

Investment objective

HgCapital Trust plc, which was established in 1989, is an investment trust listed on the London Stock Exchange (ticker: HGTL). 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.

In addition, the Trust has diversified into the renewable energy sector and currently holds investments in two HgCapital renewable energy funds.

Why invest?

The Trust provides investors with exposure to a diversified portfolio of private equity investments primarily in the UK and Continental Europe which has delivered superior returns over the past 10 years, outperforming the FTSE All Share by 2.8x on a total return* basis.

Financial highlights (to December 2010)

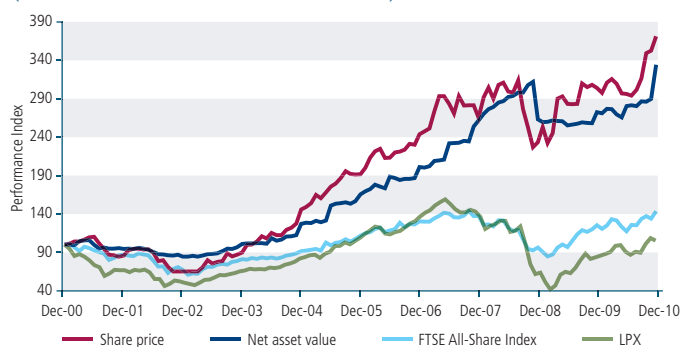
+23%	Increase (on a total return basis) in share price, moving from £8.44 to £10.06 over the year
+23%	Increase (on a total return basis) in net asset value (basic) per ordinary share which rose from £9.37 to £11.18
£111m	The amount of capital deployed in 2010, a record year for deployment. HgCapital invested in seven, primarily fast growing companies
£82m	Significant cash realised in 2010, primarily from the sale of Pulse Staffing, Hoseasons and the partial sale of Visma, at an average uplift on book value of 64%
+14% p.a.	Compound annual growth rate (total return) of the HgCapital Trust plc share price over the last 10 years

Historic Total Return* Performance % p.a. (to December 2010)

	1 year % p.a.	3 years % p.a.	5 years % p.a.	10 years % p.a.
Net asset value (basic)	22.6	8.5	15.0	12.8
Net asset value (diluted)	19.5	7.6	14.5	12.5
Share price	22.8	12.0	14.3	14.0
FTSE All-Share Index	14.5	1.4	5.1	3.7
Share price outperformance p.a. vs FTSE All Share Index	8.3	10.6	9.2	10.3

*Total return assumes all dividends have been reinvested.

Cumulative Historic Performance % p.a. (total return to December 2010)



The LPX Europe Index represents the most actively traded LPE companies covered by LPX that are listed on a European exchange. For more information visit www.lpeq.com/morelpestatistics.aspx

Net assets (as at 31 December 2010)

Ten Largest Investments	£'000	%
TeamSystem	25,136	7.2
Visma	23,116	6.7
StepStone Solutions	19,085	5.5
Frösunda	15,418	4.4
SLV Elektronik	14,532	4.2
SHL	14,224	4.1
Achilles	12,788	3.7
Mondo Minerals	12,676	3.6
Hg Renewable Energy Power Partners LP	12,425	3.6
Midas (t/a Goldshield)	11,962	3.4
	161,362	46.4
Other investments	97,428	28.0
Total investments*	258,790	74.4
Cash and other liquid assets	90,152	25.9
Net current assets	(949)	-
Net assets	347,993	100.0

*Including investment valuation and accrued interest.

Events since the year-end

- Proposed final dividend for the year ended 31 December 2010 of 28.0 pence per ordinary share to be paid on 13 May 2011, subject to shareholder approval.
- The sale of SiTel (Elite) was completed in February 2011. The Trust's share of proceeds was £9.4 million, compared to a carrying value as at 31 December 2010 of £5.4 million, an uplift of £4.0 million (13.1 pence per share basic; 10.9 pence per share diluted).
- In March 2011, we completed the acquisition of ATC. The Trust's share of this investment was £9.9 million. Liquid resources after the completion of ATC are estimated to be £88.4 million (25.1% of the NAV).
- NAV per share increased further to 1,131.4 pence per share basic (1,101.2 pence per share diluted) at 28 February 2011.

