HgCapital Trust plc

INTERIM REPORT AND ACCOUNTS

30 June 2017

HgCapital Trust plc

"The objective of the Company is to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change.

The Company provides investors with exposure to a fast-growing portfolio of unquoted investments, primarily in technology and technology-enabled services across Europe."

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

References in this Interim Report and Accounts 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.

References in this Interim Report and Accounts to pounds sterling have been abbreviated to 'sterling'.

The photographs featured on pages 1, 3, 14, 16 17, 35 and 49 in this report are of the building in London occupied by HgCapital and the surrounding area.

ABOUT HgCAPITAL TRUST PLC

HgCapital Trust plc is listed on the London Stock Exchange (HGT.L) and invests primarily in a portfolio of unquoted businesses identified by HgCapital, which normally acquires a majority stake in these investments.

An investment in the Company offers exposure to a fast-growing portfolio of **more than thirty businesses** with consistent strong growth in sales and EBITDA, and high cash generation. The **top 20** buyout investments currently account for **82%** of the portfolio value. These companies have seen aggregate sales of **£2.5 billion** and EBITDA of **£626 million** over the last twelve months, with EBITDA margins of **25%**.

By taking majority shareholdings in the businesses in which it invests, HgCapital can actively support management and help implement change that can add shareholder value. These investments are funded by the Company alongside Limited Partnership Funds that HgCapital raises from institutional investors; the Company is HgCapital's largest client and is therefore a key investor in each business.

HgCapital is a long-established and independent partnership that brings together operational and financial management skills. It has a significant track record of using a deep sector focus to identify businesses with specific business models that can perform well across the economic cycle. HgCapital specialises in technology-related and technology-enabled service companies with enterprise values of between £20 million and £500 million primarily, but not exclusively, in Northern Europe.

The HgCapital team has extensive experience in these sectors and geographies and can apply the firm's knowledge to effect both strategic and operational change. It has also created a collaborative community of businesses with shared experience, to enhance growth.

FINANCIAL HIGHLIGHTS

Annualised share price total return over the last 20 years: **+14%**

SIX MONTH PERFORMANCE

SHARE PRICE

The share price at 30 June 2017 was £16.90, a total return for the period of:

+13%

MARKET CAPITALISATION

The market capitalisation of the Company at 30 June 2017 was:

£631m

NAV PER SHARE

The NAV per share at 30 June 2017 was £17.97, a total return over the period of:

+12%

NET ASSETS

The total NAV of the Company at 30 June 2017 was:

£671m

TOTAL ANNUALISED ON-GOING CHARGES

as at 30 June 2017:

1.4%

DIVIDEND

Interim dividend to be paid on 27 October 2017:

16p

TOP 20 INVESTMENTS as at 30 June 2017

SALES GROWTH

over the last twelve months:

+11%

PROFIT GROWTH

over the last twelve months:

+19%

EV TO EBITDA MULTIPLE

16.0x

DEBT TO EBITDA RATIO

5.0x

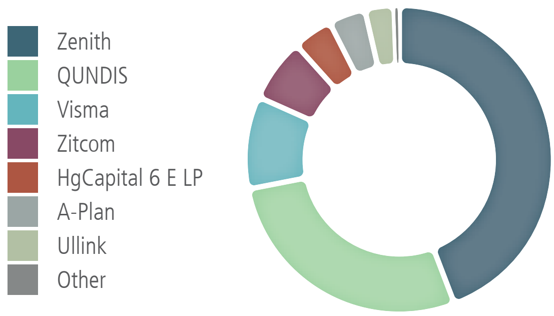
FINANCIAL HIGHLIGHTS continued

Strong realisation activity over the first half of 2017, with further liquidity events since June, taking advantage of a buoyant environment for realising value at good prices.

INVESTMENT ACTIVITY OVER THE PERIOD

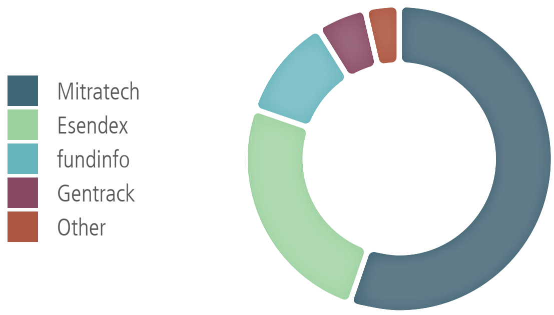
CASH REALISED FOR THE BENEFIT OF THE COMPANY

£134m



CASH INVESTED ON BEHALF OF THE COMPANY

£40m



BALANCE SHEET ANALYSIS as at 30 June 2017

LIQUID RESOURCES

£119m

18% of NAV

Liquid resources are supported by an undrawn bank facility of £80 million.

OUTSTANDING COMMITMENTS

£478m

71% of NAV

Commitments will be drawn down over the next four to five years (2017-2022), an average cash outflow of c. £80 million p.a.

The Company can opt out of a new investment without penalty, should it not have the cash available to invest.

FINANCIAL HIGHLIGHTS continued

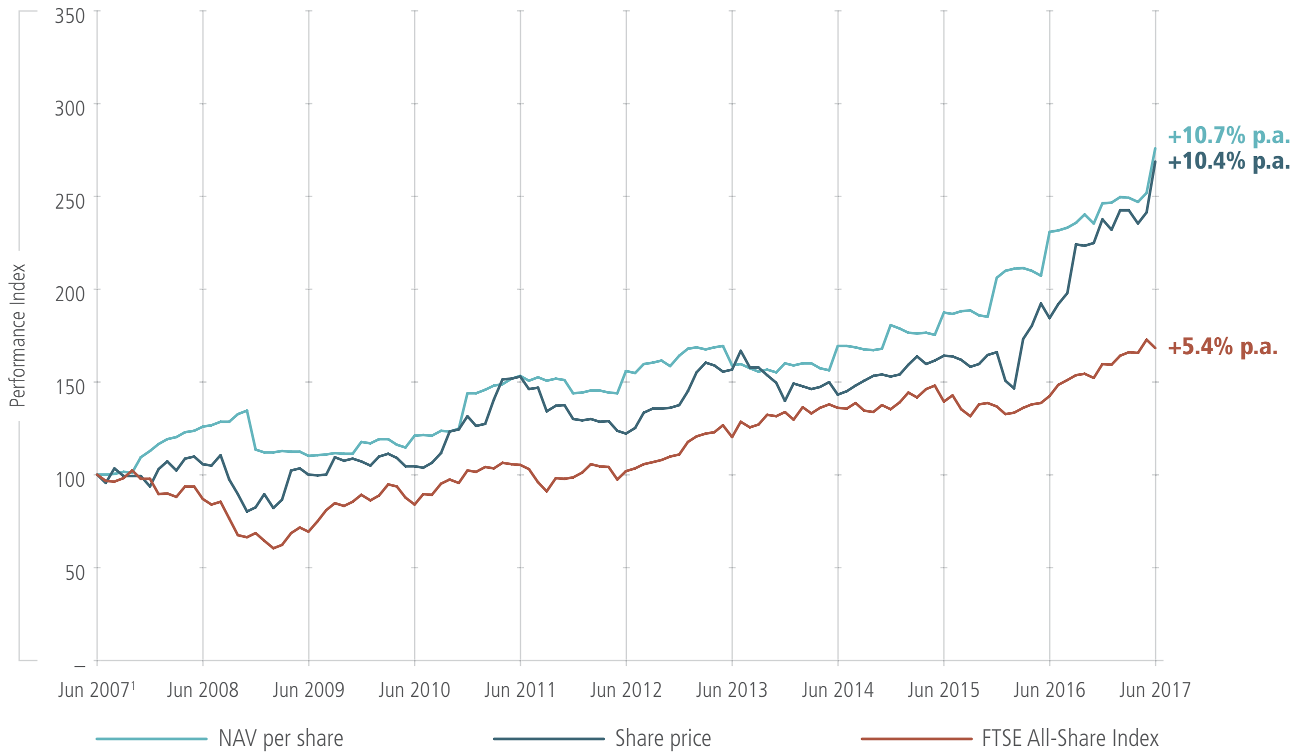
LONG-TERM PERFORMANCE RECORD

HISTORIC RECORD

Year ended 31 December	Net assets attributable to shareholders £'000	NAV per share p	Share price p	Revenue return/ (loss) available for shareholders £'000	Revenue return/(loss) per share[1] p	Dividends per share[2] p
2008	234,094	929.4	668.5	7,445	29.6	25.0
2009	236,044	937.2	844.0	7,148	28.4	25.0
2010	347,993	1,118.8	1,006.0	10,053	34.0	28.0
2011	346,832	1,089.9	970.0	(645)	(2.0)	10.0
2012	437,956	1,231.5	1,016.0	10,398	32.1	23.0
2013	440,584	1,180.4	1,010.0	12,913	35.3	29.0
2014	476,918	1,277.8	1,057.5	21,933	58.8	51.0[3]
2015	530,023	1,420.0	1,115.0	17,907	48.0	40.0
2016	615,756	1,649.7	1,541.0	20,140	54.0	46.0
30 June 2017	670,852	1,797.3	1,690.0	6,019	16.1	16.0[4]

[1] Based on weighted number of shares in issue during the year.
[2] Dividend paid or proposed in respect of reported period.
[3] Included a special dividend of 19 pence per Ordinary share.
[4] Interim dividend of 16 pence per Ordinary share to be paid on 27 October 2017.

LONG-TERM PERFORMANCE – TEN YEAR TOTAL RETURN



[1] Performance record rebased to 100 at 30 June 2007. Source: Factset, HgCapital.

FINANCIAL HIGHLIGHTS continued

LONG-TERM PERFORMANCE RECORD

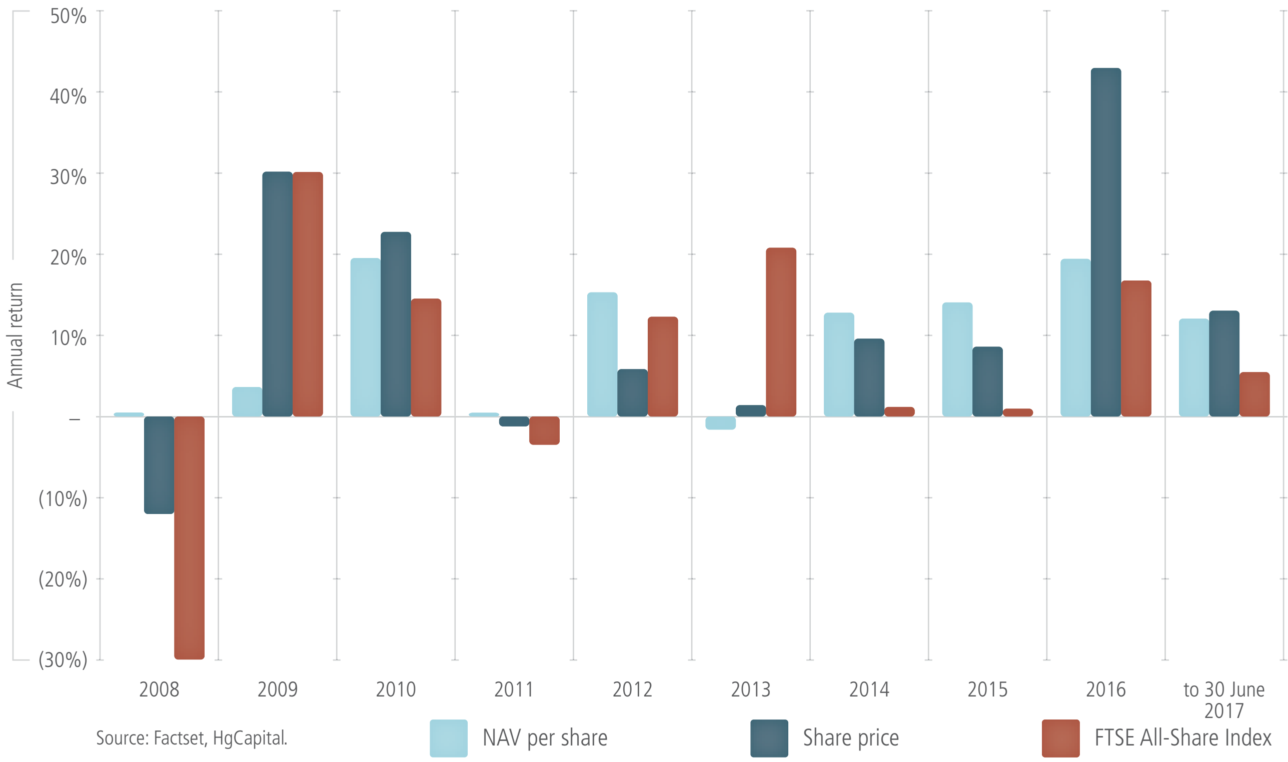
Both the Company's share price and net asset value per share have continued to outperform the FTSE All-Share Index.

HISTORICAL TOTAL RETURN PERFORMANCE

	Six months to 30 June 2017 %	One year % p.a.	Three years % p.a.	Five years % p.a.	Ten years % p.a.	Twenty years % p.a.
Share price	13.1	45.8	23.4	17.1	10.4	14.3
NAV per share	12.1	19.5	17.6	12.1	10.7	13.0
FTSE All-Share Index	5.5	18.1	7.4	10.6	5.4	6.5
Share price performance relative to the FTSE All-Share Index	+7.6	+27.7	+16.0	+6.5	+5.0	+7.8
NAV per share performance relative to the FTSE All-Share Index	+6.6	+1.4	+10.2	+1.5	+5.3	+6.5

Based on the Company's share price at 30 June 2017 and allowing for all historic dividends to be reinvested, an investment of £1,000 twenty years ago would now be worth £14,449. An equivalent investment in the FTSE All-Share Index would be worth £3,503.

DISCRETE ANNUAL TOTAL RETURN PERFORMANCE AGAINST THE FTSE ALL-SHARE INDEX



Source: Factset, HgCapital.

CHAIRMAN'S STATEMENT

Most businesses in our portfolio continue to achieve high rates of growth in both revenues and profits. This provides strong evidence of the potential for continuing, consistent growth in value for the benefit of shareholders.

Performance in the first half

At 30 June 2017, the Company's NAV per share reached a new high of £17.97 per share (after the payment of a dividend in respect of 2016 of 46 pence per share), reflecting growth during the half year (on a total return basis) of 12.1%. The total NAV of the Company at 30 June reached £671 million, an increase of £55 million over the year-end, after the payment to shareholders of £17 million in dividends.

This appreciation reflected both further strong growth in sales and earnings in most of the businesses we own and substantial uplifts above carrying value on the sale of three investments, with a further three significant realisations that have completed or are due to complete in the second half of the year.

Over the twelve months up to 30 June 2017, the top 20 companies, that make up 82% of our portfolio, continued to achieve strong growth in sales and profits, reporting sales growth of 11% and EBITDA growth of 19%. Growth in profits has added more than £50 million (136 pence per share) to the unrealised value of the investment portfolio at 30 June. Gains over carrying value on the realisation of investments contributed nearly £22 million (58 pence per share) to growth in NAV, while higher ratings used in some valuations, reflecting strong equity markets and M&A activity, contributed a modest £14 million (37 pence per share) to NAV. In contrast with the Company's experience in 2016, foreign exchange movements had only a minor impact. The adverse effect of a weakening dollar against sterling was largely mitigated by a series of hedges, protecting the value of three investments that are valued in dollars.

The analysis of NAV movements and attribution analysis (on pages 22 and 23 of this report) set out a breakdown of movements in the NAV and the underlying investment portfolio.

The continuing strong growth in the value of our portfolio in the first half of 2017 has resulted in the Board making a further provision against the portfolio of £15.3 million for the Manager's carried interest; this will only become payable once the Company has been returned its invested capital and a preferred return of 8% p.a.

In recent years we have been looking to find new ways to invest in businesses identified by HgCapital, to supplement our core activity of investing alongside institutional clients of the Manager in new buyouts. First, we acquired a £15 million commitment in a secondary purchase of a limited partnership interest in the HgCapital 6 fund; subsequently we have invested almost £60 million in a series of co-investments that have the benefit that no fees or carried interest are payable. I am pleased to report that our interest in HgCapital 6 has returned a gross multiple of 2.0x cost to date and the co-investments have returned a gross multiple of 1.6x cost to date. The Board and the Manager continue to discuss other ways in which the Company can profit from the Manager's expertise; however, the Board does not intend to move away from the business models and sectors in which our core investments are made.

Returns to shareholders

The Company's share price increased by 13.1% on a total return basis in the first half of the year, closing at £16.90 on 30 June 2017, versus a 5.5% total return from the FTSE All-Share Index. While this represents another excellent short-term performance, the Board has always emphasised that investment in private equity should be judged over longer time periods, reflecting the cycle over which the Manager identifies attractive opportunities, acquires them, and then deploys its own personnel to work with the management of each business to add value through strategic and operational change. This creates sustainable value, that is ultimately realised through sale, and has resulted in the Company delivering a compound annual share price total return of 10.4% p.a. over the last ten years, and 14.3% p.a. over twenty years. The performance achieved over these long periods was between 5% and 8% p.a. in excess of the FTSE All-Share Index and we believe justifies an allocation of shares in the Company within a diversified portfolio seeking long-term growth.

Dividend

In the annual report for 2016 we announced that the Board would in future declare and pay an interim dividend. Accordingly, the Board has decided to declare an interim dividend of 16 pence per share, payable on 27 October 2017. This dividend is broadly in line with the revenue return per share reported in the first six months, but shareholders should note that, as the portfolio is managed for growth, revenue returns can fluctuate; in the first half it was suppressed somewhat by provisions made against accrued income as a result of writing down the valuations of Radius, Frösunda and Kinapse.

The Board also advised shareholders that it anticipated declaring annual dividends of not less than the 46 pence per share paid in respect of 2016. The Board therefore anticipates recommending a final dividend of not less than 30 pence. Long-term investors focused on growth in the value of their holding might wish to consider automatically reinvesting all dividends through the Company's dividend re-investment plan (or 'DRIP'), details of which appear on page 60 of this report; existing participants in the DRIP need take no action to ensure that their interim, as well as their final dividends, are used to buy shares in the Company.

Investment activity

The half year was very active for both realisations and new investments. We realised cash totalling £134 million primarily from the successful sale of investments in Zenith, QUNDIS and Zitcom. The realisation of our investment in Zenith achieved a very attractive return to shareholders; how this value was created is described in a case study on pages 20 and 21. Since the period end, we have completed the sale of our holding in Parts Alliance and the sale of e-conomic, announced in June, is expected to complete in September 2017; the valuations at 30 June reflect the agreed sale terms. Post-period, we also

CHAIRMAN'S STATEMENT continued

completed the sale of Sequel Business Solutions, adding to NAV per share which reached £18.61 as at 31 August 2017. All of these realisations were made at prices in excess of the previous valuation. Cash was also returned from our investments in Visma, A-Plan and Ullink through refinancings.

The Manager invested £40 million on behalf of the Company into four companies (Mitratech, fundinfo, Gentrack and Esendex), the last of which was merged immediately with the Manager's existing portfolio company, Mobyt. In the case of Mitratech and Esendex the Company also made a co-investment.

During the half-year, the Manager completed a substantial reorganisation of the Company's investment in Visma, which has been in the portfolio since 2006. First, the business was refinanced, releasing £12.9 million (representing 34 pence per share) to the Company. Subsequently, HgCapital's co-investor, KKR, decided to sell its entire holding in the group, with Cinven selling 40% of its stake; HgCapital led a new group of investors including GIC (the Singapore sovereign wealth fund), Montagu and ICG, alongside Visma's management team who have retained their full stake in the business. As part of this transaction, the Company sold its investment in e-conomic, which held a stake in Visma as a result of the earlier sale of e-conomic's business to Visma. The Company also made a further investment in Visma through its commitment to the HgCapital 7 vintage. Following these transactions, the Company holds an interest in Visma valued at £112 million, of which £39 million is in the form of co-investment. Overall the Company has benefited from an uplift of £31 million on the value of this investment at the previous year-end and, on completion, it is estimated that the Company will receive net cash proceeds of £20 million. The Board has scrutinised these transactions carefully and satisfied itself that HgCapital has managed any potential conflicts properly, with the fairness of the terms of both sale and further investment verified by the involvement of a number of independent and highly experienced investors. The Board is also pleased to report that, following the sale of e-conomic, about 40% of the Company's holding will be by way of co-investment, which carries no carried interest or management fee. The Board believes it is in shareholders' interest to retain businesses with continuing prospects for growth, such as Visma, for longer periods than are typical in private equity funds that have a limited life.

Investment strategy

The commitments we made to invest in buyouts arranged by HgCapital in 2011 to invest alongside the Mercury fund and in 2013 in the case of the HgCapital 7 fund are almost fully invested; accordingly, in late 2016 and early 2017 the Board entered into new agreements with HgCapital, committing £350 million to the HgCapital 8 vintage and £80 million to invest alongside the second Mercury fund. On average, across the five-year investment period in which these commitments are drawn down, we anticipate investing around £80 million p.a. and we expect the first investments to be made under these commitments later this year. These are large commitments, made after careful analysis, and shareholders can take comfort that, should the Company have insufficient funds to meet its commitments in future, it will again have the benefit of an 'opt-out', as a last resort, allowing it to be excused from investment without penalty if it does not have sufficient cash available. In addition, as previously reported, we have an unsecured bank facility of £80 million available until 30 June 2019 and this helps the Board to remain confident that the Company can participate in all HgCapital's deals without financial strain.

However, the pace of investment can, and should, vary across the cycle according to market conditions. The Board and the Manager regard the current market as 'frothy' – in other words, a time to realise investments and to be highly selective in making new investments. At 30 June, the Company held £119 million in liquid resources awaiting investment and the Manager anticipates returning further capital to the Company over the next six to twelve months. The Board believes that the Company's portfolio contains an array of opportunities to grow value over the coming years, which will (subject to market conditions) deliver growth in value to shareholders, even if it is currently wise to retain cash for deployment when prices are less challenging.

The Board's aim is to manage the Company's balance sheet efficiently and we have put in place arrangements with Royal London Asset Management, who manage the Company's funds awaiting investment, to invest them in a wider range of high quality instruments in order to enhance returns. In the event that there is surplus capital and conditions for new investments appear to be unfavourable for a prolonged period, the Board will consider returning capital to shareholders, probably through a market purchase of shares.

Prospects and risks

The majority of businesses in our buyout portfolio are trading well, with sales and profits growing at double-digit rates and materially faster than the economies in which they operate, due largely to the protected, non-cyclical markets they serve and the business-critical characteristics of their offering. Uncertainties arising from the UK government's negotiations to leave the EU are so far having little impact on businesses in our portfolio. These defensive qualities, combined with the Manager's long track record of using gearing successfully, means it has access to bank finance in order to fund investments efficiently.

The growing impact of technology on business, which I described in my Chairman's statement earlier this year, is rapidly being recognised as both challenging for businesses that do not react and an opportunity for those who do. Investors increasingly need to be able to differentiate and to ensure that their portfolios are well-positioned to profit from the rapid advance of technology, and protected from business models that will be made obsolescent by it. Close to 90% of our current buyout portfolio is in either technology-related or technology-enabled businesses. HgCapital has spent years building the expertise to take advantage of these trends and maintains its own Operational Innovations team with the skills to support management in developing the businesses we invest in. As a result, most businesses in our portfolio continue to achieve high rates of growth in both revenues and profits. This provides strong evidence of the potential for continuing, consistent growth in value for the benefit of shareholders.

Roger Mountford
Chairman
8 September 2017

THE COMPANY'S INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The objective of the Company is to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change.

