development of the team, and we now have 14 people managing the Portfolio and overseeing the finance, legal and investor relations functions of the Company. In September Oliver Gardey joined ICG and the Investment Committee to lead the investment team, succeeding Emma Osborne. Emma remains on the investment committee as a Senior Adviser. Oliver has over 25 years' experience in the private equity industry, joining ICG from Pomona Capital, where he was a partner for 10 years and a member of its global investment committee. The strength of Oliver's experience, alongside that of our existing team, will be of great value to the Company and to our focus on delivering consistently strong returns. We are delighted with the smooth transition and the leadership that he has demonstrated since his appointment. Colm Walsh, who has been a key team member for 10 years, also joined the investment committee during the year.

[2] In the Chairman's Statement, Manager's Review and Supplementary Information, reference is made to the "Portfolio". This is an APM.

[3] Net of underlying private equity managers fees and carried interest

Board evolution

Jane Tufnell and Gerhard Fusenig joined the Board in the year. The Board currently comprises six independent non-executive Directors, with a diverse range of skills and expertise, and an equal ratio of men and women. We expect to appoint one new Director during this year, and we will continue to evolve the Board and make further appointments, as appropriate. Further details of the Board are set out in our Annual Report.

This is my last year as your Chairman as I will step down from the Board at the AGM, having been a director since 2008. The Nominations Committee, led by the Senior Independent Director, undertook a rigorous search for my successor and recommended Jane Tufnell becomes your new Chair. Jane has a wealth of experience working in financial services, asset management and with listed companies and we are delighted that she has agreed to accept this appointment. It has been a privilege to serve as your Chairman and I know I am leaving the Company in extremely capable hands.

Dividend

The Company reported another strong set of results for the 12 months to 31 January 2020, and while there is limited visibility on the impact of COVID-19 on the Portfolio's performance this financial year, the Board is proposing a final dividend of 8p, which, together with the three interim dividends of 5p each, will take total dividends for the year to 23p. This is a 4.5% increase on the prior year dividend of 22p and a 2.4% yield on the year-end share price. The Board recognises the importance of a reliable source of income for our shareholders.

Annual General Meeting

The Annual General Meeting will be held on 17 June 2020. The Board is mindful of the current travel and social gathering restrictions arising from the COVID-19 pandemic and will be communicating with shareholders outlining the format of the meeting, with the Notice of Meeting, in the coming weeks.

Impact of COVID-19 pandemic on the Portfolio and performance

The economic impact of COVID-19 is likely to become more apparent over the coming months and it is impossible to gauge the long term impact on the Portfolio accurately at this stage. What we know today is that companies across the globe are being impacted by the significant reduction in economic activity, and while it is too early to assess the depth and duration of this impact, we expect major economies to experience large-scale economic contractions in the first half of 2020. Performance and the speed of any recovery will vary between geographies, sectors and companies and will be dependent on business models, end markets and government policy. In the short term, we expect the sharp fall in public markets and broader immediate consequences of COVID-19 to impact valuations and slow the rate of realisations from the Portfolio.

Beyond the short term, we have a well-diversified global Portfolio that is invested in developed economies and weighted towards more resilient sectors, such as healthcare, consumer staples, business services and technology. Our Portfolio also has a bias to managers who have a strong operational focus and demonstrable experience of successfully managing investments through periods of economic stress. Our managers have moved decisively to address immediate risks and are implementing plans to protect and preserve long term value.

Well placed to navigate the current challenging environment

I joined the Board in 2008, just prior to the financial crisis. At the time, the Company's net assets stood at £327m, invested in a predominantly UK and European portfolio. Since then we have grown our net assets to £794m and returned £127m to shareholders, a 166% total return over the 12 years, well ahead of the 93% total return from the FTSE All-Share. Over the same period our share price total return has been 157%.

We are again facing an incredibly challenging environment. With 11 consecutive years of double-digit growth, we do this from a base of consistently strong returns. We have a diversified global portfolio of market leading companies, led by expert management teams and supported by some of the world's best private equity managers. We have significant financial resources available to us and substantial expertise within our investment team and, more broadly, ICG has a long track record of managing private companies through multiple financial and economic cycles. Just as we did in the financial crisis, I am confident that we will manage and protect shareholder value through the current challenging environment and are well placed to continue to generate value for our shareholders over the longer term.

Jeremy Tigue
27 April 2020

MANAGER'S REVIEW

Performance overview

The potential for COVID-19 to cause widespread disruption was not evident at our year end date. The valuation of the Portfolio at 31 January 2020 was therefore not negatively impacted by COVID-19 and does not reflect the subsequent stock market falls in late February and early March.

Profit growth and realisations drive the 11th consecutive year of double-digit underlying growth

Continued strong operating performance and realisations at significant uplifts to carrying value generated a return of 16.6% in local currencies, or 14.6% in sterling. These results represent the 11th consecutive year of double-digit underlying portfolio growth, over which time period the Portfolio return has averaged 16% p.a. in local currencies.

All parts of the Portfolio performed well and contributed to growth in the year, with particularly strong performance from our US, co-investment and ICG portfolios, with growth driven by a combination of strong trading performance, realisations, IPOs and movements in quoted share prices.

Within our high conviction portfolio, notable contributors include three US co-investments: PetSmart (a leading US pet retailer), which successfully listed its online business, Chewy; Abode Healthcare (a provider of at-home hospice care), which was sold during the year at 2.0x cost and a gross IRR of 69%; and Ceridian (a human capital management software provider), which was listed in 2018 and whose share price increased by almost 80% in the year taking the return to 4.6x cost. In addition, three of our recent co-investments alongside ICG's flagship European strategy (Domus, Minimax and Visma) all outperformed the wider portfolio following strong underlying growth.

Outside of our high conviction portfolio, Gridiron III, a US mid-market fund which is currently our second largest fund holding by value, reported significant gains in the year, with one of its portfolio companies, Leaf Home Solutions, driving a significant proportion of the gain. This follows exceptionally strong trading performance. The business, which provides gutter protection solutions that reduce the requirement for homeowners to clear gutters, is considered one of the fastest growing home maintenance companies in the US.

Movement in the portfolio £m	**Year ended 31 Jan 2020**	**Year ended 31 Jan 2019**
Opening Portfolio*	694.8	600.7
Third party funds portfolio drawdowns	97.4	79.2
High conviction investments – ICG funds, secondary investments and co-investments	61.2	78.4
Total new investment	158.6	157.6
Realisation Proceeds	(148.8)	(163.0)
Net cash outflow/(inflow)	9.8	(5.4)
Underlying Valuation Movement**	115.4	90.4
Currency movement	(13.6)	9.1
Closing Portfolio*	806.4	694.8
% underlying Portfolio growth (local currency)	16.6%	15.0%
% currency movement	(2.0%)	1.6%
% underlying Portfolio growth (Sterling)	14.6%	16.6%

* Refer to the Glossary for reconciliation to the portfolio balance presented in the preliminary results.

** 95% of the Portfolio is valued using 31 December 2019 (or later) valuations (Jan 19: 91%).

Portfolio overview

High conviction investments underpinned by a portfolio of leading funds

Our strategy is focused on investing in larger companies, those with leading market positions and strong management teams as we believe they will generate the most consistently strong returns through the cycle. Our Portfolio combines investments managed by ICG and those managed by third parties, in both cases directly and through funds, and at 31 January 2020 the Portfolio was valued at £806m (31 Jan 19: £695m).

Third party funds were valued at £477m (31 Jan 19: £407m) providing the Portfolio with a base of strong diversified returns and also deal flow for our high conviction portfolio. The underlying funds are managed by leading mid-market and large-cap European and US private equity firms, with a bias to managers who have a strong defensive growth and operational focus. Over the last five years this portfolio has generated a net return of 14% p.a. in local currencies.

High conviction investments were valued at £329m (31 Jan 19: £288m). The common characteristic of our high conviction investments is that ICG selects the underlying companies, in contrast to a conventional fund of funds in which third party managers make all the underlying investment decisions.

Our high conviction portfolio allows us to proactively increase exposure to companies that benefit from long term structural trends, those which we believe would be more resilient in an economic downturn. We are able to enhance returns and increase visibility on underlying performance drivers, and we mitigate the more concentrated risk through a highly selective approach and our focus on defensive growth companies. Over the last five years, high conviction investments have generated a net return of 19% p.a. in local currencies and we have a strategic goal to increase the weighting to these investments towards 50% - 60% of the overall Portfolio.

Investment category	**31 Jan 2020 % of Portfolio**	**31 Jan 2019 % of portfolio**
High conviction investments		
ICG managed investments	22	20
Third party co-investments	14	16
Third party secondary investments	5	5
Total High conviction investments	***41***	***41***
Third party funds' portfolio		
Third party primary funds	59	59
Total diversified fund investments	***59***	***59***
Total	**100**	**100**

Top 30 companies performed well in the year, dominated by high conviction investments and defensive growth companies

Our largest 30 companies ("Top 30 Companies") represent 46% of the Portfolio by value (31 Jan 19: 46%), and are weighted towards our high conviction investments, which make up 71% of the Top 30 Companies by value (31 Jan 19: 70%).

