## INTRODUCTION

# Our focus on defensive growth continues to set us apart

Our differentiated approach 4 →

Manager's review 14 →

“

**During a year of economic uncertainty, I have been encouraged to see ICG Enterprise Trust generating consistent returns, demonstrating the inherent resilience of our 'defensive growth' strategy. The Company delivered a NAV per Share Total Return of 14.5%, bringing the five-year annualised NAV per Share Total Return to 16.9% per annum.**

This year, your Board has implemented additional measures to optimise shareholder returns. These include a long-term buyback programme, running alongside our existing progressive dividend policy, and an improved management fee agreement, incorporating a cap on the fee rate payable to our Manager.

I believe ICG Enterprise Trust is an attractive vehicle for investors to gain exposure to privately-owned companies in Europe and North America. It is managed by an experienced and well-networked investment team, and our NAV per Share Total Return has been greater than the FTSE All-Share Total Return for every year for the last decade.

I thank you all for your continued support and invite you to read more about our performance and activities during the 12 months to 31 January 2023 in this Annual Report.

**Jane Tufnell**
Chair

## Our purpose

To provide shareholders with access to the attractive long-term returns generated by investing in private companies, with the added benefit of daily liquidity

Governance overview **48** →

## What we invest in

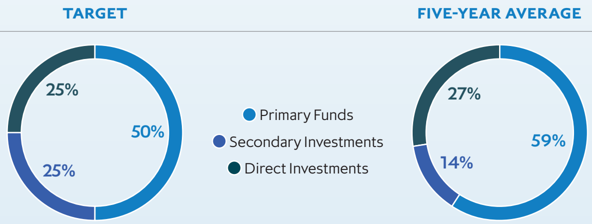
Cash-generative companies in Europe, North America and the UK

## How we manage our assets

**PORTFOLIO COMPOSITION**

**1 Investment type**

See page **8** →



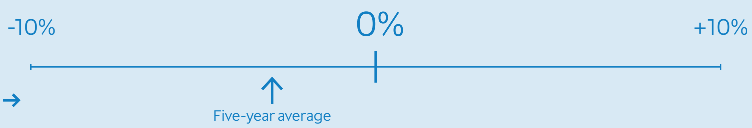

**2 Geographic split**

See page **6** →


**BALANCE SHEET**

**3 (Net cash)/debt**

Chair's statement **6** →




## Our points of difference

**DEFENSIVE GROWTH**

A focus on investing in defensive growth companies

+19%

Portfolio five-year annualised returns

Our differentiated approach **4** →

**ICG PLATFORM**

The strength of a leading global alternative asset manager

$75bn

Assets under management

How we work with our Manager **12** →

**DEDICATED TEAM**

A dedicated and highly experienced investment team

80+

Years of combined industry experience

People and culture **28** →

**Generating long-term shareholder value**

117.8%

**Five-year cumulative NAV per Share Total Return**

# How we manage our portfolio

Our business model enables us to realise long-term value by combining our proven strategy alongside our Manager's global platform

Manager's review 14 →

## A diligent investment process

Including ESG considerations and disciplined capital allocation

**SOURCE OPPORTUNITIES**
The team actively sources new opportunities, maintaining close relationships with private equity managers. As part of ICG, the team also benefits from insights and proprietary deal flow from the wider ICG network.

**ANALYSE & INVEST**
Ahead of any investment, deep and granular due diligence is undertaken. A detailed investment recommendation is then discussed by the Investment Committee and, if approved, moves to legal review.


**REINVEST OR RETURN**
Proceeds from the sales of portfolio companies are reinvested in new investment opportunities, or returned to shareholders through dividends or share buybacks.

Find out more about our approach to capital allocation on page 36.

**MONITOR & ACTIVELY MANAGE PORTFOLIO**
Underlying performance is closely monitored and the Portfolio's exposures are actively managed to ensure consistent strong performance.

### Finance & risk

### Sales & marketing

### Operations

## Underpinned by our approach to responsible investing

Investing responsibly 32 →

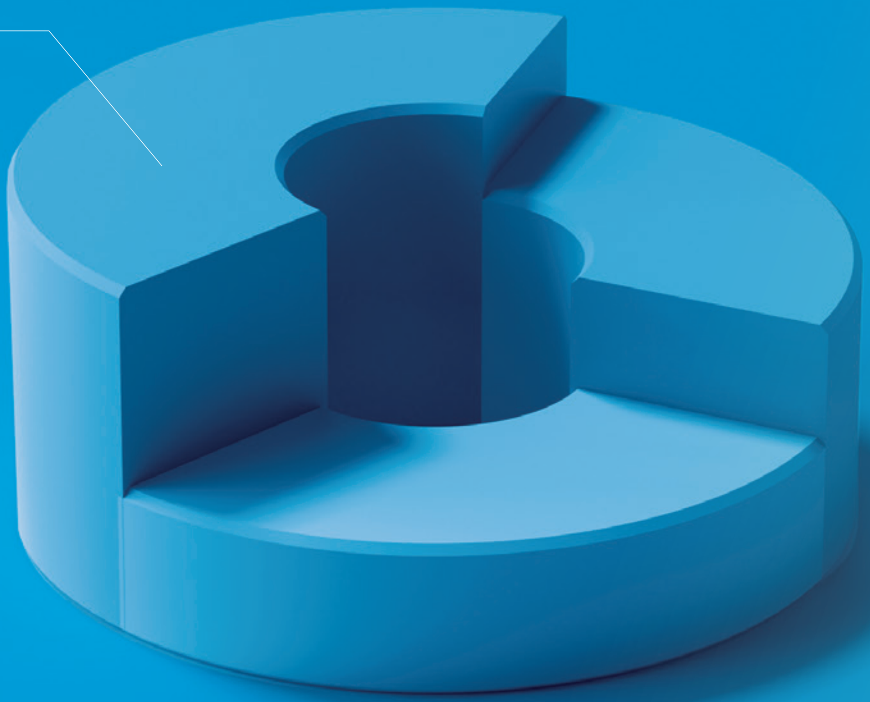
Investment Committee oversight.

# A spotlight on defensive growth

Defensive growth companies are able to grow even during difficult operating environments. We target these companies so that our Portfolio is less sensitive to economic cycles.

14

Consecutive years of double digit Portfolio growth



**What key characteristics do we look for?**

- A strong market position
- A provider of mission-critical services
- Strong pricing power
- A high margin business model

Our differentiated approach focused on defensive growth sets us apart. It shapes how we construct our Portfolio, how we evaluate potential investments and how we allocate capital between them. It is underpinned by our Manager's leading global network and the talent of our diverse and dedicated investment team.

## A **balanced**, actively constructed portfolio

**A SELECTIVE AND CLEAR INVESTMENT STRATEGY BUILT ON DEFENSIVE GROWTH**

We seek to invest in companies that are established, profitable and cash generative. We make these investments directly and through funds managed by ICG and third-party managers, taking account of ESG considerations throughout our investment process.

How we access the market
**p8**

## A **global** network of access provided by our Manager

**INSIGHT TO LOCAL PERSPECTIVES ON AN INTERNATIONAL STAGE**

Our Manager's network provides us with substantial benefits, and our unique access to ICG-managed funds and associated co-investment opportunities has generated substantial value for our shareholders.

How we work with our Manager
**p12**

## A **diverse** and dedicated investment team of experts

**A HIGHLY EXPERIENCED TEAM OF SECTOR SPECIALISTS**

Our Portfolio is managed by a dedicated investment team within ICG, who have a strong combination of direct and fund investment experience.

People and culture
**p28**

## I am pleased to report that your Company has continued to grow and invest for the future during the last financial year.

In a period characterised by geopolitical and macro-economic uncertainty, ICG Enterprise Trust's performance reinforces the Board's confidence in the resilience of the Portfolio and the benefits through economic cycles of our strategic focus on 'defensive growth'.

ICG Enterprise Trust's NAV at 31 January 2023 was £1.3bn, equating to 1,903p NAV per Share. The Company has delivered 14.5% NAV per Share Total Return for the financial year, and 16.9% on a five-year annualised basis, net of all fees. Further details on the composition and performance of the Portfolio and NAV can be found in the Manager's review.

In public markets the macroeconomic uncertainty in 2022 was reflected in amplified volatility, downward pressure on earnings estimates and lower valuations placed on earnings. Understandably there have been questions about the seemingly less volatile nature of private valuations compared to public valuations. The Portfolio of ICG Enterprise Trust is notably different from that of frequently-cited public indices and is not weighted towards consumer, financials and energy companies (in the case of the FTSE 100) or towards a narrow group of technology companies (in the case of the S&P500). In addition, private market valuations have not typically seen the same levels of exuberance as public markets during periods when valuations have expanded dramatically.

When reviewing the valuation of the Portfolio, there are a number of factors to consider; but the ultimate validation is how an investment is realised, and whether at exit a buyer is willing to pay the value that we had it marked at. During FY23 the Portfolio experienced 54 Full Exits, generating £133.2m of cash proceeds (representing 11.4% of the opening Portfolio value for the year). These were executed at a weighted average Uplift to Carrying Value of 23.9% – slightly lower than recent years, but still a significant uplift. I believe our track record of Full Exits being at an Uplift to Carrying Value should give shareholders comfort that the valuations in our Portfolio are generally robust, and this is an area the Board continues to discuss in detail with the Manager.

Despite this consistent and strong track record, our share price has been impacted by widening discounts across the listed private equity investment trust sector. During this financial year our shareholders endured a negative Share Price Total Return of (2.3)% and on 31 January 2023 our shares traded at a 40.1% discount to the last published NAV of 1,918p (as at 31 October 2022).

The Board considers that the Company's performance and the value of its Portfolio and strategy are not appropriately recognised in its share price, and implemented several additional measures this year to optimise shareholder returns. These include a long-term buyback program, running alongside our existing progressive dividend policy, and an improved management fee agreement, that introduces a cap on the fee rate payable to our Manager and the Manager assuming a greater proportion of the Company's ongoing costs.

### PROVIDING PUBLIC ACCESS TO PRIVATE EQUITY

Private equity can play a valuable role in generating differentiated returns for investors with a long-term perspective. It is, however, a fundamentally illiquid asset class. The closed-end nature of investment trusts solves the potential liquidity mismatch for investors by creating traded shares that can be bought and sold on a stock exchange. As a result, the portfolio can be managed for long-term value creation without the risk of having to sell assets to fund redemptions. By investing in vehicles such as ICG Enterprise Trust, shareholders gain access to a mature and actively managed portfolio of private equity investments, with the added benefit of daily liquidity.

A consequence of the investment trust structure, however, is that shares can trade at discounts to the published NAVs, and currently the sector as a whole – including ICG Enterprise Trust – is trading at quite notable discounts. As discussed elsewhere, your Board continues to work with the Manager to make shares in ICG Enterprise Trust more attractive to a wider range of investors.

I continue to believe that investment trusts such as ICG Enterprise Trust serve a useful purpose in helping provide access to private equity to a more diverse range of investors who are seeking to commit capital to this asset class.

### HOW ICG ENTERPRISE TRUST IS MANAGED

Six years ago, ICG Enterprise Trust outlined three objectives. We are pleased to have delivered against each of these since they were introduced:

| Former objectives | Medium-term target | FY16 | FY23 |
|---|---|---|---|
| Portfolio as percentage of net assets | 100% | 82.1% | **108.1%** |
| North America as percentage of Portfolio | 40–50% | 14.1% | **46.6%** |
| High Conviction Investments as percentage of deployment | 50% | 33.0% | **57.6%** |

The Company has evolved since these objectives were introduced, and to reflect this the Board has revised these objectives to the following, which focus on 1. Target Portfolio composition and 2. Balance sheet:

| New objectives | Medium-term target | Five-year average | FY23 |
|---|---|---|---|
| **1. Target Portfolio composition**[1] | | | |
| Investment category | | | |
| Primary | ~50% | **59.2%** | **54.1%** |
| Direct | ~25% | **27.3%** | **27.3%** |
| Secondary | ~25% | **13.5%** | **18.6%** |
| Geography[2] | | | |
| North America | ~50% | **37.2%** | **46.6%** |
| Europe (inc. UK) | ~50% | **62.8%** | **53.4%** |
| **2. Balance sheet** | | | |
| (Net cash)/debt[3] | ~0% | **(3.0)%** | **3.4%** |

1 As percentage of Portfolio value.
2 FY23 excludes 6.3% Other geographical exposure.
3 (Net cash)/debt as a percentage of NAV.

> We remain well positioned to provide shareholders with access to attractive long-term returns. Our investment strategy is clear, our financial position is robust, and the underlying companies in which our Portfolio is invested are well-equipped to withstand the economic uncertainties we currently face.

**JANE TUFNELL**
Chair

Importantly this does not indicate a change in the composition of the Portfolio, it merely more accurately reflects how the Portfolio and our balance sheet are being managed, and how they are expected to be constructed over the medium term. I believe that today we have a very high quality investment team through our Manager, and that these objectives will enable us to maximise the value they generate for our shareholders.

### DIVIDEND AND SHARE BUYBACK

During the financial year the Board gave careful consideration to the level, form and mechanism of shareholder returns. The nature of private equity investments means that compounding capital appreciation is likely to be the largest single component of shareholder returns over the long term.

The progressive dividend is an important component of shareholder returns, and the Board remains committed to this policy. In line with this, the Board is proposing a final dividend of 9p per share. Together with the three interim dividends of 7p per share each, this will result in total dividends for the year of 30p per share, representing an 11.1% increase on the prior year dividend and the seventh consecutive year of dividend increases.