INVESTMENT POLICY

The policy of the Company is to invest, directly or indirectly, in a portfolio of unlisted companies where HgCapital believes it can add value through organic growth, operational improvements, margin expansion, reorganisation or by acquisition to achieve scale. The Company seeks to maximise its opportunities and reduce investment risk by holding a spread of businesses diversified by sector, market and geography.

Risk management

The Company has adopted formal policies to control risk arising through excessive leverage or concentration. The Company's maximum exposure to unlisted investments is 100% of the gross assets of the Company from time to time. On investment, no investment in a single business will exceed a maximum of 15% of gross assets. The Company may invest in other listed closed-ended investment funds up to a maximum at the time of investment of 15% of gross assets.

Sectors and markets

The Company's policy is to invest in businesses in which HgCapital can play an active role in supporting management, HgCapital primarily invests in companies whose operations are headquartered or substantially based in Europe. These companies operate in a range of countries, but there is no policy of making allocations to specific countries or markets. Investments are made across a range of sectors where HgCapital believes that its skills can add value, but there is no policy of making allocations to sectors.

The Company may, from time to time, invest directly in private equity funds managed by HgCapital where it is more economical and practical so to do.

Gearing

Each underlying investment is usually leveraged in order to enhance value creation but no more than its own cash flow can support. It is impractical to set a maximum for such gearing across the portfolio as a whole. The Company commits to invest in new opportunities in order to maintain the proportion of gross assets that are invested at any time, but monitors such commitments carefully against projected cash flows. The Company has the power to borrow and to charge its assets as security. The Articles restrict the Company's ability (without shareholder approval) to borrow, to no more than twice the Company's share capital and reserves, allowing for the deduction of debit balances on any reserves.

Hedging

Part of the Company's portfolio is located outside the UK, predominantly in Northern Europe, and a further part in businesses that operate in US dollars. The Company may therefore hold investments valued in currencies other than sterling. From time to time, the Company may put in place hedging arrangements with the objective of protecting the sterling translation of a valuation in another currency. Derivatives are also used to protect the sterling value of the cost of investment made or proceeds from realising investments in other currencies, between the exchange of contracts and the completion of a transaction.

Overcommitment

The Company may be overcommitted at times in order to ensure that it is more fully invested in the future. The level of overcommitment is regularly reviewed by the Board and HgCapital.

Liquid funds

The Company maintains a level of liquidity to ensure, so far as can be forecast, that it can participate in all investments made by HgCapital throughout the investment-realisation cycle.

At certain points in the investment-realisation cycle the Company may hold substantial cash awaiting investment. The Company may invest its liquid funds in government or corporate debt securities, or in bank deposits, in each case with an investment grade rating, or in managed liquidity funds that hold investments of a similar quality.

If there is surplus capital and conditions for new investment appear to be unfavourable, the Board will consider returning capital to shareholders, probably through the market purchase of shares.

Any material change to the Company's investment objective and policy will be made only with the approval of shareholders in a general meeting.

THE COMPANY'S RATIONALE AND BUSINESS MODEL

The Board has a clear view of the rationale for investing in unquoted businesses where there is potential for growth in value through applying strategic and operational change. This informs its decisions on the operation of the Company and the evolution of the Company's Business Model.

RATIONALE

The Board believes that there is a convincing rationale for directly investing in well-researched private businesses where there is potential for substantial growth in value, especially where HgCapital can work alongside the management of a business to implement strategic or operational improvements. These can result in higher rates of growth in sales, enhanced margins and increasing profits, which are more sustainable into the future, offering investors the potential for continuing growth in shareholder value.

Change can often be implemented more quickly when a business is privately-owned. Listed businesses can find it difficult to undergo rapid change and value creation; opportunities to invest through such a period of value creation are therefore rare in the listed market, other than through the shares of a vehicle such as the Company. Listed companies are also constrained in attracting and rewarding the management needed during periods of change. HgCapital uses well-proven private equity structures to attract and incentivise the management team of portfolio companies and the highly-experienced chairs and other non-executive directors whom HgCapital appoints to guide local management. Returns in each business are also enhanced by raising borrowing that it can service from its own cash flow.

The advantages of investing in unquoted businesses have been recognised for decades by many large institutions, which have made an allocation to unlisted businesses, either by direct investment or through private equity funds. However, participation in such funds usually requires committing substantial sums to a 10 to 12-year closed-end fund, devoting time to select a manager and negotiate complex limited partnership agreements, and then assuming the burdens of administration, monitoring and accounting that these vehicles impose. HgCapital Trust plc offers a simple and liquid means by which to achieve the same investment, monitored by an independent Board.

BUSINESS MODEL

Working within the framework of the Company's Investment Policy, the Board and HgCapital have together developed a business model, which is kept under regular review. The business model evolves as market conditions change and new opportunities appear.

Asset class

The Company is a direct investor in a portfolio of businesses managed, and in most cases controlled, by HgCapital. The Company's objective is to deliver superior long-term returns by participating in the ownership and development of unquoted businesses where HgCapital has the ability to implement change and enhance shareholder value. From time to time the Company may hold listed securities in pursuit of its investment policy.

Most of the Company's investments are held through special-purpose partnerships, of which it is the sole limited partner. HgCapital periodically raises funds from institutional investors who participate through limited partnerships which invest alongside the Company. The institutional investors and the Company invest on substantially identical terms. Taken together, the funds available to HgCapital are sufficient to allow it to take majority positions in the businesses in which it invests and thus obtain the ability to support management and strategy as appropriate; the Company is usually the largest investor in each business. The Company is currently investing alongside HgCapital's HgCapital 7 fund and is committed to invest alongside the HgCapital 8 fund, once the HgCapital 7 investment period ends. The Company also invests in smaller TMT buyouts via HgCapital's specialist Mercury fund and has committed to invest alongside HgCapital's Mercury 2 fund once the Mercury 1 fund investment period ends. The Company additionally invests in renewable energy via its commitment to RPP2; however, the Company will be making no new commitments to this sector.

The aggregate funds available to HgCapital, from the Company and from institutional funds, enable HgCapital to maintain substantial staffing to support the businesses in which we are invested, with a level of management and specialist experience that would not be available to the Company on its own. HgCapital has experienced resources both in-house and through its network of operating partners, who are highly experienced executives with transferable skills relevant to the businesses in which HgCapital invests and the nature of the support it provides. HgCapital has more than 70 investment professionals, who are organised in investment teams, that focus on business sectors and carry out in-depth research into them. In addition, HgCapital has a dedicated Operational Innovations team, as described on page 16, that works with management teams and operating partners to add value to businesses in the portfolio.

THE COMPANY'S RATIONALE AND BUSINESS MODEL continued

Because HgCapital is responsible for managing the Limited Partnership funds through which our co-investors participate, the Company has no responsibility to those institutional investors with whom we co-invest.

When selecting businesses to invest in, HgCapital looks to identify companies with specific business model attributes across technology and technology-enabled services, an area of investment in which it has substantial expertise, gained over many years. This expertise enables HgCapital to work alongside the management of the portfolio companies, in order to implement strategic and operational change and create value for both the Company and HgCapital's Limited Partnership Funds.

The Company is currently invested in more than 30 companies, ranging in size, sector and geography, providing substantial diversification.

The Board regularly monitors progress in all the businesses within the portfolio; the development of HgCapital's investment strategy; the resources and sustainability of the business model; and valuations. By making direct investments, the Company can provide greater transparency to shareholders. The Board and shareholders in the Company thus have a detailed understanding of the portfolio.

The Company is not a fund of funds and does not normally invest in other managers' funds. This also avoids the double level of fees common in a fund of funds model.

Periodically, the Company enters into a formal commitment to invest in businesses identified by HgCapital, alongside its Limited Partnership Funds. Such commitments are normally drawn down over four to five years, as investment opportunities arise. When this commitment approaches full deployment, the Company agrees a new commitment with HgCapital.

The Board of the Company sets the investment parameters for making these commitments to invest and decides the level of commitment to be made, in accordance with the investment policy. The Board agrees to pay HgCapital a priority profit share based on the sum committed, to remunerate HgCapital for its work in identifying opportunities, and subsequently on the sums invested, reflecting HgCapital's ongoing management of the investments. An incentive based on performance, or 'carried interest', becomes payable after the repayment to the Company of its invested capital and a preferred return has been achieved. (See page 94 of the 2016 Annual Report for further information).

The Board and HgCapital continually monitor the projected cash flows of the Company, with the objective of keeping the Company as fully invested as is practical, while ensuring that it will have cash available when a new investment arises; this requires the Board, on the advice of HgCapital, to make important assumptions about the rate of deployment of funds into new investments and the timing and value of realisations. However, to mitigate the risk of being unable to fund any draw-down under its commitments to invest alongside certain of HgCapital's funds, the Board has negotiated a right to opt out, without penalty, of the Company's obligation to fund such draw-downs where certain conditions exist (see note 12 to the Financial Statements).

The Company may also take up a co-investment in some businesses (in addition to the investment it has committed to make). The Company has no liability to pay fees on such co-investment and no carried interest incentive is payable to HgCapital on realisation. The Company may also offer to acquire a limited partnership interest in any of HgCapital's funds in the event that an institutional investor wishes to realise its partnership interest.

As the Company's shares are listed on the London Stock Exchange, it can take advantage of tax benefits available to investment trusts. This allows the Company to realise businesses from its portfolio without liability to corporation tax. The Board intends to retain this status so long as it is in shareholders' interest to do so. This requires the Board to declare dividends so that not more than 15% of taxable income is retained each year.

Performance targets

The Company's aim is to achieve returns in excess of the FTSE All-Share Index over the long-term. NAV per share has grown by 10.7% p.a. compound over the last ten years and 13.0% p.a. compound over the last twenty years. The share price has seen broadly similar performance growing by 10.4% p.a. compound over the last ten years and 14.3% p.a. compound over the last twenty years. The Board and HgCapital aim to continue to achieve consistent, long-term returns in this range.

The Company is not managed so as to reflect short-term movements in any Index. The Board also regularly compares the Company's NAV and share price performance against a basket of broadly comparable companies with similar characteristics, listed on the London Stock Exchange.

Priorities as a listed investment company

As the rationale for the Company is to provide investors with a way to invest in private companies undergoing strategic or operational change, the Board has a number of priorities, including: ensuring that HgCapital will have sufficient resources to identify new opportunities and a depth of expertise that can create value through active management; providing shareholders with transparent and clear reports on the underlying portfolio businesses; publishing valuations of the businesses held, and of the Company's NAV, that are consistently prepared and carefully reviewed; maintaining a liquid market in the Company's shares, supported by independent research; avoiding additional risk at Company level that is not justified by reward; and retaining the tax advantages offered by meeting the requirements of HMRC for investment trust status. The Board additionally places great emphasis on pro-active investor relations, including regular dialogue with shareholders, as well as offering easy access to Board members and HgCapital executives.

INTERIM MANAGEMENT REPORT AND RESPONSIBILITY STATEMENT

Interim management report

The important events that have occurred during the period under review are described in the Chairman's Statement and in the Manager's Review, which also include the key factors influencing the financial statements.

The Directors do not consider that the principal risks and uncertainties have changed materially since the publication of the Annual Report for the year ended 31 December 2016. A detailed explanation of the risks summarised below can be found on pages 15 and 16 of the 2016 Annual Report which is available at www.hgcapitaltrust.com.

Performance risk

An inappropriate investment strategy may lead to poor performance. The Board is responsible for deciding the investment strategy to fulfil the Company's objectives and for monitoring the performance of the Manager.

Regulatory risk

The Company operates as an investment trust in accordance with Sections 1158 and 1159 of the Corporation Tax Act 2010 ('CTA 2010'). As such, the Company is exempt from corporation tax on capital gains realised from the sale of its investments, so the impact of losing investment Company status would be significant to the Company.

Operational risk

In common with most other investment trust companies, the Company has no employees. The Company therefore relies upon the services provided by third parties and is dependent upon the internal control systems of the Manager and the Company's other service providers.

Financial risks

The Company's investment activities expose it to a variety of financial risks that include valuation risk, liquidity risk, market price risk, credit risk, foreign exchange risk and interest rate risk.

Liquidity risk

The Company, by the very nature of its investment objective, predominantly invests in companies whose shares are not traded on a market. The Manager has the benefit of control over most of the companies, but to realise its investment would require negotiation of a sale to a purchaser or a flotation on the stock market, which might not be achievable at the Directors' published valuation.

Borrowing risk

The Board and the Manager agree that prudent use of borrowing to fund acquisitions can increase rates of return to shareholders. Businesses held in the underlying portfolio usually utilise bank borrowing and this is raised at levels that can be serviced from the cash flows generated within that business.

Responsibility statement

The Directors confirm that to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with the Statement on Half-yearly Financial Reports issued by the UK Accounting Standards Board and gives a true and fair view of the assets, liabilities, financial position and return of the Company;
- The Interim Management Report (incorporating the Chairman's Statement and the Manager's Review) includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the 2016 Annual Report that could do so.

We consider the Interim Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This interim financial report was approved by the Board of Directors on 8 September 2017.

Roger Mountford
Chairman
8 September 2017

HgCAPITAL'S REVIEW

HgCapital is an investor predominantly in unquoted technology and technology-enabled service businesses.

Our business model combines deep sector specialisation with dedicated portfolio management support. HgCapital invests primarily in growth companies in expanding sectors via leveraged buyouts across Europe.

HgCapital's vision is to be the most sought after private equity investor in Europe, being a partner of choice for management teams, so as to produce consistent superior returns for the Company and other clients and a rewarding environment for our staff.

References in this Interim Report and Accounts to the 'portfolio', 'investments', 'companies' or 'businesses', refer to a number of buyout investments, held as:

- indirect investments by the Company through its direct investments in fund limited partnerships (HGT LP, HGT 6 LP, HGT 7 LP and HgCapital Mercury D LP ('Hg Mercury')) of which the Company is the sole limited partner;
- a secondary purchase of a direct interest in HgCapital's 6 fund through HgCapital 6 E LP ('Hg6E'), in which the Company is a limited partner; and
- direct investments in renewable energy fund limited partnerships (Hg Renewable Power Partners LP ('RPP1') and HgCapital Renewable Power Partners 2 C LP ('RPP2')), of which the Company is a limited partner.

Hg Pooled Management Limited was authorised as an Alternative Investment Fund Manager with effect from 22 July 2014. For further details, refer to pages 106 to 109 of the 2016 Annual Report.

HgCAPITAL'S REVIEW continued

OVERVIEW

INTRODUCTION TO HgCAPITAL

With more than 120 staff in investment offices in the UK and Germany, HgCapital has funds under management of over £8 billion serving a range of highly regarded institutional investors, including private and public pension funds, charitable endowments, insurance companies and family offices, alongside the Company.

We have progressively invested in and strengthened the business of HgCapital over the years, to establish a significant competitive advantage.

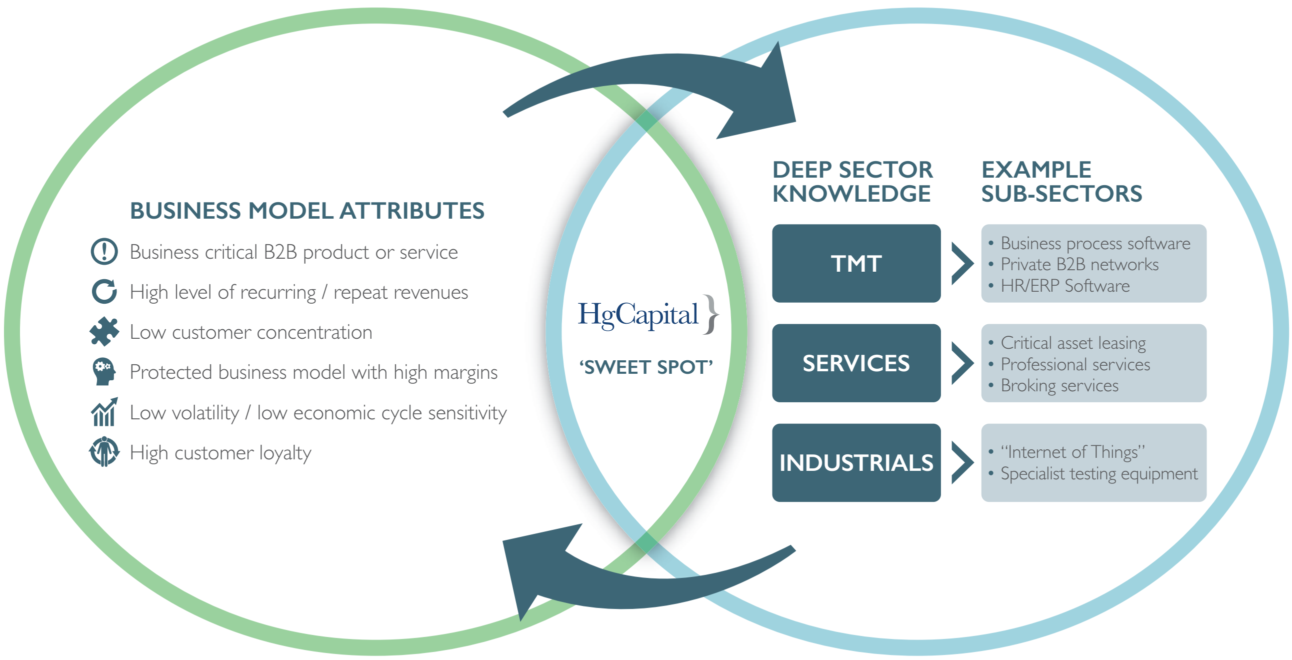
The Company is the largest client of HgCapital, which has been contracted to manage the Company's assets since 1994. The Company offers investors a liquid investment vehicle, through which they can obtain an exposure to HgCapital's diversified portfolio of private equity investments with minimal administrative burdens, no long-term lock-up or minimum size of investment, and with the benefit of an independent board and associated corporate governance.

INVESTMENT STRATEGY

HgCapital primarily focuses on buyouts in technology and technology-enabled businesses with enterprise values ('EV') of between £20 million and £500 million predominantly, but not exclusively, in the UK and Northern Europe.

These companies are small enough to provide opportunities for strategic and operational improvement and to offer multiple exit options across market cycles, and yet large enough to attract high quality management.

We believe these markets offer a high volume of investment opportunities with proven financial performance and strong market positions.



Clear investment criteria

HgCapital applies a rigorous approach when evaluating all investment opportunities. Our objective is to invest in the most attractive businesses, rather than be constrained by a top-down asset allocation.

We seek companies predominantly in technology and technology-enabled services, across our sectors that share similar characteristics, such as: high levels of recurring or contracted revenues; a product or service that is business-critical but typically low spend; low customer concentration; high customer loyalty and low sensitivity to market cycles; and often providing a platform for merger and acquisition ('M&A') opportunities. We believe that these companies have the potential for significant performance improvement.

> "We focus our investments in software and tech-enabled service companies with specific business characteristics that we believe have the ability to grow across market cycles and are attractive to future buyers."
>
> Nic Humphries, Senior Partner, HgCapital

HgCAPITAL'S REVIEW continued

OVERVIEW

Active portfolio management

By virtue of the fact that HgCapital repeatedly invests in specific kinds of business models, our dedicated Operational Innovations ('OI') Team has been able to tailor a differentiated approach to driving value creation during ownership. Following each investment, our OI Team works with management on improving a focused set of operational levers that are key to performance in an HgCapital 'sweet spot' business model: sales, digital marketing, pricing, customer success, IT and analytics. For each of these levers, the OI team has codified the HgCapital experience and best-practices into set 'plays' that are deployed together with management.

The nature of support provided by HgCapital can take a variety of forms. At a Board level, we often appoint a member of the OI team as a non-executive director responsible for applying active, results-oriented corporate governance.

Beyond the boardroom, members of our OI team provide either direct support through hands-on best-practice project work, or collaborate with management teams to draw on expertise from our proprietary network of specialists and Operating Partners, who each bring a specific, operational specialism to company situations.

We also foster peer-to-peer best-practice sharing between our portfolio executives. For example, we hold annual 'best-practice' forums for each function individually, where we bring together each portfolio company's functional lead together with our topic experts. Last year we held twelve forums with over 300 executives attending across sales & marketing, customer success, finance, HR and other areas. Outside of the forums, the OI team act as the node, driving ad-hoc collaboration and knowledge-sharing between groups of portfolio executives.

“

Our differentiation is the direct collaboration and knowledge-sharing we facilitate between our portfolio companies: over 300 portfolio company executives work together in our forums each year.

Amanda Good, Partner, HgCapital

”

A full description of HgCapital and our key staff is available at www.hgcapital.com

HgCAPITAL'S REVIEW continued

OVERVIEW

OUR PEOPLE

HgCapital succeeds through analysis of new and emerging dynamics in the sectors and economies in which it invests. Developing this analysis requires profound understanding of technology, markets and business practices. To this end, we employ best-in-class talent to identify and execute investment opportunities and accelerate value realisation during ownership.

Our people come from a range of backgrounds and experience including private equity, consulting, investment banking, accounting and industry specialists. Supporting these focused in-house resources, HgCapital's Operating Partners consist of a group of senior individuals with many years of experience in operational and strategic roles, as well as individuals with strong functional expertise in a variety of areas. In addition to this, they have all worked with HgCapital and other private equity firms over long periods.

This specialisation - both in investment selection and portfolio management - requires significant resources and we have built a business employing more than 120 staff, including over 70 investment and other professionals. Investing primarily in European businesses, many of which have a global footprint, requires time and a deep understanding of local cultures. Accordingly, our people come from around the globe, including ten European countries and the USA. Our partners have, on average, nineteen years' experience in management of private businesses.

Positioning ourselves as a best in class recruiter

HgCapital's recruitment and selection processes are rigorous and agile, which, along with our vibrant culture, allow us to attract and hire the best talent in our industry. We place a strong emphasis on delivering an experience that will encourage the best candidates to join us.

Improving our ability to identify talent

We have strengthened our talent identification processes with a focus on out-performers and how we can best accelerate their development within the business. We believe that this is the basis of effective succession planning.

Employee engagement

Our people are highly motivated by, and committed to, delivering outstanding value to our clients and our portfolio company leadership teams. They are engaged by their work, our values and the opportunity to grow to their full potential within HgCapital. Our values have evolved over many years and are embodied in our working culture; these are aligned with our performance review and compensation structures.

Developing future leaders

We are explicit about the behaviours we wish to encourage at HgCapital, and have aligned training, coaching, performance feedback and incentives to our values. This focus includes both broad organisation-wide and leadership competency models, which are used as the basis for performance coaching, development and promotion.

> "A deep bench of colleagues targeted on specific themes not only allows us to invest in some great businesses but also to work with some of the most talented executives globally active in those sectors. This focus enables us to deliver strong returns for investors."
>
> Matthew Brockman, Partner, HgCapital

HgCAPITAL'S REVIEW continued

SECTOR SPECIALISATION

In order to find businesses where we can add substantial value, HgCapital applies a deep sector focus, predominantly targeting buyout investments in technology and technology-enabled service and industrial companies.

HgCapital's sector teams combine the domain knowledge and expertise of a trade buyer – giving them enhanced credibility and the ability to make confident decisions – with the speed of execution and discipline of a financial investor leading to high conversion rates on deals.

This deep sector focus is channelled through: a rigorous, research-based investment process; systematically identifying the most attractive growth sub-sectors and business models primarily in Europe; and through repeated investment in them, deal flow is optimised and returns improved.

TMT

TMT, as a sector, covers a broad range of markets. Driven by our deep sector approach, HgCapital's TMT team is focused on specific sub-sectors, including: vertical market application software - particularly delivered via a Software as a Service ('SaaS') model; private electronic marketplaces; B2B media information/publishing; and telecoms/datacentre operators.