During the year, the Top 30 Companies performed well, reporting average LTM earnings growth of 17% and revenue growth of 12%. It is particularly encouraging that a quarter of these companies generated LTM earnings growth in excess of 20% in the year, driven by both organic growth and M&A activity. The valuation multiples of the Top 30 Companies increased from 10.9x to 11.7x, a reflection of the change of mix and weightings, rather than an increase in aggregate multiples overall. The net debt/EBITDA ratio remained relatively unchanged at 4.1x, although mix and weightings also had an impact with the majority of companies de-levering in the year on a like-for-like basis. As we look across the Portfolio, the growth and valuation trends are similar

Since the year end the economic landscape has altered dramatically. In the 71% of the Top 30 Companies portfolio which are high conviction investments, there is a strong bias towards investments in sectors which have defensive characteristics. This includes a number of recent co-investments in sub-sectors such as software and packaging which continue to perform well even in the current climate. We also believe that our investments alongside ICG will, in addition to having defensive business models, benefit from being structured to provide downside protection. This makes these investments less sensitive to short term earnings or valuation pressure compared to a conventional buyout deal structure.

Performance in the current environment will vary between sector and company, and, while our underlying portfolio companies are not immune to the impact of a global pandemic, we believe that the vast majority of our Top 30 Companies are well placed to weather the current uncertainty and take advantage of any recovery. Three of our Top 30 Companies are quoted, and it is worth noting that two of these have increased in value since 31 January 2020 with Chewy and

TeamViewer's share price increasing by 64%, and 29% respectively[4]. The third, Ceridian, has declined since the onset of the crisis, however, more than a third of our January holding was sold at a premium to the January valuation in February 2020.

Realisations[5]

Continued strong realisation activity at significant uplifts to carrying value and cost

Realisations continued at a healthy level during the year with £141m[6] of cash being generated from the Portfolio. Although lower than the historical highs of the two previous years, at 20% of the opening Portfolio it is in line with our 10 year average.

The realisation of 48 companies completed at an average uplift of 37%[7] to the previous carrying value, which is consistent with the long-term trend of significant uplifts being generated when companies are sold. The average return multiple of 2.4x cost was also strong, reflecting a number of highly successful investments realised in the year, with 40% by number being sold for at least 2.5x cost. Over the last five years exits have averaged 33% uplift to carrying value and a multiple of 2.3x cost.

The largest realisation in the year came from our co-investment in Froneri and its associated fund PAI V which together generated £18m of proceeds. This fund, which has performed extremely well, had two assets remaining with strong prospects but was coming to the end of its term. PAI therefore offered investors the opportunity to realise their holdings in these companies or reinvest into a new vehicle, PAI Strategic Partnerships, giving more time to maximise the potential from these companies. Given the continued strong performance of Froneri and its future prospects, we decided to re-invest the majority of the proceeds into the new transaction ensuring the company remains in our Top 30 Companies.

The public market listing of technology investments was a strong source of underlying valuation gains and proceeds with 15% of amounts received arising from sales of listed shareholdings. The partial sell down of human capital management software provider Ceridian by Thomas H Lee was the largest contributor with £11m being returned in the year, mainly from our co-investment. Permira's successful listing of remote support software provider TeamViewer was also a significant contributor both in terms of proceeds (£2m) and gain in the year, with the investment being written up to 13.6x cost as at 31 January 2020, based on the closing share price at this date. Both of these companies are in our Top 30 Companies at the year-end.

In addition to sales by our underlying managers, we completed a secondary sale of one of our third party fund holdings at a premium to the GP's valuation, which generated a further £8m of proceeds. We also completed the sale of two more holdings, at premiums to the most recent valuation, shortly after the year-end generating another £5m. These transactions highlight our active approach to managing the Portfolio and we will continue to pursue further sales opportunistically, taking advantage of our in-house secondary market expertise.

From our largest 30 underlying companies at the start of the year, two were fully realised: Atlas for Men from the third party funds portfolio and Abode Healthcare from the co-investment portfolio, both of which generated strong returns. In addition, our investment in Visma was partially realised, with our co-investment managed by Cinven realised, generating a 2.5x return. We still retain an interest in this company via an ICG fund holding and co-investment from a later transaction.

New investments

Selective new investment

We invested £159m in the year, broadly in line with the £158m of new investment in the year to January 2019. 39% of new investment was into our high conviction portfolio, down from 50% in the year to January 2019. While we had a similar volume of opportunities compared to the prior year, we executed fewer co-investments, given our cautious stance on valuation multiples being paid for acquisitions. We completed three US co-investments and the Froneri secondary transaction, totalling £35m and one co-investment alongside ICG (£10m).

[4] As at 23 April 2020

[5] Refer to Financials section within highlights for comparative information.

[6] Refers to proceeds generated from underlying portfolio (excludes secondary sales)

[7] Uplift figure excludes publicly listed companies that were exited via multiple share sales.

Co-investments have always been a feature of our strategy and have outperformed both primary and secondary investments over the short and long term, generating a local currency return of 21% p.a. over the last five years. Our focus remains on defensive growth businesses with high cash flow conversion which have demonstrated resilience to economic cycles. The co-investments made in the year were:

- **DOC Generici** is a leading independent generic pharmaceutical company and the third largest company in the Italian pharmaceutical market. It is active in the supply of drugs for the treatment of all the common medical conditions with a strong presence in areas including cardiovascular, gastrointestinal, metabolism and neurological treatments. We invested £12m in this company.
- **Berlin Packaging,** provider of global packaging services with a focus on the food and healthcare industries in which we invested £9m alongside Oak Hill Capital Partners. The company provides its clients with a fully integrated service to design, finance and commission packaging. It is the number one distributor of rigid packaging in North America operating in a $7bn core addressable market. It has a strong financial track record and a highly cash generative business model with demand that has proved resilient through the cycle.
- **VitalSmarts**, a US provider of on-line and in-person leadership training, our second co-investment alongside Leeds Equity Partners, in which we invested £8m. Both the manager and company have an excellent track record in corporate education and the deal dynamics at entry were attractive in terms of both entry multiple and the company's capital structure. The company has worked with over 300 of the Fortune 500 companies and has a highly diversified income base.
- **RegEd** is a leading provider of regulatory compliance software services, primarily to broker-dealers, insurance companies and banks in the United States. The company's customers include over 200 blue-chip customers including 80% of the top 25 financial services firms in the US. We invested £5m in RegEd alongside a new US manager, Gryphon Investors. We expect RegEd to benefit from a number of favourable trends as its clients transition towards greater automation and less reliance on manual processes.

All of these companies have defensive business models. Additionally, DOC Generici features a combination of subordinated debt and equity investments giving an element of structural downside protection, a consistent feature of many of our investments with ICG.

12 new fund commitments to both existing and new manager relationships

We completed 12 new primary fund commitments in the year totalling £156m. 11 of these were to third party managers. Of these third party fund commitments, six were raised by managers we have backed successfully before: two European funds (IK and Cinven), two global funds (Advent and Permira), and two US funds (Oak Hill and Gridiron). We also made a commitment to ICG Europe Mid-Market Fund, ICG's latest European fund. The managers we back tend to raise funds that are oversubscribed and therefore difficult to access, and the calibre of these managers speaks to the relationships that we have built with these firms over many years. A key area of focus in our selection and due diligence process relates to the performance of managers during periods of significant financial stress.

We also added five new manager relationships, of which three are focused on the US mid-market (AEA, Gryphon Investors and Charlesbank) and two are focused on the European market (Carlyle Europe and Investindustrial). Since the move to ICG we have built many new relationships with US managers and they have been a key source of co-investment and secondary deal flow in addition to the in-house deal flow that ICG has given the Company access to. As a result, the Portfolio is increasingly geographically diverse; of our 29 core manager relationships, 12 are US managers and we have successfully increased our US exposure to 30% of the portfolio. Over the medium term we expect our weighting to the US market to further increase to up to approximately 40% of the Portfolio.

Portfolio analysis[8]

Focus on mid-market and large cap companies

The Portfolio is biased towards mid-market (42%) and large deals (46%) which we view as more defensive than smaller deals, benefiting from stronger management teams and often market leading positions.

[8] Refer to supplementary information at the end of this review for comparative information.

Portfolio increasingly focused on international markets

The Portfolio is focused on developed private equity markets, primarily continental Europe (37%), the US (30%) and the UK (27%). Investments in the Asia Pacific region represent 6% of value, which is primarily in developed Asian markets such as South Korea and Singapore through ICG's Asia Pacific subordinated debt and equity team. We have minimal emerging markets exposure. In line with one of our strategic objectives, our weighting to the US has increased from 14% at the time of the move to ICG in 2016. Over the same period, the UK bias has reduced from 45%.

Portfolio bias towards sectors with defensive growth characteristics

The Portfolio is weighted towards more resilient sectors, such as healthcare, technology and business services. 23% of the Portfolio is invested in healthcare (17%) and education (6%), with the remainder of the portfolio broadly spread across the industrial (16%) business services (15%), consumer goods and services (15%) and technology (14%) sectors. The company has a lower exposure to the leisure (8%) and financial (5%) sectors. Within our exposure to the consumer and industrial sectors, we have a bias to companies with more defensive business models with non-cyclical growth drivers and high recurring revenue streams.

Well-balanced vintage year exposure

Our vintage year exposure is balanced with 44% of the Portfolio invested in transactions completed in 2016 or earlier, and 56% of the value in investments made in 2017 or later.

