



Sector expert investors supporting management to grow industry champions

# OVERVIEW

CONSISTENT TRACK RECORD OF PERFORMANCE OVER 20 YEARS AND MULTIPLE ECONOMIC CYCLES

- The Trust is 97% invested in a portfolio of fast growing companies
- 2016 has seen an acceleration in revenue and EBITDA growth rates
- Consistent double-digit growth across the portfolio in both sales and profits over the last three years
- Strong deal flow and conversion from a disciplined focus on 'sweet spot' investments
- Focusing on a number of exit opportunities across the portfolio to realise value for clients over the next 12 months

## 20 YEAR PERFORMANCE (TOTAL RETURN)

**+13%** Annual growth rate of the share price

**+13%** Annual growth rate of the NAV per share

## KEY FIGURES as at 30 April 2016

SHARE PRICE	MARKET CAPITALISATION
<b>£11.70</b>	<b>£436.7m</b>
NAV PER SHARE*	NET ASSETS
<b>£14.07</b>	<b>£525.2m</b>
DISCOUNT TO NAV	DIVIDEND PER SHARE
<b>17%</b>	<b>40p</b>

\* Includes provision for dividend payable in May 2016.

References in this document to HgCapital Trust plc have been abbreviated to 'HgCapital Trust' or the 'Trust'. HgCapital refers to the trading name of Hg Pooled Management Limited and HgCapital LLP. Hg Pooled Management Limited is the 'Manager'.

References in this document to 'Total Return' refer to a return where it is assumed that an investor has re-invested all historic dividends at the time when they were paid.

# TOP 20 PORTFOLIO TRADING PERFORMANCE

## ACCELERATING REVENUE AND PROFIT GROWTH

Top 20 (82% of the total portfolio) trading performance over the last twelve months as at 31 March 2016.

