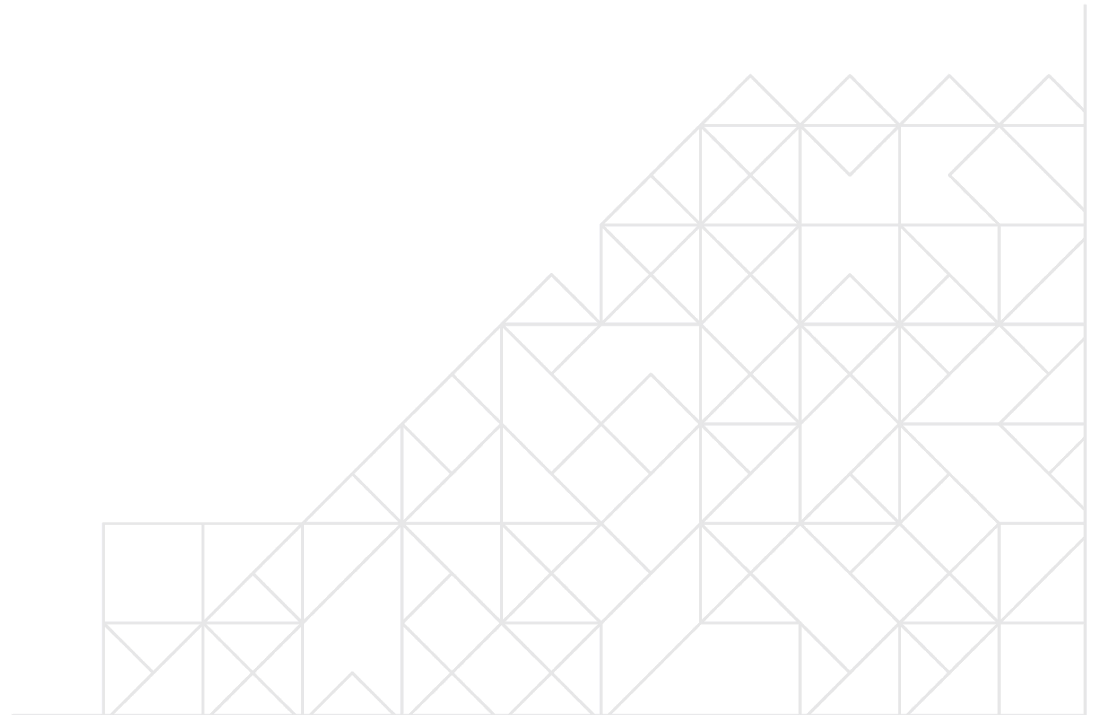


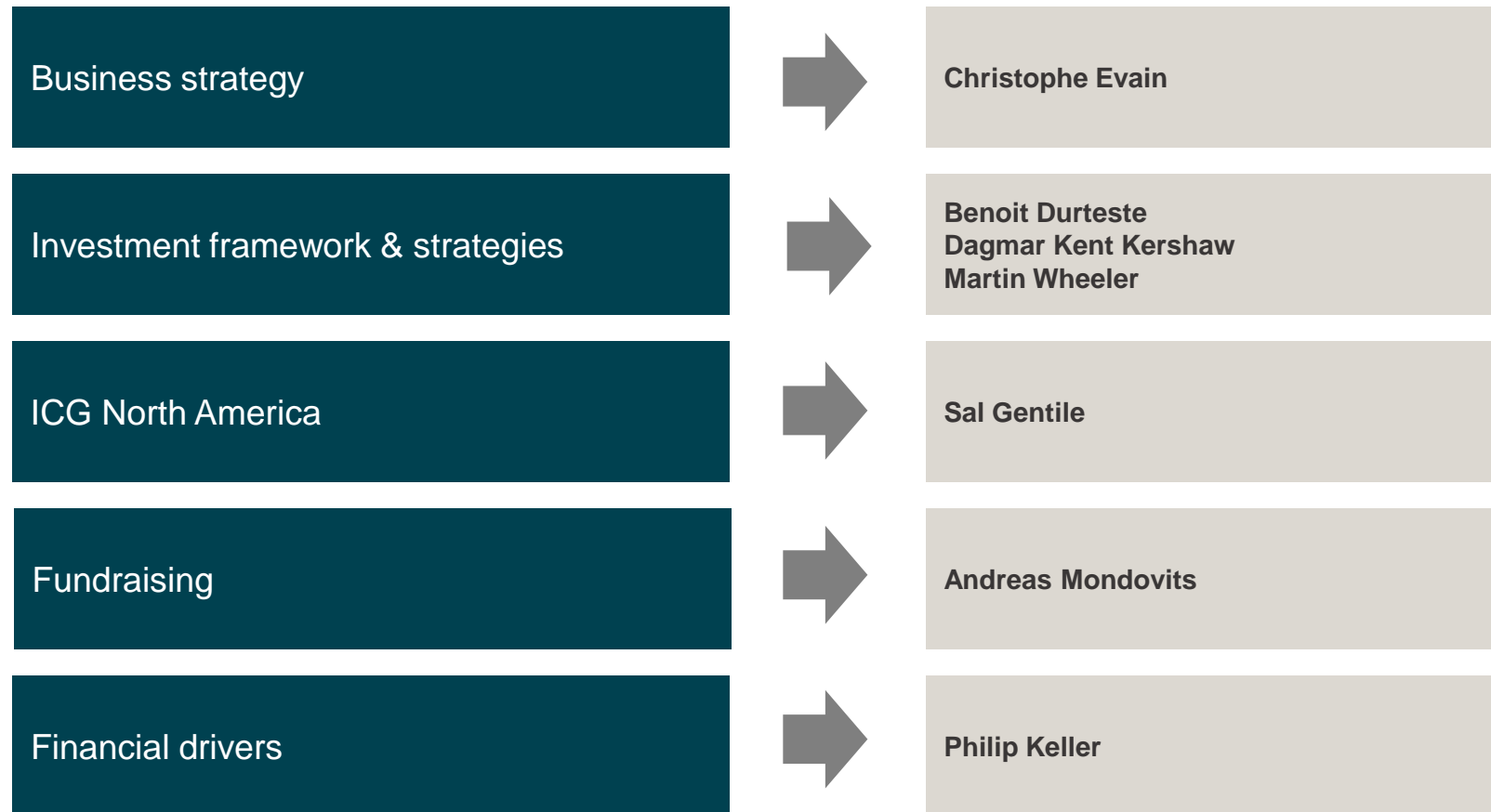


# Capital Markets Seminar

3 February 2016



# Agenda



# Business strategy

Christophe Evain



# Specialist asset manager

## Focus on investing in private debt, credit and equity

- ICG is a specialist asset manager with 27 years' history in private debt, credit and equity
- Our objective is to generate income and consistently high returns whilst protecting against investment downside
- We seek to achieve this through our expertise in investing across the capital structure
- We combine flexible capital solutions, local access and insight with an entrepreneurial approach to give us a competitive edge in our markets
- We are committed to innovation and pioneering new strategies where we can deliver value to our investors