Balance sheet and financing

Efficient balance sheet with good liquidity

There was net investment of £10m into the Portfolio during the period, and, after allowing for dividends and expenses, the outstanding cash balance fell to £14m (2019: £61m). At the year end the Portfolio represented 102% of net assets, an increase from 95% at 31 January 2019.

£m	31 Jan 2020	31 Jan 2019
Portfolio*	806	695
Cash	14	61
Net obligations	(26)	(25)
Net assets	**794**	**731**
Portfolio as % of net assets	101.6%	95.0%

* Refer to the Glossary for reconciliation to the portfolio balance presented in the preliminary results and definition of net obligations.

At 31 January 2020, we had uncalled commitments of £459m, against which we had available liquidity of £162m (including £148m of undrawn bank line). Of these uncalled commitments, £82m were to funds outside their investment period.

In managing the Company's balance sheet our objective is to be broadly fully invested through the cycle. We do not intend to be geared for long periods of time. Outstanding commitments tend to be substantially drawn down over a four to six-year period with approximately 10%–15% retained at the end of the investment period to fund follow-on investments and expenses. If outstanding commitments were to follow a linear drawdown rate to the end of their respective remaining investment periods, we estimate that approximately £85m would be called over the next 12 months. However, it is important to note that in previous periods of economic and financial market distress, drawdown rates from underlying funds slowed materially.

During the year we strengthened the Company's financial position by agreeing a new bank facility of €176m (£148m), which matures in two equal tranches in April 2021 and April 2022. Our anticipation is that economic impact from COVID-19 will result in the rate of realisations from the Portfolio slowing and this enlarged facility gives us greater flexibility.

Since the year end, we have drawn £40m from our facility, taking our gross cash balances to £56m at 23 April 2020. We have sufficient headroom within our facility's covenants and are well placed to manage the Portfolio cash flows. As demonstrated by the secondary sales completed in the year, we also have a Portfolio that attracts strong demand in the secondary market and continue to be active in this market.

£m	31 Jan 2020	31 Jan 2019
Outstanding commitments	459	411
Total available liquidity (including facility)	(162)	(164)
Overcommitment (including facility)	297	247
Overcommitment % of net asset value	37%	34%

Activity since the year-end

Since the year-end, the Portfolio has continued to generate cash proceeds. In total £25m of distributions have been received in the two months to 31 March 2020 and we have paid £19m of capital calls. We committed €10m to Apax X, a global buyout fund, focused on the Technology & Telecoms, Services, Healthcare, and Consumer sectors. We also committed $5m to Hg Saturn 2, a new strategy with an existing European mid-market manager.

Outlook

We are working closely with our managers to understand both the immediate and potential future impact of the COVID-19 pandemic, and its economic fallout, on the performance of our portfolio companies. We expect the decline in public markets seen after the year-end and the broader consequences of COVID-19 on global economies to have an impact on portfolio valuations in the months ahead and for the rate of realisations to slow. The speed of any recovery, in the medium term, will depend on business models, end markets and government policy, and will also vary by geography, by sector and by company.

ICG Enterprise has a well-diversified Portfolio, invested primarily in companies with strong defensive characteristics and weighted towards more resilient sectors. We invest with leading managers in the US and Europe focused on mid-market and larger buyouts, with a bias towards those with strong in-house operating teams and capital markets specialists. The managers that we invest with have access to capital to support portfolio companies and significant experience in managing companies through periods of economic stress. In the weeks since the crisis unfolded, we have begun to see some of the benefits of the private equity model, with managers acting quickly and decisively to preserve and protect value. We believe private equity is well suited to dealing with current market conditions and have confidence that our managers will be able to adapt to future events.

Our flexible mandate, and in particular our high conviction approach, allows us to be nimble and adapt the mix of new investment to evolving market conditions. While we do not expect significant new investment activity until markets stabilise, we are well placed to benefit from more favourable entry valuations and take advantage of the opportunities as they arise.

ICG Private Equity Fund Investments Team
27 April 2020

Supplementary information (unaudited)

This section presents supplementary information regarding the Portfolio (see Manager's Review and the Glossary for further details and definitions).

The 30 largest underlying companies

The table below presents the 30 companies in which ICG Enterprise had the largest investments by value at 31 January 2020. These investments may be held directly or through funds, or in some cases in both ways. The valuations are gross and are shown as a percentage of the total investment Portfolio.

	Company	Manager	Year of investment	Country	Value as a % of Portfolio
1	**DomusVi +**				
	Operator of retirement homes	ICG	2017	France	3.6%
2	**City & County Healthcare Group**				
	Provider of home care services	Graphite Capital	2013	UK	2.9%
3	**Minimax +**				
	Supplier of fire protection systems and services	ICG	2018	Germany	2.9%
4	**Roompot +**				
	Operator and developer of holiday parks	PAI Partners	2016	Netherlands	2.5%
5	**PetSmart +**				
	Retailer of pet products and services	BC Partners	2015	USA	2.4%
6	**Leaf Home Solutions**				
	Provider of gutter protection solutions	Gridiron	2016	USA	2.1%
7	**Visma +**				
	Provider of accounting software and accounting outsourcing services	ICG	2017	Norway	1.8%
8	**Yudo +**				
	Manufacturer of components for injection moulding	ICG	2018	South Korea	1.8%
9	**Doc Generici +**				
	Retailer of pharmaceutical products	ICG	2019	Italy	1.8%
10	**System One +**				
	Provider of specialty workforce solutions	Thomas H Lee Partners	2016	USA	1.7%
11	**Supporting Education Group +^**				
	Provider of temporary staff for the education sector	ICG	2014	UK	1.7%
12	**Gerflor^**				
	Manufacturer of vinyl flooring	ICG	2017	France	1.7%
13	**Froneri^**				
	Manufacturer and distributor of ice cream products	PAI Partners	2019	UK	1.6%
14	**nGAGE**				
	Provider of recruitment services	Graphite Capital	2014	UK	1.5%
15	**Beck & Pollitzer**				
	Provider of industrial machinery installation and relocation	Graphite Capital	2016	UK	1.5%

	Company	Manager	Year of investment	Country	Value as a % of Portfolio
16	**IRI +**				
	Provider of data and predictive analytics to consumer goods manufacturers	New Mountain	2018	USA	1.4%
17	**Endeavor Schools +**				
	Operator of schools	Leeds Equity Partners	2018	USA	1.4%
18	**YSC**				
	Provider of leadership consulting and management assessment services	Graphite Capital	2017	UK	1.4%
19	**ICR Group**				
	Provider of repair and maintenance services to the energy industry	Graphite Capital	2014	UK	1.3%
20	**Compass Community**				
	Provider of fostering services and children residential care	Graphite Capital	2017	UK	1.1%
21	**Berlin Packaging +**				
	Provider of global packaging services and supplies	Oak Hill Capital Partners	2019	USA	1.1%
22	**VitalSmarts +**				
	Provider of corporate training courses focused on communication skills and leadership development	Leeds Equity Partners	2019	USA	1.0%
23	**PSB Academy +**				
	Provider of private tertiary education	ICG	2018	Singapore	1.0%
24	**U-POL^**				
	Manufacturer and distributor of automotive refinishing products	Graphite Capital	2010	UK	0.9%
25	**Ceridian +**				
	Provider of payroll and human capital software	Thomas H Lee Partners	2007	USA	0.9%
26	**David Lloyd Leisure +**				
	Operator of premium health clubs	TDR Capital	2013	UK	0.8%
27	**Cognito +^**				
	Supplier of communications equipment, software & services	Graphite Capital	2002 / 2014	UK	0.7%
28	**Random42**				
	Provider of medical animation and digital media services	Graphite Capital	2017	UK	0.6%
29	**EG Group**				
	Operator of petrol station forecourts	TDR Capital	2014	UK	0.6%
30	**TeamViewer**				
	Provider of secure remote support and online meeting software	Permira	2014	Germany	0.6%
	Total of the 30 largest underlying investments				46.3%

+ All or part of this investment is held directly as a co-investment or other direct investment.

^ All or part of this investment was acquired as part of a secondary purchase.

The 30 largest fund investments

The table below presents the 30 largest funds by value at 31 January 2020. The valuations are net of any carried interest provision.