SALES GROWTH **+11%**

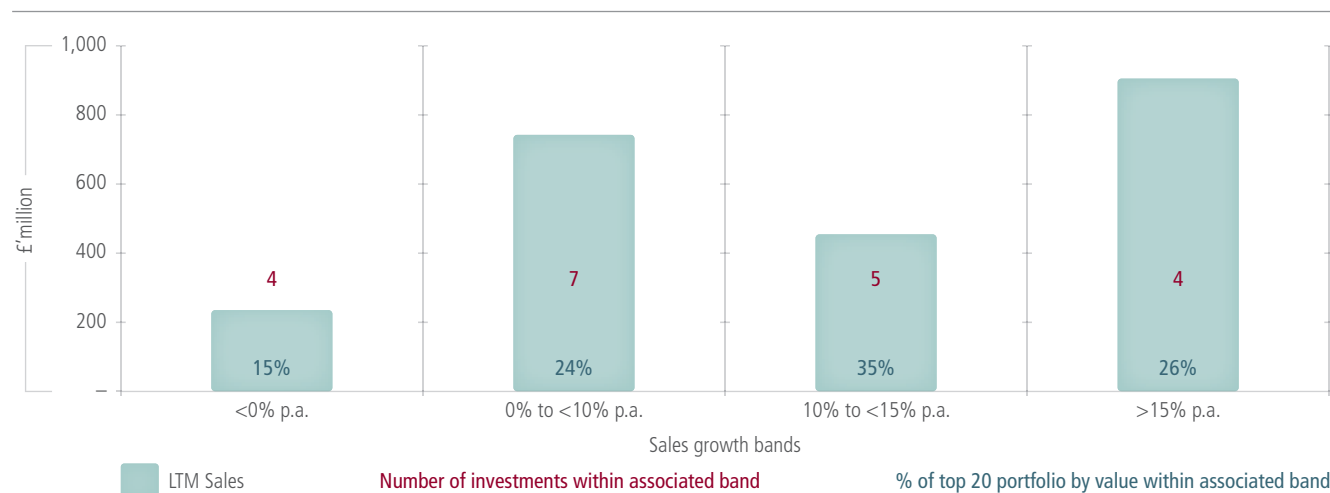
EBITDA GROWTH **+20%**

TOTAL SALES **£2.3 billion**

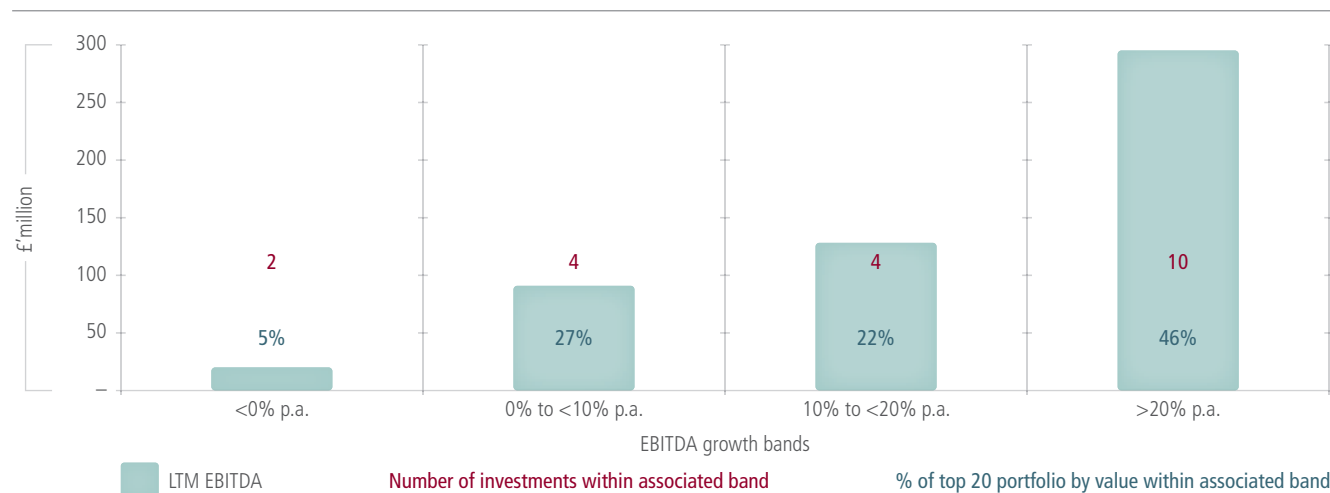
TOTAL PROFITS **£0.5 billion**

NET MARGINS **23%**

### TOP 20 LTM SALES GROWTH



### TOP 20 LTM PROFIT GROWTH



# PORTFOLIO ACTIVITY

FOCUSING ON BUSINESS MODELS AND SECTOR THEMES WITH ATTRACTIVE GROWTH CHARACTERISTICS

## INVESTMENTS

Since 31 December 2015, £605 million has been invested on behalf of our clients, with the Trust's share being £72 million, primarily from six new investments

### SOVOS Compliance

Sovos Compliance is a leading global provider of regulatory tax compliance software, headquartered in Boston, USA. HgCapital assumed majority ownership from Vista Equity Partners, which has retained a significant minority stake in the company alongside the management team. This investment is in line with HgCapital's proven, sector-focused approach of investing in leading global providers of regulatory-driven software and HgCapital will support Sovos in its European and international expansion. The Trust has co-invested alongside its core HgCapital 7 participation.

The Trust contributed a total of £24.3 million, including £8.0 million in co-investment.

### raet

Raet is a leading provider of HR cloud software and services headquartered in Amersfoort, the Netherlands, and serving more than 10,000 customers internationally.

HgCapital has followed Raet closely for more than five years, building a strong relationship with the new management team, and will now work closely with them to accelerate Raet's robust organic growth.

On completion, the Trust will contribute a total of approximately £16.2 million.

### Citation

Citation is one of the UK's leading providers of Health & Safety, HR, Employment Law and ISO services to SMEs.

This investment continues the strategy of investing in leading technology-enabled professional services providers in regulatory-driven and fast growing niches.

Citation demonstrates many of the business model characteristics that HgCapital looks for, providing an excellent platform for growth across a diversified and loyal client base, led by strong and experienced management.

The Trust contributed a total of £10.1 million.

### TRACEONE

Trace One is a leading Software as a Service platform for the retail and private label goods sectors, headquartered in Paris, France.

The company serves a blue-chip customer base of 30 leading retailers, across Europe and North America, with data on 20,000 member manufacturers, supporting more than \$300 billion of private label sales.