In October 2022 the Board introduced a long-term share buyback programme. The Board believes this programme demonstrates the Manager's discipline around capital allocation; underlines the Board's confidence in the long-term prospects of the Company, its cash flows and NAV; will enhance the NAV per Share; and over time may reduce the volatility of the Company's discount and increase its trading liquidity. At 2 May 2023 the Company has repurchased 472,178 shares since this programme was initiated, at an estimated weighted average discount to the last reported NAV of 41.2%. In aggregate these buybacks represent a capital return of £5.2m.

### IMPROVED MANAGEMENT FEE AND COST SHARING WITH THE MANAGER

During the year we negotiated a revised fee agreement with the Manager, effective from 1 February 2023. This agreement caps the maximum fee rate payable to the Manager, and allows our shareholders to benefit from economies of scale as our NAV grows. Had the revised agreement been in place during FY23, the management fee paid would have been reduced by approximately 6.5% (£1.1m).

It was also agreed that the Manager will absorb a number of ongoing costs previously paid for by ICG Enterprise Trust. The Board estimates that these are equivalent to approximately 25–30% of the general expenses (which exclude management fees and finance costs) that would have been paid by ICG Enterprise Trust prior to this agreement being reached.

I am grateful to ICG for their co-operation during these negotiations and am pleased with the outcome we have agreed.

## Changes to management fees and costs

The ICG Enterprise Trust Board and the Manager have agreed a revised management fee rate, effective from 1 February 2023. While the management fee arrangement will remain unchanged, a tiered cap as a proportion of NAV has been introduced at the following thresholds:

| ICG Enterprise Trust NAV | Management fee cap |
|---|---|
| < £1.5bn | 1.25% |
| £1.5bn ≤ £2.0bn | 1.10% |
| > £2.0bn | 1.00% |

The Board believes that this arrangement fairly compensates the Manager, and ensures that ICG Enterprise Trust shareholders benefit from the economies of scale generated from growth in the Company's NAV.

The management fees for the financial year covered in this report were 1.34% of NAV. As an illustration, had the revised agreement been in place during this period, the management fee rate would have been capped at 1.25% which would have reduced the management fee by approximately 6.5% (approximately £1.1m).

The Manager has also agreed to absorb a number of ongoing costs previously paid for by ICG Enterprise Trust, in particular a material share of Sales and Marketing costs. The Board estimates that these are equivalent to approximately 25–30% of the General Expenses (which exclude management fees and finance costs) that would have been paid by ICG Enterprise Trust prior to this agreement being reached.

### BOARD EVOLUTION

Following the retirement of Sandra Parajola in June 2022, we were delighted to strengthen our Board with the appointment of two new non-executive directors, Adiba Ighodaro and Janine Nicholls. Adiba and Janine each bring a depth and breadth of knowledge which is complementary to the Board's existing skillset. Further details on their backgrounds and experience can be found on page 50.

### ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 27 June 2023. The Board will be formally communicating with shareholders outlining the format of the meeting separately in the Notice of Meeting. This will include details of how shareholders may register their interest in attending the Annual General Meeting, either in person or via video conference.

### LOOKING AHEAD

I am confident that our Company is well-positioned to successfully execute on its strategy. We have historically generated significant value over the long term, and I believe we will continue to do so. Our ability to continue to commit, deploy and realise capital through uncertain economic times means that our Portfolio is not exposed to particular vintage risk. We have a distinctive strategy, a Portfolio managed by an experienced and well-networked team, and our Board has demonstrated its disciplined approach to capital allocation. Taken as a whole I believe this results in a differentiated and attractive offering to shareholders.

Finally, I want to thank you for the continued trust and support you give to ICG Enterprise Trust.

**Jane Tufnell**
Chair
10 May 2023

# A **balanced**, actively constructed portfolio

We seek to invest in companies that are established, profitable and cash generative. We make these investments directly and through funds managed by ICG and third-party managers, taking account of ESG considerations throughout our investment process.

We aim to build a portfolio of companies with defensive growth characteristics to deliver consistently strong returns over the long term.

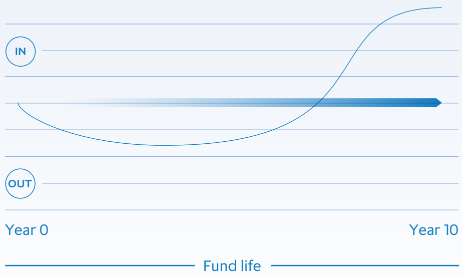
Manager's review **14** →

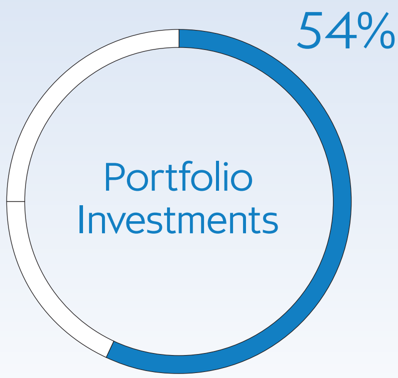
## Primary Funds

Commitments to new private equity funds.

**INDICATIVE CASH PROFILE**

Primary Fund commitments are typically drawn down over three to five years and are repaid as the underlying fund realises its investments.

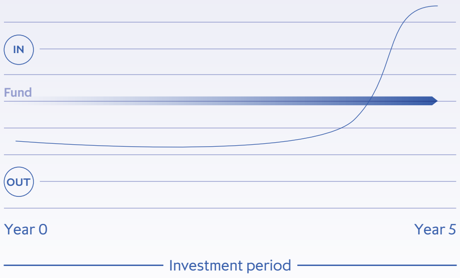


## Secondary Investments

Acquiring fund interests and commitments from other investors.

**INDICATIVE CASH PROFILE**
Investments in mature private equity funds which have an established portfolio typically return capital earlier than a Primary Fund investment.

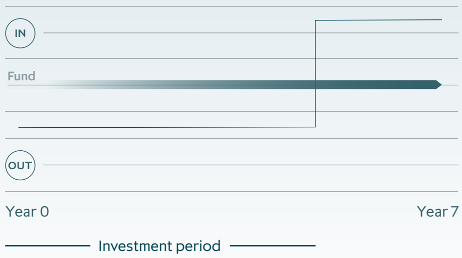


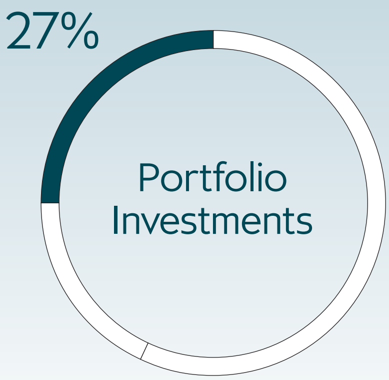


## Direct Investments

Investing directly in companies alongside funds managed by ICG and third-party fund managers.

**INDICATIVE CASH PROFILE**
Direct Investments are realised when the underlying portfolio company is sold by its underlying manager.




29%

Of the Portfolio is invested into ICG-managed Funds and Direct Investments

# Successfully navigating challenging markets

## The trends we are seeing

We are particularly focused on assessing risks around GDP-linked revenue, discretionary spending and inflation, and identifying differentiated investments that can reduce the risk of unknown variables.

1

### Congested fundraising environment

2022 saw significant fundraising activity within private equity, with a large number of managers seeking significant capital. For investors looking to commit capital, this was a 'buyers' market', allowing LPs to gain access to a wider range of funds, and choose selectively between them.

According to market data from PEI[1], total fundraising for 2022 ($727bn) represented the third largest year on record. However, the increase in average fundraising duration provides a clearer indicator of the competitive dynamics: in 2022, the average time taken to close a buyout fund was 15.4 months, a 12% increase versus 2021 (13.4 months)[2].

This level of fundraising, combined with lower realisation activity, also created opportunities in the secondary market. For investors with limited capacity to make new commitments, one solution is to dispose of older investments in the secondary market. 2022 LP secondary transaction volumes were the second highest on record, representing more than half of secondary activity[3].

**$727bn**

**Total PE fundraising in 2022**

## The ways we are responding

There are great opportunities to be captured by successfully navigating challenging markets. In a time of heightened macroeconomic uncertainty, we target investments with fewer unknown variables; identifying a number of opportunities that can provide this.

ICG Enterprise Trust's flexible investment mandate enabled us to take advantage of the favourable supply/demand dynamics in primaries and secondaries.

While remaining disciplined in our manager screening and investment analysis, during FY23 we made primary commitments to 11 leading managers, with an average Primary Fund commitment size of £11.5m.

In addition, we made new commitments to two funds focused on Secondary Investments (both managed by ICG), for a combined total of £65.9m.

**£11.5m**

**Average primary commitment size**

1 PEI PE fundraising 2022.
2 Pitchbook data (US market) quoted in Cherry Bekaert PE 2022 Report.
3 Secondaries investor 2022 report.

2

## Bifurcation in transaction activity

FY23 was a year of two halves for private market deal activity. During the first half of 2022, global transaction activity remained robust, with European PE activity outpacing 2021 levels both on a volume and value basis, with similar trends seen in US buyout activity[4,5].

However, deal activity slowed meaningfully in the second half of the year. According to data from McKinsey & Co, global buyout transaction volumes decreased by 25% year-on-year between July and December 2022. Notably, the slowdown in transaction activity was skewed towards the large-cap private equity market, which relies more heavily on capital market financing. In 2022, the number of buyout and growth deals greater than $500m decreased by 33% year-on-year.[6]

The effective closure of the capital markets can also be seen in reduced IPO activity. In 2022, IPO activity in the Americas sank to a 20-year low by value; in Europe, IPO proceeds were down 78% year-on-year[6].

-33%

**Year-on-year change in large-cap PE deal volume**

Our investment strategy is focused on mid-market private equity, where volumes and values have remained relatively resilient.

During the year we continued to see realisation levels broadly in line with our five-year average. Realisation Proceeds in FY23 were £252.0m, representing 21.5% of our opening Portfolio value (five-year average: 23.9%).

IPOs are not a typical route to exit for ICG Enterprise Trust or its third-party managers.

21.5%

**Realisation Proceeds/opening Portfolio value**

3

## Rising interest rates and inflation

The inflationary pressures we noted in our FY22 Annual Report increased further during FY23. Increasing input costs impacted consumers and companies globally, driven by supply chain constraints, energy insecurity and labour market pressures.

During 2022, central banks implemented more aggressive fiscal policy to target a reduction in inflation. In 2022, US, UK and European central banks increased interest rates by 4.3%, 3.3% and 2.5% respectively[7].

Though developed market economies generally avoided a recession in 2022, this outcome was uncertain for much of the year, fuelling a more risk-averse investor sentiment that contributed to increased public market volatility. These concerns have also impacted public market valuations, especially for those companies whose value today is heavily dependent on substantial earnings being generated quite some time in the future.

7.3%

**2022 annual inflation in advanced economies**

ICG Enterprise Trust invests in profitable, cash generative businesses at an attractive stage in their growth cycle. We seek to identify businesses with defensive growth characteristics, such as structurally high margins, price inelasticity, strong market positions, or those that provide mission critical services. We do not seek to invest in unprofitable technology companies or make Venture Capital/Growth Equity investments.

At 31 March 2023, weighted average Net Debt/EBITDA for 27 of our Top 30 (representing 33% of Portfolio value) was 4.7x[8].

We and our managers are focused on maintaining prudent amounts of leverage in our investment companies and we monitor closely the leverage and operational performance of our Portfolio.

4.7x

**Average Net Debt/EBITDA of Top 30 companies**

4 RW Baird: European PE H1 report.
5 McKinsey & Company Global Private Markets Review 2023.
6 EY Global IPO Trends 2022 report.
7 Central bank websites (US Federal Reserve; Bank of England; European Central Bank).
8 Calculation basis and relevant exclusions are disclosed on page 16.

# A **global** network of access provided by our Manager

Our Manager's expertise and access provide us with substantial benefits, and our unique access to ICG-managed funds and associated Direct Investment opportunities has generated substantial value for our shareholders since our relationship began.

## Our seven-year relationship with our Manager is generating shareholder value

Combining our proven strategy and balanced approach with the strength of ICG's global platform

icgam.com →

Go online to find out more information about our Manager

## A leading global alternative asset manager

### A global platform

The ICG Group provides flexible capital solutions to help companies develop and grow. It is a leading global alternative asset manager with over 30 years' history, managing $74.5bn of assets and investing across the capital structure. The firm operates across four asset classes: Structured and Private Equity, Private Debt, Real Assets, and Credit.

### Developing long-term relationships

ICG develops long-term relationships with its business partners to deliver value for shareholders, clients and employees, and uses its position of influence to benefit the environment and society. The firm is committed to being a net zero asset manager across its operations and relevant investments by 2040.

### Proprietary deal flow

The Company benefits from access to the proprietary deal flow of investments from ICG's network and its expertise and insights gained from over 30 years of investing in private markets.

**$75bn**
Assets under management

**16**
Offices globally

**30+**
Year track record

## How we benefit

### Access

We invest in ICG-managed funds and are offered significant Direct Investment opportunities through these commitments and our close relationship with the Manager.

### Insights

With 575 employees in 16 offices globally and managing $74.5bn of assets across approximately 20 investment strategies, our Manager provides significant insights into private market trends, sector themes and company performance.

### Expertise

Our operational platform and broader approach benefit from our Manager's expertise.

**29.2%**
Of portfolio in ICG-managed assets

**575**
Employees globally

**90%**
Of ICG AUM covered by Comprehensive Climate Risk Assessment

> The defensive growth characteristics of our actively managed Portfolio are increasingly apparent in our financial results. As a result of our focused investment strategy and balanced portfolio composition we are delivering long-term growth.