	Fund	Year of commitment	Country/ region	Value £m	Outstanding commitment £m
1	**Graphite Capital Partners VIII *** Mid-market buyouts	2013	UK	90.1	14.9
2	**Gridiron Capital Fund III** Mid-market buyouts	2016	North America	24.3	4.1
3	**ICG Europe VI **** Mezzanine and equity in mid-market buyouts	2015	Europe	20.0	3.3
4	**CVC European Equity Partners VI** Large buyouts	2013	Europe/USA	18.0	2.9
5	**Thomas H Lee Equity Fund VII** Mid-market and large buyouts	2015	USA	17.9	1.6
6	**BC European Capital IX **** Large buyouts	2011	Europe/USA	15.7	2.1
7	**PAI Europe VI** Mid-market and large buyouts	2013	Europe	14.7	1.5
8	**Advent Global Private Equity VIII** Large buyouts	2016	Europe/USA	14.6	1.4
9	**Permira V** Large buyouts	2013	Europe/USA	14.4	0.8
10	**PAI Strategic Partnerships **** Mid-market and large buyouts	2019	Europe	14.4	1.5
11	**Sixth Cinven Fund** Large buyouts	2016	Europe	13.7	5.3
12	**Graphite Capital Partners VII * / **** Mid-market buyouts	2007	UK	13.7	2.8
13	**ICG Europe VII** Mezzanine and equity in mid-market buyouts	2018	Europe	13.6	22.6
14	**BC European Capital X** Large buyouts	2016	Europe	12.4	1.9
15	**ICG Strategic Secondaries Fund II** Secondary fund restructurings	2016	Europe/USA	12.3	14.4
16	**One Equity Partners VI** Mid-market buyouts	2016	Europe/USA	11.8	0.8
17	**Silverfleet II** Mid-market buyouts	2014	Europe	11.5	2.0
18	**ICG Asia Pacific Fund III** Mezzanine and equity in midmarket buyouts	2016	Asia Pacific	11.3	2.7
19	**CVC European Equity Partners VII** Large buyouts	2017	Europe/North America	10.9	10.0
20	**TDR Capital III** Mid-market and large buyouts	2013	Europe	10.3	2.1

	Fund	Year of commitment	Country/ region	Value £m	Outstanding commitment £m
21	**Resolute II ****				
	Mid-market buyouts	2018	USA	10.3	2.3
22	**Oak Hill Capital Partners IV**				
	Mid-market buyouts	2017	USA	8.9	2.7
23	**Permira VI**				
	Large buyouts	2016	Europe	8.9	1.8
24	**Activa Capital Fund III**				
	Mid-market buyouts	2013	France	8.7	1.9
25	**Nordic Capital Partners VIII**				
	Mid-market and large buyouts	2013	Europe	8.6	1.3
26	**Hollyport Secondary Opportunities VI**				
	Tail-end secondary portfolios	2017	Global	8.3	2.3
27	**IK VIII**				
	Mid-market buyouts	2016	Europe	8.1	1.5
28	**Gryphon V**				
	Mid-market buyouts	2019	North America	8.0	3.9
29	**IK VII**				
	Mid-market buyouts	2013	Europe	8.0	0.4
30	**Bain Capital Europe IV**				
	Mid-market buyouts	2014	Europe	8.0	0.8
	Total of the largest 30 fund investments			**451.4**	**117.6**
	Percentage of total investment Portfolio			**56.0%**	

* Includes the associated Top Up funds.

** All or part of an interest acquired through a secondary fund purchase.

Portfolio analysis

Closing Portfolio by value

Portfolio by investment type	% of value of underlying investments 31 January 2020	% of value of underlying investments 31 January 2019
Large buyouts	46.4%	44.7%
Mid-market buyouts	42.2%	47.2%
Small buyouts	8.7%	4.6%
Other	2.7%	3.5%
Total	**100.0%**	**100.0%**

Portfolio by calendar year of investment	% of value of underlying investments 31 January 2020
2020	0.1%
2019	17.2%
2018	19.7%
2017	19.2%
2016	16.2%
2015	7.7%
2014	8.5%
2013	5.5%
2012	1.4%
2011	0.9%
2010	1.3%
2009	0.6%
2008	0.1%
2007	1.3%
2006 and before	0.3%
Total	**100.0%**

Portfolio by sector	% of value of underlying investments 31 January 2020	% of value of underlying investments 31 January 2019*
Healthcare and education	23.2%	20.8%
Industrials	15.5%	16.4%
Business services	15.4%	17.8%
Consumer goods and services	15.1%	14.2%
TMT	13.6%	11.8%
Leisure	7.7%	8.7%
Financials	5.3%	5.5%
Other	4.2%	4.8%
Total	**100.0%**	**100.0%**

** Restated following the reclassification of four underlying investments in the current year*

Portfolio by geographic distribution based on location of company headquarters	% of value of underlying investments 31 January 2020	% of value of underlying investments 31 January 2019
Europe	36.7%	38.8%
UK	27.1%	30.9%
North America	29.9%	25.9%
Rest of world	6.3%	4.4%
Total	**100.0%**	**100.0%**

Commitments analysis

The following tables analyse commitments at 31 January 2020. Original commitments are translated at 31 January 2020 exchange rates.

Total undrawn commitments

	Original commitment £'000	Outstanding commitment £'000	Average drawdown percentage	% of commitments
Investment period not commenced	16,801	16,801	0.0%	3.7%
Funds in investment period	543,836	360,044	33.8%	78.5%
Funds post investment period	804,907	81,793	89.8%	17.8%
Total	1,365,544	458,639	66.4%	100.0%

Movement in outstanding commitments in year ended 31 January 2020	£m
As at 1 February 2019	411.2
New primary commitments	156.3
New commitments relating to co-investments and secondary purchases	2.0
Drawdowns	(113.3)
Secondary disposals	(1.5)
Currency and other movements	3.9
As at 31 January 2020	**458.6**

New commitments during the year to 31 January 2020

Fund	Strategy	Geography	£m
Primary commitments			
ICG Europe Mid-Market Fund	Mezzanine and equity in mid-market buyouts	Europe	17.9
Seventh Cinven	Large buyouts	Europe	17.3
Oak Hill V	Mid-market buyouts	USA	15.8
AEA VII	Mid-market buyouts	North America	15.3
Investindustrial VII	Mid-market buyouts	Southern Europe	13.6
IK IX	Mid-market buyouts	Europe	13.5
Permira VII	Large buyouts	Global	13.4
Advent IX	Large buyouts	Europe/USA	13.2
Gridiron IV	Mid-market buyouts	North America	12.4
Gryphon V	Mid-market buyouts	North America	11.5
Carlyle Europe V	Mid-market buyouts	Europe	8.6
CB Technology Opportunities Fund	Lower middle-market buyouts	North America	3.8
Total primary commitments			156.3
Commitments relating to co-investments and secondary investments			2.0
Total new commitments			**158.3**

Currency exposure

Portfolio[1]	31 January 2020 £m	31 January 2020 %	31 January 2019 £m	31 January 2019 %
Sterling	246.0	30.5	241.9	34.8
Euro	226.6	28.1	190.8	27.5
US Dollar	224.2	27.8	173.3	25.0
Other European	59.6	6.2	53.8	7.7
Other	50.0	7.4	35.0	5.0
Total	**806.4**	**100.0**	**694.8**	**100.0**

[1] Currency exposure is calculated by reference to the location of the underlying Portfolio companies' headquarters.

Outstanding commitments	31 January 2020 £m	31 January 2020 %	31 January 2019 £m	31 January 2019 %
– Sterling	65.3	14.2	83.3	20.3
– Euro	213.0	46.5	172.2	41.9
– US Dollar	178.5	38.9	153.9	37.4
– Other European	1.8	0.4	1.8	0.4
Total	**458.6**	**100.0**	**411.2**	**100.0**

Realisation activity

Investment	Manager	Year of investment	Realisation type	Proceeds £m
Froneri	PAI Partners	2013	Restructuring[1]	17.8
Abode Healthcare	Tailwind Capital	2018	Financial buyer	10.8
Ceridian	Thomas H Lee Partners	2007	Sell down post IPO	10.7
Visma	Cinven	2014	Financial buyer	8.3
Atlas for Men	Activa	2016	Financial buyer	4.6
Stella	ICG	2015	Financial buyer	3.7
SK:N Limited (Lasercare)	Graphite Capital	2006	Financial buyer	3.6
Aston Scott	Bowmark	2015	Financial buyer	3.5
Parex	CVC	2014	Trade	2.9
Integer	ICG	2018	Financial buyer	2.9
Total of 10 largest underlying realisations				**68.9**
Total realisations				**148.8**

[1] Majority of proceeds from current year sale re-invested into a rollover vehicle managed by PAI Partners.

Investment activity

Investment	Description	Manager	Country	Cost[1] £m
Froneri[2]	Manufacturer and distributor of ice cream products	PAI Partners	UK	13.1
Doc Generici	Retailer of pharmaceutical products	ICG	Italy	12.4
VitalSmarts	Provider of corporate training courses focused on communication skills and leadership development	Leeds Equity Partners	USA	8.3
Berlin Packaging	Provider of global packaging services and supplies	Oak Hill Capital Partners	USA	8.1
RegEd	Provider of regulatory compliance and management software products	Gryphon Investors	USA	4.6
NRS Healthcare	Provider of community products and services which are used to help elderly and disabled live independently.	Graphite Capital	UK	2.9
Hanson Wade	Organiser of B2B conferences for pharmaceutical and biotech industries.	Graphite Capital	UK	2.8
Horizon Care and Education	Provider of specialist care for children and adolescents.	Graphite Capital	UK	2.6
Tat Hong	Operator of crane rental company	ICG	Singapore	2.5
Prodapt	Provider of consulting and managed services for telecom/DSP ecosystems	ICG	India	2.4
Total of 10 largest underlying new investments				**59.7**
Total new investment				**158.6**

[1] Represents ICG's indirect exposure (share of fund cost) plus any amounts paid for co-investments in the period.
[2] Majority of proceeds from current year sale re-invested into a rollover vehicle managed by PAI Partners.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

The Board is responsible for risk management and determining the Company's overall risk appetite. The Audit Committee assesses and monitors the risk management framework and specifically reviews the controls and assurance programmes in place.

Principal risks and uncertainties

The execution of the Company's investment strategy is subject to risk and uncertainty and the Board and Manager have identified a number of principal risks to the Company's business. As part of this process, the Board have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity.