Trace One fits HgCapital's strategy of investing in companies with subscription revenues in regulatory-driven growth niches and working with founder entrepreneurs looking to transition their businesses to the next stage of ownership.

The Trust contributed a total of £4.5 million.

### kinapse

Another example of HgCapital's strategy of investing in regulatory-driven services was the investment into Kinapse.

Kinapse provides advisory, capability building and operational services to the world's leading life sciences organisations, their customers, suppliers and regulators across a range of specialist areas, including quality and compliance, regulatory and medical affairs, pharmacovigilance and clinical trial disclosure. The Group has offices in the UK, India and the United States and employs over 500 professionals worldwide. Kinapse is a partner of nine out of the top ten global pharma companies.

The Trust contributed a total of £10.0 million.

### STOP PRESS

### STP

The Mercury TMT team has announced an investment in STP, a leading provider of insolvency and law practice software, based in Germany.

Founded in 1993 and headquartered in Karlsruhe, Germany, STP has three offices in Germany and Switzerland and employs c.180 people serving over 1,200 customers. The company shares many of the business model characteristics that the HgCapital teams look for in an investment, including strong recurring revenues with a product that is critical to its loyal customer base and a strong management team. STP has a proven track record of consistent and resilient growth since 2003.

On completion, the Trust will contribute approximately £6.6 million.

# PORTFOLIO ACTIVITY

CONTINUING TO REALISE VALUE FROM OUR INVESTMENTS WITH GOOD PROSPECTS FOR FURTHER ACTIVITY IN THE NEXT 12 MONTHS

## EXITS AND REALISATIONS

HgCapital has returned a total of £465 million to its clients since 31 December 2015, including £68 million to the Trust



TeamSystem, a leading provider of business-critical, regulatory driven software products to accountants, HR professionals and SMEs in Italy, was sold to Hellman & Friedman LLC.

On completion, this transaction resulted in an uplift of 34% (£11.4 million) over the carrying value of the Trust at 31 December 2014. The sale proceeds were fully reflected in the December 2015 valuation.

HgCapital has retained a minority position in TeamSystem, the Trust's share of this is c. £6.1 million.

**£39.0m** CASH REALISED

UPLIFT TO BOOK VALUE AT 31 DECEMBER 2014

**+£11.4m** **+34%**

**+31** pence per share



In November, we agreed the sale of Casa Reha, a leading private German provider of elderly care services, specialising in high quality, assisted living, to Euronext-listed Korian, a leading European provider of elderly health care services.

On completion, this transaction resulted in an uplift of 104% over the carrying value of the Trust at 31 December 2014. The sale proceeds were fully reflected in the December 2015 valuation.

**£7.8m** CASH REALISED

UPLIFT TO BOOK VALUE AT 31 DECEMBER 2014

**+£4.0m** **+104%**

**+11** pence per share



In January, the Munich TMT Team completed the recapitalisation of P&I, a leading supplier of payroll and HR-related software to SMEs and the public sector in Germany, Austria and Switzerland.

This represents a 60% return on the original investment made in December 2013.

**£12.6m** CASH REALISED

PERFORMING AHEAD OF PLAN

**60%** OF ORIGINAL INVESTMENT  
RETURNED. UNREALISED VALUE  
REMAINING OF £25.3 MILLION.

Note: Numbers relate to the Trust's share of the underlying transactions

# PERFORMANCE

## INVESTMENT OBJECTIVE

HgCapital Trust plc, which was established in 1989, is an investment trust listed on the London Stock Exchange (ticker: HGT.L). The Trust's objective is to provide shareholders with long-term capital appreciation in excess of the FTSE All-Share Index by investing in unquoted companies.

The Manager, HgCapital, seeks to meet the investment objective of the Trust using a business model that combines deep sector knowledge, a rigorous research-based approach and associated thematic investment origination and selection to systematically identify and repeatedly invest in the most attractive segments of the European mid-market, optimising deal flow and improving returns.

HgCapital focuses on buyouts across the TMT, services and industrials sectors and specialist infrastructure through renewable energy projects.

## WHY INVEST?

The Trust provides investors with a liquid investment vehicle through which they can obtain exposure to HgCapital's diversified portfolio of private equity investments across multiple vintages primarily in Northern Europe. HgCapital's long standing investment in establishing and maintaining deep sector expertise is a key differentiator in the European private equity environment which has delivered superior returns over the long-term.