**We are focused on growing our business and optimising our balance sheet to maximise value for shareholders**

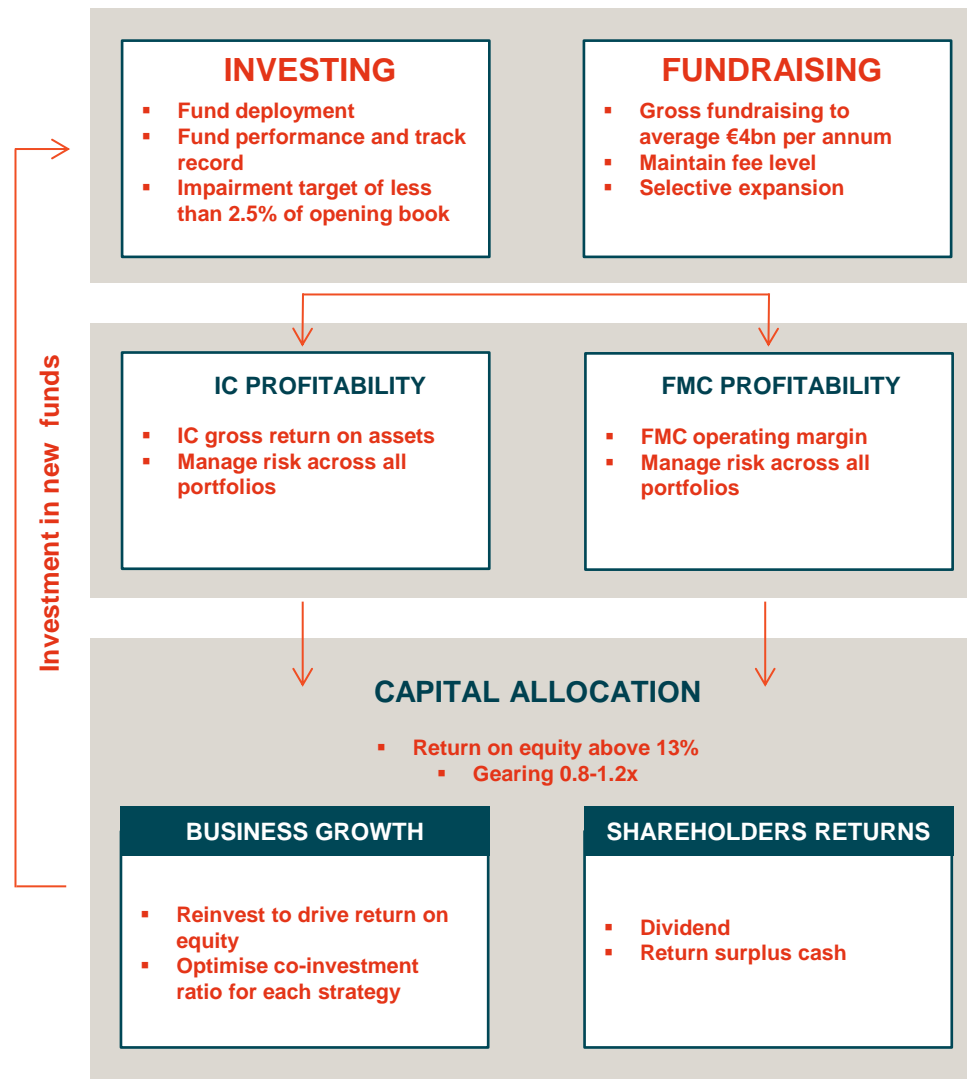
# Strategic asset classes

## Generating growth across our four asset classes

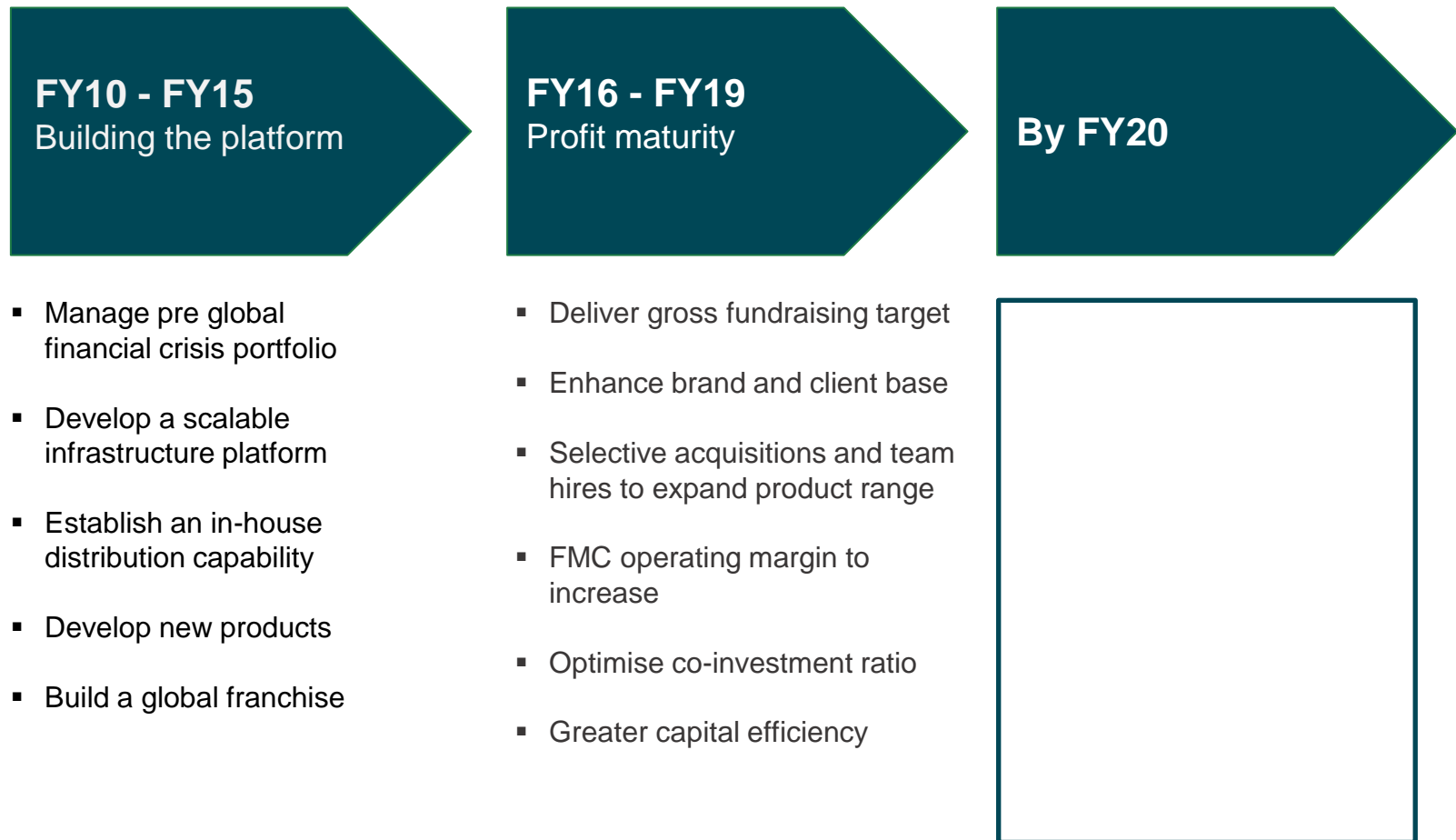
Corporate investments €10.8bn AUM	Capital Market investments €4.8bn AUM	Real Asset investments €3.2bn AUM	Secondary investments €0.1bn AUM
<ul style="list-style-type: none"> <li>▪ Senior debt, mezzanine &amp; equity investments</li> <li>▪ Europe, Asia Pacific &amp; North America regionally focused funds</li> <li>▪ Launched in 1989</li> <li>▪ 13 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ CLO, loan mandates &amp; Alternative Credit strategies</li> <li>▪ Europe &amp; North America regionally focused funds</li> <li>▪ Launched in 1999</li> <li>▪ 24 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Real estate investment in senior debt, subordinated debt &amp; equity</li> <li>▪ UK commercial real estate investment</li> <li>▪ Launched in 2011</li> <li>▪ 7 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment in secondaries PE transactions</li> <li>▪ Europe &amp; North America investment remit</li> <li>▪ Launched in 2014</li> <li>▪ 1 active fund</li> </ul>

Third party assets under management (AUM) as at 31 December 2015

# ICG operating model



# Business transition



# Fundraising market





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# Macroeconomic trends

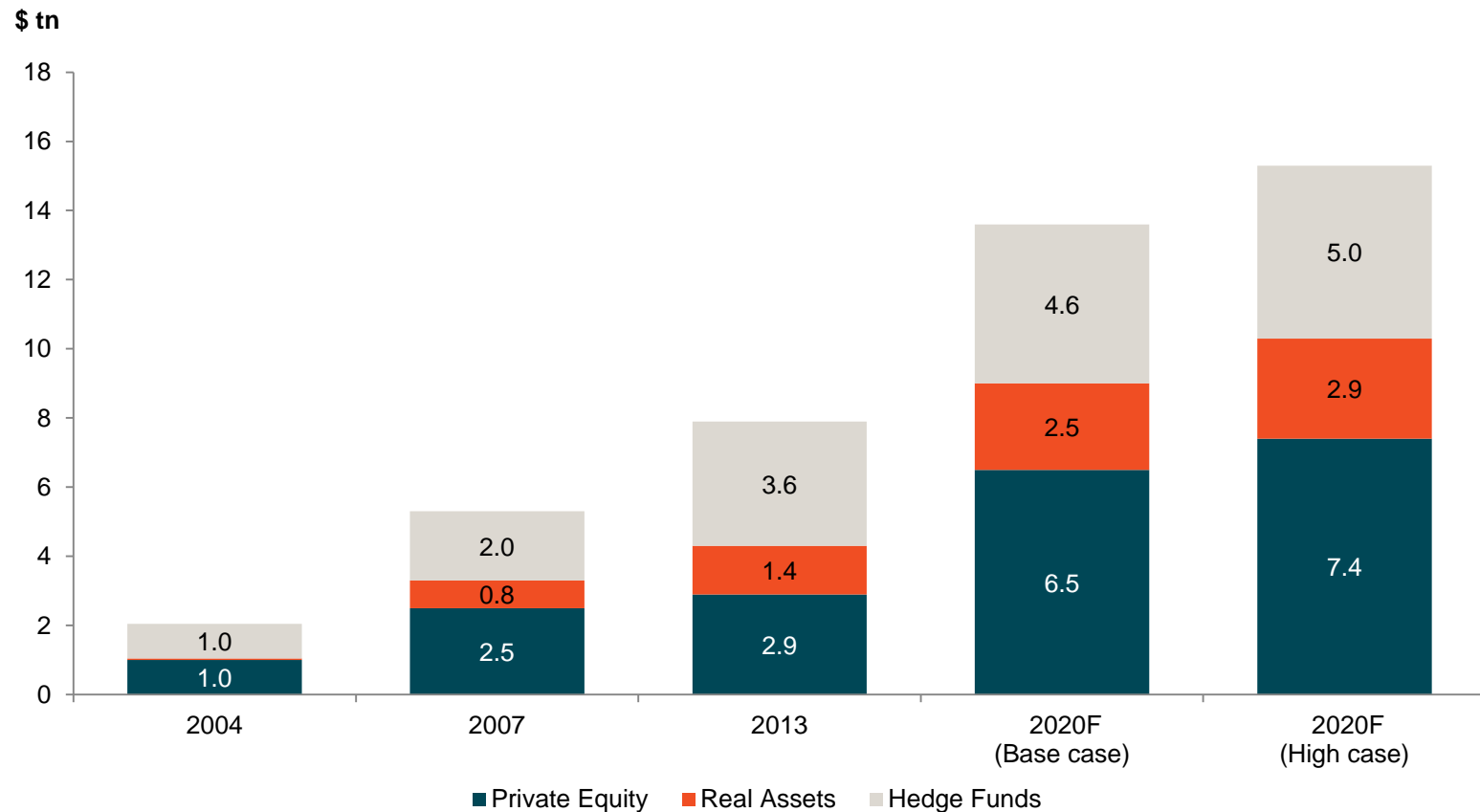
## Favourable trends as investors seek diversification and value

- Long term liabilities of pension funds require focus on capital preservation and generation of alpha to support retirement and healthcare
- Projected emergence of 21 new sovereign investors and developing nations requires diversification in asset allocation
- Ageing populations and the growth of developing nations will increase the absolute size of institutional assets under management
- Slower economic growth encourages investors to seek yield
- Long term investment horizons allow investors to shift to locked-up funds
- Alternative managers offer tailored, outcome based products which offer risk-adjusted investment with lower volatility than traditional asset classes

Source: PwC: Alternative Asset Management 2020, 2015

# Fundraising market

## Strong growth in alternative asset classes



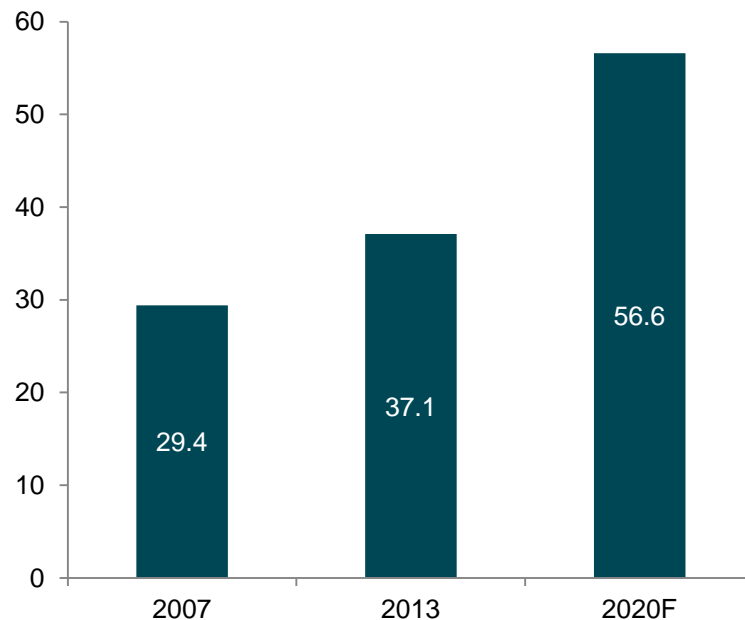
Source: PwC Market Research Centre analysis based on Preqin, HRH and Lipper data