**OLIVER GARDEY**
Head of Private Equity Fund Investments

**10.5%**
**Portfolio Return on a Local Currency Basis**[1]
(31 January 2022: 29.4%)

**14.5%**
**NAV per Share Total Return**
(31 January 2022: 24.4%)

1 This is an APM as defined in the Glossary on page 100.

## Alternative Performance Measures

The Board and the Manager monitor the financial performance of the Company on the basis of Alternative Performance Measures (APM), which are non-IFRS measures. The APM predominantly form the basis of the financial measures discussed in this review, which the Board believes assists shareholders in assessing their investment and the delivery of the investment strategy.

The Company holds certain investments in subsidiary entities. The substantive difference between APM and IFRS is the treatment of the assets and liabilities of these subsidiaries. The APM basis 'looks through' these subsidiaries to the underlying assets and liabilities they hold, and it reports the investments as the Portfolio APM. Under IFRS, the Company and its subsidiaries are reported separately. The assets and liabilities of the subsidiaries are presented on the face of the IFRS balance sheet as a single carrying value. The same is true for the IFRS and APM basis of the Cash flow statement.

The following table sets out IFRS metrics and the APM equivalents:

| IFRS | 31 January 2023 £m | 31 January 2022 £m |
|---|---|---|
| Investments | **1,349.1** | 1,123.7 |
| NAV | **1,300.6** | 1,158.0 |
| Cash flows from the sale of portfolio investments | **32.1** | 101.0 |
| Cash flows related to the purchase of Portfolio investments | **62.2** | 75.1 |

| APM | 31 January 2023 £m | 31 January 2022 £m |
|---|---|---|
| Portfolio | **1,406.4** | 1172.2 |
| | | |
| Total Proceeds | **252.0** | 333.5 |
| Total New Investment | **287.2** | 303.7 |

The Glossary on page 100 includes definitions for all APM and, where appropriate, a reconciliation between APM and IFRS.

## Our investment strategy

We focus on investing in buyouts of profitable, cash-generative businesses in developed markets that exhibit defensive growth characteristics which might support strong and resilient returns across economic cycles. There are a number of themes that contribute to a business having, in our view, such characteristics. These include (among others) attractive market positioning, providing mission-critical services to their clients and customers, ability to pass on price increases, and structurally high margins.

We take an active approach to portfolio construction, with a flexible mandate that enables us to deploy capital in Primary, Secondary and Direct investments. We believe our investment strategy results in a differentiated portfolio with attractive growth characteristics. Our Portfolio composition is shown opposite.

Investments managed by ICG accounted for 29.2% of the Portfolio.

Geographically we focus on the developed markets of North America and Europe, including the UK, which have deep and mature private equity markets supported by a robust corporate governance framework. The geographic profile of the Portfolio is shown opposite.

| Investment category | 31 January 2023 £m | 31 January 2023 % of Portfolio |
|---|---|---|
| Primary | **761.7** | **54.1%** |
| Direct | **383.8** | **27.3%** |
| Secondary | **260.9** | **18.6%** |
| **Total** | **1,406.4** | **100.0%** |

| Geography[1] | 31 January 2023 % of Portfolio |
|---|---|
| North America | **46.6%** |
| Europe (inc. UK) | **47.1%** |
| Other | **6.3%** |
| **Total** | **100.0%** |

1 Calculated by reference to the location of the headquarters of the underlying Portfolio companies on a value-weighted basis.

## Performance overview

At 31 January 2023, our Portfolio was valued at £1,406.4m, and the Portfolio Return on a Local Currency Basis for the financial year was 10.5% (FY22: 29.4%). This performance extends our track record of generating double-digit Portfolio returns on a Local Currency Basis to 14 consecutive years.

The Portfolio returns during FY23 were seen across Primary, Direct and Secondary investments:

- Primary investments generated a local currency return of 8.0%. Valuation increases are primarily driven by operational performance. There was notably strong performance from a number of funds including those managed by PAI, Graphite, and Gridiron
- Direct Investments generated a return of 15.5%, reflecting resilient operational performance, as well as a number of meaningful realisations agreed during the year, including Endeavor Schools (exit agreed during FY23 and completed post period end), and IRI (which completed its merger with NPD on 1 August 2022)
- Secondary investments generated a return of 11.5%, driven by strong performance from underlying investments within ICG LP Secondaries and ICG Strategic Equity

Over the last five years, our Portfolio has generated an annualised Portfolio Return on a Local Currency Basis of 19.1%.

Due to the geographic diversification of our Portfolio, the reported value is impacted by changes in foreign exchange rates. During the period, the Portfolio increased by £76.4m (+6.5%) due to FX movements, driven primarily by US Dollar strengthening against Sterling. Portfolio growth during the period was 17.0% in Sterling terms.

The net result for shareholders was that ICG Enterprise Trust generated a NAV per Share Total Return of 14.5% during FY23, ending the period with a NAV per Share of 1,903p. The NAV per Share Total Return during Q4 was (0.3%), driven predominantly by negative FX movements more than offsetting a positive underlying return at the Portfolio level.

Over the last five years, ICG Enterprise Trust has generated an annualised NAV per Share Total Return of 16.9%.

| Movement in the Portfolio £m | 12 months to 31 January 2023 | 12 months to 31 January 2022 |
|---|---|---|
| Opening Portfolio[1] | **1,172.2** | 949.2 |
| Total new investments | **287.2** | 303.7 |
| Total Proceeds | **(252.0)** | (342.9) |
| Net (proceeds)/investments | **35.2** | (39.2) |
| Valuation movement[2] | **122.6** | 279.4 |
| Currency movement | **76.4** | (17.2) |
| Closing Portfolio | **1,406.4** | 1,172.2 |
| % Portfolio growth (local currency) | **10.5%** | 29.4% |
| % Currency movement | **6.5%** | (1.8)% |
| % Portfolio growth (Sterling) | **17.0%** | 27.6% |
| Impact of (net cash)/net debt | **0.2%** | (0.1)% |
| Expenses and other income | **(1.8)%** | (1.5)% |
| Co-investment Incentive Scheme Accrual | **(1.2)%** | (1.8)% |
| Impact of share buybacks and dividend reinvestment | **0.3%** | 0.2% |
| **NAV per Share Total Return** | **14.5%** | 24.4% |

1 Refer to the Glossary on page 100 for reconciliation to the Portfolio balance.
2 93% of the Portfolio is valued using 31 December 2022 (or later) valuations (2022: 98%).

## Performance of Portfolio companies

Our largest 30 underlying companies ('Top 30 companies') represented 38.3% of the Portfolio by value at 31 January 2023 (31 January 2022: 39.0%). There were four new entrants to our Top 30 companies within the period: Newton (#15); ECA Group (#23), KronosNet (#24) and Vistage (#30).

The Top 30 companies delivered impressive operational performance during the year, generating LTM revenue growth of 21.9%. The weighted-average valuation of the Top 30 companies, as measured by EV/EBITDA multiple, reduced from 14.6x to 14.3x. Over the same period, Net Debt/EBITDA increased from 4.3x to 4.8x, which is largely due to differences in the composition of the Top 30 companies between the two dates and re-financings undertaken during the period.

| Top 30 companies performance overview | 31 January 2023 | 31 January 2022 |
|---|---|---|
| LTM revenue growth[1] | **21.9%** | 27.1% |
| LTM EBITDA growth[1] | **21.5%** | 29.6% |
| LTM EBITDA margin[2] | **25.8%** | 26.6% |
| Net Debt/EBITDA[3] | **4.7x** | 4.3x |
| Enterprise Value/EBITDA[3] | **14.3x** | 14.6x |
| **Total % of Portfolio** | **38.3%** | 39.0% |

1 Growth rates exclude PetSmart; Ambassador Theatre Group; MoMo Online Mobile Services (#1; #14; #28/30 respectively), for which prior year comparators are not meaningful.
2 Excludes MoMo Online Mobile Services (#28/30), for which EBITDA is not a relevant metric.
3 Excludes PetSmart and MoMo Online Mobile Services (#1 and #28/30 respectively) for which EBITDA multiple is not an appropriate valuation metric.

## Quoted company exposure

We do not actively invest in publicly quoted companies but gain listed investment exposure when IPOs are used as a route to exit an investment. In these cases, exit timing typically lies with the manager with whom we have invested.

At 31 January 2023, ICG Enterprise Trust's exposure to quoted companies was valued at £109.4m, equivalent to 7.8% of the Portfolio value (FY22: 10.3%). The share price of our largest listed exposure, Chewy, increased 4.5% in local currency (USD) during the year. ICG Enterprise Trust's investment in PetSmart (which includes Chewy) has delivered a strong return on investment for our shareholders and remains our largest underlying exposure. Across the Portfolio, local currency losses from declines in public market valuations were largely offset in Sterling terms by positive FX gains.

At 31 January 2023 there was one quoted investment that individually accounted for 0.5% or more of the Portfolio value:

| Company | Ticker | 31 January 2023 % of Portfolio value |
|---|---|---|
| Chewy (part of PetSmart)[1] | CHWY-US | **3.6%** |
| Other | | **4.2%** |
| **Total** | | **7.8%** |

1 Includes entire holding of PetSmart and Chewy. Majority of value is within Chewy.

## Realisation activity

Realisation Proceeds during the year amounted to £252.0m, equivalent to 21.5% of our opening Portfolio value (five year average: 23.9%).

There were 54 Full Exits of Portfolio holdings during the period, generating proceeds of £133.2m. These were completed at a weighted average Uplift to Carrying Value of 23.9% and weighted average Multiple to Cost of 2.7x. We believe that the ability to continue to sell assets at an uplift to NAV reflects the sustained demand for high-quality assets and underpins our confidence in the valuation of our Portfolio.

The 10 largest underlying realisations in the period, which represent 33.9% of Total Realisation Proceeds, are set out in the table below:

| Investment | Description | Manager | Country | Proceeds £m |
|---|---|---|---|---|
| DOC Generici | Manufacturer of generic pharmaceutical products | ICG | Italy | 24.3 |
| IRI | Provider of mission-critical data and predictive analytics to consumer goods manufacturers | New Mountain Capital | United States | 22.8 |
| Random42 | Provider of medical animation and digital media services | Graphite Capital | United Kingdom | 5.6 |
| proALPHA | Provider of application software services | ICG | Germany | 5.1 |
| YSC Consulting | Providers of leadership consulting and assessment | Graphite Capital | United Kingdom | 4.9 |
| Park Holidays UK | Operator of UK campsites and holiday parks | ICG | United Kingdom | 4.9 |
| Konecta | Provider of business process outsourcing | ICG | Spain | 4.8 |
| The Groucho Club | Operator of members' club | Graphite Capital | United Kingdom | 4.4 |
| Romans | Provider of residential sales & letting services | Bowmark | United Kingdom | 4.3 |
| Pirum Systems | Provider of financial services technology | Bowmark | United Kingdom | 4.2 |
| **Total of 10 largest underlying realisations** | | | | **85.4** |

## Implementing our investment strategy during the year

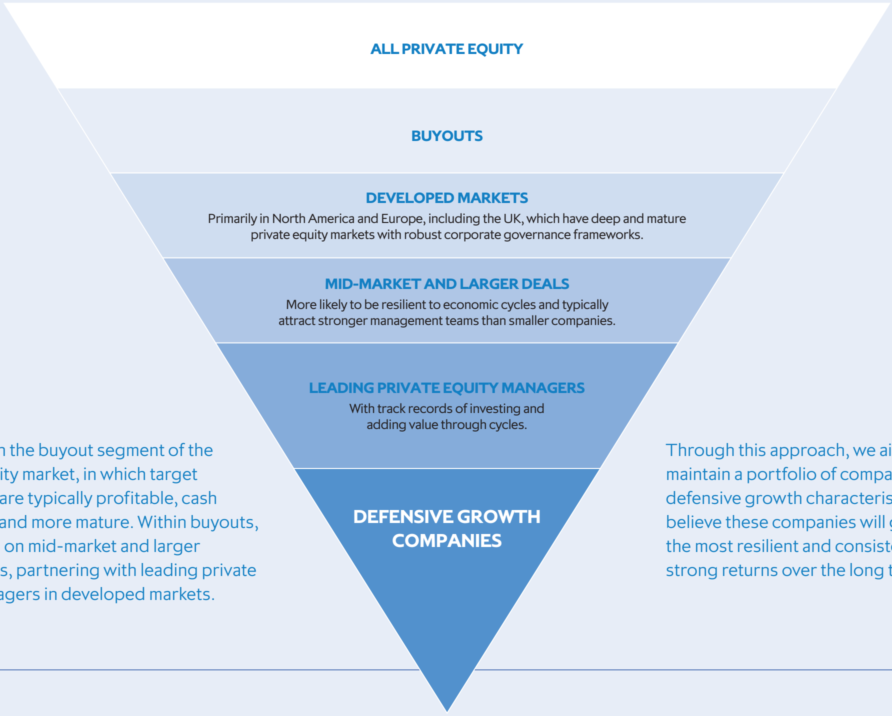
In a year of elevated macroeconomic and geopolitical volatility, we remained consistent in our investment approach, seeking to identify attractive investments that align to our focus on defensive growth. Our flexible investment mandate enabled us to react efficiently to changing market dynamics in order to capitalise on opportunities across Primary, Secondary and Direct investments.

During the year we were able to take advantage of favourable market conditions to make 14 new fund commitments to a range of leading managers. These commitments, which we expect to be invested over the next three to four years, ensure that we will remain appropriately invested through the cycle.