Based on the Trust's share price at 30 April 2016 and allowing for dividends to be reinvested, an investment of £1,000 twenty years ago would now be worth £12,060. An equivalent FTSE All-Share Index return would be worth £3,427.

A copy of the annual and interim reports and accounts can be found on our website, [www.hgcapitaltrust.com](http://www.hgcapitaltrust.com)

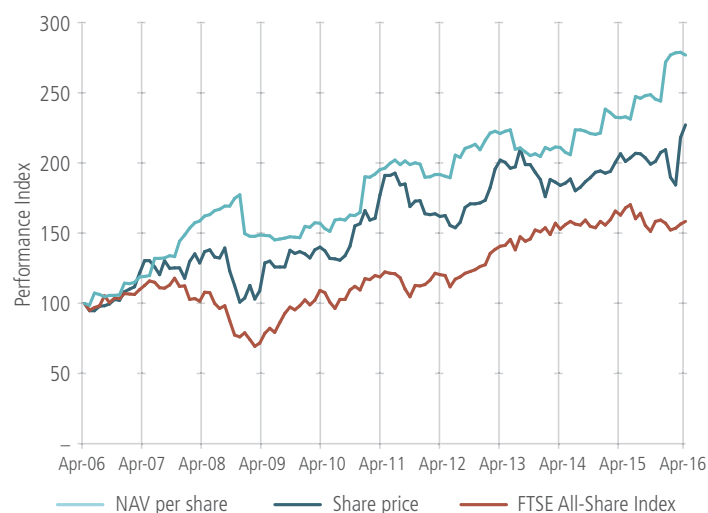
## HISTORICAL PERFORMANCE % P.A.

(total return to 30 April 2016)

	Year to date %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	20 years % p.a.
Share price	8.5	13.1	4.3	3.5	8.6	13.3
NAV per share	1.9	18.8	7.5	7.1	10.7	12.8
FTSE All-Share Index	0.7	(5.7)	3.9	5.3	4.7	6.4
Share price performance relative to FTSE All-Share Index	7.8	18.8	0.4	(1.8)	3.9	6.9
NAV per share performance relative to FTSE All-Share Index	1.2	24.5	3.6	1.8	6.0	6.4

## CUMULATIVE HISTORIC PERFORMANCE % P.A.

(total return to 30 April 2016)



Total return performance record rebased to 100 at 30 April 2006.  
Total return assumes all historic dividends have been reinvested. Source: Factset, HgCapital.

## NET ASSETS (as at 30 April 2016)

Twenty largest buyout investments	Sector	Year of investment	Total valuation¹ £'000	Portfolio value %	
1	Visma	TMT	2014	68,769	13.1
2	IRIS	TMT	2011	51,061	9.8
3	Zenith	Services	2013	37,293	7.1
4	Achilles	TMT	2008	28,061	5.4
5	P&I	TMT	2013	25,277	4.8
6	Sovos Compliance	TMT	2016	24,134	4.6
7	JLA	Services	2010	20,678	4.0
8	QUNDIS	Industrials	2012	19,286	3.7
9	A-Plan	Services	2015	19,008	3.6
10	The Foundry	TMT	2015	17,527	3.3
11	Radius	Services	2013	17,485	3.3
12	Frösunda	Healthcare	2010	13,014	2.5
13	Ullink	TMT	2014	12,644	2.4
14	Parts Alliance	Services	2012	12,557	2.4
15	NetNames	TMT	2011	12,503	2.4
16	Lumesse	TMT	2010	12,205	2.3
17	Citation	Services	2016	10,068	1.9
18	Kinapse	Services	2016	9,959	1.9
19	EidosMedia	TMT	2015	9,188	1.8
20	Allocate Software	TMT	2014	8,849	1.7
Top twenty investments			429,566	82.0	
Other investments			66,345	12.7	
Total buyout investments			495,911	94.7	
Other buyout funds (Hg6E)			12,331	2.4	
Renewable energy funds			15,051	2.9	
Total all investments			523,293	100.0	

<sup>1</sup> Including accrued income but before the provision for carried interest of £29,862,000.