# Fundraising market

Ageing populations and wealth creation driving asset pools

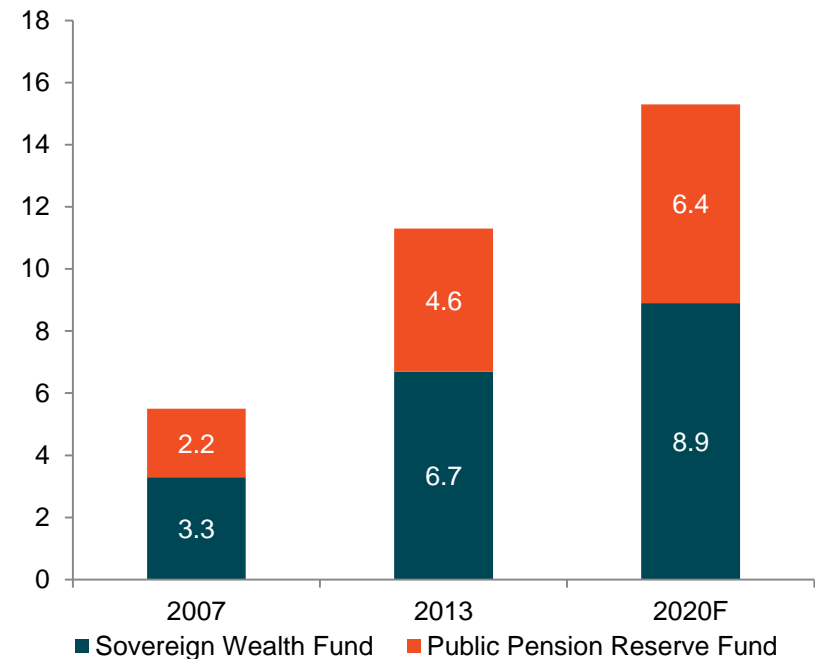
## Pension Fund assets

\$ tn



## Sovereign Wealth Fund assets

\$ tn

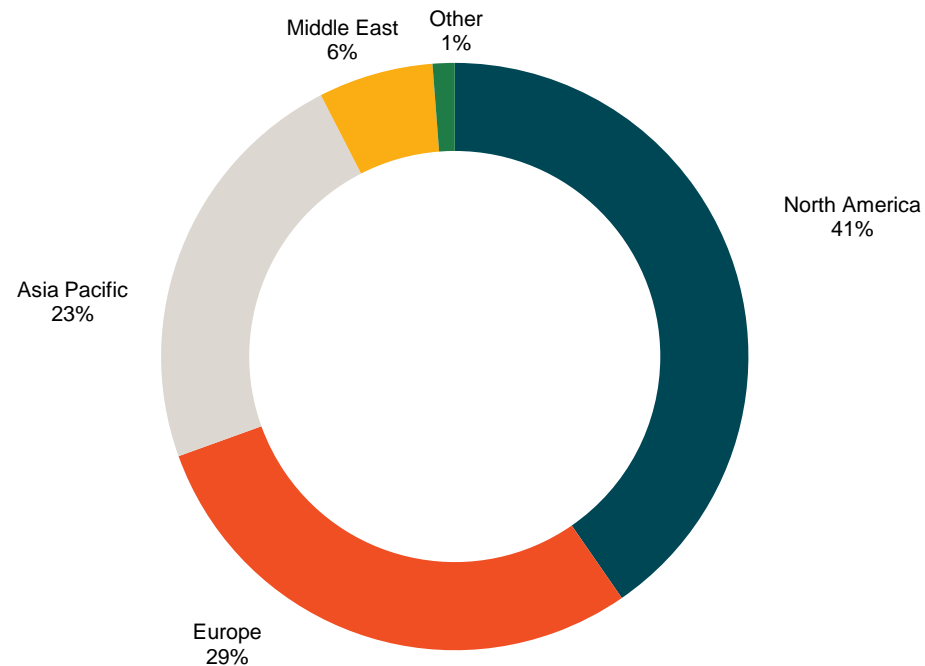


Source: SWF Institute & PwC Market Research Centre

# Fundraising market

North America remains the single largest source of capital

## Global source of capital<sup>1</sup>



Note:

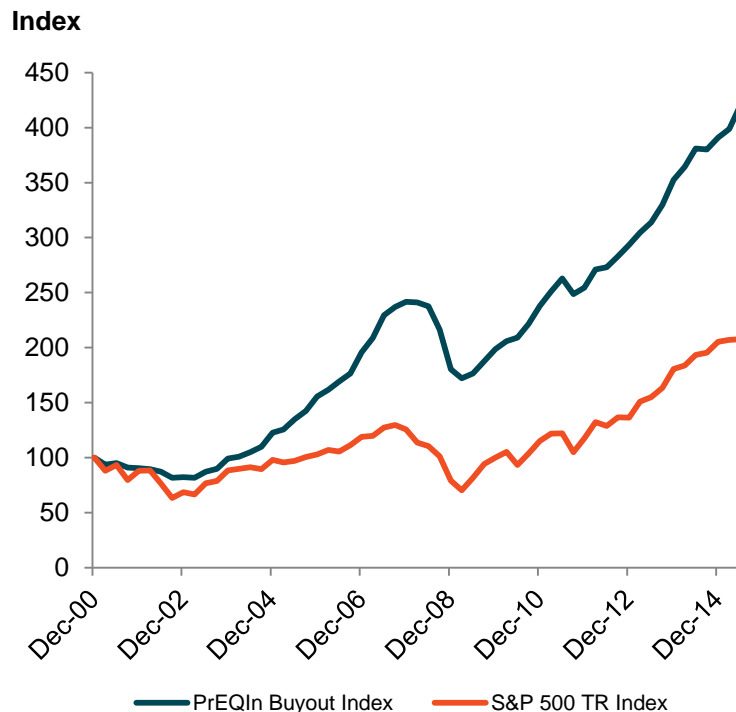
1. Global AUM split of Pension Funds, Insurance companies and Sovereign Wealth Funds

Source: Relsbank (2013), OECD (2014), Sovereign Wealth Fund Institute (2015)