Our dedicated investment team has concentrated on identifying investment opportunities where they believe they have good visibility on the likely performance of the underlying assets and on transactions with potentially lower volatility of returns than the broader market. Reflecting this, Direct Investment activity during the period included three Direct Investments alongside our Manager, benefiting from their expertise in structured transactions. We also made a number of follow-on investments into existing portfolio holdings in which we have greater visibility of, and confidence in, the performance of the underlying company.

**OUR INVESTMENT STRATEGY**

A highly focused approach seeking to generate long-term capital growth.




We focus on the buyout segment of the private equity market, in which target companies are typically profitable, cash generative and more mature. Within buyouts, our focus is on mid-market and larger transactions, partnering with leading private equity managers in developed markets.

Through this approach, we aim to maintain a portfolio of companies with defensive growth characteristics, as we believe these companies will generate the most resilient and consistently strong returns over the long term.

**INVESTED IN COMPANIES WITH DEFENSIVE GROWTH CHARACTERISTICS**

Examples of defensive growth characteristics

- A STRONG MARKET POSITION
- A PROVIDER OF MISSION-CRITICAL SERVICES
- STRONG PRICING POWER
- A HIGH MARGIN BUSINESS MODEL

## New investment activity

Total new investment of £287.2m for the financial year, with new investment by category detailed in the table below. Within our Primary investments during the period, £131.5m was to Third Party managers and the remainder (£7.1m) was to ICG-managed funds.

| Investment category | 31 January 2023 Cost £m | 31 January 2023 % of new investments |
|---|---|---|
| Primary | **138.6** | **48.3%** |
| Direct | **70.1** | **24.4%** |
| Secondary | **78.5** | **27.3%** |
| **Total** | **287.2** | **100.0%** |

During the year we made nine new Direct Investments for a combined value of £68.3m. The balance of Direct Investments is comprised of £1.8m of incremental drawdowns across existing Direct Investments.

The 10 largest underlying new investments in the period were as follows:

| Investment[1] | Description | Manager | Country | Cost £m |
|---|---|---|---|---|
| Precisely | Provider of enterprise software | Clearlake Capital | United States | 15.5 |
| ECA Group | Provider of autonomous systems for the aerospace and maritime sectors | ICG | France | 13.0 |
| KronosNet | Provider of tech-enabled customer engagement and business solutions | ICG | Spain | 12.5 |
| Newton | Provider of management consulting services | ICG | United Kingdom | 12.4 |
| Vistage | Provider of CEO leadership and coaching for small and midsize businesses in the US | ICG | United States | 8.6 |
| Access | Provider of business management software to mid-market companies | HgCapital | United Kingdom | 6.4 |
| Zips Car Wash | Provider of car washing services | ICG | United States | 4.2 |
| Gateway Services | Provider of pet aftercare and cremation services | ICG | Canada | 3.9 |
| Partou | Operator of kindergartens in the Netherlands | ICG | Netherlands | 3.2 |
| Pro Alpha II | Provider of application software services | ICG | Germany | 2.9 |
| **Total of 10 largest underlying new investments** | | | | **82.4** |

1 Represents ICG Enterprise Trust's indirect investment (share of fund cost) plus any direct investments in the period.

## Commitments

During the year, we made Total New Commitments of £273.7m, this represents new fund Commitments of £203.2m, including £65.9m to funds managed by ICG, and £70.4m of Commitments related to Direct investments.

We maintained our diligence in identifying leading managers who complement our long-term strategic objectives, are committed to values aligned to our Responsible Investing framework, and have an investment approach that suits our defensive growth focus. A number of commitments were made to managers with whom we have longstanding relationships and who have a strong track record of offering us attractive co-investment opportunities, such as PAI and Gridiron. At the same time, we continued to originate new manager relationships, making commitments to three new managers during the financial year, Leonard Green & Partners, Thoma Bravo and Integrum.

The breakdown of new Commitments to funds was as follows:

| Fund | Manager | Focus | Commitment during the period | |
|---|---|---|---|---|
| | | | Local currency | £m |
| ICG LP Secondaries Fund I | ICG | LP-led secondary transactions | $60.0m | £45.5m |
| ICG Ludgate Hill III | ICG | Secondary portfolio | $25.0m | £20.4m |
| PAI Europe VIII | PAI | Mid-market and large buyouts | €25.0m | £20.9m |
| Green Equity Investors Side IX | Leonard Green & Partners | Large buyouts | $20.0m | £17.2m |
| Advent X | Advent | Large buyouts | €20.0m | £16.8m |
| Gridiron V | Gridiron | Mid-market buyouts | $20.0m | £15.0m |
| CDR XII | Clayton, Dubilier & Rice | Mid-market and large buyouts | $15.0m | £13.4m |
| Permira VIII | Permira | Large buyouts | €15.0m | £12.6m |
| Bain Capital Europe VI | Bain Capital | Mid-market and large buyouts | €15.0m | £12.6m |
| Integrum I | Integrum | Mid-market and large buyouts | $10.0m | £8.5m |
| Thoma Bravo XV | Thoma Bravo | Mid-market and large buyouts | $10.0m | £8.0m |
| Hg Genesis X | Hg Capital | Mid-market buyouts | €5.0m | £4.2m |
| Bain Tech Opportunities II | Bain Capital | Mid-market buyouts | $5.0m | £4.1m |
| Hg Saturn III | Hg Capital | Mid-market and large buyouts | $5.0m | £4.0m |

At 31 January 2023 we had Total Undrawn Commitments of £496.7m, of which £367.0m were to funds within their investment period:

| £m | 31 January 2023 £m | 31 January 2022 £m |
|---|---|---|
| Undrawn Commitments – funds in Investment Period | **367.0** | 323.0 |
| Undrawn Commitments – funds outside Investment Period | **129.7** | 96.0 |
| Total Undrawn Commitments | **496.7** | 419.0 |
| Total available liquidity (including facility) | **(167.0)** | (208.0) |
| Overcommitment net of total available liquidity | **329.7** | 211.0 |
| **Overcommitment % of net asset value** | **25.3%** | 18.0% |

The increase in Total Undrawn Commitments during the year was due to the large number of funds seeking investors during the year, which ICG Enterprise Trust had anticipated and which allowed us to make a number of attractive Primary commitments. These commitments help lay the foundations of our investment program for the coming years.

Our commitments are made in the funds' underlying currencies, and the currency split of the outstanding commitments at 31 January 2023 was as follows:

## Commitments currency exposure

| Outstanding Commitments | 31 January 2023 £m | 31 January 2023 % | 31 January 2022 £m | 31 January 2022 % |
|---|---|---|---|---|
| Sterling | **16.9** | **3.4%** | 28.7 | 6.8% |
| Euro | **226.1** | **45.5%** | 200.4 | 47.9% |
| US Dollar | **253.7** | **51.1%** | 189.5 | 45.3% |
| **Total** | **496.7** | **100%** | 418.6 | 100% |

## Balance sheet and liquidity

At 31 January 2023 we had a cash balance of £20.7m (31 January 2022: £41.3m) and total available liquidity of £167.0m. At 31 January 2023, the drawn debt was £65.4m (31 January 2022: nil). As a result we had a net debt position of £44.7m.

| | £m |
|---|---|
| Cash at 31 January 2022 | 41.3 |
| Realisation Proceeds | 252.0 |
| New investments | (287.2) |
| Debt drawn down | 65.4 |
| Shareholder returns | (21.9) |
| Management fees | (21.2) |
| FX and other expenses | (7.7) |
| **Cash at 31 January 2023** | **20.7** |
| Available undrawn debt facilities | 146.3 |
| **Cash and undrawn debt facilities (total available liquidity)** | **167.0** |

At 31 January 2023 the Portfolio represented 108.1% of net assets (31 January 2022: 101.2%).

| | £m | % of net assets |
|---|---|---|
| Portfolio | 1,406.4 | 108.1% |
| Cash | 20.7 | 1.6% |
| Drawn debt | (65.4) | (5.0)% |
| Co-investment Incentive Scheme Accrual | (58.1) | (4.5)% |
| Other net current liabilities | (3.0) | (0.2)% |
| **Net assets** | **1,300.6** | **100%** |

Our objective is to be fully invested through the cycle, while ensuring that we have sufficient financial resources to be able to take advantage of attractive investment opportunities as they arise. Drawdowns of commitments are funded from Total Proceeds and, where appropriate, the debt facility.

## Foreign exchange rates

The details of relevant FX rates applied in this report are provided in the table below:

| Investment category | Average rate for FY23 | Average rate for FY22 | 31 January 2023 year end | 31 January 2022 year end |
|---|---|---|---|---|
| GBP:EUR | **1.1680** | 1.1696 | **1.1341** | 1.1971 |
| GBP:USD | **1.2257** | 1.3749 | **1.2320** | 1.3447 |
| EUR:USD | **1.0491** | 1.1758 | **1.0863** | 1.1229 |

## Dividend and share buyback

In line with ICG Enterprise Trust's progressive dividend policy, the Board has declared a final dividend of 9p per share, taking total dividends for the period to 30p (FY22: 27p), which represents an increase of 11.1% on the previous financial year.

As part of its ongoing focus on optimising the return that the Company delivers for its shareholders, in October the Board announced the introduction of a long-term programme of share buybacks, which may be executed at any discount to NAV. Details of share repurchases settled under this programme up to 31 January 2023 are provided below:

| | FY23 |
|---|---|
| Number of shares purchased | **191,480** |
| Aggregate returns to shareholders | **£2.1m** |
| Weighted average discount to last reported NAV | **40%** |

The Board believes the buyback programme demonstrates the Manager's discipline around capital allocation; underlines the Board's confidence in the long-term prospects of the Company, its cashflows and NAV; will enhance the NAV per share; and, over time, may positively influence the volatility of the Company's discount and its trading liquidity.

The Board reviews the size, mandate and efficacy of the buyback programme on a quarterly basis, to ensure it is working in the long-term interests of shareholders and in line with the objectives outlined above.

The Board retains absolute discretion as to the execution, pricing and timing of any share buybacks, subject to the conditions set out in the authority to execute share buybacks approved at the Company's 2022 Annual General Meeting. Any shares repurchased by the Company will be held in treasury.

Both the progressive dividend policy and the buyback programme are being maintained.

## Changes to management fees and costs

As announced at our Q3 FY23 trading update, the ICG Enterprise Trust Board and the Manager have agreed a revised management fee rate, effective from 1 February 2023. While the management fee arrangement will remain unchanged, a tiered cap as a proportion of NAV has been introduced at the following thresholds:

| ICG Enterprise Trust NAV | Management fee cap |
|---|---|
| < £1.5bn | 1.25% |
| ≥ £1.5bn ≤ £2.0bn | 1.10% |
| > £2.0bn | 1.00% |

The Board believes that this arrangement fairly compensates the Manager, while ensuring that ICG Enterprise Trust shareholders benefit from the economies of scale generated from growth in the Company's NAV.

In FY23, management fees were equivalent to 1.34% of NAV. As an illustration, had the revised agreement been in place during this period, management fees would have been capped at 1.25%. This would have reduced the management fee by approximately 6.5% (approximately £1.1m).

The Manager has also agreed to absorb a number of ongoing costs previously paid for by ICG Enterprise Trust, in particular a material share of Sales and Marketing costs. The Board estimates that these are equivalent to approximately 25–30% of the General Expenses (which exclude management fees and finance costs) that would have been paid by ICG Enterprise Trust prior to this agreement being reached.

## Activity since the period end

Notable activity between 1 February 2023 and 31 March 2023 has included:

- Realisation Proceeds of £49.4m, including initial proceeds from the sale of Endeavor Schools, announced on 2 February 2023
- New investments of £19.8m, which included one follow-on Direct Investment of £0.5m
- Three new Fund Commitments for a combined value of £55.6m
- £3.1m shares bought back at a weighted average discount to NAV of 42.0%[1]

## Outlook

We remain alert to continued macroeconomic headwinds such as increased input costs, rising rates, and capital constraints in the wider financial markets. These factors continue to have the potential to impact the performance of our Portfolio companies, the valuation of our Portfolio and the rate of deployments and realisations our Portfolio experiences. We are continuing to monitor the environment closely and are in regular dialogue with our Managers.

As outlined in our updated objectives, we are targeting a long-term Portfolio composition of approximately 50% Primary, 25% Direct and 25% Secondary investments, and evenly split between North America and Europe.

We are encouraged by the continued momentum of transaction activity within our portfolio throughout FY23. Our financial and operational ability to capitalise on very attractive market for primary commitments has sown seeds for our future primary and direct investment programme in the coming years, in what could be an attractive vintage for private equity investments.

As we reflect on a year characterised by uncertainty, we remain confident in our defensive growth strategy and are encouraged by the robust operating performance of our Portfolio.