The Company considers its principal risks (as well as a number of underlying risks comprising each principal risk) in four categories:

Investment Risks – the risk to performance resulting from ineffective or inappropriate investment selection, execution, monitoring.

External Risks – the risk of failing to deliver the Company's strategic objectives due to external factors beyond the Company's control.

Operational Risks – the risk of loss or missed opportunity resulting from a regulatory failure or the failure of people, processes or systems.

Financial Risks – the risks of adverse impact on the Company due to having insufficient resources to meet its obligations or counterparty failure and the impact any material movement in foreign exchange rates may have on underlying valuations.

Emerging risks are regularly considered to assess any potential impact on the Company and to determine whether any actions are required. Emerging risks include those related to regulatory/legislative change and macro-economic and political change, which in the current year have included the impact of ESG on the Company and the UK's trade negotiations with the EU.

Following the year end, there have been significant developments in relation to the COVID-19 outbreak. These developments are unprecedented and likely to have a material impact on a number of our principal risks, in particular on investment performance risk and valuation risk. The Manager and the Board are working closely to understand and mitigate the immediate and potential future impact of the COVID-19 pandemic, and its economic fallout, on the Company. The Manager is in regular contact with the underlying managers, who have a strong operational focus, to understand the impact on their portfolios and mitigating actions that they may take. In addition, the Company has drawn £40m on its bank facility since the year end to further strengthen its liquidity position. Given the rapid escalation of the crisis, we currently have limited visibility on the short and longer-term impact of COVID-19 on the global economy. It is difficult to fully assess the impact on the Company at this stage, but clearly a number of risks are heightened currently.

Other risks, including reputational risk, are seen as potential outcomes of the core principal risks materialising. These risks are managed as part of the overall risk management of the Company.

A comprehensive risk assessment process is undertaken regularly to re-evaluate the impact and probability of each risk materialising and the financial or strategic impact of the risk. Where the residual risk is determined to be outside of appetite, appropriate action is taken. Further information on risk factors is set out within the financial statements.

Risk appetite and tolerance

The Board acknowledges and recognises that in the normal course of business the Company is exposed to risk and that it is willing to accept a certain level of risk in managing the business to achieve its targeted returns.

As part of its risk management framework, the Board considers its risk appetite in relation to each principal risk and monitors this on an ongoing basis. Where a risk is approaching or is outside the tolerance set, the Board will consider the appropriateness of actions being taken to manage the risk.

In particular, the Board has a very low tolerance for financing risk with the aim to ensure that even under the most severe stress scenario, the Company is likely to meet its funding requirements and financial obligations. Similarly, the Board has a low-risk tolerance concerning operational risks including legal, taxation, regulatory and business process and continuity risk.

RISK	IMPACT	MITIGATION	CHANGE IN THE YEAR
Investment Risks **Investment performance** The Manager selects the fund investments and direct co-investments for the Company's Portfolio. The underlying managers of those funds in turn select individual investee companies. The origination, investment selection and management capabilities of both the Manager and the third party managers are key to the performance of the Company.	Poor origination, investment selection and monitoring by the Manager and/or third party managers could significantly affect the performance of the portfolio.	The Manager has a strong track record of investing in private equity through multiple economic cycles. The Manager has a highly selective investment approach and disciplined process, which is overseen by ICG Enterprise's Investment Committee within the Manager, which comprises a balance of skills and perspectives. Further, the Company's Portfolio is diversified reducing the likelihood of a single investment decision impacting portfolio performance.	⇔ Stable The Board reviews the activities and performance of the Manager on an ongoing basis and reviews the investment strategy annually. Following this assessment and other considerations, the Board concluded that there was no material change in investment performance risk during the year. ✶
Valuation In valuing its investments in private equity funds and unquoted companies and publishing its NAV, the Company relies to a significant extent on the accuracy of financial and other information provided by the underlying managers to the Manager. There is the potential for inconsistency in the valuation methods adopted by the managers of these funds and companies and for valuations to be misstated	Incorrect valuations being provided would lead to an incorrect overall NAV.	The Manager carries out a formal valuation process involving a quarterly review of third party valuations, verification of the latest audited reports, as well as a review of any potential adjustments that are required to ensure the valuation of the underlying investments are in accordance with the fair market value principles required under International Financial Reporting Standards ("IFRS").	⇔ Stable The Board discussed the valuation process in detail with the Manager and the external auditors, including the sources of valuation information and methodologies used. Following this assessment and other considerations, the Board concluded that there was no material change in valuation risk during the year. ✶
External **Political and macroeconomic uncertainty** Political and macroeconomic uncertainty, including impacts from the UK's trade negotiations with the EU, uncertainty around US	Changes in the macro-economic or political environment could significantly affect the performance of existing investments (and valuations) and prospects for realisations. In addition, it could	The Manager actively monitors these developments, with the support of a dedicated in-house economist and professional advisers where appropriate, to ensure it is prepared for any potential impacts (to the extent possible).	⇔ Stable The Board monitors and reviews the potential impact on the Company from political and economic developments on an ongoing basis, including input and discussions with the

trade negotiations, or similar scenarios, could impact the environment in which the Company and its investment portfolio companies operate.	impact the number of credible investment opportunities the Company can originate.		Manager. Incorporating these views and other considerations, the Board concluded that there was no material change in political and macro-economic uncertainty risk during the year. ✶
Private equity sector The private equity sector could fall out of favour with investors leading to a reduction in demand for the Company's shares.	A change in sentiment to the sector has the potential to damage the Company's reputation and impact the performance of the Company's share price and widen the discount the shares trade at relative to NAV per share, causing shareholder dissatisfaction.	Private equity has outperformed public markets over the long term and it has proved to be an attractive asset class through various cycles. The Manager is active in marketing the Company's shares to a wide variety of investors to ensure the market is informed about the Company's performance and investment proposition. The Board monitors the discount to NAV and considers appropriate solutions to address any ongoing or substantial discount to NAV, including share buybacks.	↔ Stable The Board receives regular updates from the Company's broker and is kept informed of all material discussions with investors and analysts. Incorporating these updates and other considerations, the Board concluded that there was no material change in private equity sector sentiment risk during the year. ✶
Foreign exchange The Company has continued to expand its geographic diversity by making investments in a number of countries. Accordingly, a number of investments are denominated in US dollars, euros and other currencies other than sterling.	At present, the Company does not hedge its foreign exchange exposure. Therefore, movement in exchange rates between these currencies may have a material effect on the underlying valuations of the investments and performance of the Company.	The Board regularly reviews the Company's exposure to currency risk and reconsiders possible hedging strategies on an annual basis. Furthermore, the Company's multicurrency bank facility permits the borrowings to be drawn in euros and US dollars, if required.	↔ Stable The Board reviewed the Company's exposure to currency risk and possible hedging strategies and concluded that there was no material change in foreign exchange risk during the year and that it remained appropriate for the Company not to hedge its foreign exchange exposure. ✶
<u>**Operational Risks**</u> **Regulatory, legislative and taxation compliance** Failure by the Manager to comply with relevant regulation and legislation	If applicable law and regulations are not complied with, the Company could face regulatory sanction	The Board is responsible for ensuring the Company's compliance with all applicable regulations. Monitoring	↑ Increased As a result of the Company entering the FTSE 250 index during the year, as well as

could have an adverse impact on the Company, or adherence to such could become onerous. This includes the Corporate Governance Code, Corporation Tax Act 2010, the Companies Act 2006, the Companies (Miscellaneous Reporting) Regulations 2018, the Alternative Investment Fund Managers Directive, accounting standards, investment trust regulations and the Listing Rules and Disclosure Guidance and Transparency Rules.	and penalties as well as a significant damage to its reputation.	of this compliance, and regular reporting to the Board thereon, has been delegated to the Manager. The Manager's in-house legal counsel, supported by the Compliance and Risk functions, provides regular updates to the Board covering relevant changes to legislation and regulation. The Manager and the Board ensure compliance with applicable regulation and legislation occurs in an effective manner.	other regulatory and corporate governance developments, the financial or reputational impact resulting from potential regulatory or legislative failings has increased. During the year, both the Board and the Manager's risk function have closely monitored and evaluated the risks resulting from these developments, and the Company has continued to enhance its processes and controls in order to remain compliant with current and expected legislation.
People Loss of key investment professionals at the Manager could impair the Company's ability to deliver its investment strategy if replacements are not found in a timely manner.	If the Manager's investment team were not able to deliver, investment opportunities could be missed or misevaluated, while existing investment performance may suffer.	The Manager regularly updates the Board on team developments and succession planning. The Manager places significant focus on developing key individuals to ensure that there is a pipeline of potential succession candidates internally. External appointments are also considered if that best satisfies the business needs at the appropriate time. The Company's investment team within the Manager has always taken a team-based approach to decision-making which helps to mitigate against key person risk. In addition, no one investment professional has sole responsibility for an investment or fund manager relationship and, to ensure that insights and knowledge are widely spread across the investment team, the team meets weekly to discuss all potential new investments and the overall performance of the portfolio.	↓ Decreased Oliver Gardey was appointed as head of the Company's investment team, succeeding Emma Osborne. As a result of the successful transition, the Board believes that the risk in respect of People has now reduced.