Within these sub-sectors, we have invested in high quality businesses with diverse customer bases, which feature subscription-based business models generating predictable revenues and cash flows. The team regularly conducts top-down research within the wider sector, in order to continue to identify and assess further repeatable investment themes where we can invest time to develop proprietary expertise.

Our highly resourced, dedicated team means that we are well placed to identify, assess and complete investments quickly and thoroughly. We work to bring our experience and expertise to support management teams, aiming to have the knowledge of a trade buyer, coupled with the speed and focused delivery of a financial buyer. The team benefits from the depth and breadth of many years of private equity experience in TMT, and is complemented by an extensive network of industry experts and advisers.

Given the breadth of opportunity in European TMT, HgCapital is currently investing in the sector from two funds, HgCapital 7 and HgCapital Mercury; targeting buyouts in companies with enterprise values between £20 million and £500 million.

The aggregate funds we have to invest across the sector allows us to field significant teams to identify and negotiate investments, while providing a very comprehensive resource for the management teams that we support.

HgCAPITAL'S REVIEW continued

SECTOR SPECIALISATION

SERVICES

The Services sector is a large and wide-ranging segment which is traditionally split into 'horizontal' business models such as: business process outsourcing; facilities management; or testing and inspection. In contrast, our investment approach concentrates much more on specific end markets or customer segments, which we believe lead to attractive business model characteristics. We have then invested time to develop a strong understanding of the industry dynamics through top-down research or existing investments, identifying service companies that sell into those specific end sectors.

Within the Services sector, the investment themes that have attracted us have typically featured large, fragmented customer bases, long-term and stable customer relationships, and businesses which provide business-critical services, preferably on a repeat or recurrent basis. We target businesses with leading positions within a niche, typically reflected by strong margins; and we aim to grow and scale these businesses, either organically within existing markets (selling into their customer bases), or through acquisition.

Existing investments include companies that serve a range of industries such as: the leasing and maintenance of commercial laundry and catering equipment; automotive leasing; international business expansion services; and distribution of insurance. All of these have common characteristics, including: stable and diverse customer bases; critical, repeated use products; and a strong value proposition with a high level of customer service.

INDUSTRIALS

The Industrials team is focused on partnering with growth businesses within Europe and in particular in the German market, which is characterised by a large number of highly successful, family-owned businesses (the 'Mittelstand'). We have earned a reputation as a preferred partner for many Mittelstand companies, having supported the management of a number of these hidden champions to scale up into international businesses. The Industrials Team, based in Munich, is located in the heart of an economic zone containing numerous high-quality, cutting-edge, technology-led industrial businesses, many of which have strong national or international positions in a specific niche sector, with the opportunity to achieve further scale. Our thematic research within this sector has been concentrated over many years on the characteristics that define a strong industrial investment. As a result, we have developed certain themes that we regard as particularly attractive: aftermarket companies; product champions/niche manufacturers; c-part specialists; and smart distribution models. These themes are overlaid with specific industrial sub-sectors where we have a strong understanding.

HgCAPITAL'S REVIEW continued

CASE STUDY – ZENITH

Website: www.zenith.co.uk

Sector: Services

Geography: UK

Zenith
Intelligent Vehicle Solutions

Business description

Zenith is the largest independent vehicle leasing business in the UK. HgCapital formed the Group in March 2014 through the merger of Zenith Vehicle Contracts and the Leasedrive Group, which were combined to create Zenith Leasedrive Holdings, under the leadership of Zenith's CEO, Tim Buchan. Following the successful completion of the integration, the business rebranded to Zenith.

"Zenith and HgCapital enjoyed a successful partnership over the last three years with a shared vision on creating value. We look forward to continuing our growth story from these foundations."

Tim Buchan, CEO of Zenith

Headquartered in Leeds, with full-service operations in both Solihull and Wokingham, Zenith has over 500 employees and provides end-to-end automotive solutions focused on contract hire, salary sacrifice, fleet management and short-term hire services to customers across the UK. The company operates a fleet of c. 85,000 vehicles and focuses on serving blue-chip customers, principally as sole supplier. Zenith was recently ranked 7th in the Fleet News 50's list of the UK's top 50 contract hire companies.

The investment

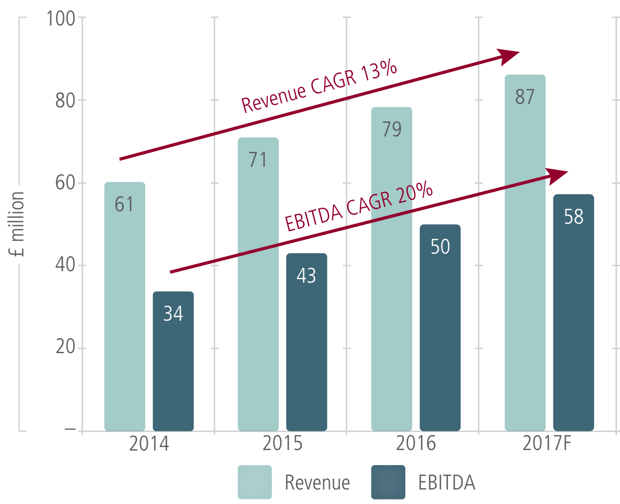
HgCapital initially invested in Leasedrive in December 2013, subsequently completing the merger with Zenith in February 2014. The investment team identified the opportunity to merge Zenith and Leasedrive and create a strategically valuable asset in the UK contract hire and salary sacrifice market, by becoming the leading independent provider in the market. Furthermore, the potential to generate significant synergies through platform integration and economies of scale made the case for merging the two complementary businesses even stronger.

Zenith was identified as the platform from which to build a combined entity due to its clearly differentiated service proposition through market-leading Net Promoter Scores, its unique technology proposition (Pulse) and proven management team.

The investment case

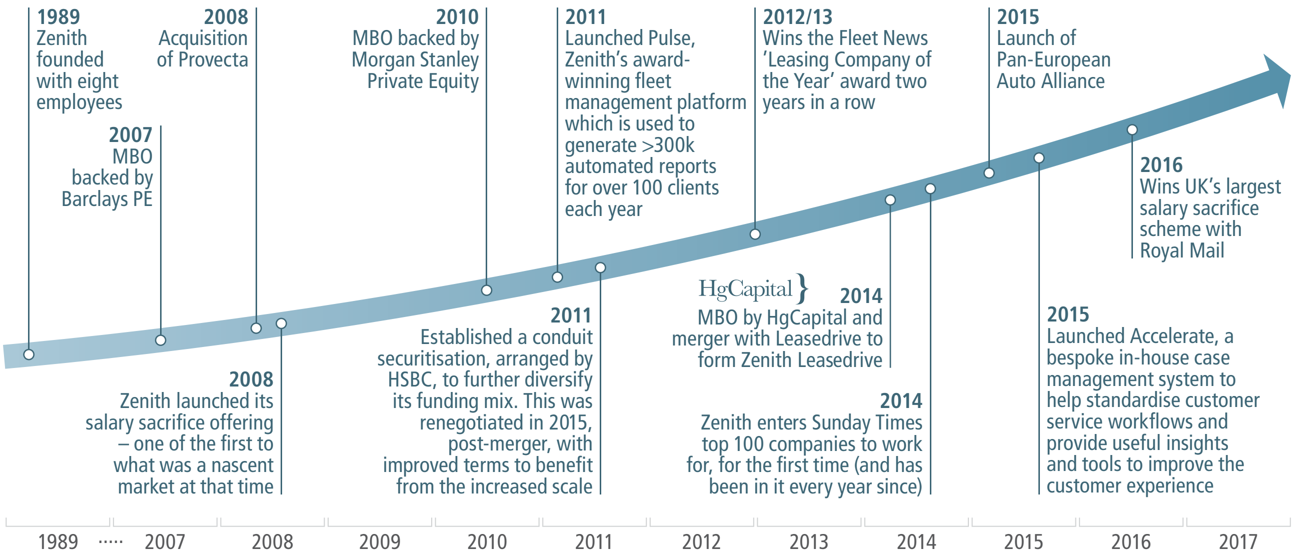
Zenith displayed many of the characteristics HgCapital looks for in its portfolio companies: offering business-essential services to a loyal and satisfied customer base on long-term contracts. The business enjoys high customer loyalty and continues consistently to win many new customers, providing good visibility on revenue growth (95% visibility on next year's revenue outlook).

FINANCIAL PERFORMANCE



HgCAPITAL'S REVIEW continued

CASE STUDY – ZENITH



These characteristics drive strong core profitability (60%+ EBITDA margins) aligned with double-digit growth and high cash flow conversion (100%+).

The UK's contract hire market is very large (more than 1 million contracted vehicles) with multiple competitors, many of whom are sub-scale. Despite low single digit market growth, Zenith has been able to grow organically at over 10% p.a. driven by its relentless focus on customer service levels, enabled by its proprietary technology platform (Pulse).

The investment team also identified more than £10 million of synergies available from the merger of the two businesses through integrating the existing platforms, leveraging scale benefits from the combined supply chain and enhancing profitability by reducing asset financing costs.

How HgCapital has supported Zenith

HgCapital worked together with management to identify the synergies available from the merger of Zenith and Leasedrive. The process to integrate the two businesses was led by management with support from our portfolio team and was delivered successfully achieving the full synergies, whilst minimising any potential customer disruption (no customers were lost due to the integration) and maintaining the company's position in the Sunday Times best 100 companies to work for.

In April 2015, Zenith was refinanced on the back of its strong trading performance, returning 45% of the original investment made to clients. Following this, in June 2015, Zenith agreed a new securitisation facility with improved terms.

Following on from substantial involvement in the integration planning and implementation process, HgCapital's portfolio team have worked on several value creation initiatives, including market segmentation and strategy reviews, improving digital presence and enhancing supply chain savings.

The enlarged scale of the business has provided multiple opportunities to improve the efficiency of both acquisition financing and asset-based funding, where we supported management by using our debt financing expertise and relationships.

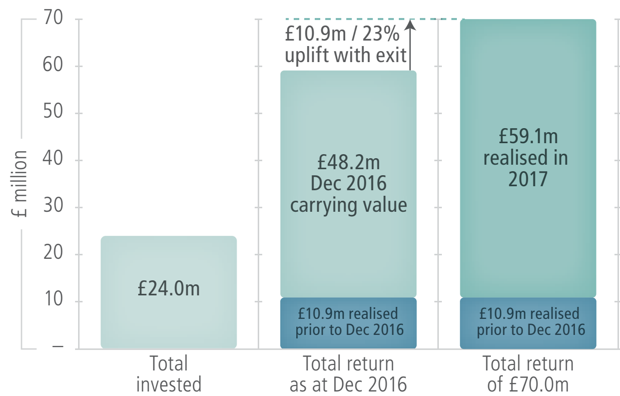
Performance improvement

A substantial part of the value created during HgCapital's investment period has been driven by the close collaboration of Zenith's management and the HgCapital team to drive organic revenue growth through higher levels of customer loyalty and strong new business growth, whilst also delivering on the integration plan to deliver over £10 million of synergies.

As a result, Zenith has continued to deliver strong double-digit revenue and EBITDA growth (13% and 20% CAGR respectively since March 2014) and the contracted nature of its business model means that a significant proportion of future growth is already underpinned by existing customer contracts.

Exit and refinancing

In March 2017, HgCapital completed the sale of Zenith to Bridgepoint in a transaction totalling £750 million at an uplift to book value of 23%. The combined return (including the 2015 refinancing) delivered a 2.9x investment multiple and a 46% gross IRR over the investment period.



Investment return multiple of cost: **2.9x**
Gross IRR: **46% p.a.**

The numbers in this chart relate to the Company's share of HgCapital's investment in Zenith.

HgCAPITAL'S REVIEW continued

OVERVIEW OF THE PERIOD

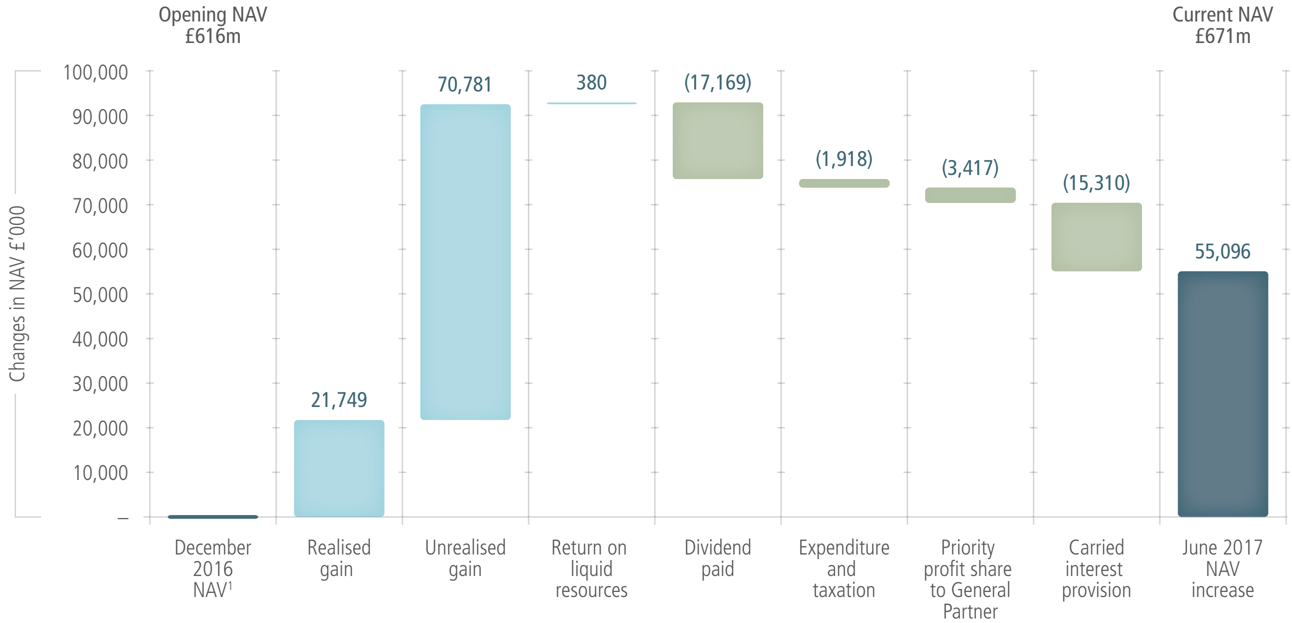
NET ASSET VALUE (NAV)

Over the first half of 2017, the NAV of the Company increased by £55 million, from £616 million to £671 million at 30 June 2017.

ATTRIBUTION ANALYSIS OF CURRENT PERIOD MOVEMENTS IN NAV

	Revenue £'000	Capital £'000	Total £'000
Opening NAV as at 1 January 2017	37,156	578,600	615,756
Realised capital and income proceeds from investment portfolio in excess of 31 December 2016 book value	1,812	19,937	21,749
Net unrealised capital and income appreciation of investment portfolio	9,657	61,124	70,781
Net realised and unrealised gains from liquid resources	395	(15)	380
Dividend paid	(17,169)	–	(17,169)
Expenditure	(1,900)	–	(1,900)
Taxation	(18)	–	(18)
Investment management costs:			
Priority profit share - current period charge	(3,417)	–	(3,417)
Priority profit share - net loan allocation	(510)	510	–
Carried interest - current period provision	–	(15,310)	(15,310)
Closing NAV as at 30 June 2017	**26,006**	**644,846**	**670,852**

ANALYSIS OF NAV MOVEMENTS for the period ended 30 June 2017



[1] December 2016 rebased to nil

There were a number of underlying factors contributing to the increase in the NAV over the period. Positive impacts on the NAV were the £71 million revaluation of the unquoted portfolio and uplifts of £22 million on the realisation of investments compared with their carrying value at the start of the year.

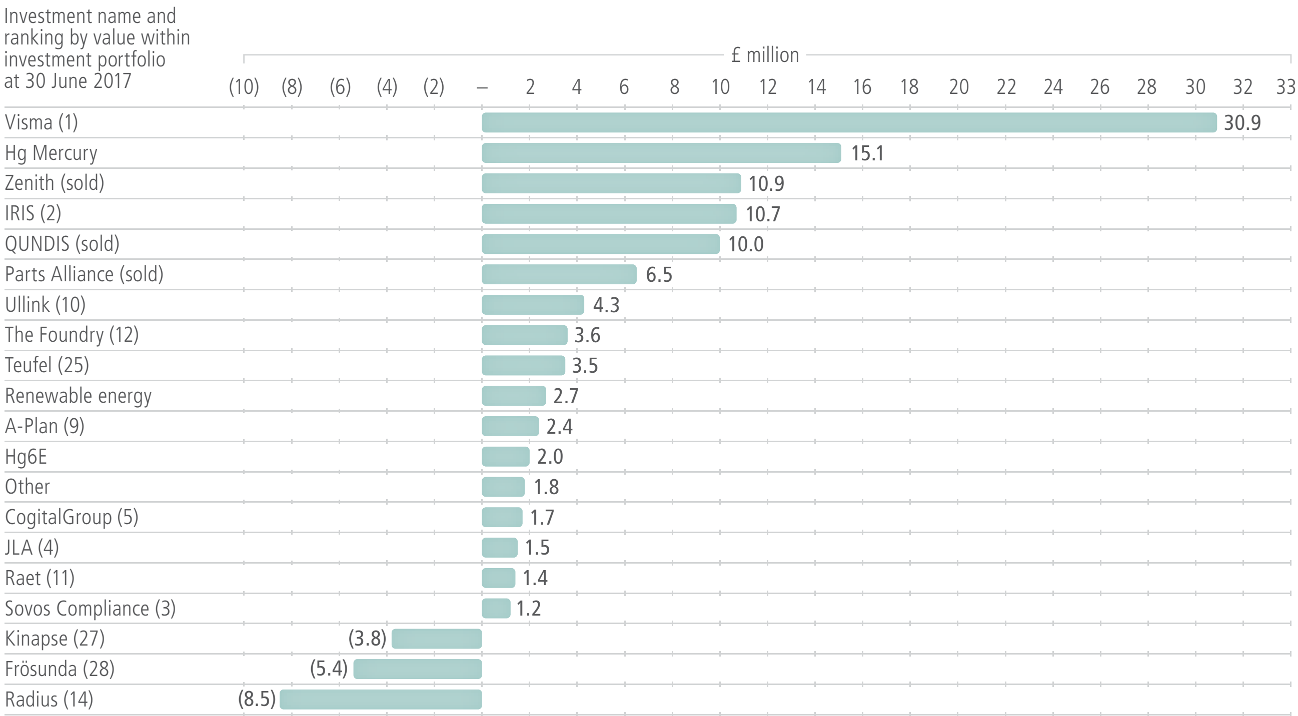
Reductions in the NAV included: the payment of a £17 million dividend to shareholders and HgCapital's remuneration (£3 million and a £15 million increase in the provision for future carried interest).

HgCAPITAL'S REVIEW continued

OVERVIEW OF THE PERIOD

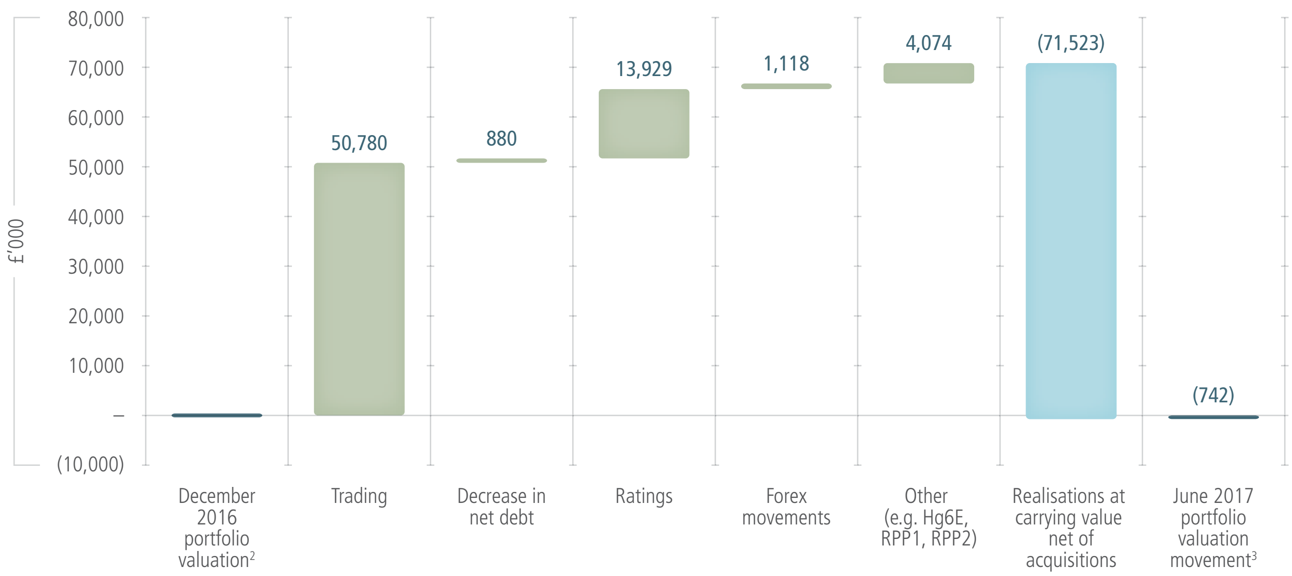
REALISED AND UNREALISED MOVEMENTS IN INVESTMENT PORTFOLIO

for the period ended 30 June 2017



ATTRIBUTION ANALYSIS OF UNREALISED MOVEMENTS IN THE INVESTMENT PORTFOLIO[1]

for the period ended 30 June 2017



[1]Includes accrued income [2]December 2016 rebased to nil [3]Before the deduction of the carried interest provision

During the period, the value of the unrealised portfolio decreased by £1 million, excluding the provision for carried interest. There were significant positive movements from strong trading (£51 million) and increased ratings (£14 million). This was offset by realisations at carrying value net of acquisitions (£72 million).

HgCAPITAL'S REVIEW continued

OVERVIEW OF THE PERIOD

TOP 20 PORTFOLIO TRADING PERFORMANCE
as at 30 June 2017

The top 20 buyout investments (representing 82% of the total portfolio by value) have delivered strong sales growth of 11% and EBITDA growth of 19% over the last twelve months ('LTM').

This demonstrates consistent robust growth in the portfolio with revenues and EBITDA growing on average by 11% p.a. and 17% p.a. respectively over the last three years. The business model characteristics of these companies give us confidence that this double-digit growth can be achieved consistently going forward.

More than 70% of the portfolio is seeing strong double-digit revenue growth, and 80% of the portfolio has delivered double-digit EBITDA growth over the last twelve months.

Profits across the portfolio have grown at a faster rate than revenues. Investment made over the last few years into the cost base of a number of our companies for example, to finance increased sales and marketing capabilities, strengthen management and new product development, continues to bear fruit.