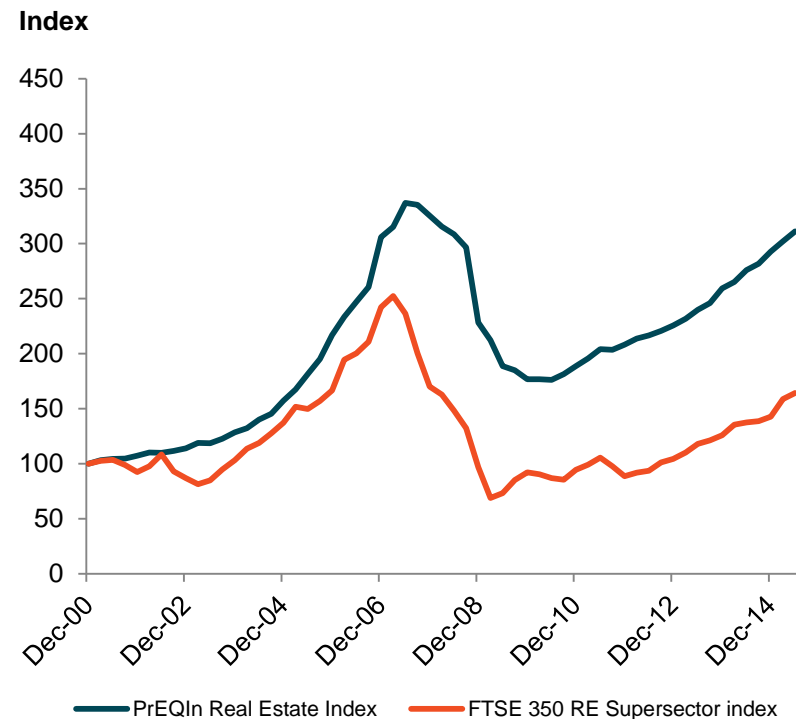
# Fundraising market

## Alternative asset classes outperform traditional asset classes

### Private equity asset performance



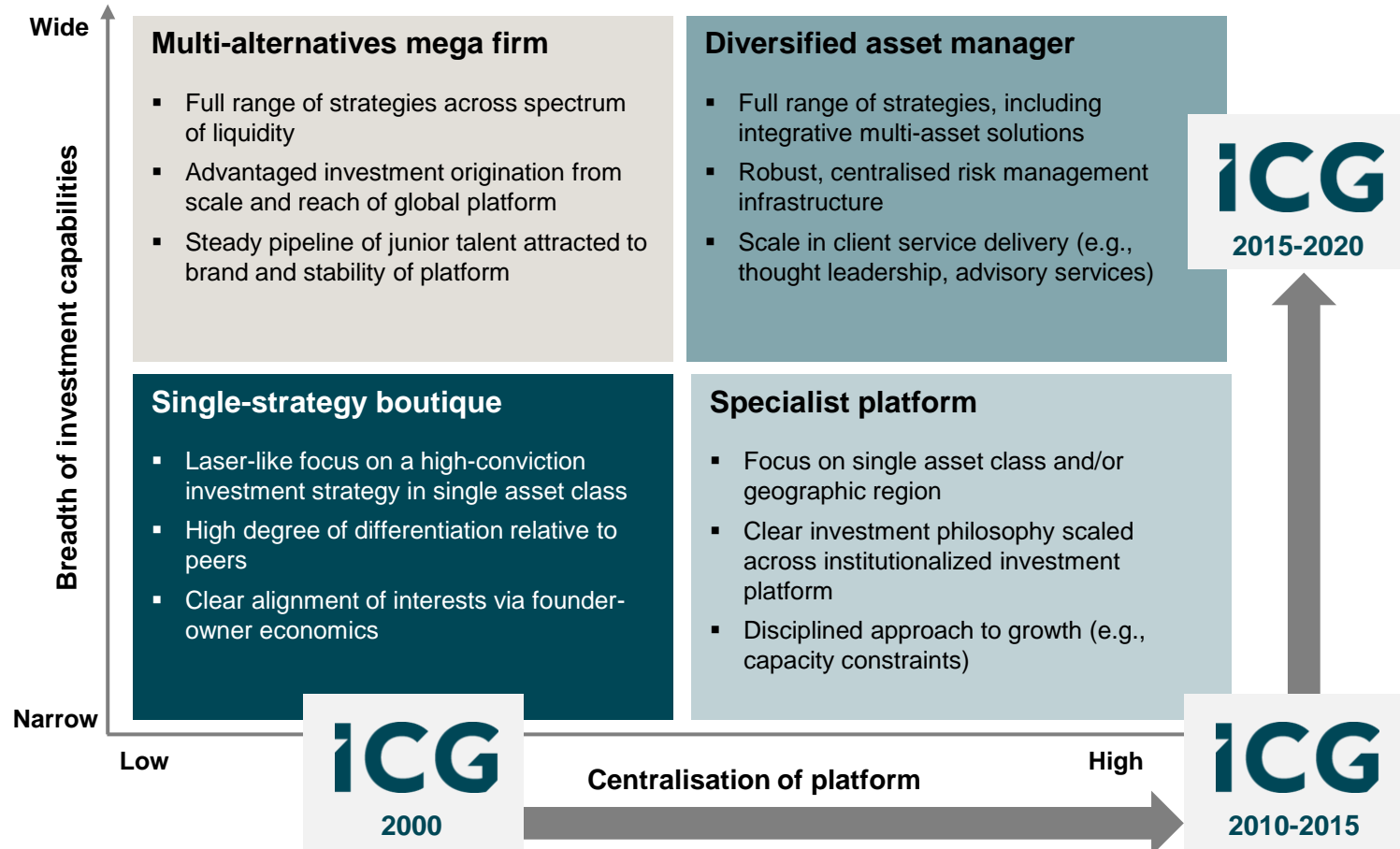
### Real estate asset performance



Source: Preqin Quarterly Private Equity Update Q3 2015

# The ICG journey

## Development to diversified asset manager

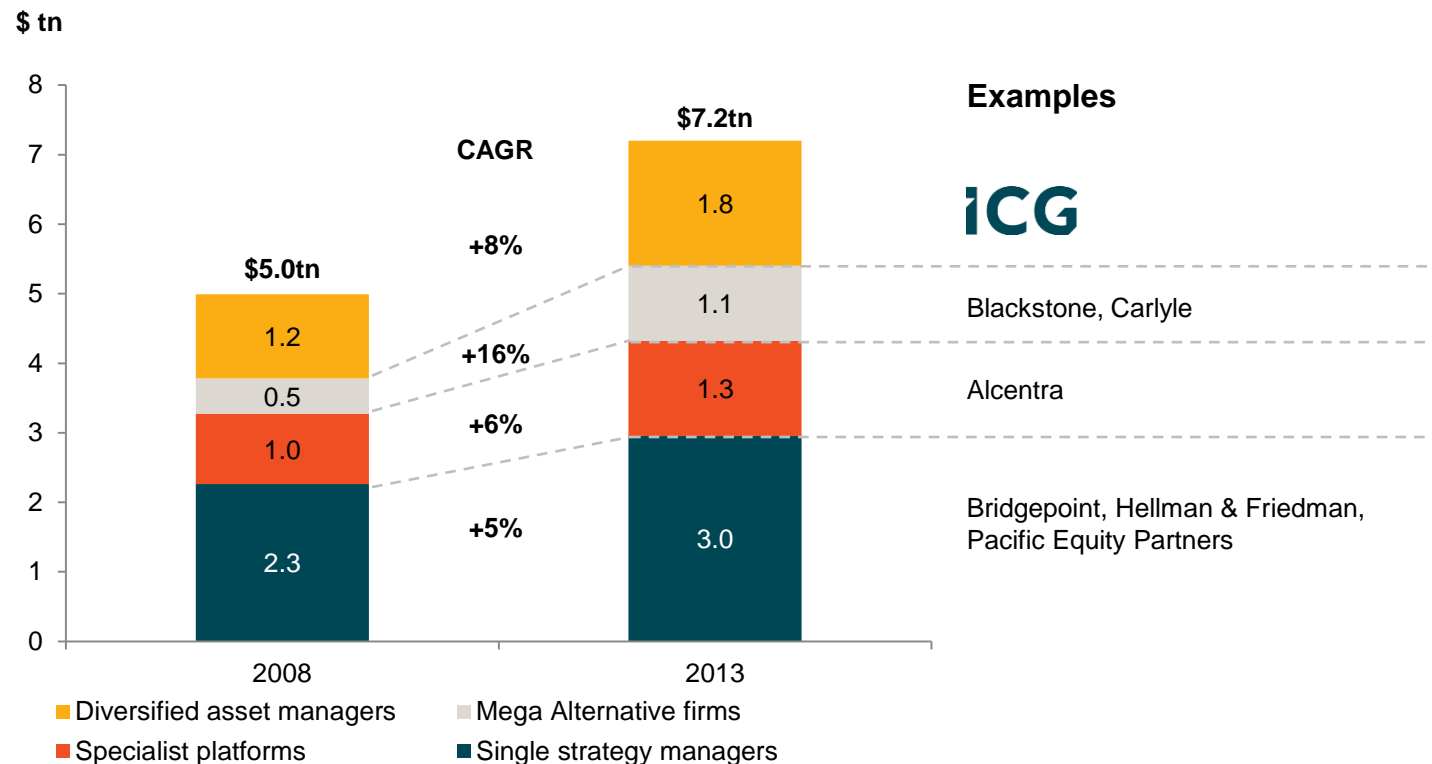


Source: McKinsey: Capturing the Next Wave of Growth in Alternative Investments, August 2014

# Competitive landscape

## Investors attracted to diversified asset managers

### Share of alternative investments



Source: McKinsey: Capturing the Next Wave of Growth in Alternative Investments, August 2014

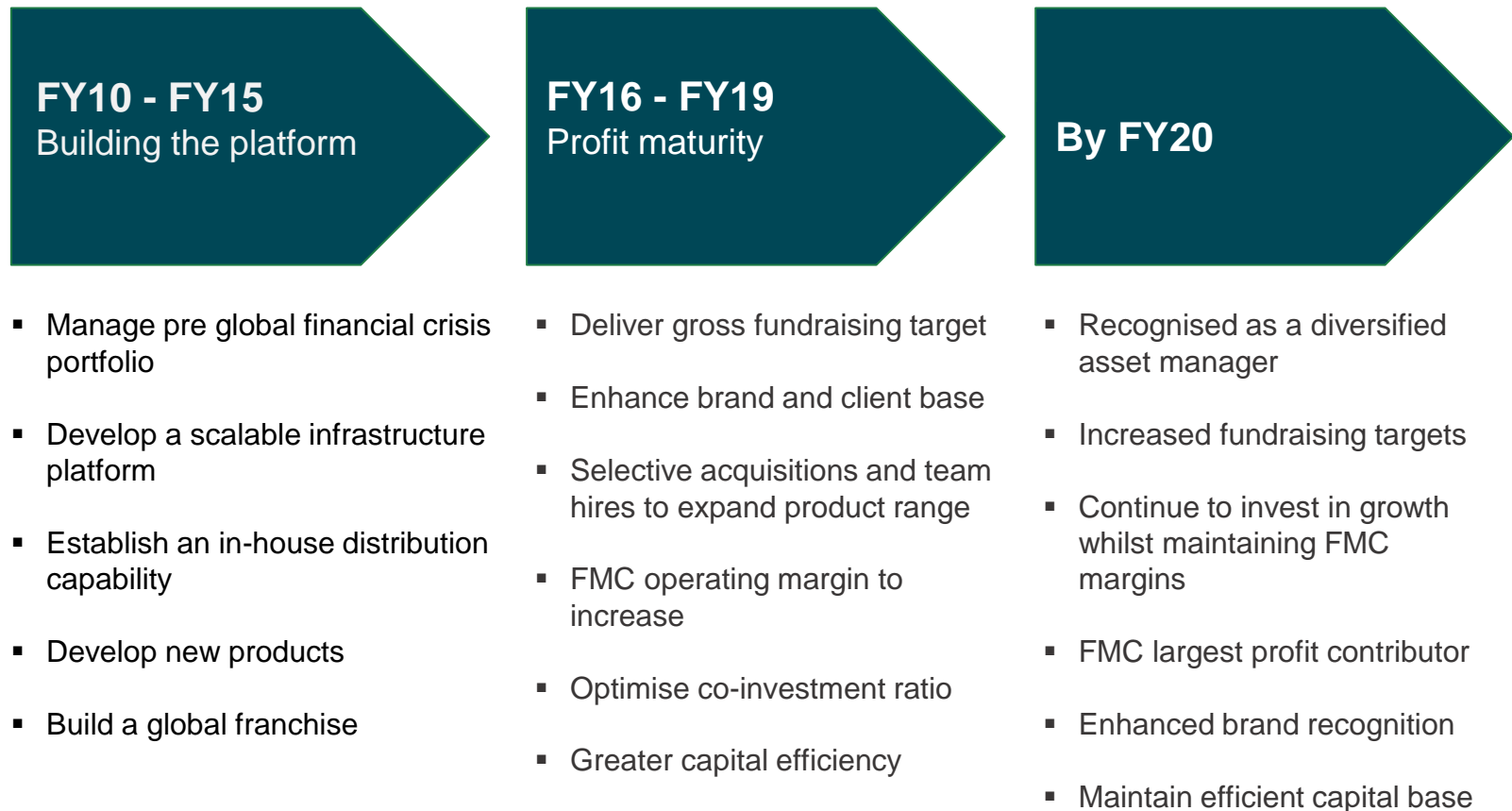
# Competitive advantage

## ICG scale and track record established over 27 years

Consistent differentiation	Mid-market focus creates expertise and profile, supporting fundraising and deal origination. Innovative approach in established market
Track record	Long term investment track record
Local network	Local insight and knowledge from employees based in 12 offices in Europe, Asia Pacific and North America
Investor support	Long term supportive institutional fund investor base investing across multiple funds
Diversification	Diverse funds across 15 dedicated mid-market strategies
Permanent capital	Closed ended funds provide secure capital base