		The Manager's compensation policy is designed to minimise turnover of key people. In addition, the senior investment professionals are required to co-invest alongside the Company for which they are entitled to a share of investment profits if performance hurdles are met, which aids retention.	
Information security The Company is dependent on effective information technology systems at both the Manager and Administrator. These systems support key business functions and are an important means of safeguarding sensitive information.	A significant disruption to these IT systems, including breaches of data confidentiality or cybersecurity, could result in, among other things, financial losses, an inability to perform business critical functions, regulatory censure, legal liability and reputational damage.	Application of the Manager's and Administrator's information security policies is supported by a governance structure and a risk framework that allows for the identification, control and mitigation of technology risks. The adequacy of the systems and controls the Manager and Administrator have in place to mitigate the technology risks is continuously monitored and subject to regular testing. The effectiveness of the framework is periodically assessed.	⇔ Stable The Board carries out a formal assessment of the Manager's internal controls and risk management systems every year. Following this review and other considerations, the Board concluded that there was no material change in information security risk during the year. ✶
The Manager and other third party advisers, including business processes and continuity The Company is dependent on third parties for the provision of all systems and services. In particular, the Company is dependent on the business processes of the Manager, Administrator and Depositary operating effectively. These systems support key business functions. Control failures and gaps in these systems and services could result	A significant failure of or disruption to the Manager, Administrator or Depositary's processes could result in, among other things, financial losses, an inability to perform business critical functions, regulatory censure, legal liability and reputational damage.	The Audit Committee formally assesses the internal controls of the Manager, the Administrator and Depositary on an annual basis to ensure adequate controls are in place. The assessment in respect of the current year is discussed in the Report of the Audit Committee within the Annual Report. The Management Agreement and agreements with other key service providers are subject to notice periods that are	⇔ Stable The Board carries out a formal assessment of the Manager's internal controls and risk management systems every year. Following this review and other considerations, the Board concluded that there was no material change in the manager and other third party advisers risk during the year.

in a loss or damage to the Company.		designed to provide the Board with adequate time to put in place alternative arrangements.	

<u>Financial Risks</u>

Financing The Company has outstanding commitments that may be drawn down at any time in excess of total liquidity to private equity funds. The ability to fund this difference is dependent on receiving cash proceeds from investments (the timing of which are unpredictable) and the availability of financing facilities.	If the Company encountered difficulties in meeting its outstanding commitments, there would be significant reputational damage as well as risk of damages being claimed from managers and other counterparties. It is also possible that the Company might need to raise new equity to fund its outstanding commitments.	The Manager monitors the Company's liquidity and covenants on a frequent basis, and undertakes cash flow monitoring, and provides regular updates on these activities to the Board. Commitments are expected to be mostly deployed over a four-year period. If necessary the Company can reduce the level of co-investments and secondary investments, which are discretionary, to preserve liquidity for funding its commitments. The Company could also dispose of assets. The Company has a €176m (£148m), multi-currency bank facility which was renewed on 2 April 2019. The facility is split into two equal tranches, maturing in April 2021 and April 2022. The total available liquidity as at 31 January 2020 stood at £162.3m, comprising £14.5m in cash balances and £147.8m in undrawn bank facilities. As a result, the available financing along with the private equity portfolio exceeded the outstanding commitments by a factor of 2.1 times.	↔ Stable The Board received written reports and updates from the Manager on at least a quarterly basis and as appropriate on the Company's balance sheet position and financing arrangements. Incorporating these reports, updates and other considerations, the Board concluded that there was no material change in financing risk during the year. ✶

✶Subsequent to the end of the year, this risk has been heightened due to the effect of the COVID-19 pandemic. The Board is keeping this risk under review accordingly.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Accordingly, the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Company law also requires that the directors do not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the relevant period. In preparing these financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently;

• make judgements and accounting estimates that are reasonable and prudent;

• state whether applicable IFRS, as adopted by the European Union, have been followed, subject to any material departures disclosed and explained in the financial statements; and

• prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Company's financial statements, Article 4 of the International Accounting Standards Regulation (EC) No 1606/2002. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Having taken advice from the Audit Committee, the directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Each of the directors confirm that, to the best of their knowledge:

• the financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

• the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Jeremy Tigue
Chairman

27 April 2020

INCOME STATEMENT

	Notes	Year to 31 January 2020 Revenue return £'000	Capital return £'000	Total £'000	Year to 31 January 2019 Revenue return £'000	Capital return £'000	Total £'000
Investment returns							
Income, gains and losses on investments		7,060	85,660	92,720	5,753	85,769	91,522
Deposit interest		300	–	300	156	–	156
Other income		81	–	81	60	–	60
Foreign exchange gains and losses		–	208	208	–	938	938
		7,441	**85,868**	**93,309**	**5,969**	**86,707**	**92,676**
Expenses							
Investment management charges		(2,393)	(7,179)	(9,572)	(1,996)	(5,988)	(7,984)
Other expenses		(1,738)	(1,494)	(3,232)	(1,851)	(1,052)	(2,903)
		(4,131)	**(8,673)**	**(12,804)**	**(3,847)**	**(7,040)**	**(10,887)**
Profit before tax		**3,310**	**77,195**	**80,505**	**2,122**	**79,667**	**81,789**
Taxation		(538)	538	–	(260)	260	–
Profit for the year		**2,772**	**77,733**	**80,505**	**1,862**	**79,927**	**81,789**
Attributable to:							
Equity shareholders		**2,772**	**77,733**	**80,505**	**1,862**	**79,927**	**81,789**
Basic and diluted earnings per share	4			116.63p			118.12p

The columns headed 'Total' represent the income statement for the relevant financial years and the columns headed 'Revenue return' and 'Capital return' are supplementary information in line with guidance published by the AIC. There is no Other Comprehensive Income.

BALANCE SHEET

	Notes	31 January 2020 £'000	31 January 2019 £'000
Non-current assets			
Investments held at fair value		**778,416**	**670,072**
Current assets			
Cash and cash equivalents		14,470	60,626
Receivables		1,142	548
		15,612	**61,174**
Current liabilities			
Payables		483	386
Net current assets		15,129	60,788
Total assets less current liabilities		**793,545**	**730,860**
Capital and reserves			
Share capital		7,292	7,292
Capital redemption reserve		2,112	2,112
Share premium		12,936	12,936
Capital reserve		771,205	708,520
Revenue reserve		–	–
Total equity		**793,545**	**730,860**
Net asset value per share (basic and diluted)	**6**	**1,152.1p**	**1,056.5p**

CASH FLOW STATEMENT

	Notes	Year to 31 January 2020 £'000	Year to 31 January 2019 £'000
Operating activities			
Sale of portfolio investments		107,179	135,461
Purchase of portfolio investments		(95,417)	(101,790)
Net cash flows to subsidiary investments		(34,446)	(32,427)
Interest income received from portfolio investments		5,832	3,994
Dividend income received from portfolio investments		1,290	1,883
Other income received		381	216
Investment management charges paid		(9,499)	(7,956)
Other expenses paid		(1,227)	(1,749)
Net cash (outflow)/inflow from operating activities		**(25,907)**	**(2,368)**
Financing activities			
Bank facility fee		(2,576)	(1,081)
Interest paid		(61)	–
Purchase of shares into treasury		(2,628)	(709)
Equity dividends paid	5	(15,192)	(14,543)
Net cash outflow from financing activities		**(20,457)**	**(16,333)**
Net (decrease)/increase in cash and cash equivalents		**(46,364)**	**(18,701)**
Cash and cash equivalents at beginning of year		60,626	78,389
Net (decrease)/increase in cash and cash equivalents		(46,364)	(18,701)
Effect of changes in foreign exchange rates		208	938
Cash and cash equivalents at end of year		**14,470**	**60,626**

STATEMENT OF CHANGES IN EQUITY

Company	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Revenue reserve £'000	Total shareholders' equity £'000
Year to 31 January 2020							
Opening balance at 1 February 2019	7,292	2,112	12,936	348,632	359,888	–	730,860
Profit for the year and total comprehensive income	–	–	–	22,809	54,924	2,772	80,505
Dividends paid or approved	–	–	–	(12,420)	–	(2,772)	(15,192)
Purchase of shares into treasury	–	–	–	(2,628)	–	–	(2,628)
Closing balance at 31 January 2020	7,292	2,112	12,936	356,393	414,812	–	793,545

Company	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Revenue reserve £'000	Total shareholders' equity £'000
Year to 31 January 2019							
Opening balance at 1 February 2018	7,292	2,112	12,936	313,550	317,188	11,245	664,323
Profit for the year and total comprehensive income	–	–	–	37,227	42,700	1,862	81,789
Dividends paid or approved	–	–	–	(1,436)	–	(13,107)	(14,543)
Purchase of shares into treasury	–	–	–	(709)	–	–	(709)
Closing balance at 31 January 2019	**7,292**	**2,112**	**12,936**	**348,632**	**359,888**	**–**	**730,860**

NOTES TO THE FINANCIAL STATEMENTS

1) General information

These financial statements relate to ICG Enterprise Trust plc ('the Company'). ICG Enterprise Trust plc is registered in England and Wales and is incorporated in the UK. The Company is domiciled in the United Kingdom and its registered office is Juxon House, 100 St Paul's Churchyard, London EC4M 8BU. The Company's objective is to provide long-term growth by investing in private companies managed by leading private equity managers.