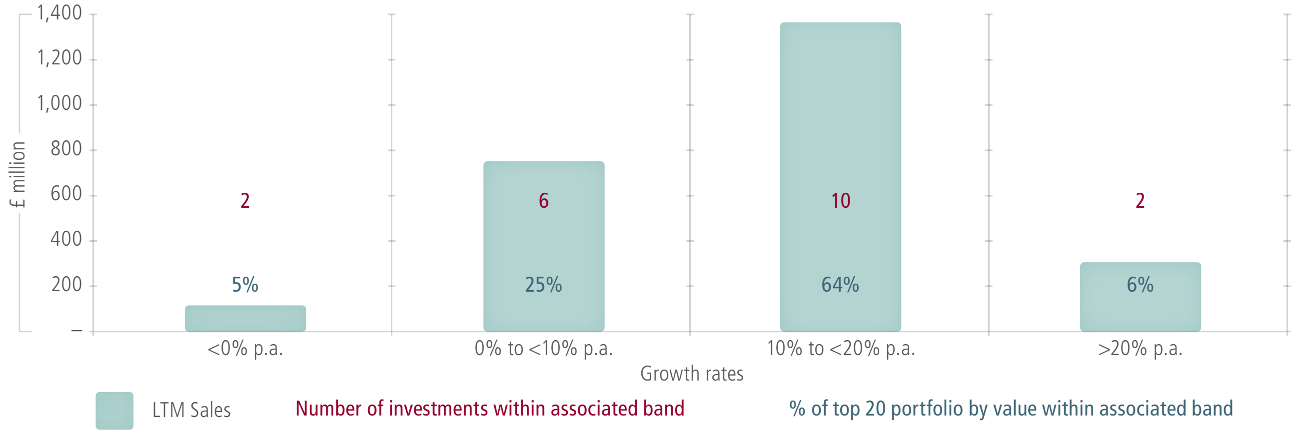
We continue to see very robust and consistent double-digit trading performance from Visma, IRIS, Sovos Compliance, Ullink, Allocate Software and Sequel Business Solutions in the TMT portfolio, and A-Plan, CogitalGroup and Citation in the Services sector.

Whilst new to the portfolio, Mitratech and Esendex have seen a good start to their life with HgCapital.

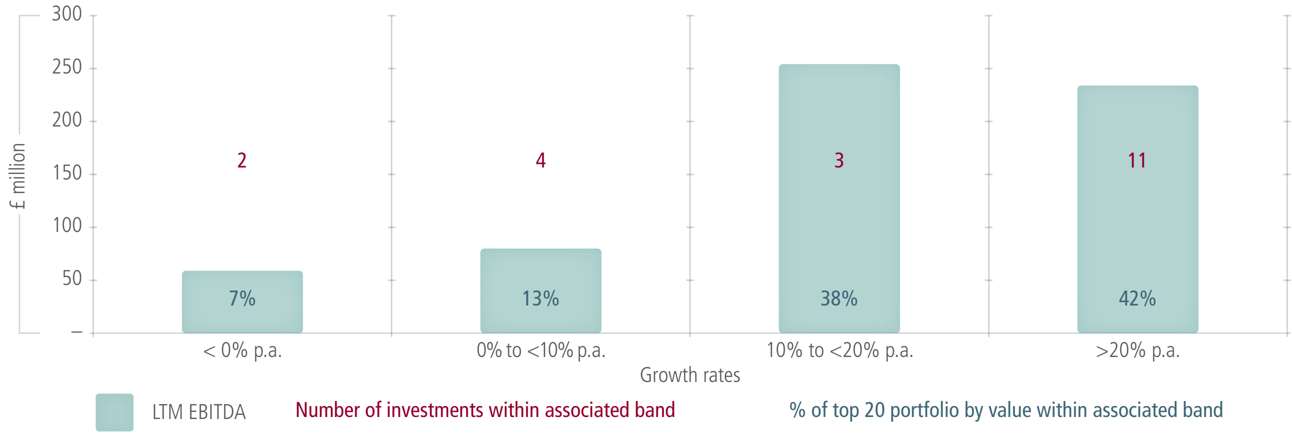
In June 2017, we took the decision to write down one of our top twenty investments, Radius, and in addition, Frösunda and Kinapse whose operational performance has been below expectations over the period.

Overall, continued strong earnings growth and cash generation across the portfolio continues to drive equity value in our investments.

TOP 20 LTM SALES GROWTH: +11%



TOP 20 LTM PROFIT GROWTH: +19%



HgCAPITAL'S REVIEW continued

OVERVIEW OF THE PERIOD

VALUATION AND GEARING ANALYSIS

as at 30 June 2017

The portfolio's valuation policy is applied consistently, in accordance with the IPEV Valuation Guidelines. Each company has been valued individually, resulting in an average EBITDA multiple for the top 20 buyout investments of 16.0x (14.2x at 31 December 2016).

We continue to take a considered and prudent approach in determining the level of maintainable earnings to use in each valuation. The majority of the portfolio is valued using the LTM earnings to 31 May 2017, unless we have anticipated that the outlook for the full current financial year is likely to be lower, in which case we have used forecast earnings. In selecting an appropriate multiple to apply to a company's earnings, we look at a basket of comparable companies, primarily from the quoted sector, but where relevant and recent, we will also use M&A data.

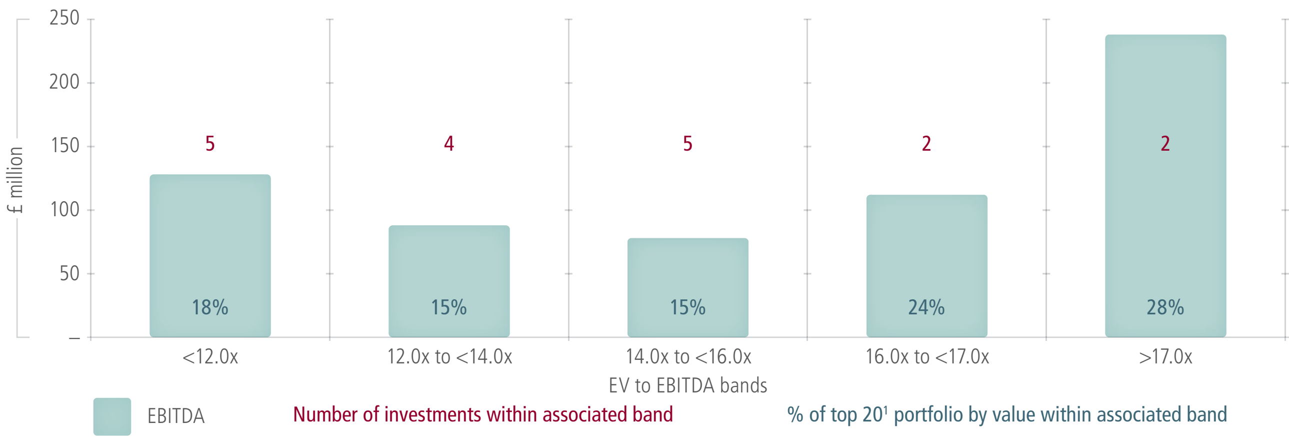
Four of the top 20 companies (representing 52% by value) are valued at a multiple of over 16x (Sovos Compliance, IRIS, Visma and Mitratech). All have attractive business models, are growing strongly and generating cash, and are in demand from investors.

There remains a continued shift in the mix of the portfolio to higher growth businesses, in particular in the TMT sector, where we hold a number of companies with substantial opportunities to grow their SaaS business.

Our portfolio companies make appropriate use of gearing, with an average for the top 20 of 5.0x LTM EBITDA. Many of our businesses have highly predictable, strong earnings growth and are very cash generative, enabling us to use debt to gear our returns. Over the first six months of 2017 we have taken the opportunity to refinance Visma, A-Plan and Ullink as detailed on pages 30 and 31.

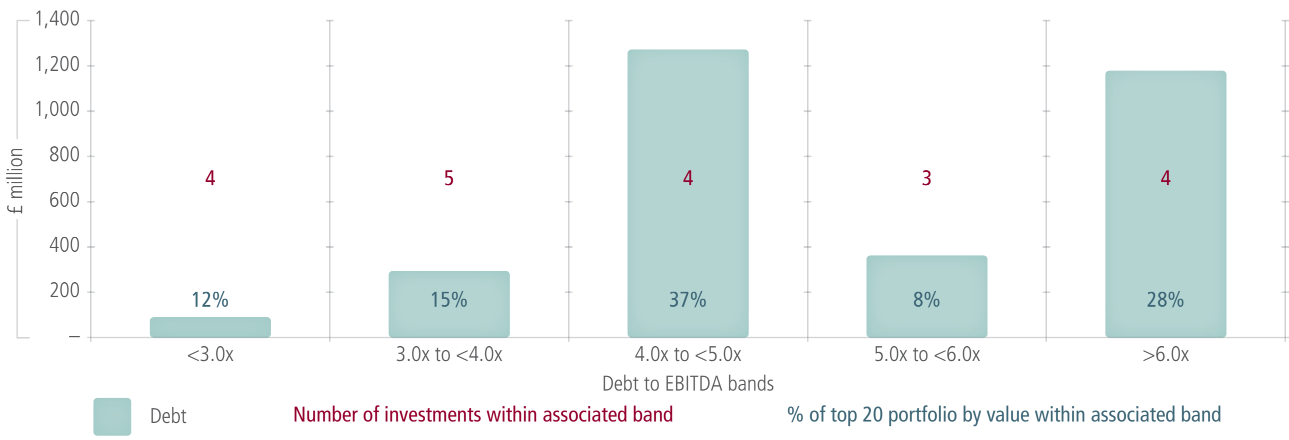
The first six months of 2017 continued to see significant increases in valuations in the portfolio. These were primarily driven by strong trading performance in the underlying portfolio.

TOP 20[1] EV TO EBITDA VALUATION MULTIPLE: 16.0x



[1]Excluding two investments valued on a basis other than earnings.

TOP 20 DEBT TO EBITDA RATIO: 5.0x



HgCAPITAL'S REVIEW continued

OVERVIEW OF THE PERIOD

OUTSTANDING COMMITMENTS OF THE COMPANY

The period ended with liquid resources of £119 million, supported by an undrawn bank facility of £80 million. Outstanding commitments as at 30 June 2017 were £478 million, as listed below. We anticipate that the majority of these outstanding commitments will be drawn down progressively over the next four to five years and are likely to be partly financed by future cash flows from portfolio realisations. Additionally, to mitigate the risk of being unable to fund any draw-down under its commitments, the Board has negotiated a right to opt out, without penalty, of the Company's obligation to fund such commitments where certain conditions exist.

Fund	Fund vintage	Original commitment	Outstanding commitments as at 30 June 2017		Outstanding commitments as at 31 December 2016	
		£ million	£ million	% of NAV	£ million	% of NAV
HGT 8 LP[1]	2017	350.0	350.0	52.2%	350.0	56.9%
Hg Mercury 2[2]	2017	80.0	80.0	11.9%	–	–
HGT 7 LP	2013	200.0	22.4	3.3%	39.8	6.5%
HGT 6 LP	2009	285.0	12.6	1.9%	11.0	1.8%
RPP2	2010	35.1[3]	6.1	0.9%	7.5	1.2%
Hg Mercury	2011	60.0	3.8	0.6%	10.3	1.7%
HGT LP (Pre-HgCapital 6 vintage)	pre-2009	120.0[4]	1.3	0.2%	1.3	0.2%
Hg6E[6]	2009	15.0	1.0	0.1%	0.6	0.1%
RPP1	2006	19.0[5]	0.8	0.1%	0.8	0.1%
Total			478.0	71.2%	421.3	68.5%
Liquid resources			119.4	17.8%	45.8	7.4%
Net outstanding commitments unfunded by liquid resources			358.6	53.4%	375.5	61.1%

[1] Commitment to HgCapital 8 in December 2016. This fund will only commence investing once HgCapital 7 has completed its investment period.

[2] Commitment to Hg Mercury 2 in February 2017. This fund will only commence investing once Hg Mercury 1 has completed its investment period.

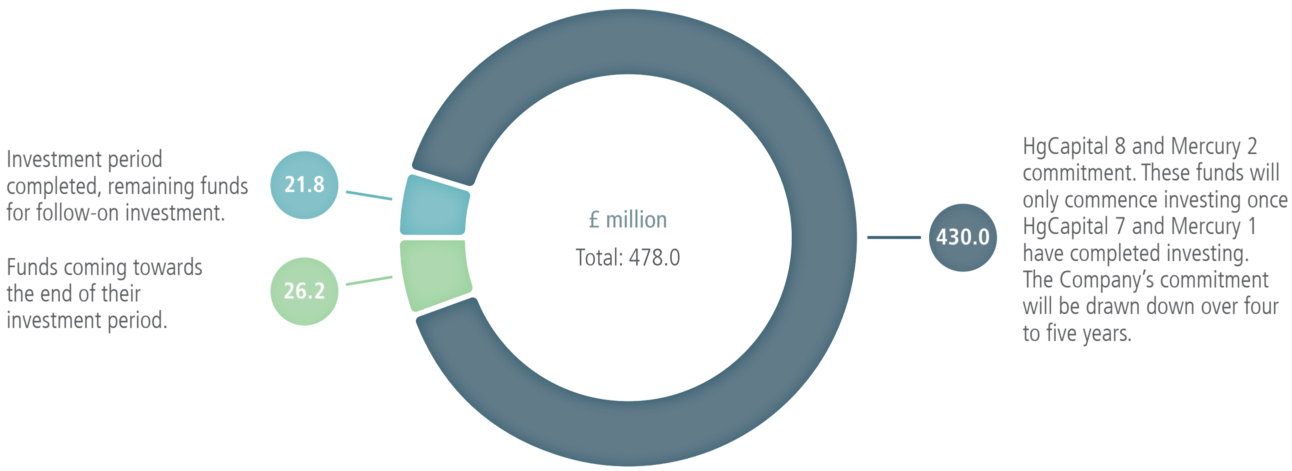
[3] Sterling equivalent of €40.0 million.

[4] Excluding any co-investment participations made through HGT LP.

[5] Sterling equivalent of €21.6 million.

[6] Partnership interest acquired during 2011.

COMMITMENTS AT 30 JUNE 2017 – REMAINING INVESTMENT PERIOD



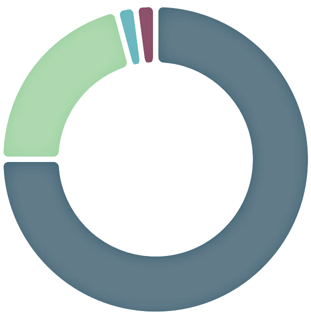
HgCAPITAL'S REVIEW continued

INVESTMENT PORTFOLIO OF THE COMPANY

	Fund limited partnerships	Residual cost £'000	Total valuation £'000	Portfolio value %
	Primary buyout funds:			
1	HGT 6 LP	121,183	213,415	38.4%
	HGT 6 LP – Provision for carried interest	–	(46,475)	(8.4%)
2	HGT 7 LP	146,272	211,931	38.1%
	HGT 7 LP – Provision for carried interest	–	(15,947)	(2.9%)
3	HGT LP	69,044	95,490	17.2%
4	HgCapital Mercury D LP	44,361	74,064	13.3%
	HgCapital Mercury D LP – Provision for carried interest	–	(6,751)	(1.2%)
	Total primary buyout funds	380,860	525,727	94.5%
	Secondary buyout funds:			
5	HgCapital 6 E LP	–	10,505	1.9%
	HgCapital 6 E LP – Provision for carried interest	–	(2,419)	(0.4%)
	Total secondary buyout funds	–	8,086	1.5%
	Total buyout funds	380,860	533,813	96.0%
	Renewable energy funds:			
6	RPP2 Fund	26,198	21,363	3.8%
7	RPP1 Fund	4,803	1,013	0.2%
	Total renewable energy funds	31,001	22,376	4.0%
	Total investments net of carried interest provision	411,861	556,189	100.0%

Sector by value* of primary buyout portfolio

- 75% TMT
- 21% Services
- 2% Industrials
- 2% Healthcare



Geographic spread by value* of primary buyout portfolio

- 49% UK
- 20% Scandinavia
- 14% Other Europe
- 11% North America
- 6% Germany

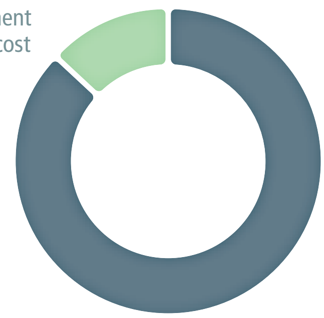
Investment vintage by value* of primary buyout portfolio

- 5% 2017
- 24% 2016
- 9% 2015
- 26% 2014
- 5% 2013
- 31% pre 2013

Analysis by value* of investment return relative to its original cost

- 87% Above
- 13% Below

Representing aggregate realised proceeds and unrealised valuations of an investment



*Excluding carried interest provision

HgCAPITAL'S REVIEW continued

INVESTMENTS

Over the period, £264 million was invested on behalf of our clients, with the Company's share being £40 million.

The vast majority of our investments are generated by establishing and developing relationships with companies in our chosen segments over the longer term and typically pursuing opportunities where we have a strong relationship with a founder or management team. By doing this, we believe that we can invest in the very best businesses within our chosen sub-sectors.

We continue to look for businesses that share similar underlying business model characteristics such as: high levels of recurring revenues; a product or service that is business critical but typically low spend; low customer concentration; and low sensitivity to market cycles. This is a theme that runs through many of our new investments and we believe companies with these characteristics will remain in high demand.

During the first half of 2017, the Company has invested £11.5 million (Mitratech and Esendex) by way of co-investment, in addition to its commitment to invest alongside HgCapital 7 and HgCapital Mercury 1. This is an attractive way to invest more funds, when available, with no fees or carried interest being payable.

NEW INVESTMENTS

MITRATECH

Mitratech

Mitratech is a leading global provider of legal, risk and compliance software serving multinationals and SMEs across Europe and the US.

This investment by the TMT team follows many years of experience in the regulatory-driven business software space. Mitratech demonstrates many of the business model characteristics that HgCapital looks for, including: a business-critical product; a high proportion of repeatable revenues; strong customer loyalty; an opportunity for M&A; and a strong management team with a proven track record in both organic and M&A-led growth.

fundinfo

fundinfo

fundinfo is a leading technology platform for fund data and documents publication and dissemination to the global fund management industry (including banks, insurance companies, financial advisors, family offices and platforms), headquartered in Zurich, Switzerland.

fundinfo will join HgCapital's current network of European headquartered FinTech investments, including Intelliflo (SaaS financial advisor software), Ullink (connectivity and trading software) and Sequel (insurance software and analytics).

Gentrack

Gentrack

Gentrack is a is a publicly listed developer of specialist software for energy utilities, water utilities and airports around the world. The investment in Gentrack helped finance the acquisition of Junifer Systems, a leading provider of utilities software in the UK. The combined product offering of Gentrack and Junifer is well positioned for growth, capitalising on the growing market share of independent energy retailers, the UK smart metering roll-out, and retail competition in water for commercial and industrial consumers. Gentrack also intends to take Junifer's product offering into other geographic markets as a solution for new entrants and SME retailers.

Further details on investments as at 30 June 2017 can be found on pages 36 to 48.

HgCAPITAL'S REVIEW continued

INVESTMENTS

FURTHER INVESTMENT

Esendex

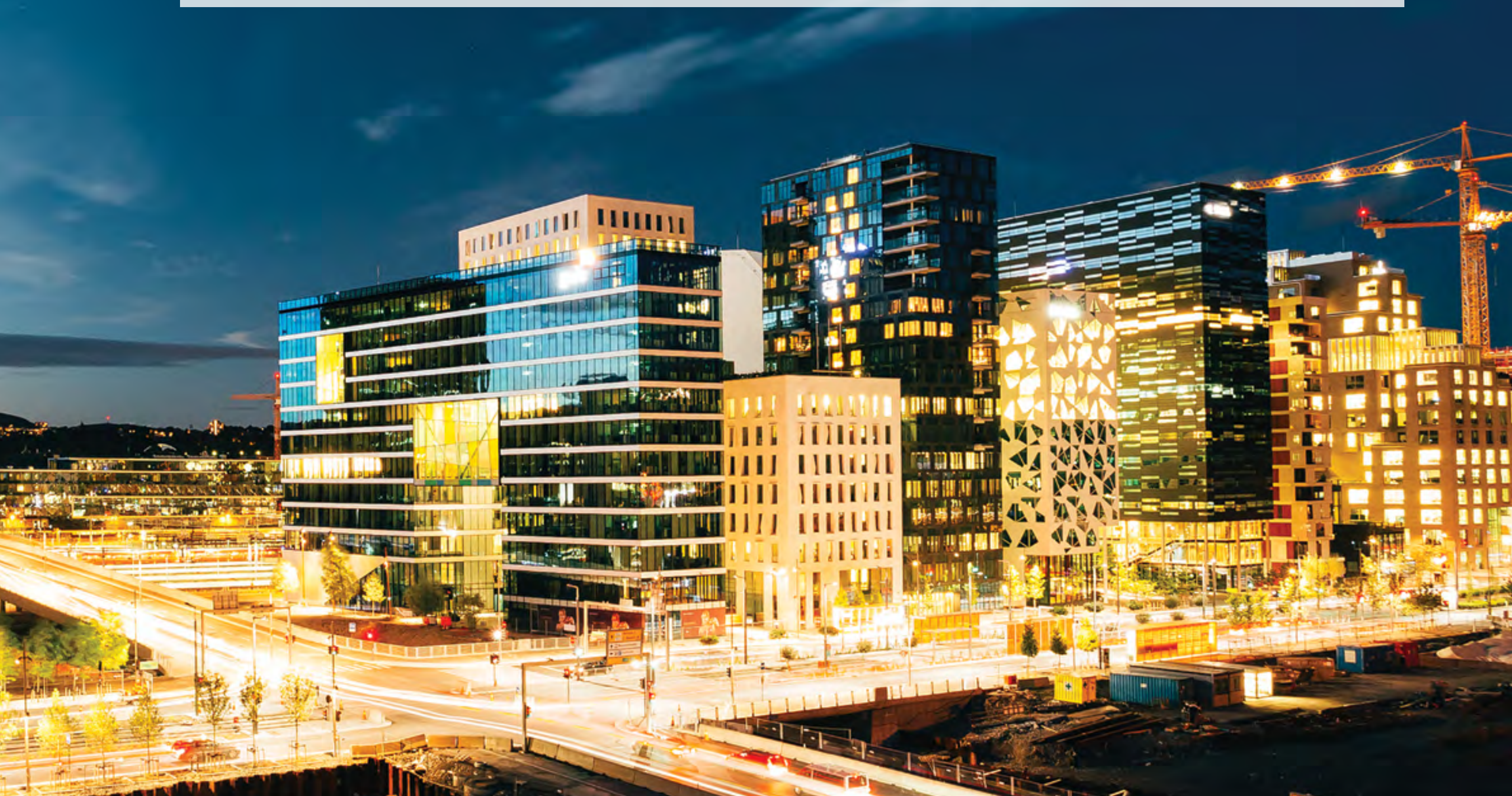
Esendex is a leading provider of mission-critical business messaging services across Europe and represents a further investment into the Technology Infrastructure cluster. On completion of the transaction Esendex was merged with an existing Mercury portfolio company, Mobyt, which provides similar business messaging solutions in Italy and France. Esendex demonstrates many of the business model characteristics that HgCapital looks for, including: a high proportion of recurring revenues from serving a large fragmented base of SMEs, delivering an operationally critical service and the opportunity to back a strong management team.

FURTHER INVESTMENT SINCE THE PERIOD-END

Visma

In June, HgCapital announced a further investment in Visma, a leading provider of mission-critical business software to SMEs in the Nordic region, following a decision by KKR to sell its holding in the group. HgCapital is the lead investor in the new transaction structure which valued the business at NOK 45 billion (£4.2 billion), the largest ever software buyout in Europe. The Company will contribute a total of £13.2 million to this investment.

In 2002, HgCapital's TMT team identified regulatory-driven, subscription-based software as an attractive sub-sector with scope for considerable growth over the following decade. HgCapital has made more than twelve investments in this space over the last fifteen years and more than 150 bolt-on acquisitions over this same period. In total, HgCapital has made 37 software TMT investments and over 200 bolt-on software acquisitions since 2002, making the firm comfortably the most active European TMT investor over this period.



HgCAPITAL'S REVIEW continued

REALISATIONS

Over the first six months of 2017, HgCapital has returned a total of £872 million to its clients, including £134 million to the Company.