# Business priorities

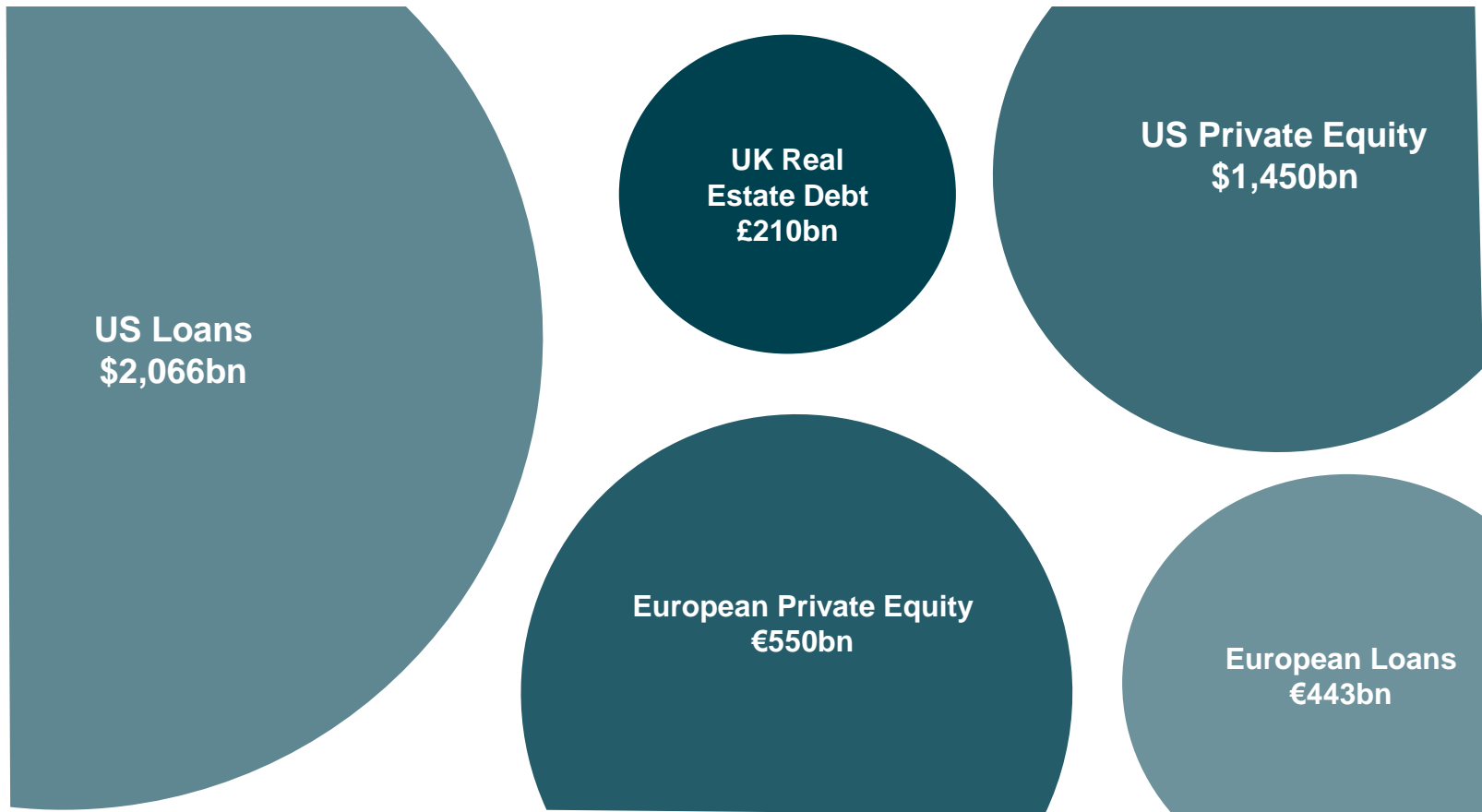


# Growth opportunity



# Market size

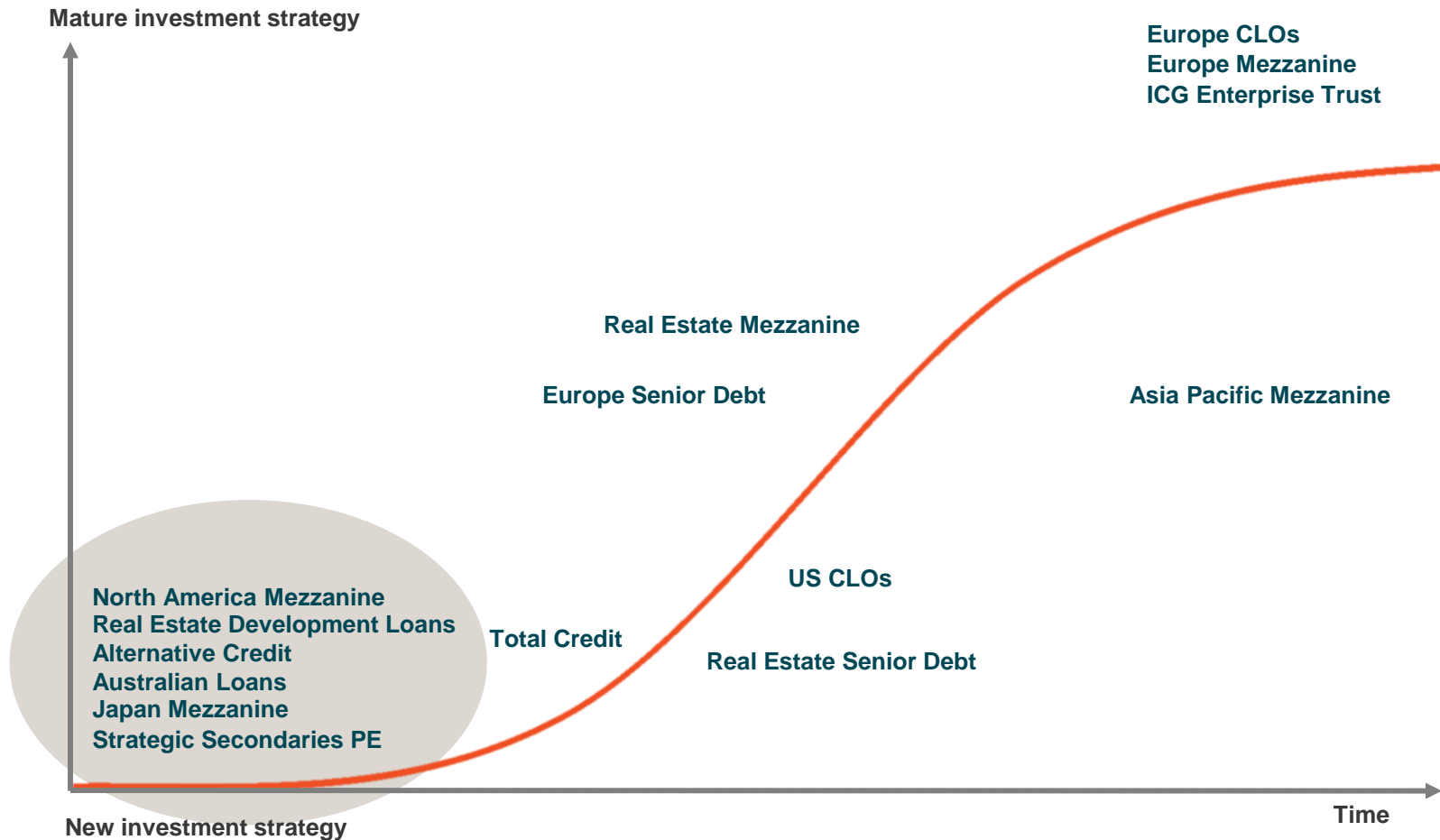
Substantial opportunity to grow existing ICG strategies



Source: US and European Private Equity Unrealised Portfolio Values (Preqin, June 2015), US and European Institutional Loans Market Value (CS WELLI 31 December 2015). UK Commercial Property Outstanding debt (De Montfort UK Commercial Lending Market Research Finding) Mid Year 2015

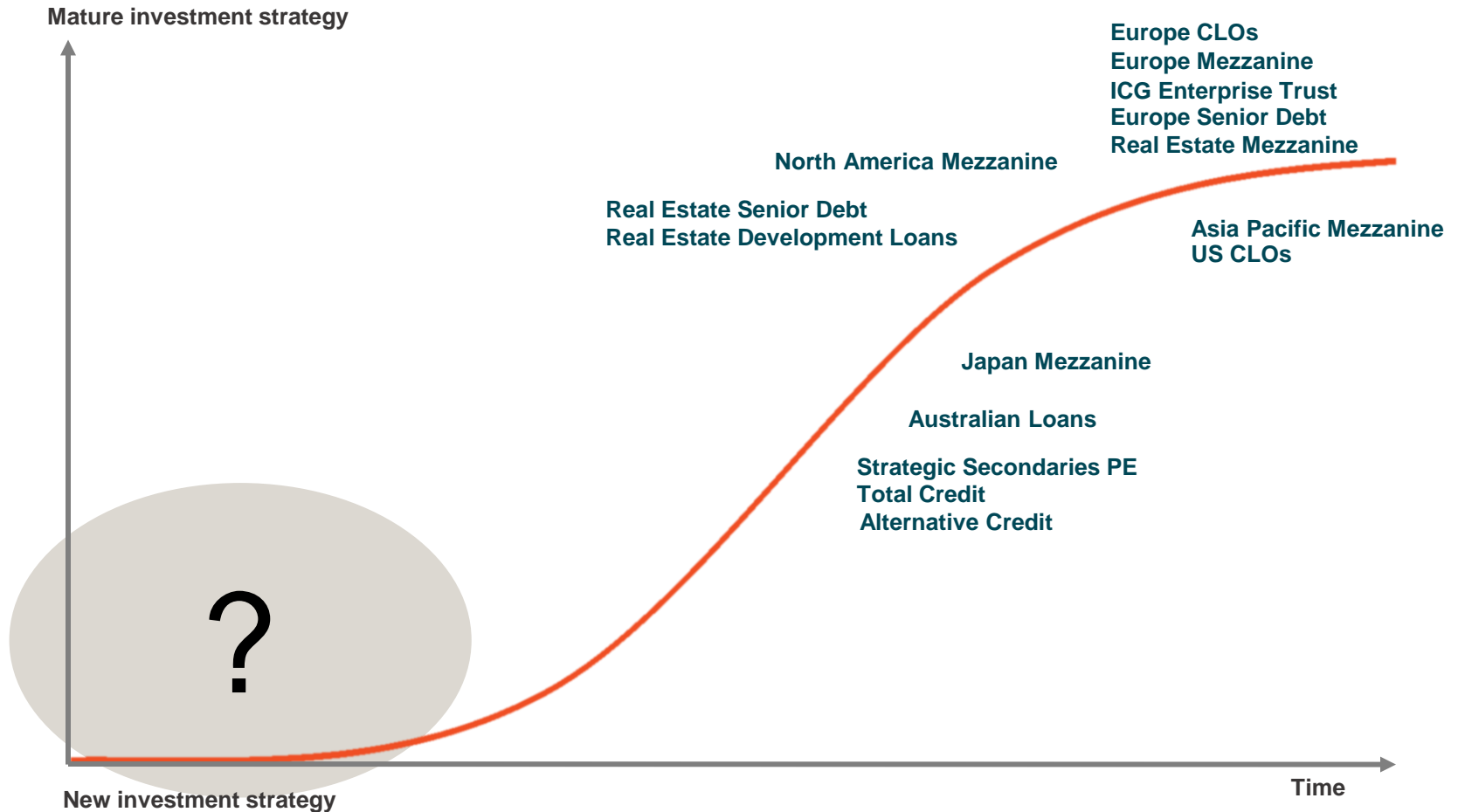
# Current ICG strategies

Significant growth potential from recently established strategies



# New ICG strategies

Invest in new strategies to drive further growth



# Evaluating new strategies



# Specialist asset manager

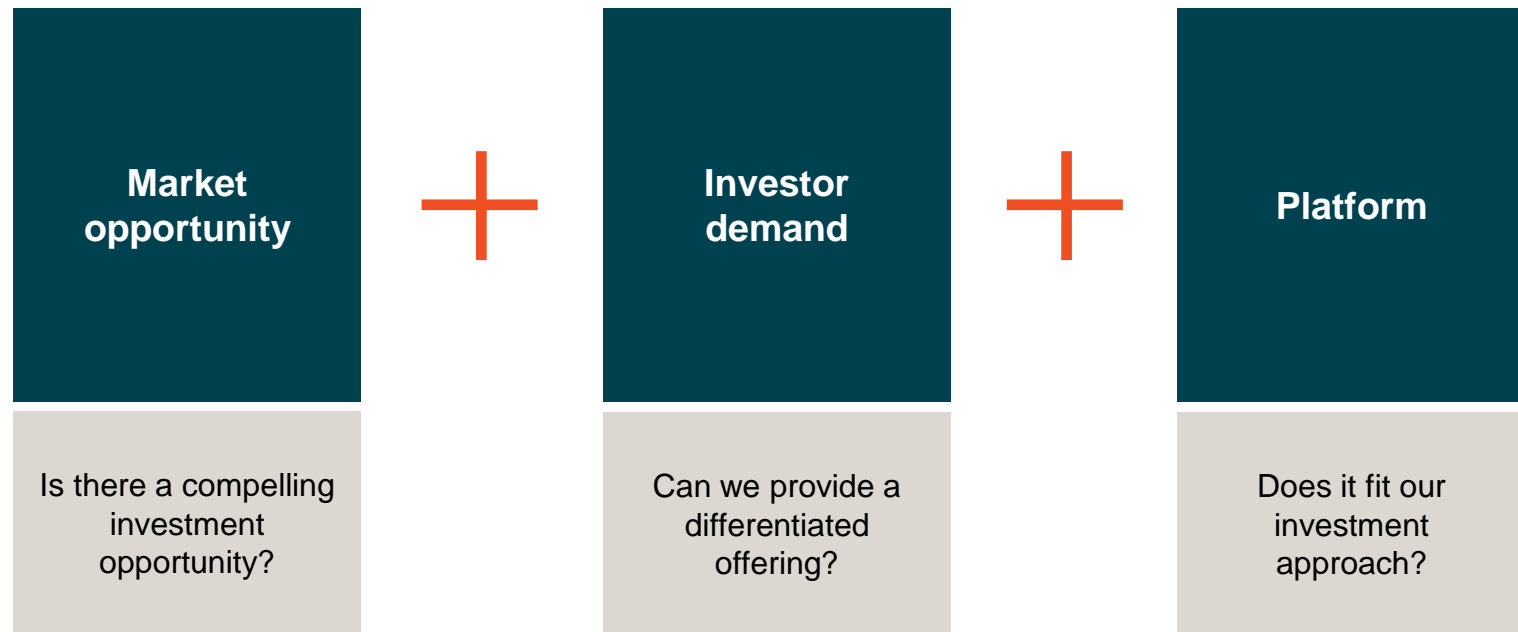
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**We are focused on growing our business and optimising our balance sheet to maximise value for shareholders**

# Evaluating new strategies

New strategies need to complement our existing offering





# Evaluating new strategies

Ensure growth is accretive to shareholder value

## Income

- What is the target fund size?
- What fees will ICG earn from managing the fund?

## Costs

- What is the required size and structure of the investment team?
- What are the operational and infrastructure costs?

## Balance sheet capital allocation

- How much capital must ICG commit to the strategy and for how long?
- What return will the balance sheet generate?

## Shareholder value

- Are the total risk/returns of the strategy accretive to shareholder value?