2) Financial information

The financial information for the year ended 31 January 2020 has been extracted from the statutory accounts for that year and do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statements under section 498(2) or (3) of the Companies Act 2006. Statutory accounts for that year will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held at 2a Luttrell Avenue, London, SW15 6PF on 17 June 2020 at 10 a.m.

The financial information for the year ended 31 January 2019 has been extracted from the statutory accounts for that year which were approved by the Board of Directors on 12 April 2019 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statements under section 498(2) or (3) of the Companies Act 2006.

The financial information for the year ended 31 January 2020 has been prepared in accordance with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards ('IFRS') and the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies in October 2019.

3) Basis of preparation

IFRS comprises standards and interpretations approved by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee as adopted in the European Union as at 31 January 2020.

These financial statements have been prepared on a going concern basis and on the historical cost basis of accounting, modified for the revaluation of certain assets at fair value. Further detail is provided in the Report of the Directors, which includes the Board's assessment of the impact of the COVID-19 outbreak on the going concern basis of accounting.

The principal accounting policies adopted are set out below. These policies have been applied consistently throughout the current and prior year. In order to reflect the activities of an investment trust company, supplementary information which analyses the income statement between items of revenue and capital nature has been presented alongside the income statement. In analysing total income between capital and revenue returns, the directors have followed the guidance contained in the SORP as follows:

- Capital gains and losses on investments sold and on investments held arising on the revaluation or disposal of investments classified as held at fair value through profit or loss should be shown in the capital column of the income statement.
- Returns on any share or debt security for a fixed amount (whether in respect of dividends, interest or otherwise) should be shown in the revenue column of the income statement.
- The Board should determine whether the indirect costs of generating capital gains should also be shown in the capital column of the income statement. If the Board decides that this should be so, the management fee should be allocated between revenue and capital in accordance with the Board's expected long term split of returns, and other expenses should be charged to capital only to the extent that a clear connection with the maintenance or enhancement of the value of investments can be demonstrated.

The accounting policy regarding the allocation of expenses is set out in note 1(i).

In accordance with IFRS 10 (amended), the Company is deemed to be an investment entity on the basis that:

(a) it obtains funds from one or more investors for the purpose of providing investors with investment management services;
(b) it commits to its investors that its business purpose is to invest funds for both returns from capital appreciation and, investment income; and
(c) it measures and evaluates the performance of substantially all of its investments on a fair value basis.

As a result, the Company's subsidiaries are deemed to be investment entities and are included in subsidiary investments classified as held at fair value through profit or loss.

Investments

All investments are classified upon initial recognition as held at fair value through profit or loss (described in these financial statements as investments held at fair value) and are measured at subsequent reporting dates at fair value. Changes in the value of all investments held at fair value, which include returns on those investments such as dividends and interest, are recognised in the income statement and are allocated to the revenue column or the capital column in accordance with the SORP (see note 1(a)). More detail on certain categories of investment is set out below. Given that the subsidiaries and associates are held at fair value and are exposed to materially similar risks as the Company, we do not expect the risks to materially differ from those disclosed in the Annual Report.

Unquoted investments

Fair value for unquoted investments is established by using various valuation techniques.

Funds and co-investments are valued at the underlying investment manager's valuation where this is consistent with the requirement to use fair value.

Where this is not the case, adjustments are made or alternative methods are used as appropriate. The most common reason for adjustments is to take account of events occurring after the date of the manager's valuation, such as realisations.

The fair value of direct unquoted investments is calculated in accordance with the 2018 International Private Equity and Venture Capital Valuation Guidelines. The primary valuation methodology used is an earnings multiple methodology, with other methodologies used where they are more appropriate.

Quoted investments

Quoted investments are held at the last traded bid price on the balance sheet date. When a purchase or sale is made under contract, the terms of which require delivery within the timeframe of the relevant market, the contract is reflected on the trade date.

Subsidiary undertakings

The investments in the subsidiaries are recognised at fair value through profit and loss.

The valuation of the subsidiaries takes into account an accrual for the estimated value of interests in the co-investment incentive scheme. Under these arrangements, ICG and certain of its executives and, in respect of certain historic investments, the executives and connected parties of Graphite Capital Management LLP (the 'Former Manager') (together 'the Co-investors'), are required to co-invest alongside the Company, for which they are entitled to a share of investment profits if certain performance hurdles are met. These arrangements are discussed further in the Report of the Directors. At 31 January 2020, the accrual was estimated as the theoretical value of the interests if the portfolio had been sold at the carrying value at that date.

Associates

Investments which fall within the definition of an associate under IAS 28 (Investments in associates) are accounted for as investments held at fair value through profit or loss, as permitted by that standard.

The Company holds an interest (including indirectly through its subsidiaries) of more than 20% in a small number of investments that may normally be classified as subsidiaries or associates. These investments are not considered subsidiaries or associates as the Company does not exert control or significant influence over the activities of these companies/partnerships as they are managed by other third parties.

4) Earnings per share

	Year ended 31 January 2020	Year ended 31 January 2019
Revenue return per ordinary share	4.02p	2.69p
Capital return per ordinary share	112.61p	115.43p
Earnings per ordinary share (basic and diluted)	116.63p	118.12p

Revenue return per ordinary share is calculated by dividing the revenue return attributable to equity shareholders of £2.8m (2019: £1.9m) by the weighted average number of ordinary shares outstanding during the year.

Capital return per ordinary share is calculated by dividing the capital return attributable to equity shareholders of £77.7m (2019: £79.9m) by the weighted average number of ordinary shares outstanding during the year.

Basic and diluted earnings per ordinary share are calculated by dividing the earnings attributable to equity shareholders of £80.5m (2019: £81.8m) by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding (excluding those held in treasury) during the year was 69,027,192 (2019: 69,243,466). There were no potentially dilutive shares, such as options or warrants, in either year.

5) Dividends

	Year ended 31 January 2020 £'000	Year ended 31 January 2019 £'000
No second interim dividend in respect of prior year (2019: 5.0p per share)	–	3,463
Third quarterly dividend in respect of year ended 31 January 2019: 5.0p per share (2019: 5.0p)	3,459	–
Final dividend in respect of year ended 31 January 2019: 7.0p per share (2019: 6.0p)	4,839	4,156
First quarterly dividend in respect of year ended 31 January 2020: 5.0p per share (2019: 5.0p)	3,450	3,463
Second quarterly dividend in respect of year ended 31 January 2020: 5.0p per share (2019: 5.0p)	3,444	3,461
Total	15,192	14,543

The Company paid a third quarterly dividend of 5.0p per share in March 2020. The Board has proposed a final dividend of 8.0p per share in respect of the year ended 31 January 2020 which, if approved by shareholders, will be paid on 24 July 2020, to shareholders on the register of members at the close of business on 3 July 2020.

6) Net asset value per share

The net asset value per share is calculated as the net assets attributable to shareholders of £793.5m (2019: £730.9m) and on 68,877,055 (2019: 69,177,055) ordinary shares in issue at the year end. There were no potentially dilutive shares, such as options or warrants, at either year end. Calculated on both the basic and diluted basis the net asset value per share was 1,152.1p (2019: 1,056.5p).

7) Post balance sheet events

Following the year end, there have been developments in relation to the COVID-19 outbreak resulting in significant market volatility and wider disruption. The Manager has taken action to protect its people and maintain business continuity, with all team members working remotely and the Company's key service providers continuing to operate effectively.

The Manager is working closely with the Company's underlying managers to understand the immediate and potential future impact of the COVID-19 pandemic, and its economic fallout, on the Company and its Portfolio. The majority of the Company's valuations rely on information provided by underlying portfolio managers who report on a quarterly basis. While there have been no subsequent valuations received as at the date of this report the Manager expects, based on discussions with the underlying portfolio managers, that the reduction in the Portfolio value since the balance sheet date has been less severe than the reduction in public markets.

As noted within the Manager's Review, during the year the Company's financial position was strengthened by agreeing a new bank facility of €176m (£148m), which matures in two equal tranches in April 2021 and April 2022 and is subject to a number of covenants. Since the year end, the Company has drawn £40m from its facility, taking the Company's gross cash balances to £56m at 23 April 2020.

As part of the Board's assessment of the going concern basis and viability of the Company, as detailed in the Corporate Governance Report, a range of stressed scenarios and sensitivity analyses were examined to identify conditions that might result in the facility's covenants being breached. This included the consideration of possible remedial action that the Company could undertake to avoid such breaches. The diversification and defensive characteristics of the Portfolio were also considered.

The output from the scenario analysis is sensitive to the reduction in Portfolio value which is dependent on external factors. The Company is not in breach of any of its facility covenants, has sufficient headroom and is well placed to manage the Portfolio cash flows. However, in the event of an extreme fall in Portfolio value, the Company would need to undertake remedial actions in order to continue to meet these covenants. Given the depth of the secondary markets, and the Company's track record of secondary sales, the most likely route would be for the Company to undertake secondary transactions of its existing assets and commitments. The Company would also discuss alternative arrangements with its existing lenders. Based on the Board's review and drawing on its extensive skills and experience it expects that, even in this extreme scenario, the Company would continue as a viable entity.

The COVID-19 pandemic is considered to be a non-adjusting post balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities at 31 January 2020.

Between 1 February 2020 and 23 April 2020, being the latest practical date before publication of this document, the Company purchased 110,000 ordinary shares at an average price of 700p, for a total cost of £0.8m at a weighted average discount of 40%. These shares are held in treasury.