**ICG Private Equity Fund Investments Team**
10 May 2023

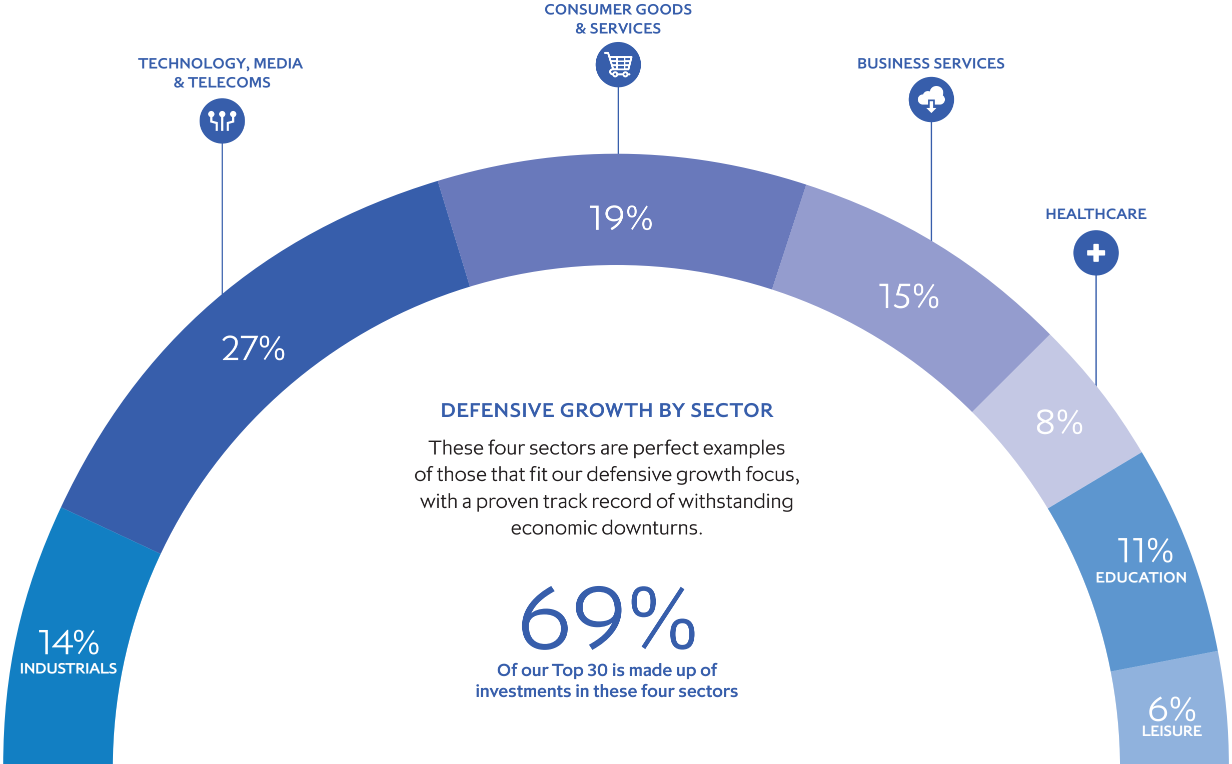
1 From 1 February 2023 up to and including 2 May 2023.

# Our Top 30 companies by value make up 38.3% of our Portfolio

## HOW OUR TOP 30 COMPANIES ALIGN WITH OUR DEFENSIVE GROWTH FOCUS

| STRONG MARKET POSITION | MISSION-CRITICAL SERVICES | ABILITY TO PASS ON PRICE INCREASES | HIGH MARGINS |
|---|---|---|---|
| Curium | AML RightSource | Davies | Crucial Learning |
| IRi | ECA Group | DigiCert | Newton |
| European Camping Group | Ivanti | Endeavor Schools | Planet |
| Vistage | Minimax | Visma | Precisely |

New entrant to the Top 30 during the year



### A WORD FROM COLM WALSH
Managing Director

"Delivering defensive growth through economic cycles defines our approach."

## An active and flexible approach to Portfolio construction

Our Portfolio[1] combines investments managed by ICG and those managed by third parties, in both cases directly and through funds.

Our Direct Investments, which include 27 of our Top 30 companies, allow us to proactively increase exposure to companies that benefit from long-term structural trends and therefore have the ability to grow even in less benign economic environments. 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 a focus on defensive growth companies.

# Investing in companies with strong defensive growth characteristics

We believe our Portfolio strikes the right balance between concentration in our Direct Investments and diversification in our Primary Funds and Secondary Investments portfolio.

We focus on investing in buyouts of businesses that are profitable, cash generative and have defensive growth characteristics that we believe will deliver strong and resilient returns across economic cycles.

**£273.6m**
Total New Commitments[1]

**£252.0m**
Total Proceeds[1]

1 This is an APM as defined in the Glossary on page 100.

# Increasing our defensive growth focus

### 1. PetSmart
Retailer of pet products and services.

| Value as % of Portfolio | 3.6% |
|---|---|
| Manager | BC Partners |
| Invested | 2015 |
| Country | USA |
| Sector | Consumer goods & services |

### 2. Minimax
Supplier of fire protection systems and services.

| Value as % of Portfolio | 2.8% |
|---|---|
| Manager | ICG |
| Invested | 2018 |
| Country | Germany |
| Sector | Technology, media & telecom |

### 3. Endeavor Schools
Provider of paid private schooling.

| Value as % of Portfolio | 2.2% |
|---|---|
| Manager | Leeds Equity Partners |
| Invested | 2018 |
| Country | USA |
| Sector | Education |

### 4. Froneri
Manufacturer and distributor of ice cream products.

| Value as % of Portfolio | 2.0% |
|---|---|
| Manager | PAI Partners |
| Invested | 2013/2019 |
| Country | UK |
| Sector | Consumer goods & services |

### 9. European Camping Group
Operator of premium campsites and holiday parks.

| Value as % of Portfolio | 1.3% |
|---|---|
| Manager | PAI Partners |
| Invested | 2021 |
| Country | France |
| Sector | Consumer goods & services |

### 10. Curium Pharma
Supplier of nuclear medicine diagnostic pharmaceuticals.

| Value as % of Portfolio | 1.2% |
|---|---|
| Manager | ICG |
| Invested | 2020 |
| Country | UK |
| Sector | Healthcare |

### 11. DomusVi
Operator of retirement homes.

| Value as % of Portfolio | 1.2% |
|---|---|
| Manager | ICG |
| Invested | 2017/2021 |
| Country | France |
| Sector | Healthcare |

### 12. DigiCert
Provider of enterprise security solutions.

| Value as % of Portfolio | 1.2% |
|---|---|
| Manager | ICG |
| Invested | 2021 |
| Country | USA |
| Sector | Information technology |

### 17. Visma
Provider of business management software and outsourcing services.

| Value as % of Portfolio | 1.1% |
|---|---|
| Manager | Hg Capital/ICG |
| Invested | 2017/2020 |
| Country | Norway |
| Sector | Technology, media & telecom |

### 18. Planet Payment
Provider of integrated payments services focused on hospitality and luxury retail.

| Value as % of Portfolio | 1.1% |
|---|---|
| Manager | Advent International/ Eurazeo Funds Management Luxembourg/ICG |
| Invested | 2021 |
| Country | Ireland |
| Sector | Technology, media & telecom |

### 19. Ivanti
Provider of IT management solutions.

| Value as % of Portfolio | 1.1% |
|---|---|
| Manager | Charlesbank Capital Partners/ICG |
| Invested | 2021 |
| Country | USA |
| Sector | Information technology |

### 20. PSB Academy
Provider of private tertiary education.

| Value as % of Portfolio | 1.0% |
|---|---|
| Manager | ICG |
| Invested | 2018 |
| Country | Singapore |
| Sector | Education |

### 25. Davies Group
Provider of specialty business process outsourcing services.

| Value as % of Portfolio | 0.9% |
|---|---|
| Manager | BC Partners |
| Invested | 2021 |
| Country | UK |
| Sector | Business services |

### 26. Class Valuation
Provider of residential mortgage appraisal management services.

| Value as % of Portfolio | 0.8% |
|---|---|
| Manager | Gridiron Capital |
| Invested | 2021 |
| Country | USA |
| Sector | Financials |

### 27. AMEOS Group
Operator of private hospitals.

| Value as % of Portfolio | 0.7% |
|---|---|
| Manager | ICG |
| Invested | 2021 |
| Country | Switzerland |
| Sector | Healthcare |

### 28. MoMo Online Mobile Services
Operator of remittance and payment services via mobile e-wallet.

| Value as % of Portfolio | 0.6% |
|---|---|
| Manager | ICG |
| Invested | 2019 |
| Country | Vietnam |
| Sector | Information technology |

### 5. Leaf Home Solutions
Provider of home maintenance services.

| Value as % of Portfolio | 1.8% |
|---|---|
| Manager | Gridiron Capital |
| Invested | 2016 |
| Country | USA |
| Sector | Consumer goods & services |

### 6. Yudo
Designer and manufacturer of hot runner systems.

| Value as % of Portfolio | 1.6% |
|---|---|
| Manager | ICG |
| Invested | 2017/2018 |
| Country | South Korea |
| Sector | Industrials |

### 7. Precisely
Provider of enterprise software.

| Value as % of Portfolio | 1.4% |
|---|---|
| Manager | Clearlake Capital/ICG |
| Invested | 2021/2022 |
| Country | USA |
| Sector | Information technology |

### 8. AML RightSource
Provider of compliance and regulatory services and solutions.

| Value as % of Portfolio | 1.3% |
|---|---|
| Manager | Gridiron Capital |
| Invested | 2020 |
| Country | USA |
| Sector | Business services |

### 13. David Lloyd Leisure
Operator of premium health clubs.

| Value as % of Portfolio | 1.2% |
|---|---|
| Manager | TDR Capital |
| Invested | 2013/2020 |
| Country | UK |
| Sector | Leisure |

### 14. Ambassador Theatre Group
Operator of theatres and ticketing platforms.

| Value as % of Portfolio | 1.2% |
|---|---|
| Manager | ICG/Providence Equity Partners VII |
| Invested | 2021 |
| Country | UK |
| Sector | Consumer goods & services |

### 15. Newton
Provider of management consulting services.

| Value as % of Portfolio | 1.1% |
|---|---|
| Manager | ICG |
| Invested | 2021/2022 |
| Country | UK |
| Sector | Healthcare |

### 16. IRI/NPD
Provider of mission-critical data and predictive analytics to consumer goods manufacturers.

| Value as % of Portfolio | 1.1% |
|---|---|
| Manager | New Mountain Capital |
| Invested | 2022 |
| Country | USA |
| Sector | Technology, media & telecom |

### 21. Crucial Learning
Provider of corporate training courses focused on communication skills and leadership development.

| Value as % of Portfolio | 0.9% |
|---|---|
| Manager | Leeds Equity Partners |
| Invested | 2019 |
| Country | USA |
| Sector | Education |

### 22. Brooks Automation
Provider of semiconductor manufacturing solutions.

| Value as % of Portfolio | 0.9% |
|---|---|
| Manager | Thomas H. Lee Partners |
| Invested | 2021/2022 |
| Country | USA |
| Sector | Information technology |

### 23. ECA Group
Provider of autonomous systems for the aerospace and maritime sectors.

| Value as % of Portfolio | 0.9% |
|---|---|
| Manager | ICG |
| Invested | 2022 |
| Country | France |
| Sector | Technology, media & telecom |

### 24. KronosNet
Provider of tech-enabled customer engagement and business solutions.

| Value as % of Portfolio | 0.9% |
|---|---|
| Manager | ICG |
| Invested | 2022 |
| Country | Spain |
| Sector | Technology, media & telecom |

### 29. RegEd
Provider of SaaS-based governance, risk and compliance enterprise solutions.

| Value as % of Portfolio | 0.6% |
|---|---|
| Manager | Gryphon Investors |
| Invested | 2018/2019 |
| Country | USA |
| Sector | Healthcare |

### 30. Vistage
Provider of CEO leadership and coaching for small and midsize businesses in the United States.

| Value as % of Portfolio | 0.6% |
|---|---|
| Manager | Gridiron Capital/ICG |
| Invested | 2022 |
| Country | USA |
| Sector | Business services |

# A **diverse** and dedicated investment team of experts

Our core investment team is wholly focused on ICG Enterprise Trust, dedicated to making investments on behalf of our shareholders.

Our culture centres around long-term relationships with a wide range of stakeholders; sustainable investment excellence; and a world-class team demonstrating integrity, diversity and collaboration.

## Diversity and inclusion

### CREATING THE RIGHT ENVIRONMENT

The Manager's vision is to provide an inclusive and respectful environment in which each individual is motivated to make their fullest contribution; in which they feel fairly recognised, rewarded and included regardless of age, gender, race, sexual orientation, disability, religion or beliefs.

### DIVERSITY AND INCLUSION STRATEGY

The Manager has developed a diversity and inclusion strategy with the aim of increasing diversity and creating an inclusive workplace.

## Developing future leaders

### TRAINING AND SUPPORT

The Manager considers that training and development are essential to attract and retain people of the highest calibre and invests significantly in this area.

### EFFECTIVE CAREER COACHING

Through its performance management system and by actively encouraging managers to deliver effective career coaching and provide tailored training opportunities, the Manager is able to develop and enhance core skills, increase technical competency, and develop and nurture talent.


## Culture and values

Our Manager's culture centres around long-term relationships with a wide range of stakeholders; sustainable investment excellence; and a world-class team demonstrating integrity, diversity and collaboration.

## Board oversight

The Board of ICG Enterprise Trust ensures that it reviews the Manager's culture as expressed on these pages. This is monitored through our regular interaction and discussions with the Manager and the Management Engagement Committee also undertakes a formal review.

> We don't just invest in businesses; we invest in relationships with our portfolio companies, and in their long-term success. The calibre of the investment team is key to our ongoing success.

**ANTJE HENSEL-ROTH**
Chief People and External Affairs Officer, ICG

# The investment team

The Portfolio is managed by a dedicated investment team within ICG, who have a strong combination of direct and fund investment experience.

**Member of the Investment Committee**

The Investment Committee is responsible for the approval of all new investments and the overall management of the Portfolio, including any secondary sales.

The Committee includes senior members of the investment team ensuring a broad perspective on the private equity landscape and relative value and risk.