# SHAREHOLDER INFORMATION

## LIQUID RESOURCES AND OUTSTANDING COMMITMENTS

Based on the 30 April 2016 NAV, liquid resources (including all subsequent reported transactions and the dividend payable in May 2016) are estimated to be £16.3 million (3% of the 30 April 2016 NAV).

The Trust also has a £40 million bank facility that is currently undrawn.

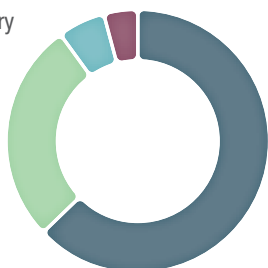
The Trust's undrawn commitments to HgCapital funds are approximately £94 million (18% of the 30 April 2016 NAV).

HgCapital Trust plc has the benefit of an opt-out provision in its commitment to invest alongside HgCapital 7, so that it can opt out of a new investment without penalty should it not have the cash available to invest.

## PORTFOLIO (as at 30 April 2016)

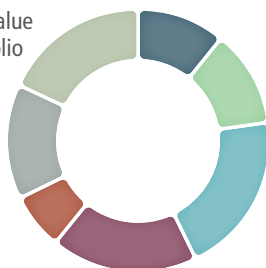
### Sector by value of primary buyout portfolio

- 63% TMT
- 27% Services
- 6% Industrials
- 4% Healthcare



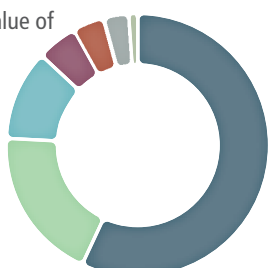
### Investment vintage by value of primary buyout portfolio

- 11% 2016
- 12% 2015
- 20% 2014
- 18% 2013
- 7% 2012
- 14% 2011
- 18% pre 2011



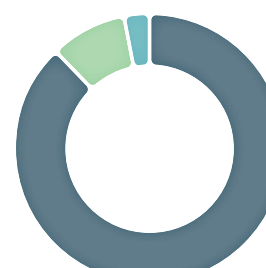
### Geographic spread by value of primary buyout portfolio

- 57% UK
- 19% Nordic Region
- 11% Germany
- 5% USA
- 4% France
- 3% Italy
- 1% Switzerland



### Deal type by value

- 88% Buyout
- 9% Buyout – small-cap
- 3% Renewable Energy



## CALENDAR

Half-year 30 June 2016

Interim results 12 September 2016

## FINANCIALS

(as at 30 April 2016)

Index: FTSE All Share

Ticker code: HGT

Ordinary shares in issue: 37,324,698

Net assets: £525.2 million

Market capitalisation: £436.7 million

NAV per share<sup>1,2</sup>: 1,407.1 p

Ordinary share price: 1,170.0 p

Ordinary Share price discount to NAV: 16.9%

Continuation vote: 2020

<sup>1</sup> Includes four months net revenue of 0.95p.

<sup>2</sup> Includes provision of £14.9 million for dividend payable in May 2016

Unquoted investments were last valued at 31 December 2015, and will next be revalued at 30 June 2016.

## IMPORTANT INFORMATION

This document is issued and approved by Hg Pooled Management Limited. Nothing in this document is intended to constitute advice and this document should not be taken as a recommendation to buy or sell shares in HgCapital Trust plc. If you are interested in HgCapital Trust plc, you should contact your financial advisor before making any investment decision. Remember that past performance is not necessarily a reliable indicator of future results, and that the value of shares can go down as well as up. HgCapital is the trading name for Hg Pooled Management Limited and HgCapital LLP, both of which are authorised and regulated by the Financial Conduct Authority.

## MANAGEMENT FEE ARRANGEMENTS

For more information on the structure and fee arrangements for HgCapital Trust plc, please refer to the latest edition of the HgCapital Trust report and accounts, available at [www.hgcapitaltrust.com](http://www.hgcapitaltrust.com)

## BOARD OF DIRECTORS

Roger Mountford (Chairman)  
Richard Brooman  
Peter Dunscombe  
Mark Powell  
Anne West

## MANAGER

Hg Pooled Management Limited  
[www.hgcapital.com](http://www.hgcapital.com)

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