Outstanding commitments

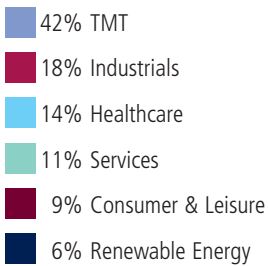
Following the completion of ATC, the undrawn commitments of HgCapital Trust plc to HgCapital managed Funds will be approximately £202 million.

HgCapital Trust plc has the benefit of an opt-out provision in its commitment to invest alongside HgCapital 6, so that it can opt out of a new investment without penalty should it not have the cash available to invest.

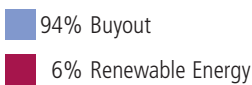
A copy of the annual and interim reports can be found on our website www.hgcapitaltrust.com.

As at December 2010

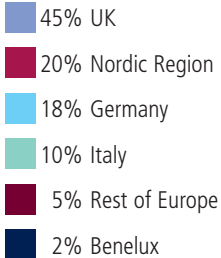
Sector by value[†]



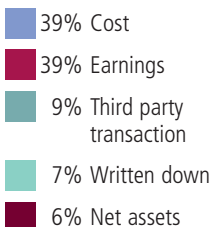
Deal type by value[†]



Geographic spread by value[†]



Valuation Basis[†]



[†]Percentages are based on fixed assets (excluding hedges) and accrued interest and are shown by value

Calendar

Year end	31 December
Accounts published	Annual: 18 March 2011
AGM	10 May 2011
IMS	May and October 2011
Established	1989

Financials as at 31 December 2010

Index	FTSE ALL Share
Ticker Codes:	
Ordinary Shares	HGT
Subscription Shares	HGTS
Ordinary Shares in issue	31,103,915
Subscription Shares in issue	6,220,783
Market Capitalisation	£312.9 million
Net Assets	£348.0 million
NAV per Ordinary Share	
Basic	1,118.8p
Diluted	1,090.7p
Share Price Ordinary Shares	1,006.0p
Ordinary share price discount to NAV (basic)	10.1%
Ordinary share price discount to NAV (diluted)	7.8%
Share Price Subscription Shares	105.0p
Continuation Vote	2015

Unquoted investments were last valued at 31 December 2010, and will next be revalued at 30 June 2011.

HgCapital 6 and other management fee arrangements

- Hg 6 priority profit share is 1.75% per annum on the commitment during the investment period, which will then reduce to 1.5% per annum of the original cost of the assets, less the original cost of any assets which have been realised or written off.
- Hg 6 incentive arrangement is 20% of aggregate profits after the repayment of invested capital (over 8% preferred return).
- Pre-Hg 6, the priority profit share is 1.5% per annum on the current value of its private equity portfolio, excluding investments in other collective investment funds.
- Pre-Hg 6, the incentive arrangement is 20% of the excess annual growth in average NAV over an 8% preferred return, based on a three-year rolling average NAV, calculated half-yearly and aggregated with any dividends declared by the company.

Board of Directors

Roger Mountford (Chairman)
 Peter Gale (Deputy Chairman)
 Richard Brooman (Chairman of the Audit and Valuation Committee)
 Piers Brooke
 Andrew Murison
 Mark Powell

Broker

RBS Hoare Govett Limited
 250 Bishopsgate
 London EC2M 4AA

Contact details

HgCapital Trust plc
 2 More London Riverside
 London SE1 2AP
 T +44 (0)20 7089 7888

Manager

Hg Pooled Management Limited
www.hgcapital.com

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.

HgCapital is the trading name for Hg Pooled Management Limited and HgCapital LLP, both of which are authorised and regulated by the Financial Services Authority.