It was a very active period for realisations. We have made several references to 'frothy' markets over the past year and this has helped inform our approach to selling investments, whilst also carefully considering our appetite for selling versus the benefits of remaining invested in selected businesses for longer.

We have also taken advantage of buoyant debt markets during the period by refinancing investments where we have good visibility of their future earnings, returning cash proceeds to our clients, including the Company, and we will continue to assess further opportunities here.

EXITS

Zenith

In March 2017, we completed the sale of Zenith, the largest independent vehicle leasing business in the UK, to Bridgepoint in a transaction totalling £750 million. This transaction delivered a 2.9x investment multiple and a 46% gross IRR over the investment period.

The sale of Zenith resulted in an uplift of 23% over the carrying value of the investment at 31 December 2016.

A case study of this investment appears on pages 20 and 21.

QUNDIS

In May 2017, the Munich team completed the sale of QUNDIS, a leading provider of sub-metering solutions in Europe, to a German investment group, KALORIMETA, a leading service provider of climate-intelligent solutions in the buildings sector, for a total enterprise value of c. €400 million. This transaction delivered a 3.5x investment multiple and a c. 30% gross IRR over the investment period, with HgCapital retaining a minority position in the combined group.

The sale of QUNDIS resulted in an uplift of 29% over the carrying value of the investment at 31 December 2016.

Zitcom

In June 2017, the Mercury team completed the sale of Zitcom, a Danish hosting and cloud solutions provider operating in the SME segment, to Intelligent, a Belgian headquartered provider of hosting services. This transaction delivered a 3.3x investment multiple and a 141% gross IRR over the investment period.

The sale of Zitcom resulted in an uplift of 105% over the carrying value of the investment at 31 December 2016.

REFINANCINGS

Visma

In April 2017, the TMT team completed the refinancing of Visma, a leading provider of mission-critical software to SMEs in Scandinavia, returning proceeds of £52.2 million to clients, including £12.9 million to the Company. This represents a 32% return on the original investment made in 2014.

A-Plan

In March 2017, the Services team completed the refinancing of A-Plan, a UK based distributor of motor and household insurance policies to SMEs and individuals. This returned £52.3 million to clients, including £5.2 million to the Company, representing a 35% return on the original investment made in 2015.

HgCAPITAL'S REVIEW continued

REALISATIONS

REFINANCINGS continued

Ullink

In May 2017, the TMT team completed the refinancing of Ullink, a global provider of electronic trading applications and connectivity to the financial community. On completion, this returned £43.8 million to HgCapital clients, including £4.3 million to the Company, representing a 43% return on the original investment made in 2014.

REALISATIONS SINCE THE PERIOD-END

Parts Alliance

In June, HgCapital announced that it had agreed the sale of Parts Alliance, a UK automotive aftermarket parts distributor, to Uni-Select Inc., a listed Canadian distributor of automotive refinish and industrial paint products and aftermarket parts. The transaction had a value of £205 million, and delivers a 2.0x investment multiple and a 19% gross IRR over the investment period.

The sale of Parts Alliance returned £21.1 million to the Company and resulted in an uplift of 46% over the carrying value of the investment at 31 December 2016.

e-conomic

In June, we announced that the TMT team had agreed the sale of HgCapital 6 Fund's investment in e-conomic to Montagu and ICG, realising additional proceeds of c. £223 million to clients, including c. £33 million to the Company. The sale of e-conomic resulted in an uplift of 33% over the carrying value of the investment at 31 December 2016. This transaction delivered an overall return of c. 2.7x cost and a c. 28% gross IRR.

Valueworks

In July, we completed the sale of Valueworks, a provider of a private SaaS platform for procurement and contract management in the social housing sector, to Inprova, a provider of procurement services for social housing. This was for a nominal sum and will not generate any proceeds to the Company.

Sequel Business Solutions

In August, we completed the sale of Sequel Business Solutions ('Sequel'), a provider of software and services to the Lloyd's of London and the broader insurance markets, to Verisk Analytics (Nasdaq: VRSK), a leading data analytics provider serving customers in property/casualty insurance, natural resources, and financial services, headquartered in Jersey City, NJ USA. This transaction delivers a 5.1x investment multiple and a 77% gross IRR over the investment period.

The sale of Sequel returned £20.2 million to the Company and resulted in an uplift of 161% over the carrying value of the investment at 31 December 2016.

Mainio Vire

In June 2016, we announced the sale of Mainio Vire, a provider of elderly care, mental health and home services in Finland, to Mehiläinen, a private provider of social and health care services also based in Finland.

HgCapital retained a small residual stake in this company which was sold in August 2017 returning a further c. £3.7 million to the Company.

Further details on investments as at 30 June 2017 can be found on pages 36 to 48.

HgCAPITAL'S REVIEW continued

SUMMARY OF INVESTMENT AND REALISATION ACTIVITY

INVESTMENTS MADE DURING THE PERIOD

Company	Sector	Geography	Activity	Cost £'000
Mitratech	TMT	North America	Global provider of legal, risk and compliance software	22,258
fundinfo	TMT	Switzerland	Technology platform for fund data and documentation	4,431
Gentrack	TMT	New Zealand	Developer of software for utilities and airports	2,069
New investments				28,758
Esendex	TMT	UK	Provider of business messaging services across Europe	10,066
Other				1,491
Further investments				11,557
Total investments on behalf of the Company				40,315

REALISATIONS MADE DURING THE PERIOD

Company	Sector	Exit route	Proceeds[1] £'000
Zenith	Services	Secondary sale	59,090
QUNDIS	Industrials	Trade sale	37,302
Zitcom	TMT	Trade sale	8,818
Full realisations			105,210
Visma	TMT	Refinancing	12,874
HgCapital 6 E LP	Fund	Distributions received	5,591
A-Plan	Services	Refinancing	5,150
Ullink	TMT	Refinancing	4,317
Other			445
Partial realisations			28,377
Total realisations on behalf of the Company			133,587

[1] Includes gross revenue received during the period.

HgCAPITAL'S REVIEW continued

OUTLOOK

The first six months of 2017 have been a strong period for HgCapital, with substantial progress achieved and further momentum continuing to build across the portfolio. This has been primarily driven by robust trading, in parallel with a number of meaningful realisations completed at attractive valuations.

Over the last year, we have given much consideration to the UK's exit from the EU and our prognosis remains that this will have a relatively limited impact on the portfolio, especially given the characteristics of our businesses, their geographic profile and their relatively protected nature. More broadly, the post referendum environment has seen a general unwinding of historic currency losses on non-sterling investments across our funds, benefiting valuations over the year. Finally, we have also realised eight portfolio companies since the Brexit vote at the end of June 2016, four of which were based in the UK.

Trading over the first six months of 2017 has continued to generate double digit revenue and EBITDA growth across the portfolio. Given the portfolio's defensive characteristics and focus on protected business models, we believe our investments are well positioned to see strong growth on an absolute and relative basis going forward, even if macro economic conditions deteriorate over the coming months.

In 2017, we have continued to invest selectively where we have built many years of knowledge of the business and have a strong relationship with a founder or management team. Despite the heat of the current market, we do continue to see exciting and attractive investment opportunities in our target geographies and sub-sectors, often in situations where our approach is differentiated, given our strategy and sector knowledge.

This has led to four investments in the year-to-date: Mitratech, a global provider of regulatory tax compliance software; Gentrack, a publicly listed global developer of specialist software for energy utilities, water utilities and airports; fundinfo, a technology platform for fund data and documentation; and Esendex, a leading provider of mission-critical business messaging services across Europe.

Over the period, we have returned close to £900 million to our clients, including £134 million to the Company from three exits and three refinancings. The largest of these were in relation to the realisations of Zenith, announced in January, and QUNDIS which completed in May. Strong performance over the period has continued to demonstrate the attractiveness of HgCapital portfolio companies to both trade and financial buyers, as evidenced by the recent sale of Zitcom, announced in June 2017, at a multiple of 3.3x original cost and a gross IRR of 141%. We anticipate returning further capital over the course of 2017.

In this type of market environment, we believe that the clarity of our investment strategy confers a number of clear advantages to a disciplined buyer. Specifically, we will continue to focus on investing in businesses that provide a business critical product or service, to a fragmented customer base, and which benefit from strong contracted or recurring revenues. This should enable us to identify opportunities with the appropriate business model to generate strong, risk-adjusted returns for our clients.

In terms of leverage on new investments, all of our key UK and European relationship banks remain committed to the market generally and focused on maintaining close relationships with HgCapital.

Finally, our focus on specific operational improvements in these areas of investment focus, aligned with the efforts of a dedicated and large internal team, also means that we believe we can continue to generate meaningful long-term value in a number of particular areas across the portfolio on a repeatable basis, irrespective of the challenges of the broader macro environment. From pricing analysis and customer satisfaction to cyber security, these portfolio related initiatives will continue to remain an area of real focus going forward.

"Strong trading from the portfolio, combined with capital returns from exits above book value, continue to drive value for our investors."

Steven Batchelor, Partner at HgCapital

HgCAPITAL'S REVIEW continued

OVERVIEW OF THE UNDERLYING INVESTMENTS HELD THROUGH FUND LIMITED PARTNERSHIPS

	Investments (in order of value)	Fund	Sector	Location	Year of investment	Residual cost £'000	Total valuation[5] £'000	Portfolio value %	Cum. value %
1	Visma[1]	HGT 7/HGT 6/HGT	TMT	Scandinavia	2014	41,396	112,140	17.9%	17.9%
2	IRIS	HGT 6	TMT	UK	2011	26,109	75,362	12.0%	29.9%
3	Sovos Compliance[2]	HGT 7/HGT	TMT	North America	2016	24,284	44,466	7.1%	37.0%
4	JLA	HGT 6	Services	UK	2010	3,511	26,162	4.2%	41.2%
5	CogitalGroup[2]	HGT 7/HGT	Services	UK	2016	20,966	23,281	3.7%	44.9%
6	Mitratech[2]	HGT 7/HGT	TMT	North America	2017	22,258	21,263	3.4%	48.3%
7	Parts Alliance (sold)	HGT 6	Services	UK	2012	10,495	21,125	3.4%	51.7%
8	Achilles[3]	HGT	TMT	UK	2008	15,218	20,015	3.2%	54.9%
9	A-Plan	HGT 7	Services	UK	2015	10,447	19,752	3.1%	58.0%
10	Ullink	HGT 7	TMT	France	2014	7,393	19,163	3.1%	61.1%
11	Raet	HGT 7	TMT	Netherlands	2016	16,127	18,457	2.9%	64.0%
12	The Foundry	HGT 7	TMT	UK	2015	15,175	18,266	2.9%	66.9%
13	Esendex[4]	Mercury/HGT	TMT	UK	2016	14,283	15,788	2.5%	69.4%
14	Radius	HGT 6	Services	UK	2013	17,992	15,535	2.5%	71.9%
15	Allocate Software	Mercury	TMT	UK	2014	4,094	12,425	2.0%	73.9%
16	Citation	HGT 7	Services	UK	2016	10,233	11,742	1.9%	75.8%
17	Lumesse	HGT 6	TMT	UK	2010	20,807	10,520	1.7%	77.5%
18	Trace One	Mercury	TMT	France	2016	4,489	9,685	1.5%	79.0%
19	Intelliflo	Mercury	TMT	UK	2013	3,978	9,447	1.5%	80.5%
20	Sequel Business Solutions (sold)	Mercury	TMT	UK	2014	2,252	8,962	1.4%	81.9%
21	TeamSystem	HGT 6	TMT	Italy	2010	144	8,565	1.4%	83.3%
22	STP	Mercury	TMT	Germany	2016	5,422	7,611	1.2%	84.5%
23	Eucon	Mercury	TMT	Germany	2015	4,408	7,250	1.2%	85.7%
24	P&I[2]	HGT 7/HGT	TMT	Germany	2013	1,796	7,047	1.1%	86.8%
25	Teufel	HGT 6	Industrials	Germany	2010	11,144	6,769	1.1%	87.9%
26	QUNDIS	HGT 6	Industrials	Germany	2012	922	6,538	1.0%	88.9%
27	Kinapse	HGT 7	Services	UK	2016	10,017	6,206	1.0%	89.9%
28	Frösunda	HGT 6	Healthcare	Scandinavia	2010	14,296	6,043	0.9%	90.8%
29	EidosMedia	HGT 7	TMT	Italy	2015	8,414	5,662	0.9%	91.7%
30	fundinfo	Mercury	TMT	Switzerland	2017	4,431	4,727	0.8%	92.5%
31	Evaluate	Mercury	TMT	UK	2016	3,660	4,170	0.7%	93.2%
32	Mainio Vire (sold)	HGT 6	Healthcare	Finland	2011	6,503	3,165	0.5%	93.7%
33	Atlas	HGT	Services	UK	2007	12,542	2,866	0.4%	94.1%
34	Gentrack	HGT 7	TMT	New Zealand	2017	2,069	2,580	0.4%	94.5%
35	Valueworks (sold)	Mercury	TMT	UK	2012	2,844	–	–	94.5%
	Non-active investments (3)					741	214	–	94.5%
	Total buyout investments (38)					380,860	592,969	94.5%	
	Currency hedges	HGT 7/HGT 6/HGT	Forward sale of US$			–	1,931	0.3%	94.8%
	Secondary fund interest	Hg6E	Secondary fund interest			–	10,505	1.7%	96.5%
	Renewable energy	RPP1/RPP2	Renewable energy			31,001	22,376	3.5%	100.0%
	Total all investments					411,861	627,781	100.0%	

[1] Investment through HGT 7 LP, HGT 6 LP (following sale of e-conomic) and co-investment participation through HGT LP.
[2] Investment through HGT 7 LP and co-investment participation through HGT LP.
[3] Investment and co-investment participation through HGT LP.
[4] Investment through HgCapital Mercury D LP and co-investment participation through HGT LP.
[5] Including accrued income but before the provision for carried interest of £71,592,000.

HgCAPITAL'S REVIEW continued

THE TOP 20 BUYOUT INVESTMENTS

representing 82% of the total portfolio

Buyout investments are held through limited partnerships, of which the Company is the sole limited partner. The Company invests alongside other clients of HgCapital. Typically, the Company's holding forms part of a much larger majority interest held by HgCapital's clients in buyout investments in companies with an enterprise value ('EV') of between £20 million and £500 million. HgCapital's Review generally refers to each transaction in its entirety, apart from the tables detailing the Company's participation or where it specifically says otherwise.

1. Visma

Business description

Visma is a leading provider of mission critical business software to SMEs in the Nordic region and the Netherlands. Headquartered in Oslo with significant revenues in Sweden, Finland, Denmark and the Netherlands, the company provides accounting; resource planning and payroll software to its customer base of over 600,000 enterprises. In September 2016, Visma announced the sale of Visma BPO, its outsourcing services business, for NOK 4.1 billion (c. £380 million) to HgCapital 7, forming part of the newly launched CogitalGroup (described on page 40).

Why did we invest?

Visma was an early example of HgCapital's focus on recurring revenue, business critical application software companies serving SMEs and their advisers. The company enjoys high levels of predictable, recurring revenue resulting from a subscription payment model. When HgCapital first invested, in 2006, both organic and acquisition driven revenue growth opportunities were identified, as well as significant opportunities to increase profit margins.

How do we create value?

Visma has consistently exceeded our investment plans. In April 2014, following a decision by majority owner KKR to sell part of its original 2010 stake in Visma, HgCapital decided to sell its remaining stake, generating a total return between 2006 and 2014 of 5.2x original cost and a gross IRR of 33%. HgCapital clients then re invested £409 million in the business for a 31% stake, via the HgCapital 7 fund and co-investment, as a co-lead investor, alongside KKR and Cinven. This valued the business at a total EV of NOK 21 billion (£2.1 billion). In 2017 HgCapital announced a further investment into Visma following the sale of KKR's stake valuing the business at NOK 45 billion (£4.2 billion) The continued reinvestment in Visma reflects our conviction in the continuing strength of the business, backing a management team we know well with a strong track record of creating value for investors.

What has been achieved?

Since our first investment in 2006, Visma has acquired over 120 companies, notably: Mamut ASA, a provider of ERP software to small customers in Norway (2011); Netvisor, a provider of SaaS based ERP software to the Finnish small customer segment (2011); Agda, a Swedish provider of payroll software to SMEs (2012); InExchange, a Swedish e-invoicing leader (2013); Huldt & Lillevick, a payroll provider to SMEs (2014); e-conomic / SpeedLedger (2015); TripleTex, a Norwegian SaaS micro ERP player; EasyCruit, recruitment software solutions (2016); and Bluegarden, a leading payroll player in Denmark with a presence across Scandinavia due to complete in the second half of 2017. These deals strengthened organic growth from innovation in new products, as well as driving margin improvement through a reorganisation of Visma's internal processes. Visma is now positioned as one of the leading and largest SaaS companies in Europe, with above NOK 2 billion of pure SaaS revenues.

How is it performing?

Visma continues to see strong double-digit growth in revenue and EBITDA. Over the 11 years that HgCapital has been invested in the business, Visma's revenues and EBITDA have seen a compound annual growth of 17% and 23% respectively.

Following the announced realisation and further re-investment by HgCapital, the Company's valuation of its stake in Visma has seen a material increase of £31 million over the first half of 2017.

How will we crystallise value?

Visma has a scale and growth profile which would make it an attractive candidate for an initial public offering ('IPO') or a large 'private IPO', where multiple larger institutional or sovereign wealth-type investors could choose to invest in the business.

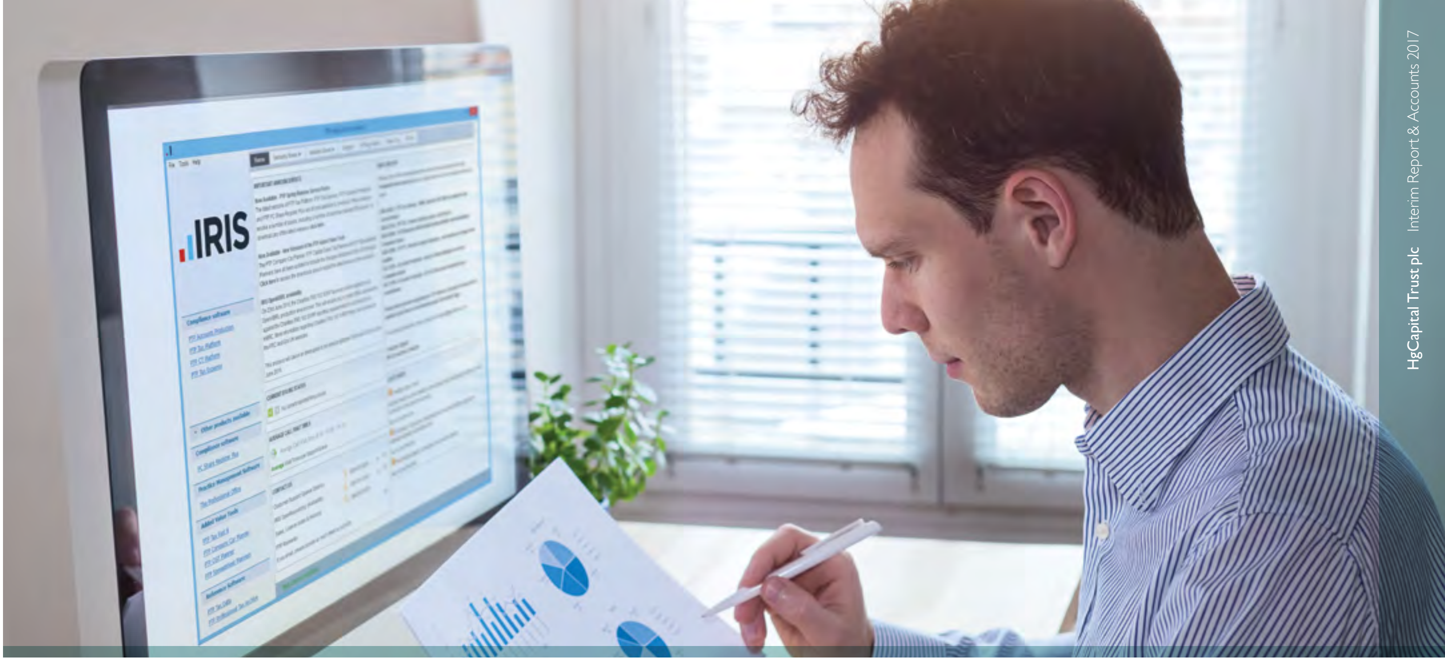
Website: www.visma.com

Original enterprise value: NOK 21 billion

HgCapital clients' total equity: 30.9%

Visma – The Company's underlying investment through HGT 7 LP, HGT 6 LP and co-investment through HGT LP

Sector	Location	Investment date	Residual cost £'000	Unrealised value £'000
TMT	Scandinavia	Aug 2014	41,396	112,140



2. IRIS

Business description
Headquartered in Berkshire, IRIS is a leading provider of business critical software and services to the UK accountancy market and payroll applications to key business segments, including the UK general practitioners' market.

Why did we invest?
HgCapital has been an investor in IRIS since 2004, retaining a minority stake following its sale and merger with CSH in 2007 and becoming a majority investor again in 2011, when we separated the two businesses. IRIS is one of the earliest examples of our focus on business critical software firms operating in attractive, predictable end markets. IRIS operates a business model with over 80% of revenues coming from subscriptions, and high customer retention rates, driven by consistent regulatory updates and additional features as part of their subscription. The investment decision was based on the potential for organic growth and acquisition-led consolidation opportunities in the sector.

How do we intend to create value?
The company is achieving strong organic revenue and profit growth through a combination of market share gains, price optimisation and the ongoing development of new solutions to sell into the existing customer base.

Furthermore, the UK accountancy and SME software markets remain fragmented, offering additional acquisition opportunities. IRIS has always been at the forefront of providing the most innovative products to its customers and will continue to invest in new technology to meet all of its customers' needs.

In addition, we think there is substantial upside by developing or acquiring SaaS products to target adjacent markets.

What has been achieved?
IRIS has been successful in broadening its addressable market by expanding its offering, both by organic product development and by acquisition. The company has also successfully established a Cloud Division to sell SaaS products to UK accountants and SMEs. In 2016, IRIS acquired Octopus HR and PS Financial, further broadening its offering.

In August 2015, IRIS was refinanced on the back of its strong trading performance.

In December 2016, HgCapital agreed to purchase a further minority stake in IRIS from Lloyds Development Capital for a total consideration of £29.7 million.

How is it performing?
IRIS is a business which has been able to maintain strong levels of revenue, EBITDA and cash flow growth across market cycles, with the annual EBITDA margin consistently close to 50%, excluding the investment in the Cloud Division. The Cloud Division continues to receive significant investment, as we believe this is an attractive market with long-term growth potential and strategic value. Over the last twelve months IRIS has delivered double digit revenue and EBITDA growth.

The Company's valuation of its stake in IRIS has seen an increase of £11 million over the first six months of 2017, driven by continued strong trading and high cash conversion.

How will we crystallise value?
IRIS would be an attractive acquisition target to a financial buyer, due to its strong organic growth, margins, cash conversion and recurring revenue. It would also represent a strong strategic fit with a number of trade players.

Website: www.iris.co.uk

Original enterprise value: £425 million

HgCapital clients' total equity: 81.5%

IRIS – The Company's underlying investment through HGT 6 LP

Sector	Location	Investment date	Residual cost £'000	Unrealised value £'000
TMT	UK	Dec 2011	26,109	75,362

3. Sovos Compliance

Business description

Sovos Compliance ('Sovos') is a global provider of compliance solutions, managing all aspects of the tax compliance process, from tax calculation, forms completion and ultra high volume filing to secure funds transfer to state and local revenue departments. At the heart of Sovos' software suite is a powerful tax calculation engine that leverages the industry's most comprehensive repository of more than 210 million tax rules, in over 13,500 jurisdictions, across more than 200 countries.