**6**

**Individuals make up the investment team**

**66%**

**Of the investment team are female**

## OLIVER GARDEY

**Head of Private Equity Fund Investments**

**25+**

Years' private equity experience

**GERMAN**

**BACKGROUND**

Oliver joined the team in 2019. He has over 25 years' experience in the private equity industry. For the previous decade he was a partner at Pomona Capital where he was a member of the global investment committee. Prior to this, he was partner and an investment committee member at Adams Street, Rothschild/Five Arrows Capital and J.H. Whitney & Co. respectively. Oliver was previously CEO of Inflight Service Corp., a global leading aircraft galley equipment manufacturer, and instrumental in the buyout, the operational turnaround and the successful exit of the business. Oliver graduated magna cum laude from Brown University and received his MBA from Harvard Business School.

**INVESTMENT COMMITTEE ROLE**

Oliver has overall responsibility for the execution of the Company's investment strategy. He has extensive experience across the private equity market, as a direct, secondary and fund investor.

## COLM WALSH

**Managing Director**

**18**

Years' private equity experience

**IRISH**

**BACKGROUND**

Colm joined the team in 2010. He works across all investment types and over the last five years has been responsible for building up the US investment programme. He previously worked at Terra Firma in its finance and structuring team and at Deloitte where his clients included a number of private equity firms. Colm is a graduate of Economics from the London School of Economics. He is both a Chartered Accountant and a CFA Charterholder. Colm volunteers for Level20, mentoring a group of five UK-based female professionals starting their careers in private equity.

**INVESTMENT COMMITTEE ROLE**

Colm brings experience of both fund and direct investments in Europe and the US to the Investment Committee. He has a broad range of relationships with both managers and investors in private equity which help provide insights on new opportunities.

### LIZA LEE MARCHAL

**Managing Director**

17

Years' private equity experience

**BRITISH**

**BACKGROUND**

Liza joined the team in 2019. She was previously with GIC Private Equity for 11 years, first in the London office and later in the Singapore office. During her time at GIC, Liza worked in both the Direct and Fund Investments teams. Prior to this, she worked in the private equity division of Henderson Global Investors and started her career in the corporate finance group at PricewaterhouseCoopers. Liza holds a degree in Biochemistry from Oxford University and an MBA from INSEAD.

### KELLY TYNE

**Vice President**

9

Years' private equity experience

**NEW ZEALANDER**

**BACKGROUND**

Kelly joined the team in 2014 and has worked on a wide range of primary funds, secondaries and direct investments in Europe and the US. Prior to this, Kelly was an equity and fixed income research analyst at First NZ Capital (Credit Suisse, New Zealand) and spent three years in the consulting team at PricewaterhouseCoopers. Kelly is a graduate in Finance and Accounting from Otago University.

### LILI JONES

**Vice President**

8

Years' private equity experience

**BRITISH**

**BACKGROUND**

Lili joined the team in 2019 from Ares Management where she worked in the Direct Lending Investment team on a range of private equity-backed transactions. Prior to this, she spent five years in the Corporate Finance Debt Advisory and Restructuring businesses at Deloitte. Lili is a Chartered Accountant and a graduate from Warwick University with a degree in MORSE (Maths, Operational Research, Statistics and Economics).

### JOSIE FAIR

**Vice President**

6

Years' private equity experience

**AMERICAN**

**BACKGROUND**

Josie joined the team in 2022 and focuses on North American buyout investments, including the evaluation, due diligence and monitoring of partnerships and direct investments. Prior to this, Josie spent five years at J.P. Morgan in New York, where she was responsible for sourcing, conducting due diligence and executing private equity, private credit and real estate fund opportunities. Josie received a BA in Economics and a Minor in Mathematics from Boston College.

## ICG plc oversight and support

### Functional specialists providing oversight and support

The Company benefits from the breadth of skills and experience of the Manager in supporting its activities and overseeing its third-party providers.

The Manager's global investment teams, including its Chief Investment Officer, provide insight into investment opportunities.

Specific technical expertise, including Finance, Operations, Legal and Company Secretarial, support the Company's day-to-day activities.

### Associate pool

The investment team has access to a team of four associates who support investment activity for the Company and other Secondaries investments managed by ICG.

How we manage risk 40 →

Board of Directors 50 →

# Integrating responsible investing into our strategy

The long-term success of ICG Enterprise Trust requires effective management of both financial and non-financial measures.

Environmental, social and governance ('ESG') issues can be an important driver of investment value, as well as a source of risk.

ICG has had a longstanding commitment to responsible investing, and operates a well-defined, firm-wide Responsible Investing Policy and ESG framework.

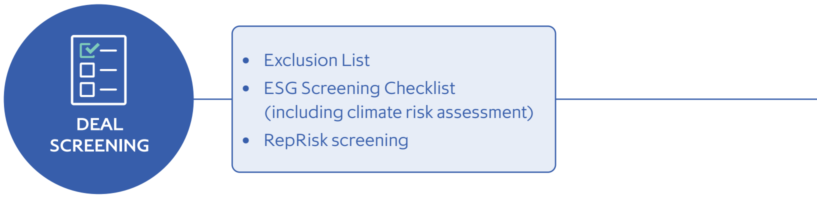
Within ICG Enterprise Trust, we take a tailored ESG approach across all stages of our investment process. Our focus is on partnering with managers who share a similar approach to responsible investing.

**THE 3 KEY PRIORITIES OF OUR RESPONSIBLE INVESTING STRATEGY**


icgam.com →

Go online to read more about ICG's Responsible Investing Policy

## Our approach to ESG integration




**DEAL SCREENING**

We have a well-established ESG screening and diligence process for all new fund investments and direct investments. During the past year, we have increased our focus on climate-related risks and opportunities in line with our climate commitments and risk assessment processes.

We have a greater ability to assess ESG considerations in our High Conviction Investments given we have clearer visibility of the underlying companies when making an investment decision. We operate an Exclusion List to ensure we do not make direct investments in companies considered incompatible with our corporate values.

**ACROSS ALL MANAGERS WE MADE COMMITMENTS TO IN FY23**

**100%**
Operate an ESG Policy

**100%**
Have an ESG monitoring process in place

**77%**
Are signatories of the UN's Principles for Responsible Investment

**23%**
Have a net zero commitment

## ESG due diligence: investment process

We think the best opportunity to understand an investment's ESG risks and opportunities is during the pre-investment phase. Here are two recent examples of how ESG considerations have been integrated into our diligence process, and the ultimate impact on our investment decision.

**OPPORTUNITY DECLINED**

Opportunity to make a primary commitment to a US-based private equity manager.

**INVESTMENT THESIS**

A strong investment track record, a differentiated strategy and deep sector expertise.

**KEY ESG CONSIDERATIONS**

Previous investments in portfolio companies accused of facilitating human rights violations and having contracts with governments with human rights abuse concerns.

**PRE-INVESTMENT**

- Third Party Funds ESG Questionnaire
- Discussions with manager
- Diligence findings included in all investment proposals

**PORTFOLIO MONITORING**

- ESG performance embedded in monitoring process
- Regular dialogue with managers
- Manager's ESG reporting
- Training for investment team

### PRE-INVESTMENT

Our ESG diligence is tailored based on the nature of the company. We consider risks associated with its sector and geography, along with environmental (including climate change), social, corporate governance and ethical concerns.

For Third Party Funds, given we do not directly influence a manager's portfolio construction, we seek to partner with managers who share a similar approach to responsible investing. We use our focused ESG Questionnaire to help us to assess the manager's ESG approach and capabilities.

### PORTFOLIO MONITORING

ESG performance is embedded in our monitoring process for both funds and Direct Investments. We monitor ESG-related metrics across the Portfolio, for example managers' commitments to international standards and monitoring of climate-related risks.

We have strong relationships with managers across our Portfolio and maintain active engagement to identify and mitigate any potential ESG risks. We also use tools such as RepRisk to monitor ESG incidents across underlying portfolio companies.

The ICG Enterprise Trust investment team receives formal training on ESG and is provided with the skills and tools necessary to identify and investigate ESG issues throughout the investment process.

Looking forward, we think ESG will remain at the forefront of investors' priorities. ICG Enterprise Trust will continue to focus on investing in line with our corporate values and partnering with managers who share a similar approach to ESG.

## INVESTMENT APPROVED

Opportunity to co-invest in ECA Group

The company is a leading player in maritime autonomous systems and navigation solutions.

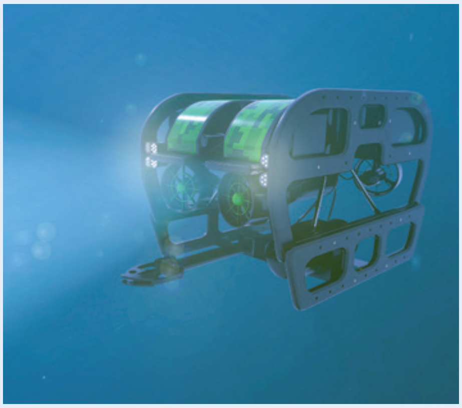
**£13.0m**
Overall investment

### INVESTMENT THESIS

Leading position in a market with strong growth prospects, an attractive financial profile and strong in-house R&D capabilities.

### KEY ESG CONSIDERATIONS

The company operates in the defence sector. Third-party ESG diligence found that the company has no exposure to activities on the Exclusion List. It was assessed to have a solid governance structure, well-integrated ESG strategies and robust measures to comply with strict regulatory obligations.



# Assessing our performance

### PORTFOLIO RETURN ON A LOCAL CURRENCY BASIS

10.5%

| | |
|---|---|
| 1 YEAR | 10.5% |
| 3 YEARS | 21.3% P.A. |
| 5 YEARS | 19.1% P.A. |

**RATIONALE**
Portfolio Return on a Local Currency Basis measures the total movement in the underlying investment Portfolio valuation, without the influence of foreign exchange movements or the Co-investment Incentive Scheme Accrual. It is a measure of the performance of the underlying managers and the investment team's selective investment approach and management of the Portfolio.

**PROGRESS IN THE YEAR**
The Portfolio generated a local currency return of 10.5% in the 12 months to 31 January 2023 (31 January 2022: 29.4%). A reconciliation of the performance can be found in the Glossary on page 100.

**EXAMPLES OF RELATED FACTORS THAT WE MONITOR**
- Monitoring of the Portfolio performance and watchlist
- Valuations provided by underlying managers
- Performance of Primary Fund, Secondary Fund and Direct Investments
- Detailed analysis of the Top 30 companies' performance, EBITDA and revenue growth, leverage, valuation multiples, performance against investment thesis and exit prospects
- Overall EBITDA and revenue growth, leverage and valuation multiples of the Portfolio as reported by the underlying managers

**LINK TO STRATEGIC OBJECTIVE**
- Portfolio composition

### NAV PER SHARE TOTAL RETURN

14.5%

| | NAV per Share Total Return | FTSE All-Share Index Total Return |
|---|---|---|
| 1 YEAR | 14.5% | 5.2% |
| 3 YEARS | 20.4% P.A. | 5.0% |
| 5 YEARS | 16.9% P.A. | 4.2% |

**RATIONALE**
NAV per Share Total Return is shown net of all costs associated with running the Company and includes the impact of any movement in foreign exchange on valuations. As it includes all of the components of the Company's performance it reflects the attributable value of a shareholder's investment in ICG Enterprise Trust Plc.

**PROGRESS IN THE YEAR**
The Company has continued to build on its strong performance, reporting NAV per Share Total Return of 14. 5% in the 12 months to 31 January 2023 (31 January 2022: 24.4%). The FTSE All-Share Total Return was 5.2% over the same period (31 January 2022: 18.9%).

**EXAMPLES OF RELATED FACTORS THAT WE MONITOR**
- Performance relative to the wider public markets and in particular the FTSE All-Share Total Return
- Performance relative to listed private equity peer group
- Portfolio performance
- Valuations provided by underlying managers
- Impact of foreign exchange on valuations
- Effect of financing (cash drag) on performance
- Accretive impact of any share buybacks
- Ongoing charges incurred, including management fees and expenses

**LINK TO STRATEGIC OBJECTIVE**
- Portfolio composition
- Net gearing

## Rationale

**RISK MANAGEMENT**
The execution of the Company's investment strategy is subject to risk and uncertainty. The Board and Manager have a comprehensive risk assessment process, regularly re-evaluating the impact and probability of each risk materialising and the financial or strategic impact of the risk.

**RISK APPETITE**
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.

## TOTAL SHAREHOLDER RETURN

# -2.3%

| | | FTSE All-Share Index Total Return |
|---|---|---|
| 1 YEAR | -2.3% | 5.2% |
| 3 YEARS | 8.5% P.A. | 5.0% |
| 5 YEARS | 9.7% P.A. | 4.2% |

### RATIONALE

Measures performance in the delivery of shareholder value, after taking into account share price movements (capital growth) and any dividends paid in the period. The Share Price Total Return will differ from NAV per Share Total Return depending on the movement in the share price discount to NAV per Share.

### PROGRESS IN THE YEAR

The Company's share price reduced to 1,150p. Together with dividends of 30.0p paid in the year and share buybacks of £2.2m, we generated a total shareholder return of -2.3% in the 12 months to 31 January 2023 (31 January 2022: 27.1%). The FTSE All-Share Total Return was 5.2% over the same period (31 January 2022: 18.9%). See page 6 for more details.

### EXAMPLES OF RELATED FACTORS THAT WE MONITOR

- Performance relative to the wider public markets and in particular the FTSE All-Share Total Return
- Performance relative to listed private equity peer group
- Level of discount in absolute terms and relative to the wider listed private equity peer group
- Trading liquidity and demand for Company's shares in conjunction with marketing activity

### LINK TO STRATEGIC OBJECTIVE

- Portfolio composition
- Net gearing
- Progressive dividend policy and share buy-back programme

## TOTAL DIVIDEND PER ORDINARY SHARE

# 30p

| | |
|---|---|
| 2023 | 30p |
| 2022 | 27p |
| 2021 | 24p |

### RATIONALE

The Board recognises a reliable source of income is important for certain shareholders, and in the absence of unforeseen circumstances the Board intends to grow the annual dividend progressively.