GLOSSARY (UNAUDITED)

Alternative Performance Measures ('APMs') are a term defined by the European Securities and Markets Authority as 'financial measures of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework'.

APMs are used in this report if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company and for comparing the performance of the Company to its peers, taking into account industry practice.

Definitions and reconciliations to IFRS measures are provided in the main body of the report or denoted *in this Glossary, where appropriate.

Buyout funds are funds that acquire controlling interests in companies with a view towards later selling those companies or taking them public.

Compound Annual Growth Rate ('CAGR') represents the annual growth rate of an investment over a specified period of time longer than one year.

Capital deployed* please see 'Total new investment'.

Carried interest is equivalent to a performance fee. This represents a share of the profits that will accrue to the underlying private equity managers, after achievement of an agreed preferred return.

Co-investment is a direct investment in a company alongside a private equity fund.

Co-investment incentive scheme accrual represents the estimated value of interests in the co-investment incentive scheme operated by the Company. At both 31 January 2020 and 31 January 2019, the accrual was estimated as the theoretical value of the interests if the Portfolio had been sold at its carrying value at those dates.

Commitment represents the amount of capital that each limited partner agrees to contribute to the fund which can be drawn at the discretion of the general partner.

Direct investments are investments in a single underlying company.

Discount* arises when the Company’s shares trade at a discount to NAV. In this circumstance, the price that an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the NAV was 100p and the share price was 90p, the discount would be 10%.

Drawdowns are amounts invested by the Company into funds when called by underlying managers in respect of an existing commitment.

EBITDA stands for earnings before interest, tax, depreciation and amortisation, which is a widely used performance measure in the private equity industry.

Enterprise value is the aggregate value of a company’s entire issued share capital and net debt.

FTSE All-Share Index Total Return is the change in the level of the FTSE All-Share Index, assuming that dividends are re-invested on the day that they are paid.

Full realisations are exit events (e.g. trade sale, sale by public offering, or sale to a financial buyer) following which the residual exposure to an underlying company is zero or immaterial.

Funds in investment period are those funds which are able to make new platform investments under the terms of their fund agreements, usually up to five years after the initial commitment.

General Partner (‘GP’) is the entity managing a private equity fund that has been established as a limited partnership. This is commonly referred to as the Manager.

Hedging is an investment technique designed to offset a potential loss on one investment by purchasing a second investment that is expected to perform in the opposite way.

High conviction portfolio* comprises co-investments, ICG managed funds and secondary fund investments.

Initial Public Offering (‘IPO’) is an offering by a company of its share capital to the public with a view to seeking an admission of its shares to a recognised stock exchange.

Internal Rate of Return (‘IRR’) is a measure of the rate of return received by an investor in a fund. It is calculated from cash drawn from and returned to the investor together with the residual value of the investment.

Last Twelve Months (‘LTM’) refers to the time frame of the immediately preceding 12 months in reference to a financial metric used to evaluate the Company’s performance.

Limited Partner (‘LP’) is an institution or individual who commits capital to a private equity fund established as a limited partnership. These investors are generally protected from legal actions and any losses beyond the original investment.

Limited Partnership includes one or more general partners, who have responsibility for managing the business of the partnership and have unlimited liability, and one or more limited partners, who do not participate in the operation of the partnership and whose liability is ordinarily capped at their capital and loan contribution to the partnership. In typical fund structures, the general partner will not receive **a profit share until cost has been returned and an agreed preferred return has been achieved.**

Local currency return is the change in the valuation of the Company's Portfolio, before the effect of currency movements and co-investment scheme accrual. The local currency return of 16.6% is calculated as follows:

£m	2020	2019
Income, gains and losses on investments	92.7	91.5
Foreign exchange gains and losses included in gains and losses on investments	13.8	(8.7)
Incentive accrual valuation movement	8.9	7.6
Total gains on Portfolio investments excluding impact of foreign exchange	115.4	90.4
Opening Portfolio valuation	694.8	600.7
Portfolio return on a local currency basis	16.6%	15.0%

Management Buyin ('MBI') is a change of ownership, where an incoming management team raises financial backing, normally a mix of equity and debt, to acquire a business.

Management Buyout ('MBO') is a change of ownership, where the incumbent management team raises financial backing, normally a mix of equity and debt, to acquire a business it manages.

Net asset value per share ('NAV') is the value of the Company's net assets attributable to one ordinary share. It is calculated by dividing 'shareholders' funds' by the total number of ordinary shares in issue. Shareholders' funds are calculated by deducting current and long-term liabilities, and any provision for liabilities and charges, from the Company's total assets.

Net asset value per share Total Return* is the change in the Company's net asset value per share, assuming that dividends are re-invested at the end of the quarter in which the dividend was paid.

Net debt is calculated as the total short-term and long-term debt in a business, less cash and cash equivalents.

Overcommitment* refers to where private equity fund investors make commitments exceeding available liquidity for investment. When determining the appropriate level of overcommitment, careful consideration needs to be given to the rate at which commitments might be drawn down, and the rate at which realisations will generate cash, and therefore liquidity, from the existing portfolio to fund new investment.

Portfolio* represents the aggregate of the investment Portfolios of the Company and of its subsidiary limited partnerships. This is consistent with the commentary in previous annual and interim reports. The Board and the Manager consider that this is the most relevant basis for shareholders to assess the overall performance of the Company and comparison with its peers.

The closest equivalent amount reported on the balance sheet is 'investments at fair value'. A reconciliation of these two measures is presented below.

£m	Investments at fair value as per balance sheet	Cash held by subsidiary limited partnerships	Balances receivable from subsidiary limited partnerships	Co-investment incentive scheme accrual	Portfolio
31 January 2020	778.4	–	–	28.0	806.4
31 January 2019	670.1	–	–	24.7	694.8

Post 2008 crisis investments are defined as those completed in 2009 or later.

Pre 2008 crisis investments are defined as those completed in 2008 or before, based on the date the original deal was completed, which may differ from when the Company invested if acquired through a secondary.

Preferred return is the preferential rate of return on an individual investment or a portfolio of investments, which is typically 8% per annum.

Premium occurs when the share price is higher than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets.

Public to private ('P2P') is the purchase of all of a listed company's shares and the subsequent delisting of the company, usually funded with a mixture of debt and unquoted equity.

Quoted company is any company whose shares are listed or traded on a recognised stock exchange.

Realisation proceeds* are amounts received by the Company in respect of the Portfolio, which may be in the form of capital proceeds or income such as interest or dividends. In accordance with IFRS 10, the Company's subsidiaries are deemed to be investment entities and are included in subsidiary investments within the financial statements. Movements in the cash flow statement within the financial statements reconcile to the movement in the Portfolio as follows:

£m	**2020**	**2019**
Per Cash flow statement		
Sale of portfolio investments	107.2	135.5
Sale of portfolio investments, interest received and dividends received within subsidiary investments	34.5	21.6
Interest income	5.8	4.0
Dividend income	1.3	1.9
Realisation proceeds	148.8	163.0

Realisations – multiple to cost* is the average return from full exits from the Portfolio in the period on a primary investment basis, weighted by cost.

£m	**2020**	**2019**
Cumulative realisation proceeds from full exits in the year	99.2	156.6
Cost	41.9	64.6
Average return multiple of cost	2.4x	2.4x

Realisations – uplift to carrying value* is the aggregate uplift on full exits from the Portfolio in the period excluding publicly listed companies that were exited via sell downs of their shares.

£m	**2020**	**2019**
Realisation proceeds	73.5	118.4
Carrying value prior to exit	53.7	87.6
Realisation uplift to previous carrying value	37%	35%

Secondary investments occur when a Company purchases existing private equity fund interests and commitments from an investor seeking liquidity.

Share price Total Return* is the change in the Company's share price, assuming that dividends are re-invested on the day that they are paid.

Total new investment is the total of direct co-investment and fund investment drawdowns in respect of the Portfolio. In accordance with IFRS 10, the Company's subsidiaries are deemed to be investment entities and are included in subsidiary investments within the financial statements.

Movements in the cash flow statement within the financial statements reconcile to the movement in the Portfolio as follows:

£m	**2020**	**2019**
Per Cash flow statement		
Purchase of portfolio investments	95.4	101.8
Purchase of portfolio investments within subsidiary investments	63.2	55.8
Total new investment	158.6	157.6

Total Return is a performance measure that assumes the notional re-investment of dividends. This is a measure commonly used by the listed private equity sector and listed companies in general.

The table below sets out the share price and the net asset value per share growth figures for periods of one, three, five and ten years to the balance sheet date on a Total Return basis.

Total Return performance in years to 31 January 2020	**1 year**	**3 year**	**5 year**	**10 year***
Net asset value per share	11.2%	40.6%	85.0%	190.5%
Share price	20.5%	49.1%	92.6%	286.1%
FTSE All-Share Index	10.7%	18.4%	35.6%	111.2%

* As the Company changed its year end in 2010, the ten year figures are for the 121 month period to 31 January 2020.

Undrawn commitments are commitments that have not yet been drawn down

Unquoted company is any company whose shares are not listed or traded on a recognised stock exchange.

Valuation multiples are earnings or revenue multiples applied in valuing a business enterprise

Venture capital refers to investing in companies at a point in that company's life cycle that is either at the concept, start-up or early stage of development.