Headquartered in Boston, USA with a presence also in Europe and Latin America, the majority of revenue is generated in the US from a customer base of c. 4,500 corporates.

Why did we invest?

HgCapital's TMT team tracked Sovos (previously Taxware) for two years, as we identified the company as a scale specialist in tax compliance for enterprise customers. We also saw the potential to expand the company outside the US market.

Sovos sits right in the HgCapital 'sweet spot' with a strong and predictable business model, including: 96% contractually recurring revenue; a fragmented, yet loyal customer base; high margins; and robust cash conversion. Sovos' largest, core products have achieved consistent double digit organic revenue growth.

How do we intend to create value?

In addition to continuing to grow revenues organically, Sovos has a strong track record of acquiring and successfully integrating tax compliance software companies. The market remains fragmented and hence we believe there are many attractive opportunities for Sovos to grow by acquisition. There is additional potential through further margin improvement.

What has been achieved?

In June 2016, Sovos announced the acquisition of Invoiceware International, based in Atlanta and Sao Paulo. This expands the company's capabilities in Latin America and adds the industry's only solution for handling electronic invoicing and fiscal reporting in multiple countries from a single platform. A new Chairman and CFO were also recruited over the year. In August 2017, Sovos announced the acquisition of Paperless, based in Santiago, Chile, which complements Invoiceware's product offering and provides Sovos with a sector-leading solution for business to government reporting – a form of regulatory compliance which has spread to more than 60 countries.

How is it performing?

Sovos has seen rapid growth since our investment in early 2016, driven by strong organic growth in its core products. Our current valuation has also benefited from the weakness of sterling against the dollar since the time of our investment. We are carefully monitoring the potential impact on Affordable Care Act ('ACA') revenues following the ongoing attempted changes to this regulation in the US.

The Company has benefited from a small increase of £1.2 million in the Company's valuation of its stake over the first six months of 2017.

How will we crystallise value?

We believe Sovos will be an attractive acquisition target for private equity buyers, as it demonstrates high levels of organic revenue growth, high EBITDA margins and strong market positioning. However, we also see an IPO as a potential route to exit, given the strong cash generation and increasingly international reach. Lastly, there are several potential trade buyers.

Website: www.sovos.com

Original enterprise value: $700 million

HgCapital clients' total equity: 74.0%

Sovos Compliance – The Company's underlying investment through HGT 7 LP and co-investment through HGT LP

Sector	Location	Investment date	Residual cost £'000	Unrealised value £'000
TMT	North America	Mar 2016	24,284	44,466

4. JLA

Business description

JLA is a leading provider of 'on premises' laundry, catering and heating services, providing distribution, rental and servicing of commercial laundry machines, catering and heating equipment to the UK SME market, mainly to care homes and boutique hotels, primarily through the 'Total Care' offering (an eight year rental and service contract of machines/equipment). The company is also a leading provider of commercial laundry machines into accommodation units (e.g. universities, worker accommodation units, leisure parks, etc.), which it serves via its Circuit brand.

Why did we invest?

JLA has enjoyed strong operating performance, including sustained organic growth through the period 2007–2009 and displayed many of the business model characteristics that we look for: a diverse customer base that considers laundry, catering and heating as mission critical parts of their day to day business; a large proportion of customers in long-term contracts (representing a high level of revenues and a greater proportion of profits); a high level of recurring revenues providing good visibility of future revenues; and potential for selective M&A.

How do we intend to create value?

HgCapital is working alongside management to increase the benefit of selling new products and services through JLA's existing sales force and service network. Following the successful extension into the catering industry, the business is now rolling out a similar proposition in heating, whilst the management team are working on other new industry verticals where JLA's service proposition could also add value.

In addition, we plan to continue to make further bolt on acquisitions across the laundry, catering and heating markets.

What has been achieved?

A number of projects have been initiated covering strategic planning, customer retention and pricing. Management has been strengthened and fifteen acquisitions of laundry and catering companies have been completed, all funded from free cash flow.

The business now has a dedicated M&A team, with three acquisitions completed in 2016/17 (in both Laundry and Catering) and a pipeline for further acquisitions under development.

2016 also saw the opening of a second contact centre in Manchester to extend the existing sales & marketing capabilities. The new site is already delivering promising results, adding large cohorts of new customers.

In December 2015, HgCapital completed the refinancing of JLA and the sale of a minority interest to institutional investors, returning £17.3 million of cash proceeds to the Company. These transactions, together with previous distributions, have delivered a 1.8x multiple on original investment in cash, whilst retaining 59% of the equity in the company.

How is it performing?

JLA continues to see year on year organic sales and profit growth driven by growth in the core Total Care and Circuit divisions. This has been enhanced by expansion into the catering sector and will be further supported by the ongoing expansion into the heating sector. Investment into the catering division and transition of customers to the Total Care offering should increase margins further.

JLA has continued to grow equity value through robust and consistent underlying trading, leading to an increase in the value of the Company's stake of £1.5 million in the first half of 2017.

How will we crystallise value?

HgCapital is focused on positioning JLA as a platform for selling critical asset maintenance services into SMEs. We believe that the long-term recurring nature of contracts coupled with strong customer loyalty will support an attractive rating at exit to a private equity investor or a trade buyer.

Website: www.jla.com

Original enterprise value: £150 million

HgCapital clients' total equity: 61.8%

JLA – The Company's underlying investment through HGT 6 LP

Sector	Location	Investment date	Residual cost £'000	Unrealised value £'000
Services	UK	Mar 2010	3,511	26,162

5. CogitalGroup

Business description

CogitalGroup is a provider of regulatory-driven services to SMEs. Core services include accountancy, payroll and taxation.

The business was formed from three cornerstone investments completed during 2016: (i) Visma's BPO ('Business Process Outsourcing') business, active throughout the Nordics (now renamed Azets); (ii) Baldwins, based in the Midlands; and (iii) Blick Rothenberg, based in London.

In total, the combined business operates across six countries, with c. 40,000 (mostly SME) clients, over 125 offices and more than 4,000 employees.

Why did we invest?

CogitalGroup continues the Services team's record of investing in regulatory-driven businesses within HgCapital's 'sweet spot' business model focus.

We have been looking at the SME accountancy and advisory services sector for more than five years, as it satisfies several attractive business model criteria, including: a high share of repeatable revenue (more than 80%); high retention rates (c. 90%); opportunity for high margin improvement, with the potential for efficiency gains through the use of technology, near-shoring and scale; a fragmented customer base; and fragmented competitive landscape, with significant M&A opportunities.

How do we intend to create value?

We will focus on organic growth across the Group, continued evolution of the operating model, including increased use of technology and, also on the opportunity for M&A.

What has been achieved?

The three businesses are currently undergoing significant integration. Priorities over the next six to twelve months will include: supporting Azets' management to accelerate the level of near-shoring; supporting Azets' management in M&A; supporting Blick Rothenberg in their near/off-shoring efforts; and building out the Baldwins M&A pipeline.

How is it performing?

All three business are trading in line with expectations.

Given recent trading, our valuation at 30 June 2017 has added an uplift of £1.7 million in the Company's stake to the value of CogitalGroup.

How will we crystallise value?

We expect the business model characteristics of CogitalGroup to be appealing to a wide range of financial sponsors at exit. We also think an IPO is a possible exit strategy.

Website: www.cogitalgroup.com

Original enterprise value: £494 million

HgCapital clients' total equity: 82.4%

CogitalGroup – The Company's underlying investment through HGT 7 LP and co-investment through HGT LP

Sector	Location	Investment date	Residual cost £'000	Unrealised value £'000
Services	UK	Oct 2016	20,966	23,281

6. Mitratech

Business description

Mitratech is a leading global provider of enterprise legal management ('ELM') software to corporate legal departments. The core product is Matter Management software which acts as the Enterprise Resource Planning software at the heart of in-house legal teams, and an e-billing solution which provides e-invoicing capabilities between law department and external counsel with automatic invoice review.

Mitratech serves a wide customer base of c. 1,000 corporate customers across the world, including 40% of the Fortune 500. Over 650 law firms are using the e-billing platform to transmit invoices to clients, including all of the AmLaw 200 and 99% of the Global 100 Law Firms. The company is based in Austin, Texas with further offices in the US, England, Wales and Australia, employing c. 370 people.

Why did we invest?

Legal process and regulatory compliance software is a core HgCapital sector, and one we have invested in before and are currently invested in through STP, which supports insolvency processes and mid-market practice management in the DACH region of Europe.

HgCapital's TMT team have looked at many targets in this fragmented sector, however, Mitratech is one that is sufficiently large and attractive as a standalone investment. We see Mitratech as the best placed platform to drive a global sector roll-up.

How do we intend to create value?

HgCapital intends to support Mitratech through both continued organic growth of the business and as the best placed platform to drive a global sector roll-up. The business has a strong management team with a best-in-class core product taking share from weak competition in a growing market. Mitratech has a proven track record of organic growth and we will look to add to this through M&A.

What has been achieved?

HgCapital is working with the management of Mitratech to source M&A opportunities in HgCapital's core markets of Western Europe. HgCapital's Operational Innovations team is working with management on the proposition and pricing in particular for the e-billing products.

How is it performing?

It is early in the investment period; however, the company is performing well, with double-digit EBITDA growth over the last twelve months. The business has been valued slightly below the original investment cost, due to the unfavourable translation effect of currency movements.

How will we crystallise value?

We believe Mitratech will present an attractive acquisition target to a number of trade acquirers in the Legal, Enterprise Content Management ('ECM') and Governance Risk and Compliance ('GRC') sectors where its position as the leading ELM vendor holds high strategic value.

Equally, we expect that Mitratech will continue to be attractive to Private Equity buyers given high organic growth, recurring revenue, EBITDA margins and market position.

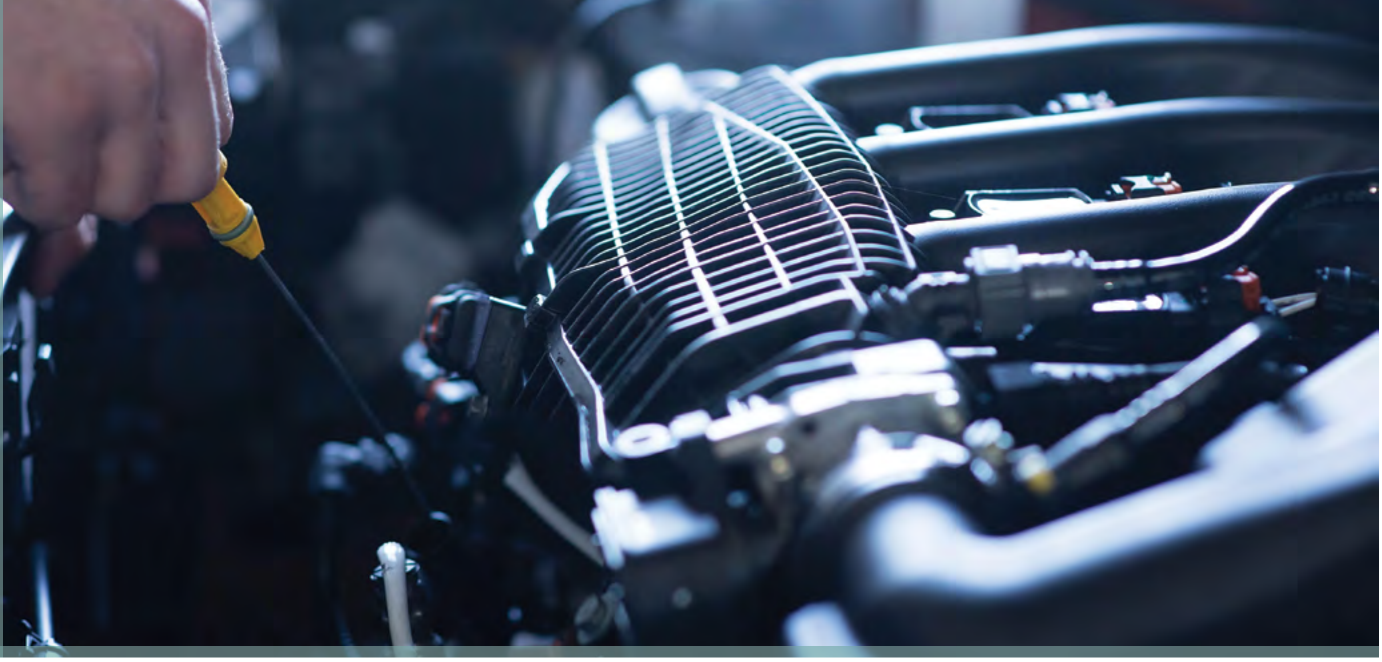
Website: www.mitratech.com

Original enterprise value: $730 million

HgCapital clients' total equity: 61.1%

Mitratech – The Company's underlying investment through HGT 7 LP and co-investment through HGT LP

Sector	Location	Investment date	Residual cost £'000	Unrealised value £'000
TMT	North America	April 2017	22,258	21,263



7. Parts Alliance

Business description

The Parts Alliance is an automotive aftermarket parts distributor. It currently consists of fourteen parts distributors and a central organisation which acts as a 'virtual head office', supplying the distributors with a full suite of central services, such as national sales and marketing, IT, procurement, product and category management and central warehousing.

We originally acquired seven members of the Parts Alliance (CES, Allparts, SC Motor Factors, GMF, BMF, CPA and BMS), the central buying group and its IT development arm (the Parts Alliance and DDS), and 15 branches from the Unipart estate. In 2015, we announced the acquisition of GSF, and in 2016 we added SAS Autoparts and Waterloo Ltd.

Customers range from independent garages to multi-branch workshops and fast-fits, and they are served by a fleet of over 1,000 vehicles and more than 2,900 staff across the group membership.

Why did we invest?

The £5.2 billion UK car parts market is amongst the most fragmented in Europe, with c. 1,400 participants, and is characterised by high levels of owner-management. We believe several market, regulatory and commercial catalysts will encourage consolidation of this sector in both the UK and Europe, which will offer a number of interesting investment opportunities and exit options.

How do we intend to create value?

We intend to create value in the investment in three ways: improving gross margin with better procurement, category management and more effective pricing; building EBITDA margin by improving productivity, performance management and customer segmentation; and removing duplication in the back office.

What has been achieved?

The business has been scaled through M&A and the management team has been focused on sustainable growth from the core estate, as well as improving the online offering by utilising DDS (the IT development arm of the Parts Alliance).

Management's key focus remains: improving gross margin; implementing EBITDA margin improvement opportunities; and harmonising the management information systems.

How is it performing?

The Parts Alliance has seen a continuation of its positive trading performance over the last couple of years driven by scale benefits.

How will we crystallise value?

In June, HgCapital announced the sale of Parts Alliance to Uni-Select Inc., a listed Canadian distributor of automotive, refinish and industrial paint products and aftermarket parts, for a transaction value of £205 million.

The sale of Parts Alliance has been fully reflected in the June valuation and has led to an uplift of £6.5 million in the Company's valuation of its stake.

Website: www.thepartsalliance.com

Original enterprise value: £44 million

HgCapital clients' total equity: 76.0%

Parts Alliance – The Company's underlying investment through HGT 6 LP

Sector	Location	Investment date	Residual cost £'000	Unrealised value £'000
Services	UK	Aug 2012	10,495	21,125

8. Achilles

Business description

Achilles manages a global network of collaborative industry communities. The business provides a cloud-based service, enabling networks of buyers to create industry standards for collecting and validating supplier information. This is made available through the Achilles platform, together with search, reporting and risk management tools.

Suppliers join the platform to gain access to the whole community of buyers and information to help them achieve and maintain compliance. Both buyers and suppliers pay annual subscription fees.

The verified data gathered and delivered by Achilles is crucial to support processes around risk management and compliance with regulatory, social responsibility and health & safety requirements. Achilles currently operates more than 30 communities, across 22 countries, in five continents.

Why did we invest?

Achilles is a subscription-based network business model with significant recurring revenue streams. It is a leading company in supply chain data, with stable growth driven by the increasing need for risk management.

How do we intend to create value?

With high levels of contracted revenue, Achilles' position as a global, scalable business model has considerable potential in revenue and margin growth, as well as multiple opportunities for expansion into new geographies and industries.

What has been achieved?

We have made a significant investment into the business, focusing on the development of their technology, processes and sales to support global growth. The business is currently developing a variety of data products, that will benefit stakeholders in the supply chains.

During 2015, Achilles raised an additional £40 million of equity (of which the Company's share was £10 million) to continue to enhance significantly the global scalability and competitive positioning of the business.

How is it performing?

With the considerable transformation of the business that is underway, Achilles is experiencing lower than trend revenue growth year-on-year, influenced in part by macro trends in the Oil & Gas sector. Significant investment in the company's global infrastructure has reduced profits in the short-term and we expect to see an improvement in margins over the next year, as global efficiencies are achieved.

The Company's valuation of its stake in Achilles fell marginally in the first half of the year, driven in part by the macro headwinds referenced above.

How will we crystallise value?

There has been strong interest in Achilles from both strategic and private equity buyers and the business's recurring revenue base is likely to maintain this interest throughout the economic cycle.

Website: www.achilles.com

Original enterprise value: £75 million

HgCapital clients' total equity: 63.0%

Achilles – The Company's underlying investment and co-investment through HGT LP

Sector	Location	Investment date	Residual cost £'000	Unrealised value £'000
TMT	UK	Jul 2008	15,218	20,015

9. A-Plan

Business description

A-Plan is a UK based distributor of motor and household insurance policies to SMEs and individuals. It also specialises in a number of high net worth and commercial niches, and in providing policies for foreign language speaking customers. It has a broad base of over 30 underwriters.

The business currently operates over 85 high street branches nationwide, focusing on high levels of customer service and more complex cases than online brokers, serving over 675,000 policies.

Why did we invest?

The Services Team identified the insurance broking sub-sector as attractive for potential investment in 2011, as it is characterised by businesses with high levels of recurring revenues, providing a non-discretionary purchase for customers, with strong cash generation and opportunities for bolt on M&A. A-Plan was identified as part of this market mapping exercise, and had been tracked by the Services Team for three years, prior to our investment in the business.

A-Plan has a personal, service oriented approach leading to best in class levels of customer satisfaction, driving high retention rates and low customer acquisition costs, due to a high referral rate.

How do we intend to create value?

HgCapital intends to support A-Plan's experienced management through organic growth of its current business volumes in the existing branches and assisting with the roll out of new branches. Additionally, there are potential opportunities for further growth, through selective M&A and new product lines.

What has been achieved?

HgCapital is supporting A-Plan with ongoing and future projects, including: sales and marketing initiatives, such as direct mail campaigns and the contracting of a search engine optimisation agency; recruitment of senior executives; support on M&A development; and an upgrade of the legacy broking administration system.

In March 2017 the Services team completed a refinancing of A-Plan, returning £52 million to clients including £5.2 million to the Company (35% of the original investment made).

How is it performing?

A-Plan is performing well and is ahead of our original investment case on both a revenue and EBITDA basis, with growth over the last twelve months of 13% and 9% respectively.

New business policies are benefiting from the continued branch roll-outs (ten since HgCapital initially invested in the company) and marketing initiatives driving new business at existing branches.

Continued growth in equity value from consistent underlying trading growth has added to the Company's valuation of its interest in A-Plan by £2.4 million over the period.

How will we crystallise value?

A-Plan appeals to many buyer groups, including a trade or financial buyer. The company could also be of interest to yield investors or, when it reaches critical size, an IPO might be feasible.

Website: www.aplan.co.uk

Original enterprise value: £270 million

HgCapital clients' total equity: 72.2%

A-Plan – The Company's underlying investment through HGT 7 LP

Sector	Location	Investment date	Residual cost £'000	Unrealised value £'000
Services	UK	Apr 2015	10,447	19,752

10. Ullink

Business description

Ullink is a leading global provider of electronic trading applications and connectivity to the financial community. Founded in 2001, Ullink has grown quickly to become a global provider of multi-asset trading technology and infrastructure. Ullink has over 2,000 customers from c. 40 countries with customers ranging from tier 1 global sell-side brokers to regional niche specialists across Europe, North America and Asia Pacific. The business is headquartered in France, although c. 75% of staff and c. 90% of revenue are outside that country.

Why did we invest?

Capital markets software has been a strong focus for HgCapital since 2002 and the TMT Team has followed Ullink since 2009. This investment is in line with HgCapital's sector-focused approach of investing in leading global providers of vertical market application software. Ullink shares many of the core characteristics that HgCapital looks for: an excellent platform for growth; a subscription revenue model; and a diversified and loyal client base.

How do we intend to create value?

Ullink has differentiated itself by offering a more modern and flexible trading system at a lower cost of ownership. HgCapital will help the business accelerate its strong organic growth, through increased new customer wins resulting from investment into the sales and marketing functions. We also believe there is an opportunity to consolidate smaller players in electronic trading, with the acquisition from The New York Stock Exchange of NYFIX and Metabit in September 2014, a significant step forward. The acquisition has given the business a broad international footprint and offers substantial opportunities to increase sales to the current customer base, as well as efficiencies in the cost base and shared infrastructure.

What has been achieved?

The acquisition of NYFIX and Metabit was transformative for Ullink and more than doubled the revenue of the business. Since then, the new management team, appointed in 2015, has been focused on the integration of the three businesses and realising the strategic value of the combination.

HgCapital is currently working with Ullink on the following initiatives: implementation of a new pricing plan; implementation of detailed customer satisfaction measures and account management; assessment of further M&A; and a review of segment profitability and drivers of margin and investment.

How is it performing?

The NYFIX and Metabit acquisitions have been well integrated into Ullink and its performance has substantially improved.

Investment was made in late 2015 into sales and research and development to drive increased revenue growth going forward. We are seeing the benefit of this with stronger revenue and accelerated EBITDA growth. Ullink is highly cash generative and in May 2017 we returned £44 million to HgCapital clients, including £4.3 million to the Company, through a re-financing representing a 43% return on the original investment.

A combination of strong trading, high cash generation and positive currency movements have led to an increase of £4.3 million in the Company's valuation of its stake in Ullink over the first half of 2017.

How will we crystallise value?

Ullink has a financial profile that is very attractive, with high levels of recurring revenue and organic growth, a scalable cost base and a high rate of cash conversion. We believe the company will be an attractive acquisition for both trade and financial buyers.

Website: www.ullink.com

Original enterprise value: $329 million

HgCapital clients' total equity: 63.8%

Ullink – The Company's underlying investment through HGT 7 LP

Sector	Location	Investment date	Residual cost £'000	Unrealised value £'000
TMT	France	Mar 2014	7,393	19,163

HgCAPITAL'S REVIEW continued

THE TOP 20 BUYOUT INVESTMENTS continued

Many of our companies outside the top 10 are also performing very well. Some of these are within the Mercury Fund, which invests in TMT companies with EVs between £20 million and £80 million. The Mercury investments are seeing high double-digit growth in both revenues and profits across its portfolio.

All of these companies sit firmly in HgCapital's 'sweet spot', with a high level of recurring revenues, business-critical products, fragmented customer and competitor bases and low exposure to economic cycles. The vast majority of our investments have been into founder-owned businesses, reflecting a strong proprietary pipeline.

Raet (11) TMT www.raet.nl

Headquartered in the Netherlands, Raet is a provider of HR cloud software and services, serving more than 10,000 customers internationally. Over the period, the Company raised the valuation of its interest by £1.4 million.

The Foundry (12) TMT www.foundry.com

The Foundry is a global developer of computer graphics, high-end visual effects and 3D design software for the design, visualisation and entertainment industries. The firm's core NUKE business continues to perform well and The Foundry has seen strong trading performance over the last year. This has led to an increase in the Company's valuation of its interest of £3.6 million in the period.