### PROGRESS IN THE YEAR

The directors are proposing a final dividend of 9p, which, together with the interim dividends of 21p, will take total dividends for the year to 30p. This is a 11.1% increase on the prior year dividend of 27p and a 2.6% yield on the year-end share price of 1,150p.

### EXAMPLES OF RELATED FACTORS THAT WE MONITOR

- Distributable reserves
- Cash balances
- Proceeds received during the year
- Investment pipeline and available financing
- Forecast dividend cover
- Share buy-back programme

### LINK TO STRATEGIC OBJECTIVE

- Progressive dividend policy and share buy-back programme

As part of its risk management framework, the Board considers its risk appetite in relation to each of the identified principal risks 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.

How we manage risk 40 →

Principal risks and uncertainties 43 →

# **Engaging** with our stakeholders to ensure we make the right decisions

Section 172 of the Companies Act 2006 requires directors to act in a way that they consider, in good faith, to promote the success of the Company for the benefit of its members.

The Board directors have, in their discussions and deliberations, had regard to the long-term consequences of their decisions, the interests of the Company's various stakeholders, the impact of the Company's operations on the community and the environment, maintaining a reputation for a high standard of business conduct and fair treatment between the Company's members.

**OUR KEY STAKEHOLDER GROUPS**

- OUR SHAREHOLDERS
- OUR MANAGER
- OUR INVESTEE ENTITIES
- OUR COMMUNITY AND ENVIRONMENT
- OUR LENDERS
- OTHER SERVICE PROVIDERS

## How we engage

### Our shareholders

**WHY THEY ARE A STAKEHOLDER**

Shareholders' interests are enshrined in our purpose – that shareholders benefit from the economic returns of the Company – as key stakeholders, and serving the best interests of the shareholders is a priority for the Board. The Board is mindful of having a range of shareholders, and considers any decisions it makes in the interests of shareholders as a whole.

**HOW WE ENGAGE**

The Board is committed to giving investors the opportunity to build a clear understanding of our investment strategy and developments, and strives to make our vision and our results accessible.

We engage with our shareholders across a broad range of channels including our website, our disclosures to the market, our publication of results factsheets and a full Annual Report. We also conduct General Meetings, roadshows and update meetings with key shareholders and potential shareholders.

Other means of effective engagement during the year include our structured programme of presentations to existing and potential shareholders of the annual, interim and quarterly results, as well as our regular dialogue with sell-side analysts.

**LOOKING AHEAD**

The Board believes that the focus on clarity and quality of shareholder communication has been beneficial to the Company's position in the market and the Board will continue to build on this over the coming year.

## Our Manager

### WHY THEY ARE A STAKEHOLDER

The Manager looks after the shareholders' capital, as well as supporting the Company by providing a range of services. Our Manager works with us to enable the Company to benefit from the ICG Group's investment products, broad network and specialist expertise. The Manager is a key stakeholder, critical to the success of the Company's operations.

### HOW WE ENGAGE

The Board's oversight of the Manager is exercised through a series of formal and informal meetings during the year. The Board engages with the Manager at a range of levels. Key relationships have been developed with the investment team, as well as with the strategic business functions such as Finance, Legal and Treasury. The Board's regular engagement and open dialogue across these relationships has proven to be effective and beneficial.

The Board welcomes employees of the Manager to attend and report to the Board and Audit Committee meetings. These structured and formal engagements are supplemented by regular calls, planning meetings and ad hoc involvement and advice on ongoing matters.

The strong relationship between the Board and the Manager, and the effective engagement between them, has facilitated the constructive negotiation of the revised investment management contract referred to on page 7.

### LOOKING AHEAD

Our investment manager is regularly launching new investment strategies and in the coming years the Board will carefully assess which of these opportunities may be appropriate for ICG Enterprise Trust to invest in.

## Our investee entities

### WHY THEY ARE A STAKEHOLDER

Our capital helps our portfolio companies to grow. The Board carefully reviews the Company's investment strategy and provides the Manager with its views on the direction of future investment opportunities that will benefit the investee entities, as well as generating returns for the Company's shareholders.

The Manager engages with the General Partners of our investee funds and Direct Investments. The Board is also mindful of the impact of the investee entity's operations on the environment and community and requires the Manager to report on key metrics in this regard.

### HOW WE ENGAGE

The Board provides oversight and strategic direction for the Manager's engagement with the General Partners of our investee entities. The Board is committed to working with General Partners who are closely engaged with the investee companies, with an active management style, including the promotion of direct board representation of the General Partners on the investee entity boards.

The Manager regularly reports to the Board on portfolio matters, including an overview of financial performance (across tracked KPIs, prescribed valuation metrics and EBITDA growth) and operating performance for the largest 30 investments, as well as deal-by-deal investment breakdowns and material ESG and key reputational matters. The Manager also has an annual strategy review session with the Board to consider performance and adherence to the investment strategy. The Manager and the Board work closely together and the Board has the ability to challenge the Manager as part of the dialogue.

The Board is kept updated on the Manager's ongoing dialogue across the existing and potential investee base – the Manager understands the importance of maintaining relationships and building new investment relationships.

The Board views the strength of the Manager's relationships as fundamental to the success of our current investments, as well as to generating new investment opportunities.

The Manager has various levels of relationships with the General Partners of the investment funds and interactions are continual – engagement takes place in formal sessions (e.g. dedicated investor days) as well as through regular informal discussions. The Manager's discussions with General Partners focus on investment performance, the pipeline of new opportunities and ESG factors and, where the relationship is closer (e.g. a long-term investment history and/or a Direct Investment alongside a General Partner), discussions are more frequent and detailed. The Manager also ensures that robust governance and reporting frameworks are in place with the underlying investee entities.

The Manager works with the General Partners to drive and promote improved standards at the investee entity level. The Manager understands that it is important to the Board that we, as a Company, maintain a reputation for a high standard of business conduct and that this ethos flows through into our investment portfolio.

### LOOKING AHEAD

We maintain our focus on the Manager's active General Partners selection process to ensure the Company invests shareholders' capital in the right opportunities.

The Manager will continue to engage with the General Partners, working closely and collaborating with their investee entities to set appropriate targets and to ensure transparent and effective reporting.

# How we engage continued

## Our community and environment

**WHY THEY ARE A STAKEHOLDER**

The Board recognises its wider responsibilities to the community and the environment and understands the important role that the Company plays as it invests its capital across the market.

**HOW WE ENGAGE**

The Board acknowledges that responsible investing is subject to increasing focus from its shareholders, as well as greater regulatory emphasis. The Board is therefore focused on partnering with General Partners who share the Company's approach to responsible investing. The Board recognises that the long-term consequences of its decision making and the operations of the Company have a genuine influence on the community and environment in which the Company operates.

The Company has a well-established ESG screening and diligence process that applies to all new investments, with key metrics being monitored throughout the lifetime of the investment. ESG performance and reporting are reviewed periodically – there is an ongoing dialogue between the Company and the Company's stakeholders in this area.

Beyond investment scrutiny, the Board is seeking out opportunities to engage with its community and environment stakeholders in a range of ways, including the Board apprenticeship (see page 39) and the Manager's corporate-level carbon reduction targets.

**LOOKING AHEAD**

We are prepared for the increasing ESG reporting requirements. The Board will continue to monitor ESG factors and performance across the portfolio.

## Our lenders

**WHY THEY ARE A STAKEHOLDER**

The Company's liquidity facilities are important to the Company's operations and its long-term prospects. Maintaining excellent lender engagement and relationships with our lenders helps the Board to secure optimum facility terms.

**HOW WE ENGAGE**

The Manager acts as the main point of contact with our lenders. The Manager, with direction from the Board, focuses on ensuring a consistent and open dialogue with our core relationship banks, keeping the banks appraised of the Company's performance and banking needs.

The Board is alive to the importance of liquidity facilities to the Company's operations and its long-term prospects and in the Board directors' discussions with the Manager they have emphasised the value in maintaining strong relationships with our lenders.

**LOOKING AHEAD**

The Company's revolving credit facility comes up for renewal in February 2026 and the Board and the Manager keep under constant review the renewal and extension options.

## Other service providers

**WHY THEY ARE A STAKEHOLDER**

Our service providers support the Company to ensure that its operations run smoothly and to ensure compliance with legal, regulatory and ethical obligations. Our service providers help the Company to maintain our high business conduct standards.

**HOW WE ENGAGE**

The ICG Group manages service providers on behalf of the Company and the Board oversees this management. The Manager escalates key matters to the Board and the Chairs of the Board Committees, and the Audit Committee members also attend key relationship meetings with our service providers from time to time.

Key providers for the Company include the Company's auditors, brokers, fund administration providers, the Depositary and the Registrar. The Manager holds regular engagement meetings with each of these providers and the Board has regular involvement in these relationships as well. In particular, the Board exercises oversight by way of the dedicated Management Engagement Committee which is responsible for the formal annual relationship review process.

**LOOKING AHEAD**

As the Company continues on its growth journey and the regulatory landscape evolves, the Board remains mindful of the Company's changing needs and the Company's wider responsibilities to the community and environment as it takes decisions in relation to service provider relationships. The Board will continue to assess the commercial arrangements with the service providers to ensure the provision of high quality services for an appropriate price.

# Key decisions taken during the year

## Shareholder returns

### Long-term share buyback programme

**STAKEHOLDER INTERESTS AND ENGAGEMENT**

Focus on the long-term prospects of the Company and fair treatment of the Company's members.

**THE BOARD'S STAKEHOLDER CONSIDERATIONS**

The Board is aware that listed private equity investment trusts typically trade at discounts to NAV and that the volatility of this discount creates uncertainty for the Company's shareholders. While the Board believes there are a number of reasons for this, the Board is mindful of the form of return received by shareholders as well as the performance of the Portfolio. To this end, the Board conducted a thorough review of the Company's capital allocation policy and as a result implemented a long-term programme of share buybacks to run alongside the Company's progressive dividend policy.

The Board believes that the buyback programme demonstrates a disciplined approach to capital allocation, underlines the Board's confidence in the long-term prospects of the Company, its cash flows and NAV, will enhance the NAV per Company share and, over time, may also positively influence the volatility of the Company's discount and its trading liquidity.

The Board will review quarterly the size, impact and mandate of the buyback programme in conjunction with its advisers to help ensure that it is working in the long-term interests of all shareholders.

**OUTCOME**

The buyback programme was approved and became effective from 11 October 2022. As at 2 May 2023 the Company has repurchased 472,178 shares at a weighted-average discount to last-reported NAV of 41.2%, these buybacks represent a capital return of £5.2m.

For more information on shareholder returns of an ICG Enterprise Trust share: Key performance indicators **34** →

## Creating value

### Revised management contract

**STAKEHOLDER INTERESTS AND ENGAGEMENT**

Focus on the maintenance of high standards of business conduct, long-term prospects of the Company and the fair treatment of the Company's members.

**THE BOARD'S STAKEHOLDER CONSIDERATIONS**

In the Board's view, the current and future scale of the Company, and the wider market landscape, warranted a review of the contractual agreement with the Manager, including the management fee arrangements. As part of a wider exercise to review the investment management agreement under which the Manager is appointed, the Board asked the Manager to review the management fee structure and the allocation of costs as between the Company and the Manager, so as to secure a future-proof and long-term arrangement focused on generating value for the Company's shareholders.

In reaching the decision to agree the revised headline fee rate with the Manager, the Board considered the market dynamics (including the positioning of the Company's peers in the market) and the need for cost certainty. The discussions focused on designing a structure that better reflects the Company's historic and predicted growth trajectory.

The Board noted that, had the agreement been in place during FY23, the management fee paid would have been reduced by approximately 6.5% (£1.1m).

**OUTCOME**

Updated contractual terms with the Manager on a range of matters.

Effective from 1 February 2023, the management fee will be capped at a maximum of 1.25% of NAV up to £1.5bn, 1.10% on NAV from £1.5bn to £2.0bn and 1.0% on NAV over £2bn. The Manager has also agreed to absorb a number of ongoing costs previously paid for by ICG Enterprise Trust, in particular a material share of Sales and Marketing costs.

For more information on Ongoing Charges: Glossary **100** →

## Promoting diversity

### Board apprenticeship

**STAKEHOLDER INTERESTS AND ENGAGEMENT**

Focus on the Company's responsibilities to the community, enriching its business relationships, acting in the interests of its employees and maintenance of high standards of business conduct.

**THE BOARD'S STAKEHOLDER CONSIDERATIONS**

The Board sees the promotion of diversity as a fundamental part of its responsibilities to the Company as well as to the wider community and marketplace.

The Board considered that it would be beneficial to a wide range of the Company's stakeholders to arrange the placement of Galina Nicholson as an observer and apprentice to the Board. The Board was keen to provide Galina with the opportunity to build board-level experience over the course of the year, as the Board is committed to supporting and advocating for the genuine merit and value associated with achieving increased diversity of representation on boards.

The Board recognises the underrepresentation of certain demographics on boards and welcomed the opportunity to assist Galina with her personal development as a board member candidate and therefore to also play a role in broadening the diversity of the pool of experienced potential NEDs in the wider market. The Board continues to support the wider aims of the Board apprenticeship programme to encourage diversity in boardrooms.

**OUTCOME**

The Board welcomed Galina, commencing her apprenticeship in June 2022 for a period of 12 months.