# Existing strategies

## Growth from maturing existing strategies

Corporate investments	Capital Market investments	Real Asset investments	Secondary investments
<b>Existing strategies</b> <ul style="list-style-type: none"> <li>Europe Mezzanine</li> <li>Europe Senior Debt</li> <li>North America Mezzanine</li> <li>Asia Pacific Mezzanine</li> <li>Japan Mezzanine</li> </ul>	<b>Existing strategies</b> <ul style="list-style-type: none"> <li>Europe CLOs</li> <li>Total Credit</li> <li>US CLOs</li> <li>Alternative Credit</li> <li>Australian Loans</li> </ul>	<b>Existing strategies</b> <ul style="list-style-type: none"> <li>UK Real Estate (RE) Mezzanine</li> <li>UK RE Senior Debt</li> <li>UK RE Development Loans</li> </ul>	<b>Existing strategies</b> <ul style="list-style-type: none"> <li>Strategic Secondaries PE</li> <li>ICG Enterprise Trust</li> </ul>

# Existing strategies

## Growth from expanding existing strategies

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Note: Future expanded strategies are indicative of potential growth opportunities

# Developing new strategies

## Growth from adding complementary strategies

Corporate investments	Capital Market investments	Real Asset investments	Secondary investments
<b>Existing strategies</b> <ul style="list-style-type: none"> <li>Europe Mezzanine</li> <li>Europe Senior Debt</li> <li>North America Mezzanine</li> <li>Asia Pacific Mezzanine</li> <li>Japan Mezzanine</li> </ul>	<b>Existing strategies</b> <ul style="list-style-type: none"> <li>Europe CLOs</li> <li>Total Credit</li> <li>US CLOs</li> <li>Alternative Credit</li> <li>Australian Loans</li> </ul>	<b>Existing strategies</b> <ul style="list-style-type: none"> <li>UK Real Estate (RE) Mezzanine</li> <li>UK RE Senior Debt</li> <li>UK RE Development Loans</li> </ul>	<b>Existing strategies</b> <ul style="list-style-type: none"> <li>Strategic Secondaries PE</li> <li>ICG Enterprise Trust</li> </ul>
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<b>Add complementary strategies</b> <ul style="list-style-type: none"> <li>Equity related</li> </ul>	<b>Add complementary strategies</b> <ul style="list-style-type: none"> <li>Liquids</li> <li>Open ended funds</li> </ul>	<b>Add complementary strategies</b> <ul style="list-style-type: none"> <li>Infrastructure</li> <li>Energy</li> </ul>	<b>Add complementary strategies</b> <ul style="list-style-type: none"> <li>Infrastructure</li> <li>Energy</li> <li>Real Estate</li> </ul>

Note: Future expanded and complementary strategies are indicative of potential growth opportunities

# Summary

Market and business fundamentals bring growth opportunity

## Favourable trends

- Investor trend to alternatives supported by macroeconomic fundamentals
- Long term outperformance of alternative asset classes
- Preference for multi-asset manager platforms
- ICG established scale and track record as a multi-asset manager

ICG

Mature existing strategies

Establish new strategies

Enhance distribution capability

# Agenda

## Significant market opportunity and competitive strength

Investment framework & strategies



Benoit Durteste  
Dagmar Kent Kershaw  
Martin Wheeler

ICG North America



Sal Gentile

Fundraising



Andreas Mondovits

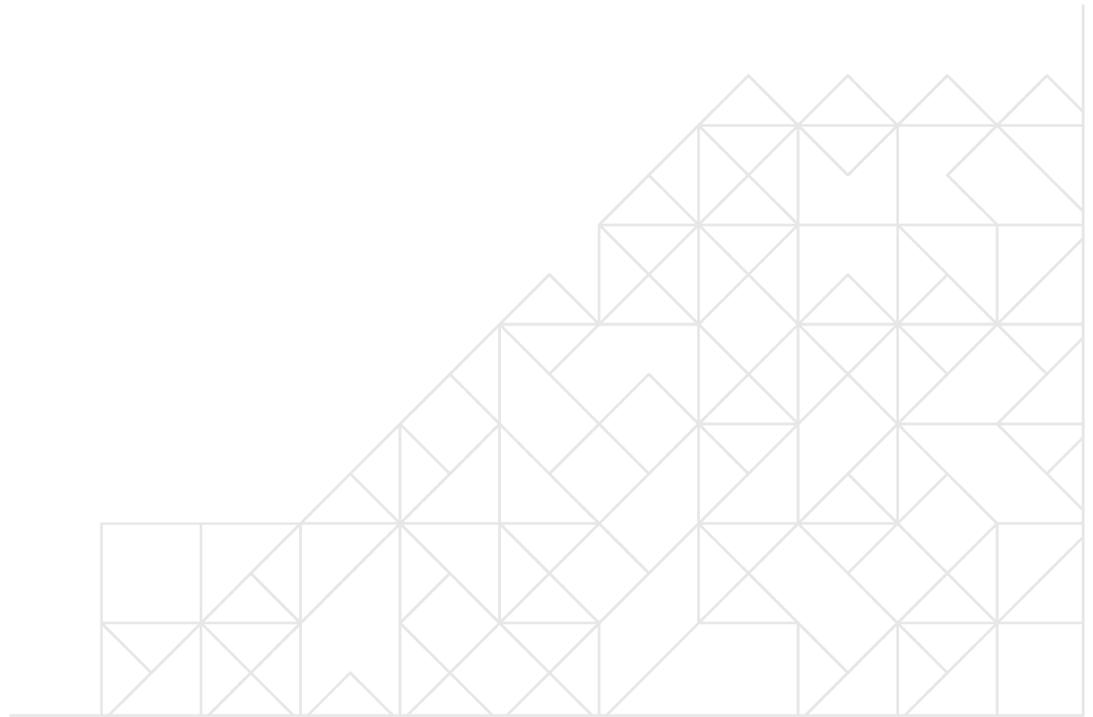
Financial drivers



Philip Keller

# Single investment framework

Benoit Durteste



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# Single investment framework

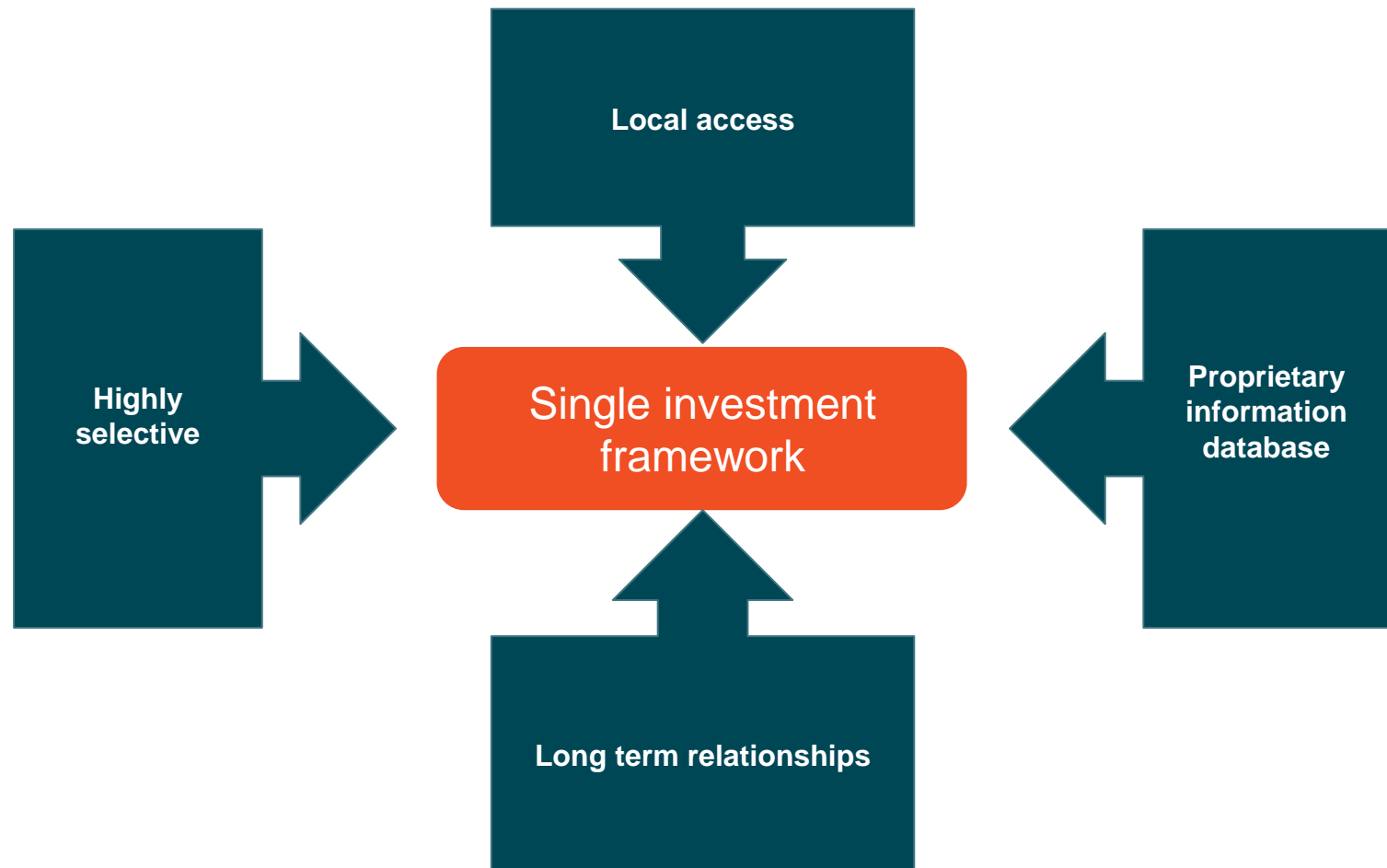
## Investment philosophy built through 27 years experience

- Single investment framework is ICG's differentiator
- Built over 27 years and expanded across geographies and strategies
- Withstood the test of economic cycles
- Attractive to both investors and new investment teams
- Preservation of investment philosophy is key when assessing growth opportunities