Esendex (13) Mercury TMT www.esendex.co.uk

Esendex is a leading, UK-based provider of mission-critical business messaging services across Europe. On completion in June 2017, Esendex combined with Mobyt, an existing HgCapital portfolio company which provides similar business messaging solutions in Italy and France.

Radius (14) Services www.radiusworldwide.com

Radius was established by merging Nair & Co. with High Street Partners. The business provides tailored solutions for fast growing companies that are looking to expand into international markets. Radius has underperformed over the past twelve months and this has led to a write-down in the Company's valuation of its interest of £8.5 million over the period. HgCapital continues to support Radius to strengthen its customer proposition.

HgCAPITAL'S REVIEW continued

THE TOP 20 BUYOUT INVESTMENTS continued

Allocate Software (15) Mercury TMT www.allocatesoftware.com

Allocate Software is a provider of workforce management software to the healthcare and other complex regulated industries. The business continues to perform well and this has led to an uplift of £2.9 million in the Company's valuation of its interest over the first half of 2017.

Citation (16) Services www.citation.co.uk

Citation is a provider of outsourced HR, employment law, health & safety and ISO certification services to over 16,000 customers across the UK. Citation has seen continued positive performance over 2017 year-to-date and HgCapital has focused its support on: improving and professionalising current operations; building the accretive M&A function; and identifying areas to cross-sell services.

Lumesse (17) TMT www.lumesse.com

Lumesse is a European provider of strategic HR software (for recruiting, talent management and learning) to medium and large enterprises in Europe. Lumesse has historically underperformed; however, we have started to see good progress over the last 12 months. HgCapital continues to support Lumesse and the return to profitability is encouraging.

Trace One (18) Mercury TMT www.traceone.com

Trace One is a SaaS-based platform for the design and management of private label products headquartered in Paris. It serves customers across Europe and North America. Whilst these are early days within the HgCapital portfolio, we are pleased to see significant growth in EBITDA over the last twelve months. The Company's valuation of its stake in Trace One has increased by £2.2 million over the first six months of 2017.

Intelliflo (19) Mercury TMT www.intelliflo.com

Intelliflo is a UK SaaS provider of front and back-office software solutions to financial intermediaries including SME IFAs, wealth managers, advisor networks, insurance/life companies and brokers. Led by a strong management team, Intelliflo's performance has remained robust over the first half of 2017. This has led to a small uplift in the Company's valuation of its interest over the period.

Sequel Business Solutions (20) Mercury TMT www.sequel.com

Sequel is a provider of software and services to the Lloyd's of London and the broader London insurance market. We continue to invest into new innovative products and the business continues to see very strong sales growth. This has led to an uplift of £1.2 million in the Company's valuation of its interest in Sequel over the period. The business was subsequently sold in August 2017 at a premium over the June valuation (see page 31).

HgCAPITAL'S REVIEW continued

OTHER INVESTMENTS: RENEWABLE ENERGY

HgCapital's specialist Renewable Energy team use private equity skills to identify and acquire high quality European renewable energy projects with limited GDP risk, favourable inflation links and the use of proven technologies.

Investment returns in this asset class are generated through a combination of yield during operation and capital gain at refinancing or exit. By bringing individual investments together into platforms, we can enhance value through economies of scale, shared expertise and aggregated generation capacity.

A portfolio of high quality projects has been built on time and on budget and operational performance is ahead of the investment case. However, valuations have been materially reduced by retroactive tariff changes in Spain and depressed power prices in Sweden since 2010-2013.

The investment team is working on a value recovery plan centred on:

- investments in, and realisations from the portfolio assets unaffected by the adverse events;
- arbitration proceedings against Spain for the retroactive tariff changes; and
- debt restructuring of distressed projects

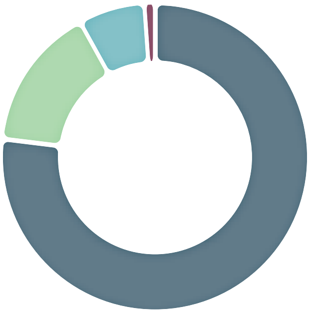
REALISATION SINCE THE PERIOD-END

In July 2017, it was announced that Invis Energy (Irish Onshore Wind) had agreed the sale of a 60% stake in five wind farms to a consortium comprising Sojitz Corporation, Kansai Electric Power Co. Inc and Mitsubishi UFJ Lease & Finance Co. Ltd.

DIVERSIFICATION BY VALUE OF INVESTMENTS

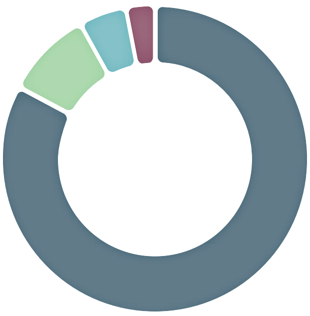
Geography

- 77% Ireland
- 15% Sweden
- 7% Spain
- 1% UK



Resource

- 83% Onshore Wind
- 9% District Heating
- 5% Solar
- 3% Hydro



PRINCIPAL INVESTMENTS BY PLATFORM

	Total valuation £'000
Irish Onshore Wind	17,036
Swedish District Heating	2,066
Swedish Onshore Wind	1,317
Spanish Hydro	643
Other	301
RPP2 Fund	21,363
Spanish Solar	992
Other	21
RPP1 Fund	1,013
Total renewable energy investments	22,376

FINANCIAL STATEMENTS

INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Notes	Revenue return			Capital return			Total return		
		Six months ended		Year ended	Six months ended		Year ended	Six months ended		Year ended
		30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)	30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)	30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)
Gains on investments and liquidity funds net of carried interest provision		–	–	–	65,736	49,961	76,667	65,736	49,961	76,667
Gains on priority profit share loans recovered from General Partners	7(b)	–	–	–	510	2,609	3,856	510	2,609	3,856
Net income	6	7,937	12,260	23,326	–	–	–	7,937	12,260	23,326
Other expenses	8(a)	(1,492)	(1,633)	(1,772)	–	–	–	(1,492)	(1,633)	(1,772)
Net return before finance costs and taxation		6,445	10,627	21,554	66,246	52,570	80,523	72,691	63,197	102,077
Finance costs	8(b)	(408)	(315)	(833)	–	–	–	(408)	(315)	(833)
Net return from ordinary activities before taxation		6,037	10,312	20,721	66,246	52,570	80,523	72,283	62,882	101,244
Taxation charge on ordinary activities	10	(18)	(369)	(581)	–	–	–	(18)	(369)	(581)
Net return from ordinary activities after taxation attributable to reserves		**6,019**	**9,943**	**20,140**	**66,246**	**52,570**	**80,523**	**72,265**	**62,513**	**100,663**
Return per Ordinary share	**11(a)**	**16.13p**	**26.64p**	**53.96p**	**177.49p**	**140.85p**	**215.74p**	**193.62p**	**167.49p**	**269.70p**

The total return column of this statement represents the Company's income statement. The supplementary revenue and capital return columns are prepared under guidance published by the Association of Investment Companies ('AIC'). All recognised gains and losses are disclosed in the revenue and capital columns of the income statement and as a consequence no statement of total recognised gains and losses has been presented.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the period.

The notes on pages 54 to 59 form part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)
Fixed asset investments				
Investments at fair value through profit and loss:				
Unquoted investments		491,013	503,385	506,961
Total fixed asset investments		491,013	503,385	506,961
Current assets – amounts receivable after one year:				
Accrued income on fixed assets		65,176	59,493	65,280
Current assets – amounts receivable within one year:				
Debtors		490	650	572
Investments at fair value through profit and loss:				
Liquidity funds		106,716	15,575	39,590
Cash		12,707	5,604	6,180
Total current assets		185,089	81,322	111,622
Creditors – amounts falling due within one year		(5,250)	(7,101)	(2,827)
Net current assets		179,839	74,221	108,795
Net assets		**670,852**	**577,606**	**615,756**
Capital and reserves:				
Called up share capital		9,331	9,331	9,331
Share premium account		120,368	120,368	120,368
Capital redemption reserve		1,248	1,248	1,248
Capital reserve – unrealised		78,455	72,108	81,061
Capital reserve – realised		435,444	347,592	366,592
Revenue reserve		26,006	26,959	37,156
Total equity shareholders' funds		**670,852**	**577,606**	**615,756**
Net asset value per Ordinary share	**11(b)**	**1,797.3p**	**1,547.5p**	**1,649.7p**
Ordinary shares in issue at 30 June / 31 December	11(b)	37,324,698	37,324,698	37,324,698

The financial statements of HgCapital Trust plc (registered number 01525583) on pages 50 to 59 were approved and authorised for issue by the Board of Directors on 8 September 2017 and signed on its behalf by:

Roger Mountford, Chairman

Richard Brooman, Director

The notes on pages 54 to 59 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Notes	Six months ended 30.6.2017 £'000 (unaudited)	Six months ended 30.6.2016 £'000 (unaudited)	Year ended 31.12.2016 '000 (audited)
Net cash inflow from operating activities	9	6,861	18,100	22,903
Investing activities:				
Purchase of fixed asset investments		(40,315)	(72,779)	(104,100)
Proceeds from the sale of fixed asset investments		122,014	47,779	102,193
Purchase of liquidity funds		(93,609)	(48,124)	(88,737)
Redemption of liquidity funds		26,700	63,500	80,200
Net cash inflow/(outflow) from investing activities		14,790	(9,624)	(10,444)
Financing activities:				
Proceeds from/(repayment of) loan facility		2,453	2,861	(28)
Servicing of finance		(408)	(315)	(833)
Equity dividends paid		(17,169)	(14,930)	(14,930)
Net cash outflow from financing activities		(15,124)	(12,384)	(15,791)
Increase/(decrease) in cash and cash equivalents in the period		**6,527**	**(3,908)**	**(3,332)**
Cash and cash equivalents at 1 January		6,180	9,512	9,512
Cash and cash equivalents at 30 June / 31 December		**12,707**	**5,604**	**6,180**

The notes on pages 54 to 59 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2017

		Non-distributable				Distributable		
	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve – unrealised £'000	Capital reserve – realised £'000	Revenue reserve £'000	Total £'000
At 31 December 2016		9,331	120,368	1,248	81,061	366,592	37,156	615,756
Net return from ordinary activities		–	–	–	(2,606)	68,852	6,019	72,265
Equity dividends paid	4	–	–	–	–	–	(17,169)	(17,169)
At 30 June 2017		**9,331**	**120,368**	**1,248**	**78,455**	**435,444**	**26,006**	**670,852**
At 31 December 2015		9,331	120,368	1,248	14,023	353,107	31,946	530,023
Net return from ordinary activities		–	–	–	67,038	13,485	20,140	100,663
Equity dividend paid	4	–	–	–	–	–	(14,930)	(14,930)
At 31 December 2016		9,331	120,368	1,248	81,061	366,592	37,156	615,756

The notes on pages 54 to 59 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Principal activity

The principal activity of the Company is investment. The Company is an investment company, as defined by Section 833 of the Companies Act 2006 and qualifies as an investment trust, in accordance with Sections 1158 and 1159 of the Corporation Tax Act 2010 ('CTA 2010'). It is registered as a public company in England and Wales under number 01525583 with its registered office at 2 More London Riverside, London SE1 2AP.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments at fair value as permitted by the Companies Act 2006, and in accordance with applicable UK law and UK Accounting Standards ('UK GAAP'), including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP'), dated November 2014. All of the Company's operations are of a continuing nature.

The Company has considerable financial and management resources and, as a consequence, the Directors believe that the Company is well placed to manage its business risks. After making enquiries, the Directors have a reasonable expectation that the Company will have adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

The same accounting policies, presentation and methods of computation are followed in these financial statements as applied in the Company's previous annual audited report and accounts.

3. Organisational structure, manager arrangements and accounting policies

Partnerships where the Company is the sole limited partner

The Company entered into six separate partnership agreements with general and founder partners in May 2003 (subsequently revised in January 2009), January 2009, July 2011, March 2013, December 2016 and February 2017; at each point an investment holding limited partnership was established to carry on the business of an investor, with the Company being the sole limited partner in these entities.

The purpose of these partnerships, HGT LP, HGT 6 LP, HgCapital Mercury D LP, HGT 7 LP, HGT 8 LP and HGT Mercury 2 LP (together the 'primary buyout funds'), is to hold all the Company's investments in primary buyouts. Under the partnership agreements, the Company made capital commitments into the primary buyout funds, with the result that the Company now holds direct investments in the primary buyout funds and an indirect investment in the fixed asset investments that are held by these funds, as it is the sole limited partner. These direct investments are included under fixed asset investments on the balance sheet and in the investment portfolio on page 27. The underlying investments that are held indirectly are included in the overview of investments on page 34.

Partnerships where the Company is a minority limited partner

In July 2011, the Company made a direct secondary investment in HgCapital 6 E LP ('Hg6 E LP'), one of the partnerships that comprise the Hg6 Fund, in which the Company is now a limited partner pari passu with other limited partners. This is a direct investment in the HgCapital 6 E LP Fund, as shown on the balance sheet and in the investment portfolio on page 27.

The Company also entered into partnership agreements with the purpose of investing in renewable energy projects by making capital commitments with other limited partners in Hg Renewable Power Partners LP ('Hg RPP LP') and HgCapital Renewable Power Partners 2 C LP ('Hg RPP2 LP') (together the 'renewable funds'). These are direct investments in the renewable funds, as shown on the balance sheet and in the investment portfolio on page 27.

Priority profit share and other operating expenses, payable by partnerships in which the Company is a minority limited partner, are recognised as unrealised losses in the capital return section of the income statement and are not separately disclosed within other expenses.

Priority profit share and carried interest under the primary buyout limited partnership agreements

Under the terms of the primary buyout fund limited partnership agreements ('LPAs'), each general partner is entitled to appropriate, as a first charge on the net income of the funds, an amount equivalent to its priority profit share ('PPS'). The Company is entitled to net income from the funds, after payment of the PPS.

In years in which these funds have not yet earned sufficient net income to satisfy the PPS, the entitlement is carried forward to the following years. The PPS is payable quarterly in advance, even if insufficient net income has been earned. Where the cash amount paid exceeds the net income, an interest free loan is advanced to the general partner by these primary buyout funds, which is funded via a loan from the Company. Such loan is only recoverable from the general partner by an appropriation of net income; until net income is earned, no value is attributed to this loan.

Furthermore, under the primary buyout funds' LPAs, each founder partner is entitled to a carried interest distribution once certain preferred returns are met. The LPAs stipulate that the primary buyout funds' capital gains (or net income), after payment of the carried interest, are distributed to the Company.

Accordingly, the Company's entitlement to net income and net capital gains is shown in the appropriate lines of the income statement. Notes 6, 7, and 9 to the financial statements and the cash flow statement disclose the gross income and gross capital gains of the primary buyout funds (including the associated cash flows) and also reflect the proportion of net income and capital gains in the buyout funds that have been paid to the general partner as its PPS and to the founder partner as carried interest, where applicable.

The PPS paid from net income is charged to the revenue account in the income statement, whereas PPS paid as an interest-free loan, if any, is charged as an unrealised depreciation to the capital return in the income statement.

The carried interest payments made from net income and capital gains are charged to the revenue and capital account respectively on the income statement.

NOTES TO THE FINANCIAL STATEMENTS continued

4. Dividends

A dividend of 46.0 pence per share (£17,169,000) was paid on 15 May 2017 in respect of the year ended 31 December 2016 (year ended 31 December 2015: dividend of 40.0 pence per share; £14,930,000).

5. Issued share capital

Whilst the Company no longer has an authorised share capital, the Directors will still be limited as to the number of shares they can at any time allot as the Companies Act 2006 requires that Directors seek authority from the shareholders for the allotment of new shares.

	Six months ended				Year ended	
	30.6.2017 (unaudited)		30.6.2016 (unaudited)		31.12.2016 (audited)	
	No. '000	£'000	No. '000	£'000	No. '000	£'000
Ordinary shares of 25p each:						
Allotted, called-up and fully paid:						
At 1 January	37,325	9,331	37,325	9,331	37,325	9,331
At 30 June / 31 December	37,325	9,331	37,325	9,331	37,325	9,331

6. Income

	Revenue return		
	Six months ended		Year ended
	30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)
Income from investments held by HGT LP, HGT 6 LP, HGT 7 LP and HgCapital Mercury D LP:			
UK unquoted investment income	10,510	7,598	16,964
Foreign unquoted investment income	657	10,129	16,393
Foreign dividend income	21	–	354
Other investment income:			
UK unquoted investment income	281	774	774
Liquidity funds income	241	102	180
Total investment income	11,710	18,603	34,665
Total other income	154	158	167
Total income	**11,864**	**18,761**	**34,832**
Priority profit share charge against income:			
Current period - HGT 7 LP	(1,707)	(3,259)	(4,981)
Current period - HGT 6 LP	(1,126)	(1,397)	(2,760)
Current period - HGT LP	(549)	–	–
Current period - HgCapital Mercury D LP	(545)	(1,845)	(3,765)
Total priority profit share charge against income	**(3,927)**	**(6,501)**	**(11,506)**
Total net income	**7,937**	**12,260**	**23,326**
Total net income comprises:			
Interest	7,838	12,194	22,816
Non-interest income	78	66	156
Dividend	21	–	354
Total net income	**7,937**	**12,260**	**23,326**

NOTES TO THE FINANCIAL STATEMENTS continued

7. Priority profit share and carried interest

	Revenue return		
	Six months ended		Year ended
(a) Priority profit share payable to General Partners	30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)
Priority profit share payable:			
Current period amount	3,417	3,892	7,650
Less: Current period loans advanced to General Partners	–	(264)	(448)
Add: Prior period loans recovered from General Partners	510	2,873	4,304
Current period charge against income	3,927	6,501	11,506
Total priority profit share charge against income	**3,927**	**6,501**	**11,506**

The priority profit share payable on HGT LP, HGT 6 LP, HGT 7 LP and HgCapital Mercury D LP rank as a first appropriation of net income from investments held in HGT LP, HGT 6 LP, HGT 7 LP and HgCapital Mercury D LP respectively and is deducted prior to such income being attributed to the Company in its capacity as a Limited Partner. The net income of HGT LP, HGT 6 LP, HGT 7 LP and HgCapital Mercury D LP earned during the period, after the deduction of the priority profit share, is shown in the income statement.

	Capital return		
	Six months ended		Year ended
(b) Priority profit share loans to General Partners	30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)
Movements on loans to General Partners:			
Losses on current period loans advanced to General Partners	–	(264)	(448)
Gains on prior period loans recovered from General Partners	510	2,873	4,304
Total gains on priority profit share loans recovered from General Partners	**510**	**2,609**	**3,856**

In years in which the funds described in note 7(a) have not yet earned sufficient net income to satisfy the priority profit share, the entitlement is carried forward to the following years. The priority profit share is payable quarterly in advance, even if insufficient net income has been earned. Where the cash amount paid exceeds the net income, an interest free loan is advanced to the general partner by these primary buyout funds, which is funded via a loan from the Company. Such loan is only recoverable from the general partner by an appropriation of net income. Until sufficient net income is earned, no value is attributed to this loan and hence an unrealised capital loss is recognised and reversed if sufficient income is subsequently generated.

	Capital return		
	Six months ended		Year ended
(c) Carried interest to Founder Partners	30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)
Carried interest provision:			
Current period amount provided	15,310	17,290	27,076
	15,310	17,290	27,076

The carried interest payable to the Founder Partners ranks as a first appropriation of capital gains on the investments held in HGT LP, HGT 6 LP, HGT 7 LP and HgCapital Mercury D LP, limited partnerships established solely to hold the Company's investments, and is deducted prior to such gains being paid to the Company in its capacity as a Limited Partner. The net amount of capital gains of HGT LP, HGT 6 LP, HGT 7 LP and HgCapital Mercury D LP during the period, after the deduction of carried interest, is shown in the income statement. The details of the carried interest contracts, as set out on page 94 of the 2016 Annual Report, states that carried interest is payable once a certain level of cash repayments have been made to the Company. Based on the repayments received to date, no carried interest was payable in respect of the current or prior financial periods.

NOTES TO THE FINANCIAL STATEMENTS continued

7. Priority profit share and carried interest (continued)

However, if the investments in HGT 6 LP, HGT 7 LP, HgCapital Mercury D LP and HgCapital 6 E LP are realised at the current fair value and then distributed to Partners, an amount of £71,592,000 will be payable to the Founder Partner and therefore the Directors have made a provision for this amount. No provision is required in respect of the Company's investment in the other fund limited partnerships.

8. Other expenses

	Revenue return		
	Six months ended		Year ended
(a) Operating expenses	30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)
Registrar, management and administration fees	336	302	711
Other administration costs	1,156	1,331	1,061
	1,492	1,633	1,772

	Revenue return		
	Six months ended		Year ended
(b) Finance costs	30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)
Interest paid	31	76	114
Non-utilisation fees and other expenses	377	239	519
Arrangement fees	–	–	200
	408	315	833

Priority profit shares and other operating expenses, payable by partnerships in which the Company is a minority limited partner are recognised as unrealised losses in the capital return section of the income statement and are not separately disclosed in the above operating expenses.

9. Cash flow from operating activities

	Six months ended		Year ended
Reconciliation of net return before finance costs and taxation to net cash flow from operating activities	30.6.2017 £'000 (unaudited)	30.6.2016 £'000 (unaudited)	31.12.2016 £'000 (audited)
Net return before finance costs and taxation	72,691	63,197	102,077
Deduct: Gains on investments held at fair value	(81,046)	(67,251)	(103,743)
Increase in carried interest provision	15,310	17,290	27,076
Increase in accrued income from liquidity funds	(232)	(78)	(143)
Decrease/(increase) in prepayments, accrued income and other debtors	122	4,655	(1,142)
Increase/(decrease) in creditors	19	482	(397)
Taxation paid	(3)	(195)	(825)
Net cash inflow from operating activities	**6,861**	**18,100**	**22,903**

NOTES TO THE FINANCIAL STATEMENTS continued

10. Taxation

Taxation for the six month period is charged at 19.25% (31 December 2016: 20%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six month period.

In the opinion of the Directors, the Company has complied with the requirements of Section 1158 and Section 1159 of the CTA 2010 and will therefore be exempt from corporation tax on any capital gains made in the year. The Company expects to designate all of any dividends declared in respect of this financial year as interest distributions to its shareholders. These distributions are treated as a tax deduction against taxable income, resulting in no corporation tax being payable by the Company on any interest income designated as a dividend.

11. Return and net asset value per Ordinary share

(a) Return per Ordinary share	Revenue return			Capital return		
	Six months ended 30.6.2017 (unaudited)	Six months ended 30.6.2016 (unaudited)	Year ended 31.12.2016 (audited)	Six months ended 30.6.2017 (unaudited)	Six months ended 30.6.2016 (unaudited)	Year ended 31.12.2016 (audited)
Amount (£'000):						
Return from ordinary activities after taxation	6,019	9,943	20,140	66,246	52,570	80,523
Number of Ordinary shares ('000):						
Weighted average number of shares in issue	37,325	37,325	37,325	37,325	37,325	37,325
Return per Ordinary share (pence)	**16.13**	**26.64**	**53.96**	**177.49**	**140.85**	**215.74**

(b) Net asset value per Ordinary share	Six months ended 30.6.2017 (unaudited)	Six months ended 30.6.2016 (unaudited)	Year ended 31.12.2016 (audited)
Amount (£'000):			
Net assets	670,852	577,606	615,756
Number of Ordinary shares ('000):			
Number of Ordinary shares in issue	37,325	37,325	37,325
Net asset value per Ordinary share (pence)	**1,797.3**	**1,547.5**	**1,649.7**

NOTES TO THE FINANCIAL STATEMENTS continued

12. Commitment in fund partnerships and contingent liabilities

Fund	Original commitment £'000	Outstanding at 30.6.2017 £'000 (unaudited)	Outstanding at 30.6.2016 £'000 (unaudited)	Outstanding at 31.12.2016 £'000 (audited)
HGT 8 LP[1]	350,000	350,000	–	350,000
HGT Mercury 2 LP[1]	80,000	80,000	–	–
HGT 7 LP[1]	200,000	22,390	52,445	39,774
HGT 6 LP	285,029	12,608	17,860	11,050
Hg RPP2 LP	35,122[2]	6,118[3]	8,340[3]	7,482[3]
HgCapital Mercury D LP	60,000	3,814	16,281	10,285
HGT LP[4]	120,000	1,261	1,261	1,261
Hg 6 E LP	15,000	940	940	582
Hg RPP LP	19,001[5]	846[6]	1,145[6]	846[6]
Total outstanding commitments		477,977	98,272	421,280

[1] HgCapital Trust plc has the benefit of an investment opt-out provision in its commitment to invest alongside HgCapital 7, HgCapital 8 and HgCapital Mercury 2, so that it can opt out of a new investment without penalty should it not have the cash available to invest.