For more information on governance: Corporate governance report **52** →

# Identifying and evaluating the strategic, financial and operational impact of our key risks

The execution of the Company's investment strategy is subject to a variety of risks and uncertainties, and the Board and Manager have identified several principal risks to the Company's business. As part of this process, the Board has put in place an ongoing process to identify, assess and monitor the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

## Risk management framework

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.

**BOARD OF DIRECTORS**
Responsible for risk management leadership

**Guides and provides counsel**

**AUDIT COMMITTEE**
Reviews and monitors the risk management process

**Provides regular reporting**

**THE MANAGER**
Responsible for risk reporting and running the controls assurance programmes overseen by the Manager's Risk Committee

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**PRINCIPAL RISKS**

The Company's principal risks are individual risks, or a combination of risks, that could threaten the Company's business model, future performance, solvency or liquidity.

Details of the Company's principal risks, potential impact, controls and mitigating factors are set out on pages 40 to 46.

**OTHER RISKS**

Other risks, including reputational risk, are potential outcomes of the principal risks materialising. These risks are actively managed and mitigated as part of the wider risk management framework of the Company and the Manager.

**EMERGING RISKS**

Emerging risks are considered by the Board as they come into view and are regularly assessed to identify any potential impact on the Company and to determine whether any actions are required. Emerging risks often include those related to regulatory/legislative change and macro-economic and political change.

The Company depends upon the experience, skill and reputation of the employees of the Manager. The Manager's ability to retain the service of these individuals, who are not obligated to remain employed by the Manager, and recruit successfully, is a significant factor in the success of the Company.

## Principal risks and uncertainties

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

1

**Investment risks:** the risk to performance resulting from ineffective or inappropriate investment selection, execution or monitoring.

2

**External risks:** the risk of failing to deliver the Company's investment objective and strategic goals due to external factors beyond the Company's control.

3

**Operational risks:** the risk of loss resulting from inadequate or failed internal processes, people or systems and external event, including regulatory risk.

4

**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.

A comprehensive risk assessment process is undertaken regularly to re-evaluate the impact and probability of each risk materialising and the strategic, financial and operational 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 management is a core competence, embedded in our processes and controls.

**OLIVER GARDEY**
Head of Private Equity Fund Investments

## 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. The Board's risk appetite framework provides a basis for the ongoing monitoring of risks and enables dialogue with respect to the Company's current and evolving risk profile, allowing strategic and financial decisions to be made on an informed basis.

The Board considers several factors to determine its acceptance for each principal risk and categorises acceptance for each risk as low, moderate and high. 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 lower tolerance for financing risk with the aim to ensure that even under a 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, tax and regulatory compliance and business process and continuity risk.

Principal risks and uncertainties **43** →

# How we manage and mitigate our key risks

| RISK | IMPACT | MITIGATION | CHANGE IN THE YEAR |
|---|---|---|---|
| **INVESTMENT RISKS** | | | |
| **INVESTMENT PERFORMANCE**<br>The Manager selects the fund investments and direct 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 which may have a negative impact on Portfolio performance. | 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 Trust's Investment Committee within the Manager, which comprises a balance of skills and perspectives.<br>Further, the Company's Portfolio is diversified, reducing the likelihood of a single investment decision impacting Portfolio performance. | Stable<br>The Board is responsible for ensuring that the investment policy is met. The day-to-day management of the Company's assets is delegated to the Manager under investment guidelines determined by the Board. The Board regularly reviews these guidelines to ensure they remain appropriate and monitors compliance with the guidelines through regular reports from the Manager, including performance reporting. The Board also reviews the investment strategy at least annually.<br>Following this assessment and other considerations, the Board concluded that performance risk has remained stable during the year. |
| **VALUATION**<br>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.<br>This includes a comparison of unaudited valuations to 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<br>The Board regularly reviews and discusses the valuation process in detail with the Manager, including the sources of valuation information and methodologies used.<br>Following this assessment and other considerations, the Board concluded that there was no material change in valuation risk during the year. |

| RISK | IMPACT | MITIGATION | CHANGE IN THE YEAR |
|---|---|---|---|
| **EXTERNAL RISKS** | | | |
| **POLITICAL AND MACRO-ECONOMIC UNCERTAINTY**<br>Political and macro-economic uncertainty and other global events, such as pandemics, that are outside of the Company's control could adversely impact the environment in which the Company and its investment portfolio companies operate. | Changes in the political or macro-economic environment could significantly affect the performance of existing investments (and valuations) and prospects for realisations. In addition, they could impact the number of credible investment opportunities the Company can originate. | The Manager uses a range of complementary approaches to inform strategic planning and risk mitigation, including active investment management, profitability and balance sheet scenario planning and stress testing to ensure resilience across a range of outcomes.<br>The process is supported by a dedicated in-house economist and professional advisers where appropriate. | Increasing<br>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 Manager.<br>Incorporating these views and other considerations, the Board concluded that there was an increase in political and macro-economic uncertainty risk as a result of the economic uncertainty. |
| **CLIMATE CHANGE**<br>The underlying managers of the fund investments and direct investments in the Company's Portfolio fail to ensure that their portfolio companies respond to the emerging threats from climate change. | Climate-related transition risks, driven in particular by abrupt shifts in the political and technological landscape, impact the value of the Company's Portfolio. | The Manager has a well-defined, firm-wide Responsible Investing Policy and ESG framework in place.<br>A tailored ESG framework applies across all stages of the Company's investment process. This includes ongoing monitoring of the underlying manager's ESG reporting. | Stable<br>The Board monitors and reviews the potential impact to the Company from failures by underlying managers to mitigate the impact of climate change on portfolio company valuation.<br>During the year the Board received reports on the implementation of the Manager's Responsible Investing Policy. |
| **LISTED PRIVATE EQUITY SECTOR**<br>The listed 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 continues to outperform public markets over the long term and 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.<br>The Board monitors the discount to NAV and considers appropriate solutions to address any ongoing or substantial discount to NAV, including share buybacks. | Stable<br>The Board receives regular updates from the Company's broker and is kept informed of all material discussions with investors and analysts. |
| **FOREIGN EXCHANGE**<br>The Company has continued to expand its geographic diversity by making investments in different countries. Accordingly, several investments are denominated in US dollars, euros and currencies other than sterling. | At present, the Company does not hedge its foreign exchange exposure. Therefore, movements 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 at least an annual basis.<br>Furthermore, the Company's multicurrency bank facility permits the borrowings to be drawn in euros and US dollars, if required. | Stable<br>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 remains appropriate for the Company not to hedge its foreign exchange exposure. |

| RISK | IMPACT | MITIGATION | CHANGE IN THE YEAR |
|---|---|---|---|
| **OPERATIONAL RISKS** | | | |
| **REGULATORY, LEGAL AND TAX COMPLIANCE**<br>Failure by the Manager to comply with relevant regulation and legislation could have an adverse impact on the Company. Additionally, adherence to changes in the legal, regulatory and tax framework applicable to the Manager could become onerous, lessening competitive or market opportunities. | The failure of the Manager and the Company to comply with the rules of professional conduct and relevant laws and regulations could expose the Company to regulatory sanction and penalties as well as significant damage to its reputation. | The Board is responsible for ensuring the Company's compliance with all applicable regulatory, legal and tax requirements. Monitoring of this compliance has been delegated to the Manager, of which the in-house Legal, Compliance and Risk functions provide regular updates to the Board covering relevant changes to regulation and legislation.<br>The Board and the Manager continually monitor regulatory, legislative and tax developments to ensure early engagement in any areas of potential change. | Stable<br>The Company remains responsive to a wide range of developing regulatory areas; and will continue to enhance its processes and controls in order to remain compliant with current and expected legislation. |
| **KEY PROFESSIONALS**<br>Loss of key professionals at the Manager could impair the Company's ability to deliver its investment strategy and meet its external obligations if replacements are not found in a timely manner. | If the Manager's team is not able to deliver its objectives, 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:<br>• Developing key individuals to ensure that there is a pipeline of potential succession candidates internally. External appointments are considered if that best satisfies the business needs.<br>• A team-based approach to investment decision making i.e. no one investment professional has sole responsibility for an investment or fund manager relationship.<br>• Sharing insights and knowledge widely across the investment team, including discussing all potential new investments and the overall performance of the Portfolio.<br>• Designing and implementing a compensation policy that helps to minimise turnover of key people. | Stable<br>The Board reviewed the Company's exposure to people risk and concluded that the Manager continues to operate sustainable succession, competitive remuneration and retention plans.<br>The Board believes that the risk in respect of people remains stable. |
| **INFORMATION SECURITY**<br>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 securing data and sensitive information. | The failure of the Manager and Administrator to deliver an appropriate information security platform for critical technology systems could result in unauthorised access by malicious third parties, breaching the confidentiality, integrity and availability of Company data, negatively impacting the Company's reputation. | Application of the Manager's and Administrator's information security policies is supported by a governance structure and a risk framework that allow for the identification, control and mitigation of technology risks. The effectiveness of the framework is periodically assessed.<br>Additionally, the Manager's and Administrator's technology environments are continually maintained and subject to regular testing, such as penetration testing, vulnerability scans and patch management. | Increasing<br>In order to gain a more comprehensive understanding of the Manager's internal controls and risk management systems the Board carries out a formal annual assessment (supported by the Manager's internal audit function).<br>Following this review and other considerations, the Board concluded that there was an increase in information security risk during the year. |

| RISK | IMPACT | MITIGATION | CHANGE IN THE YEAR |
|---|---|---|---|
| **OPERATIONAL RISKS** CONTINUED | | | |
| **THE MANAGER AND THIRD-PARTY PROVIDERS (INCLUDING BUSINESS PROCESSES AND CONTINUITY)**<br>The Company is dependent on third parties for the provision of services and systems, especially those of the Manager, the Administrator and the Depositary. | Failure by a third-party provider to deliver services in accordance with its contractual obligations could disrupt or compromise the functioning of the Company. A material loss of service could result in, among other things, an inability to perform business critical functions, financial loss, legal liability, regulatory censure and reputational damage. | The performance of the Manager, the Administrator, the Depositary and other third-party providers is subject to regular review and reported to the Board.<br>The Manager, the Administrator and the Depositary produce internal control reports to provide assurance regarding the effective operation of internal controls. These reports are provided to the Audit Committee for review. The Committee would seek further representations from service providers if not satisfied with the effectiveness of their control environment.<br>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.<br>The assessment in respect of the current year is discussed in the Report of the Audit Committee within the Annual Report.<br>The Management Agreement and agreements with other third-party service providers are subject to notice periods that are designed to provide the Board with adequate time to put in place alternative arrangements. | Stable<br>In order to gain a more comprehensive understanding of the Manager's internal controls and risk management systems the Board carries out a formal annual assessment (supported by the Manager's internal audit function).<br>The Board also received regular reporting from the Manager and other third parties.<br>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. |
| **FINANCIAL RISKS** | | | |
| **FINANCING**<br>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. | The Manager monitors the Company's liquidity, overcommitment ratio and covenants on a frequent basis, and undertakes cash flow monitoring, and provides regular updates on these activities to the Board. | Increasing<br>A reduction in the number of potential lenders to the Company has increased the risk that the existing financing facility cannot be extended or replaced at its maturity date of February 2026 on the same terms. |

# VIABILITY AND GOING CONCERN STATEMENTS

## VIABILITY STATEMENT

In accordance with the UK Corporate Governance Code, the Board has assessed the financial position and prospects of the Company over a longer period than the 12 months required by the 'going concern' basis of accounting. The Board has assessed the viability of the Company over a five-year period from the balance sheet date, being a period of time over which the Board can reasonably assess the Company's prospects and over which the majority of the Company's commitments will be drawn down.

The Board has carried out a robust assessment of the principal risks and their mitigants as noted on page 43. Those considered most significant to the viability of the Company included those relating to investment performance, political and macro-economic uncertainty, and the ability of the Company to manage its financing and overcommitment risk.

As noted within the Manager's review on page 14, the Company's financial position is strengthened by its access to its bank facility of €240m (£211m), which matures in February 2026 and is subject to a number of covenants. The Company's net debt was £44.7m as at 31 January 2023 which is expected to be repaid with cash flows from the Company's investments.

The Board has assessed the Company's ability to remain viable and meet its liabilities as they fall due through the review of balance sheet and cash flow projections provided by the Manager. As part of this, a range of stressed scenarios and sensitivity analyses was examined to identify conditions that might result in the facility's covenants being breached, and included the consideration of possible remedial action that the Company could undertake to avoid such breaches. Key variables considered included Portfolio gains and losses, fund drawdowns and realisations, availability of the credit facility, and exchange rates. Based on this assessment, the Board has a reasonable expectation that the Company will remain viable over a five-year period from the balance sheet date.

## GOING CONCERN

In assessing the appropriateness of continuing to adopt the going concern basis of accounting, the Board has assessed the financial position and prospects of the Company over the next 12 months. The Company's business activities, together with factors likely to affect its future development, performance, position and cash flows, are set out in the Chair's statement on page 6, and the Manager's review on page 14.

As part of this review, the Board assessed the potential impact of principal risks and the prevailing macro-economic conditions on the Company's business activities, the Company's cash position, the availability of the Company's credit facility and compliance with its covenants, and the Company's cash flow projections. Further details of this assessment, including stress testing and sensitivity analysis performed, are disclosed within the Viability Statement.

Based on this assessment, the Board expects that the Company will be able to continue in operation and meet its liabilities as they fall due until, at least, 31 May 2024, a period of more than 12 months from the signing of the financial statements. Therefore, it is appropriate to continue to adopt the going concern basis of preparation of the Company's financial statements.

The Company's Strategic Report is set out on pages 1 to 47 and was approved by the Board on 10 May 2023.

**Jane Tufnell**
Chair
10 May 2023