[2] Sterling equivalent of €40,000,000.

[3] Sterling equivalent of €6,967,000 (30 June 2016: €10,036,000, 31 December 2016: €8,765,000).

[4] With effect from 21 October 2011, £12.0 million of the commitment was cancelled, followed by £9.0 million on 31 March 2013 and £4.7 million on 1 August 2014. These amounts represent 10.0%, 7.5% and 3.9% respectively of the original £120 million loan commitment to the Hg5 fund.

[5] Sterling equivalent of €21,640,000.

[6] Sterling equivalent of €963,000 (30 June 2016: €1,378,000, 31 December 2016: €992,000).

13. Publication of non-statutory accounts

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the six months ended 30 June 2017 and 30 June 2016 has not been audited. The information for the year ended 31 December 2016 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under section 498 (2) or (3) of the Companies Act 2006.

14. Annual results

The Board expects to announce the results for the year ending 31 December 2017 in March 2018. The 2017 Annual Report should be available by the end of March 2018, with the Annual General Meeting being held in May 2018.

SHAREHOLDER INFORMATION

Financial calendar

The announcement and publication of the Company's results may normally be expected in the months shown below:

March	• Final results for year announced
	• Annual Report and Accounts published
May	• Annual General Meeting
	• Payment of final dividend
September	• Interim figures announced and interim report published
October	• Payment of interim dividend

Dividend

The interim dividend declared in respect of the year ending 31 December 2017 is 16 pence per share.

Ex-dividend date (shares transferred without dividend)	21 September 2017
Record date (last date for registering transfers to receive the dividend)	22 September 2017
Last date for registering DRIP instructions (see below)	6 October 2017
Dividend payment date	27 October 2017

Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address, together with a tax voucher, to arrive on the payment date. Alternatively, dividends may be paid direct into a shareholder's bank account via Bankers' Automated Clearing Service ('BACS'). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC ('Computershare'), on 0370 707 1037.

Dividend re-investment plan ('DRIP')

Shareholders may request that their dividends be used to purchase further shares in the Company.

Dividend re-investment forms may be obtained from Computershare on 0370 707 1037 or may be downloaded from www-uk.computershare.com/investor. Shareholders who have already opted for dividend re-investment do not need to re-apply. The last date for registering for this service for the forthcoming dividend is 6 October 2017.

Share price

The Company's mid-market Ordinary share price is published daily in the Times and the Daily Telegraph under the section 'Investment Companies'. In the Financial Times, the Ordinary share price is listed in the sub-section 'Conventional-Private Equity'.

ISIN/SEDOL numbers

The ISIN/SEDOL numbers and mnemonic code for the Company's Ordinary shares are:

ISIN	GB0003921052
SEDOL	0392105
Reuters code	HGT.L

Share dealing

Investors wishing to purchase or sell shares in the Company may do so through a stockbroker or a bank.

The following share dealing services are available through our Registrar, Computershare Investor Services PLC:

Internet share dealing

Please note that, at present, this service is only available to shareholders in the UK and certain other European jurisdictions. Please refer to the website for an up to date list of these countries. This service provides shareholders with an easy way to buy or sell the Company's Ordinary shares on the London Stock Exchange. The commission is 1.0%, subject to a minimum charge of £30. In addition, stamp duty, currently 0.5%, is payable on purchases. There is no need to open an account in order to deal. Real-time dealing is available during market hours. In addition, there is a convenient facility to place your order outside of market hours.

Up to 90 day limit orders are available for sales. To access the service log on to www.computershare.com/dealing/uk.

Shareholders should have their Shareholder Reference Number ('SRN') available. The SRN appears on share certificates. A bank debit card will be required for purchases.

Telephone share dealing

Please note this service is, at present, only available to shareholders resident in the UK and Ireland. The commission is 1% plus a standard charge of £35. In addition, stamp duty, currently 0.5%, is payable on purchases. The service is available from 8.00am to 4.30pm Monday to Friday, excluding bank holidays, on telephone number 0370 703 0084. Shareholders should have their SRN ready when making the call. The SRN

SHAREHOLDER INFORMATION continued

appears on share certificates. A bank debit card will be required for purchases. Detailed terms and conditions are available on request by telephoning 0370 703 0084.

These services are offered on an execution only basis and subject to the applicable terms and conditions. This is not a recommendation to buy, sell or hold shares in HgCapital Trust plc. Shareholders who are unsure of what action to take should obtain independent financial advice. Share values may go down as well as up, which may result in a shareholder receiving less than he/she originally invested.

To the extent that this statement is a financial promotion for the share dealing service provided by Computershare Investor Services PLC, it has been approved by Computershare Investor Services PLC for the purpose of Section 21 (2) (b) of the Financial Services and Markets Act 2000 only. Computershare Investor Services PLC is authorised and regulated by the Financial Conduct Authority. Where this has been received in a country where the provision of such a service would be contrary to local laws or regulations, this should be treated as for information only.

Uncertificated Securities Regulations 1995 – CREST

The Company's Ordinary shares have joined CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

Income tax

Where possible, dividends can be designated as an interest distribution (interest streaming) for tax purposes. The Finance Bill 2017 includes provisions which will remove the requirement to deduct income tax at source from dividends notionally designated as interest distributions by investment trust companies when they are made on or after 6 April 2017.

This will bring this type of income into line with the treatment of interest paid on bank and building society accounts following the introduction of the Personal Savings Allowance. The amount of your Personal Savings Allowance depends on your adjusted net income. Where interest streaming is not possible, an individual annual allowance of £5,000 is available across all dividend income, above which there is a tax liability.

For further information, please visit the HMRC.gov.uk website. For queries about your own tax position, please speak to an independent tax advisor.

Capital gains tax ('CGT') for UK tax payers

Qualifying investment trusts currently pay no corporation tax on capital gains made within the portfolio. When investors sell all or part of their holdings, they may be liable to CGT. For the tax year 2017/2018, the first £11,300 per annum of such gains from all sources is exempt.

For the tax year 2017/2018 the following CGT rates apply:

- 10% and 20% for individuals (depending on total taxable income and gains);
- 20% for trustees or personal representatives; and
- 10% for gains qualifying for Entrepreneurs' Relief.

Investments held in ISAs continue to remain exempt from CGT.

Please remember that we are unable to offer individual investment or taxation advice. Investors who are in any doubt as to their liability for CGT should seek professional advice.

Risk factors

- Investments in predominantly unquoted companies, which form the majority of the Company's investments, may not be as readily realisable as investments in quoted companies.
- As HgCapital primarily invests in Northern Europe and in companies that trade internationally, the value of the Company's shares may be affected by changes in rates of exchange.
- HgCapital invests in a portfolio of small to mid-cap companies, with enterprise values between £20 million and £500 million (at the time of acquisition), the performance of which can fluctuate.
- The price at which the Company's shares trade on the London Stock Exchange is not the same as their NAV (although they are related) and therefore you may realise returns that are lower or higher than NAV performance.
- Past performance is not necessarily a guide to future performance and an investor may not get back the amount originally invested.
- The value of investments in the Company and the income from them can fluctuate, as the value of the underlying investments fluctuates.
- The Company invests in unquoted companies and although great care is taken in their valuation, such valuations cannot, by their nature, be exact and are liable to change.

SHAREHOLDER INFORMATION continued

Duration of the Company

An ordinary resolution was approved by shareholders at the Annual General Meeting in May 2015 to continue the life of the Company for a further five years and a similar resolution will be put to the shareholders in 2020 and every fifth year thereafter. If the resolution to continue the life of the Company is not approved, a General Meeting will be convened within six months after the date of the AGM to put forward proposals for the reorganisation or reconstruction of the Company.

Nominee code

Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

Non-Mainstream Pooled Investments

The Board notes the changes to the FCA rules relating to the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes which came into effect on 1 January 2014.

Legal advice obtained by the Company confirms that the Company's shares will qualify as an 'excluded security' under these new rules and will therefore be excluded from the FCA's restrictions which apply to non-mainstream investment products. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

The Company conducts its affairs so that the shares issued by the Company can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

Common Reporting Standard

New tax legislation was introduced (with effect from 1 January 2016) to implement The Common Reporting Standard for Automatic Exchange of Financial Account Information ('The Common Reporting Standard') agreed by the UK as a member of the OECD ('Organisation for Economic Co-operation and Development').

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. As an affected company, the Company provides information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

All shareholders, excluding those whose shares are held in CREST, entered onto the share register from 1 January 2016 will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information, information for account holders: https://www.gov.uk/government/publications/exchange-of-information-account-holders

ISA status

The Company's shares are eligible for stocks and shares ISAs.

Shareholder enquiries

In the event of queries regarding your shares, please contact the Computershare Investor Centre. Computershare now offers a free secure share management website that allows you to:

- view your share portfolio and see the latest market price of your shares;
- elect to receive your shareholder communications online;
- calculate the total market price of each shareholding;
- view price histories and trading graphs;
- update bank mandates and change of address details; and
- use online dealing services.

Log on to www-uk.computershare.com/investor and enter your Shareholder Reference Number and Company Code (this information can be found on the last dividend voucher or your share certificate).

Changes of name or address must be notified in writing to:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

General enquiries about the Company should be directed to:

Hg Pooled Management Ltd
2 More London Riverside
London SE1 2AP
Telephone: 020 7089 7888

INVESTING IN PRIVATE EQUITY

PRIVATE EQUITY

Private equity is the term given to the provision of equity and equity type risk capital to unlisted companies.

It is normally used to finance beneficial change in businesses. The changes that require equity finance are manifold and ever present. They include a change in the scale of a business (through fast growth or acquisitions), a change in ownership, often in conjunction with management (the management buyout), a change in the strategic direction of a company, a significant change in the structure and operations of a business, or financing the commercialisation of new technologies.

Healthy economies require constant change in their corporate sector, otherwise they stultify. Private equity is a form of finance well-suited to fund this change as it is patient, welcomes considered risk taking, and participates directly in outcomes.

In return for their investment, private equity investors receive a share of the equity in the businesses they finance and do so with the objective of making a significant capital gain over holding periods, typically from three to seven years.

Private equity investors, like HgCapital, aim to deliver their clients higher returns than may be obtained from a portfolio of public equity investments over any rolling period of five to ten years. Attractive returns can be garnered if the private equity manager exploits the advantages private equity investors have over investors in public markets.

Investment profile

Private equity investments are less liquid than publicly traded equities. To compensate for this, they offer greater control and aim for more attractive returns.

Individual private equity investments have a risk profile dependent on the nature of the underlying business. Investing in a diversified portfolio helps to mitigate some of these risks; the quality of company selections by the private equity manager and the manager's ability to manage its portfolio further mitigates risk. Manager selection is a key determinant of returns.

Advantages of the private equity model

Compared with investment in the public markets, a private equity investor has significant advantages:

- **Better governance model**
  Theory and experience tells us that businesses run by their owners tend to perform better than those run by salaried agents. In a private equity backed business almost everybody around the board table and often a high percentage of the management and staff own shares in the companies they run. In addition, the private equity managers also have an equity interest in the portfolio companies through their co-investment obligations and via their carried interest. Accordingly, the interests of all parties are closely aligned and focused on creating value and realising a substantial capital gain. This is achieved by selecting ambitious medium to long-term goals and allowing managers to pursue them, free from short-term distractions that often beset the managers of listed companies.
- **Better control**
  The private equity manager has more control over the method and timing of the sale of the business than a manager of listed equities. This superior control also extends to the appointment of management.
- **Ability to attract the best management talent**
  Working in a private equity backed business is highly attractive to the best and most ambitious managers. They will be incentivised by capital returns that listed companies rarely, if ever, match and are given the challenge and satisfaction of running their own business.
- **Larger universe of opportunities**
  The universe of privately owned businesses is much larger than the publicly traded one, so the investor has greater choice. The choice available to private equity also includes listed companies which can be de-listed and refinanced with private equity capital.
- **Better access presenting the possibility for better assessment**
  Prior to investing, private equity managers often have better access to information, including detailed market, financial, legal and management due diligence, than is available to investors in listed companies.

INVESTING IN PRIVATE EQUITY continued

LISTED PRIVATE EQUITY

Listed Private Equity ('LPE') refers to public companies whose shares are listed and traded on a primary stock exchange and which provide exposure to an underlying portfolio of private companies.

In Europe, primary exchanges include the London Stock Exchange and Euronext. Some private equity companies quoted on the London Stock Exchange are structured as investment trusts in order to benefit from advantages tax treatment. All LPE companies provide the shareholder with an exposure to a differentiated portfolio of private companies, either directly or via funds.

By buying shares in LPE companies, the investor benefits from liquidity while participating in the potentially superior returns of a private equity portfolio. In addition, LPE companies allow investors access to private equity without having to commit to the ten year lock-in and minimum investment required when investing in private equity via limited partnerships.

For the most comprehensive single source of information on LPE go to www.lpeq.com.

London Stock Exchange-LPE investment trusts are supervised by boards of directors, the majority of whom are independent, in order to reinforce the manager's accountability to shareholders.

Provided they meet certain criteria, investment trusts pay no corporation tax on capital gains but may not retain more than 15% of their income in each financial year.

The objective of LPE is usually to provide shareholders with long-term capital appreciation, rather than income.

Each listed company, like each private equity firm, has its own investment strategy relating to geography, size and type of investment, etc. LPE companies vary considerably in the number of their own holdings, ranging from specialist direct investment trusts, with a handful of portfolio companies in one country, to a fund-of-funds manager with holdings in over 300 private equity funds worldwide.

LPE companies continually invest and reinvest; most have no fixed life span like a limited partnership. Proceeds from the sale of assets are generally retained for re-investment, rather than being distributed to investors, which would trigger taxable gains. This, together with the long-term horizon of private equity, means that LPE is best suited to long-term holding, rather than frequent trading.

Advantages of LPE

Compared with an investment in a limited partnership with a ten year life, the normal route to obtaining a diversified exposure to private equity, LPE offers significant advantages:

- LPE offers the opportunity for retail investors as well as institutions to participate in a diversified portfolio of mainly unlisted companies for the price of one share, rather than a typical minimum commitment of over £5 million to a limited partnership;
- by buying shares in an LPE company, investors have liquidity in the shares and do not have to make a ten year commitment to a fund. Accordingly, they can trade without requiring the manager's consent and the need to run a private auction of their interest;
- listed vehicles handle the cash management and administration, which are complex for a limited partnership interest. All LPE investors need do is monitor the value of their shareholdings in the quoted vehicle itself; and
- capital gains retained within London-listed investment trusts are not taxed.

The listed sector is diverse, offering a wide range of private equity investment vehicles adopting different investment strategies and criteria.

GLOSSARY

Carried interest
Equivalent to a performance fee, this represents a share of the capital profits that will accrue to the investment manager, after achievement of an agreed preferred return.

Discount
Investment trust shares frequently trade at a discount to NAV. This occurs when the share price is less than the NAV. In this circumstance, the price that an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the NAV was 1,800 pence and the share price was 1,620 pence, the discount would be 10%.

EBITDA
Earnings Before Interest, Tax, Depreciation and Amortisation.

EV (enterprise value)
This is the aggregate value of a company's entire issued share capital and net debt.

Expansion capital
The provision of capital to an existing, established business, to finance organic growth or acquisitions.

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

IPO (initial public offering)
An offering by a company of some or all of its share capital to the public with a view to seeking an admission of its shares to a recognised stock exchange.

IRR (internal rate of return)
The annualised rate of return received by an investor in an investment. It is calculated from cash drawn from and returned to the investor together with the residual value of the investment.

LBO (leveraged buyout)
The purchase of all or most of a company's share capital, often involving its managers, funded mainly by borrowings often secured on the company's assets, resulting in a post-financing capital structure of the company that is geared.

LP (limited partnership)
An English limited partnership includes one or more general partners, who have responsibility for managing the business of the partnership and have unlimited liability, and one or more limited partners, who do not participate in the operation of the partnership and whose liability is ordinarily capped at their capital and loan contribution to the partnership. In typical fund structures, the general partner receives a priority profit share ahead of distributions to limited partners. In addition, a limited partner, designated as the 'founder partner', will share in the profits of the partnership alongside the other limited partners once limited partners have been returned all loan contributions plus a hurdle rate of return as agreed with the partnership.

MBI (management buy-in)
A change of ownership, where an incoming management team raises financial backing, normally a mix of equity and debt, to acquire a business.

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

NAV (net asset value per share)
This is the value of the Company's assets attributable to one Ordinary share. It is calculated by dividing 'shareholders' funds' by the total number of Ordinary shares in issue. For example, as at 30 June 2017, shareholders' funds were £670,852,000 and there were 37,324,698 Ordinary shares in issue; the NAV was therefore 1,797.3 pence per Ordinary share.

Shareholders' funds are calculated by deducting current and long-term liabilities, and any provision for liabilities and charges, from the Company's total assets.

P2P (public to private)
The purchase of all of a listed or otherwise quoted company's shares using a special-purpose vehicle funded with a mixture of debt and unquoted equity.

Preferred return
A preferential rate of return on an individual investment or a portfolio of investments.

Premium
A premium occurs when the share price is higher than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 1,980 pence and the NAV was 1,800 pence, the premium would be 10%.

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

Total return
The total return to shareholders comprises both changes in the Company's NAV or share price and dividends paid to shareholders; it is calculated on the basis that all historic dividends have been reinvested in the Company's shares on the date the dividend is paid.

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

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

BOARD, MANAGEMENT AND ADMINISTRATION

Board of Directors

Roger Mountford (Chairman)

Richard Brooman
(Chairman of the Audit
and Valuation Committee)

Peter Dunscombe
(Chairman of the Management
Engagement Committee)

Mark Powell
(Senior Independent Director)

Anne West

HgCapital Trust plc

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London
SE1 2AP

www.hgcapitaltrust.com

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Manager

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www.hgcapital.com

Company Secretary

Capita Company Secretarial
Services Limited
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40 Dukes Place
London
EC3A 7NH

Telephone: 020 7204 1601

Administrator

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SE1 2AP

Telephone: 020 7089 7888
www.hgcapital.com

Depositary

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EC3R 7AA

Registrar

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The Pavilions
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Bristol
BS99 6ZZ

Telephone: 0370 707 1037
www-uk.computershare.com/investor

Stockbroker

Numis Securities Ltd*
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

Telephone: 020 7260 1000
www.numiscorp.com

Independent auditor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

AIC

Association of Investment Companies
www.theaic.co.uk

The AIC is the trade body for closed-ended investment companies. It helps its member companies deliver better returns for their investors through lobbying, media engagement, technical advice, training, and events.

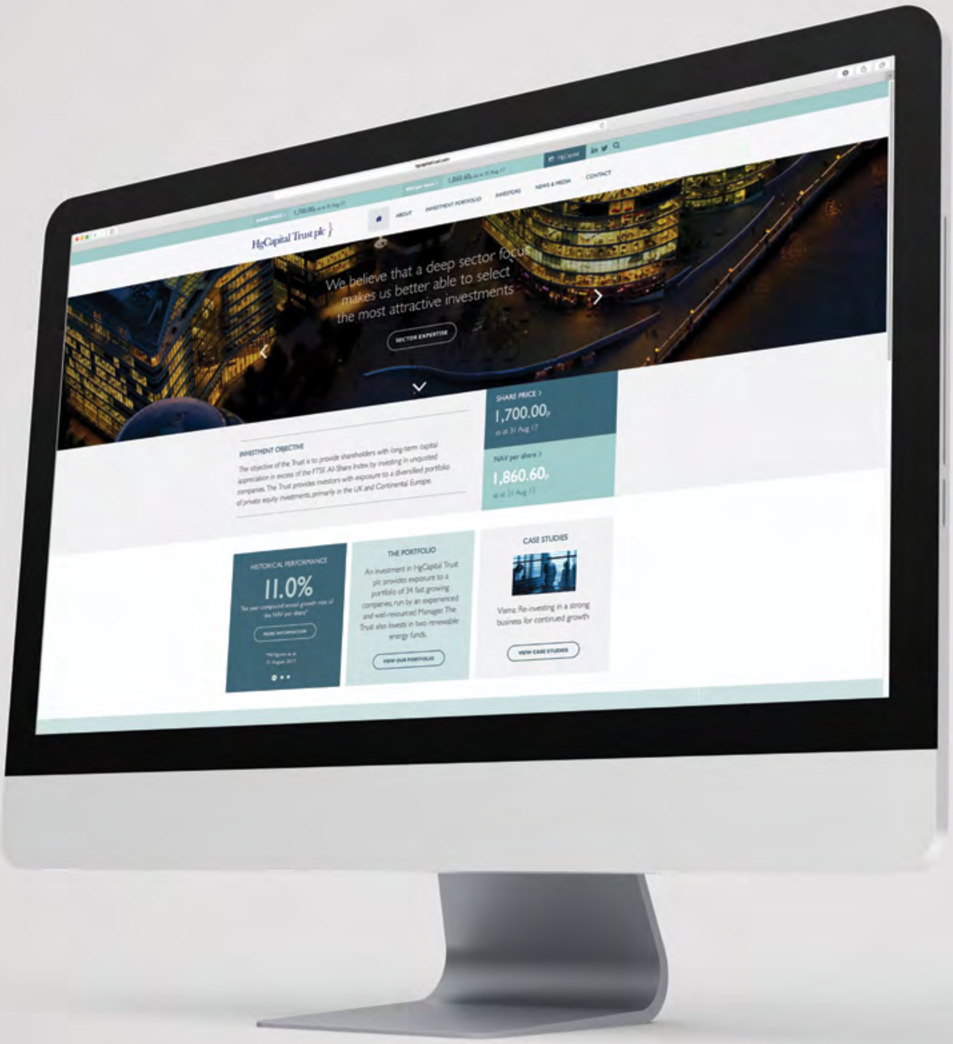
LPEQ

Listed Private Equity
www.lpeq.com

HgCapital Trust plc is a founder member of LPEQ. This is a group of private equity investment trusts and similar vehicles listed on the London Stock Exchange and other major European stock markets, formed to raise awareness and increase understanding of what listed private equity is and how it enables all investors – not just institutions – to invest in private equity.

LPEQ provides information on private equity in general, and the listed sector in particular, undertaking and publishing research and working to improve levels of knowledge about the asset class among investors and their advisers.

* Authorised and regulated by the Financial Conduct Authority.



www.hgcapitaltrust.com is constantly updated to ensure that the you can always access the Company's latest data, including the share price, and further Company information on your computer or mobile device in a transparent, convenient and intuitive manner.

If you have any suggestions on improvements we can make to the website, please do get in touch at investorrelations@hgcapitaltrust.com