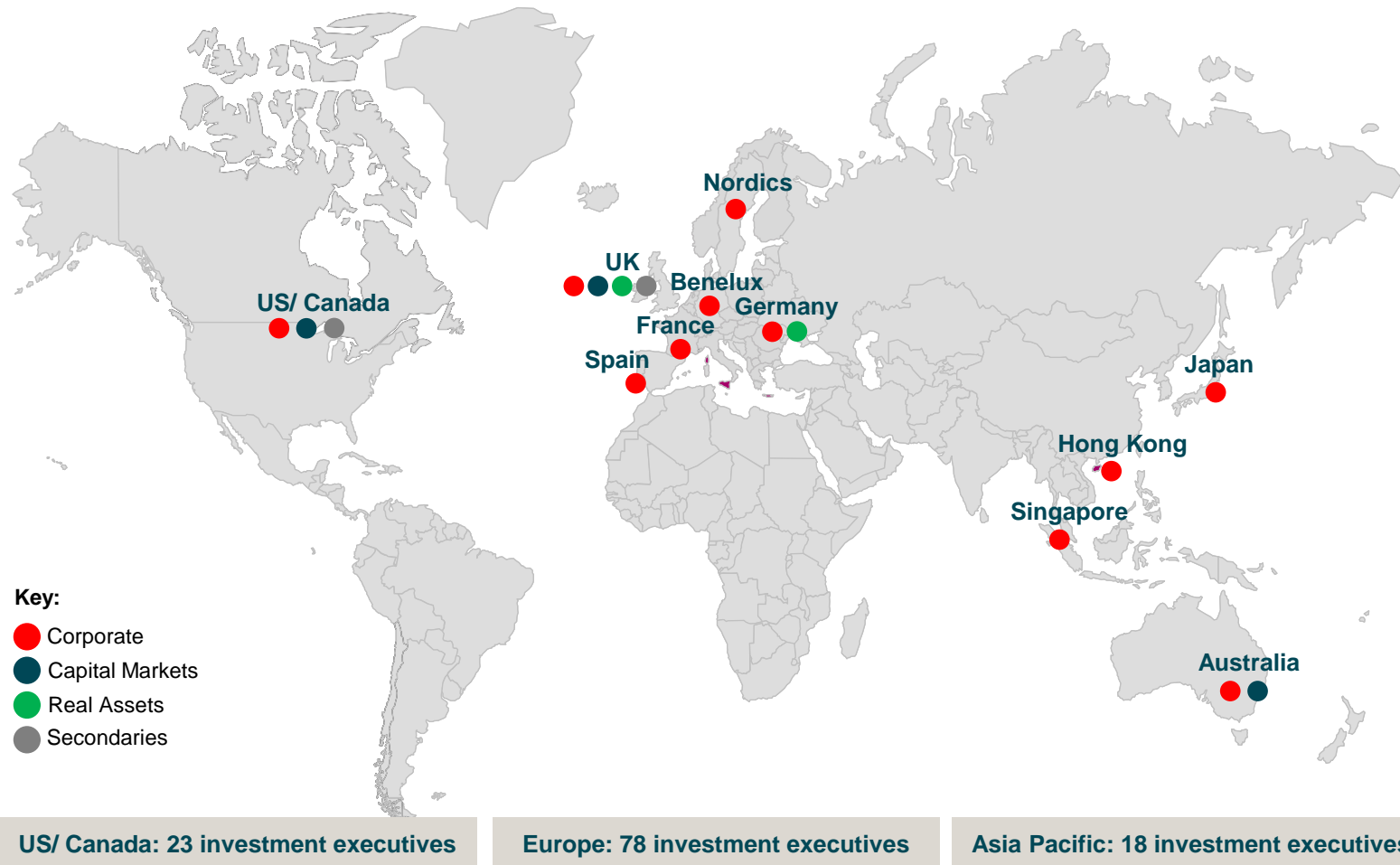
# Single investment framework

Investment framework provides a differentiated approach



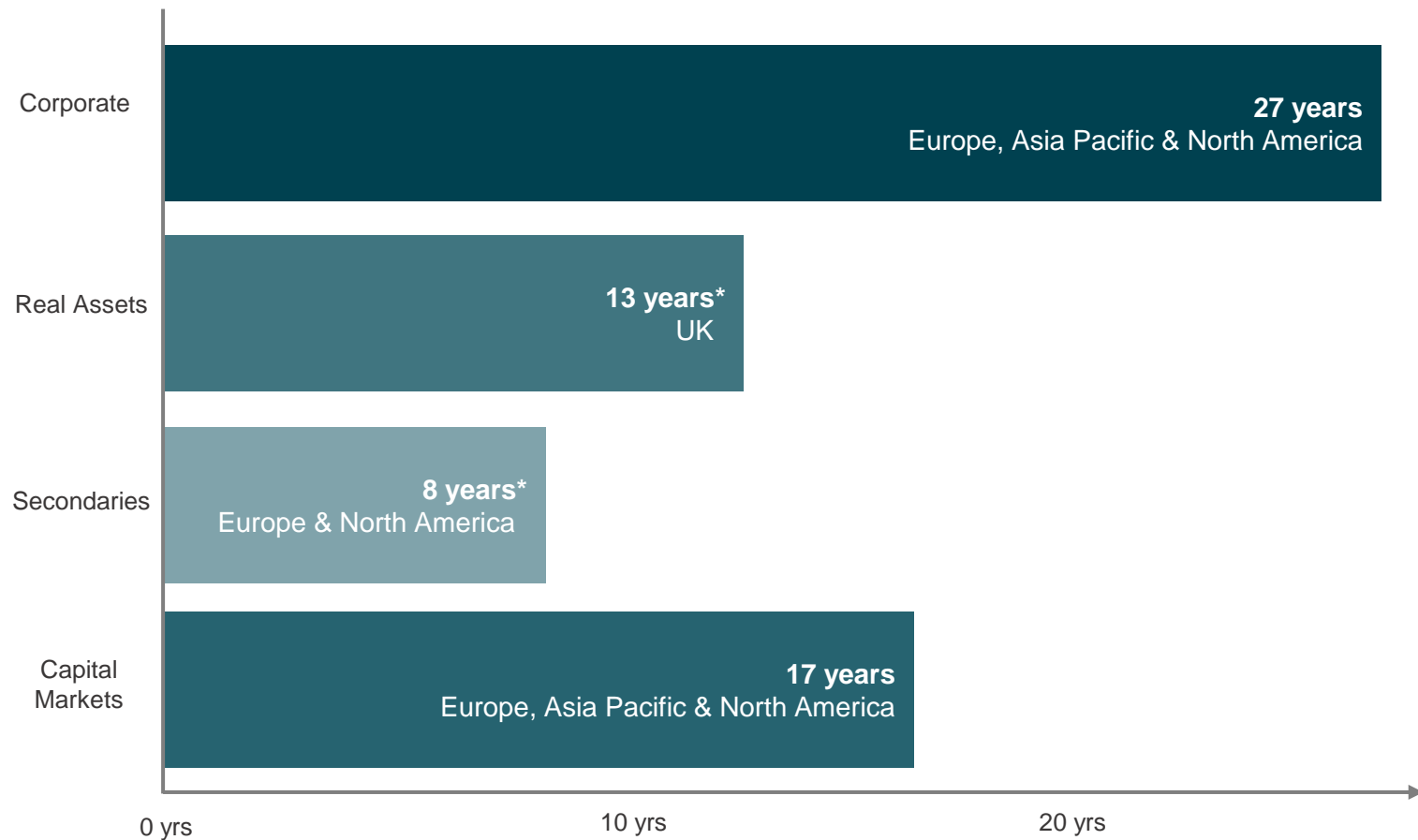
# Local access

Presence in local markets enhances deal sourcing



# Proprietary information database

Investing over 27 years provides extensive mid-market data



\*Includes time working as a team prior to ICG

# Long term relationships

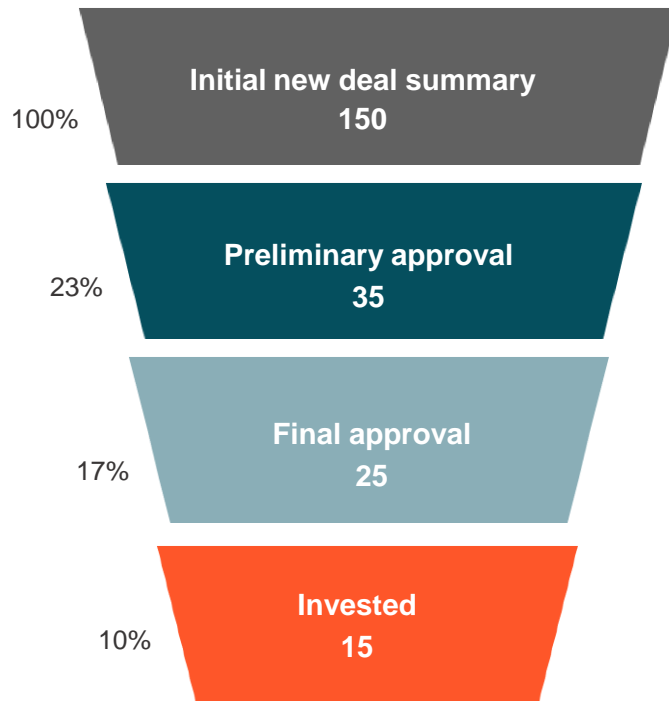
Long term presence gives direct access to key individuals



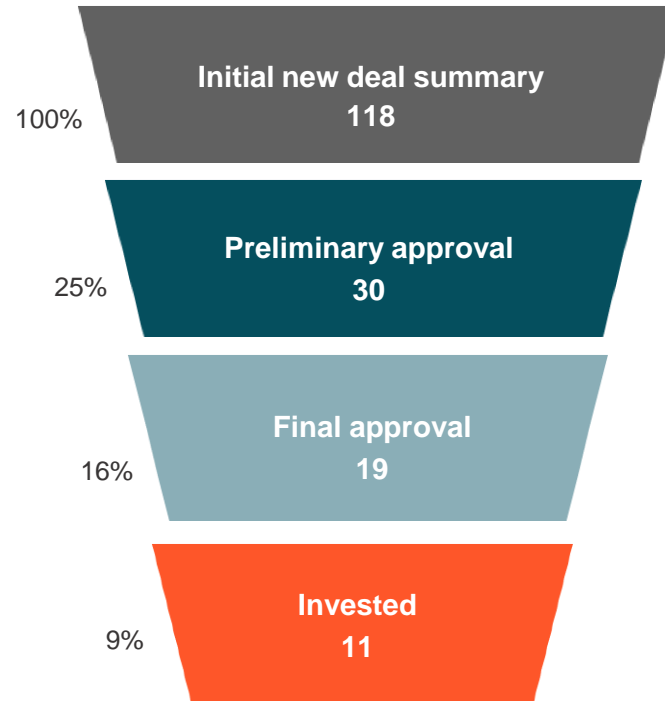
# Highly selective

## Robust approval process ensures strict quality control

### Europe Senior Debt<sup>1</sup>



### Europe Mezzanine<sup>2</sup>



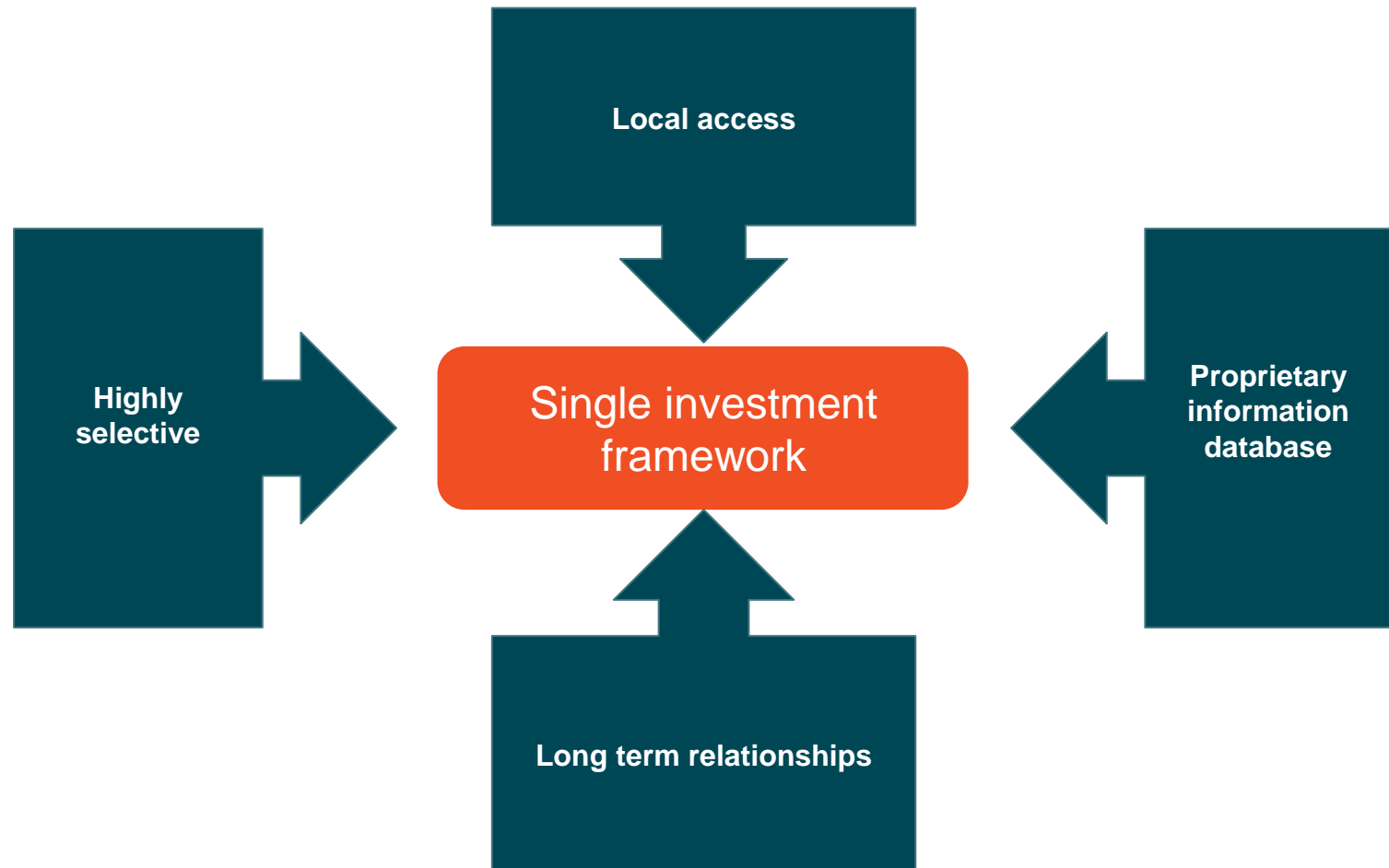
Notes:

1. Europe Senior Debt data for LTM September 2015

2. Europe Mezzanine data for FY2014

# Single investment framework

Investment framework provides a differentiated approach



# Single investment framework

## Consistent investment process applied globally

Deal sourcing	Review and DD	Approval	Monitoring
<ul style="list-style-type: none"> <li>Existing relationships and early market intelligence</li> <li>Local teams source local deals</li> <li>Existing portfolio provides significant deal flow</li> <li>Initial discussion between deal team and member of Investment Committee</li> <li>Contractually determined asset allocation</li> </ul>	<ul style="list-style-type: none"> <li>New deal summary</li> <li>Investment Committee support</li> <li>Due Diligence (DD)</li> <li>Country and sector specific intelligence</li> </ul>	<ul style="list-style-type: none"> <li>At least one Executive Committee member sits on all ICG Investment Committees</li> <li>Full credit papers and models</li> <li>Unanimous approval required</li> <li>Dedicated administrative support</li> </ul>	<ul style="list-style-type: none"> <li>Daily and weekly meetings</li> <li>Monthly monitoring</li> <li>Quarterly portfolio reviews (Investment Committee)</li> <li>Performance and risk ratings system</li> <li>Watch list of underperforming assets</li> </ul>

# Case study - Esmalglass

## Local access secured investment on attractive terms

### Portfolio company

- Market leading global producer of pigments used in the manufacture of ceramic and porcelain tiles
- Headquartered in Spain but with the majority of sales to customers outside Spain

### ICG investment

- ICG funds invested €105m in a private senior loan and €6.7m in equity in July 2012
- Banking environment allowed ICG to structure a loan with attractive terms and risk-reward profile in the absence of traditional bank options

### ICG role

- ICG funds structured and underwrote the entire financing package to support the transaction
- ICG holds an observer position on the Board and full covenant package

### ICG advantage

- ICG was the preferred partner to provide financing:
  - Local presence and ability to commit in required timeframe
  - Tailored financing that provided operational flexibility to deliver the business plan
  - Credibility and long standing relationship with private equity sponsor



# Strategic asset classes

## Investing across four strategic asset classes

Corporate investments <i>€10.8bn AUM</i>	Capital Market investments <i>€4.8bn AUM</i>	Real Asset investments <i>€3.2bn AUM</i>	Secondary investments <i>€0.1bn AUM</i>
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Third party assets under management (AUM) as at 31 December 2015

# Strategic asset class - Corporate

Benoit Durteste



# Corporate

## Key features

Investment characteristics	Private mid-market investment in senior debt, subordinated debt and equity in private companies delivering income yield and long term capital gain
Investment market volume	Largely event driven transactions are structured bespoke to the scenario
Investment sourcing	Primary origination through local investment teams, typically via existing relationships or direct introductions
Investor appeal	Risk-adjusted return with significant illiquidity premium. Delivers yield and/or capital appreciation
Performance measurement	Cash based IRR and absolute cash multiple on capital invested

# Corporate - Investment approach

## Investing in private companies in the mid-market

### Target assets

Sponsored LBO	Debt and equity investment in leveraged buyout transactions (LBO) in support of private equity sponsors
Sponsorless	Debt and equity investment in management-led transactions where there is no lead private equity sponsor
Capital restructuring	Debt and equity investment in recapitalisations or restructurings, led by private equity sponsors or lenders, to provide liquidity for key business stakeholders

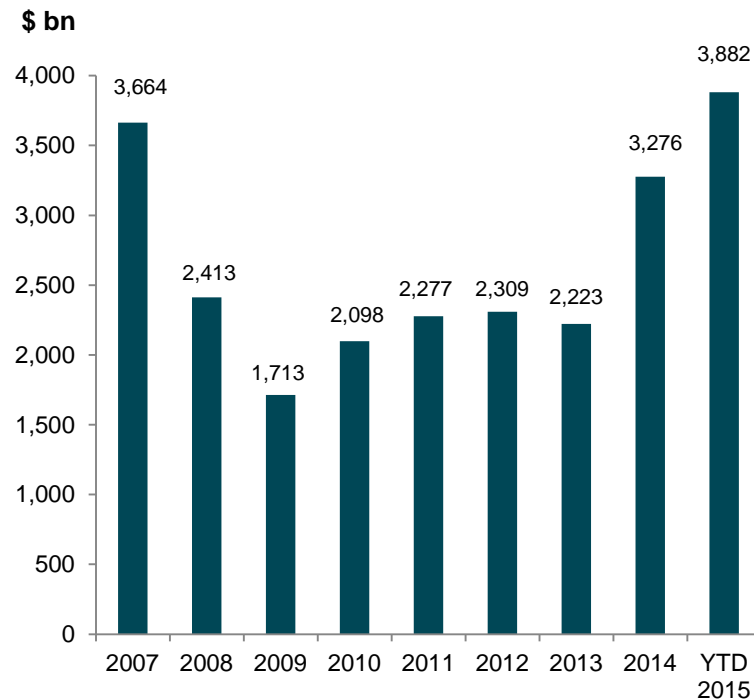
### Management approach

- Local and relationship driven deal sourcing provides proprietary access to deal flow
- Bespoke financing structures tailored to the individual companies
- Contractual protections negotiated, including voting rights on key decisions, veto and control protections
- Active ongoing role in portfolio company activity, including through Board participation and strategic or operational initiatives
- Ability to commit follow-on capital and support business growth
- Focus on capital preservation during restructurings by taking a proactive role

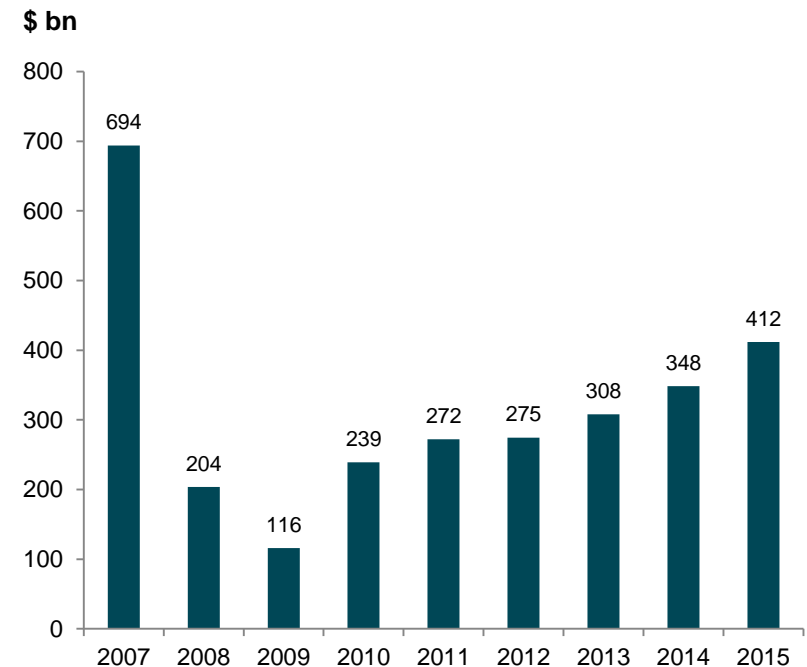
# Corporate - Investment market

## Deal flow is largely driven by M&A transactions

Global M&A transaction volume



Global private equity transaction volume



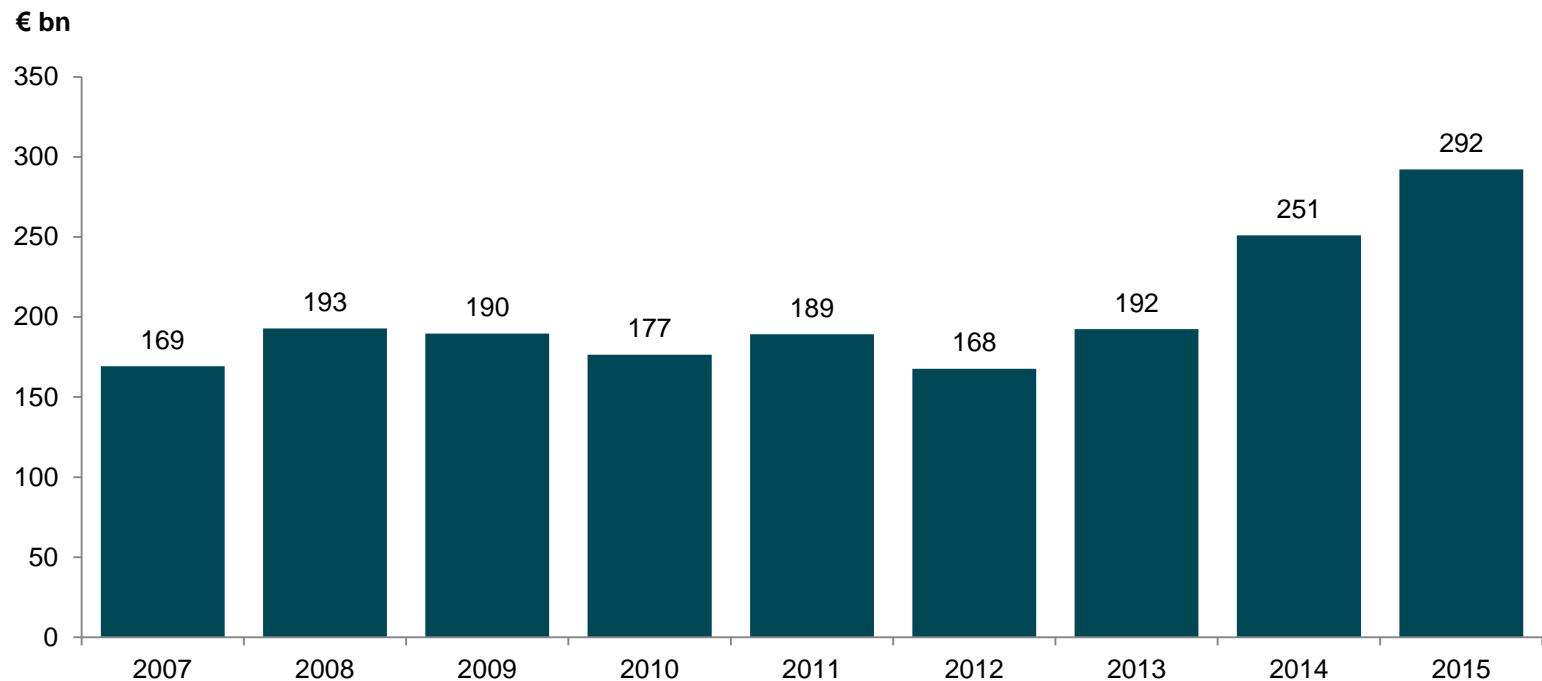
Source: Mergermarket, Global and regional M&A. YTD December 2015

Source: Preqin, January 2016

# Corporate - Investment market

## European PE funds have to deploy uninvested capital

### Uninvested capital committed in European private equity funds

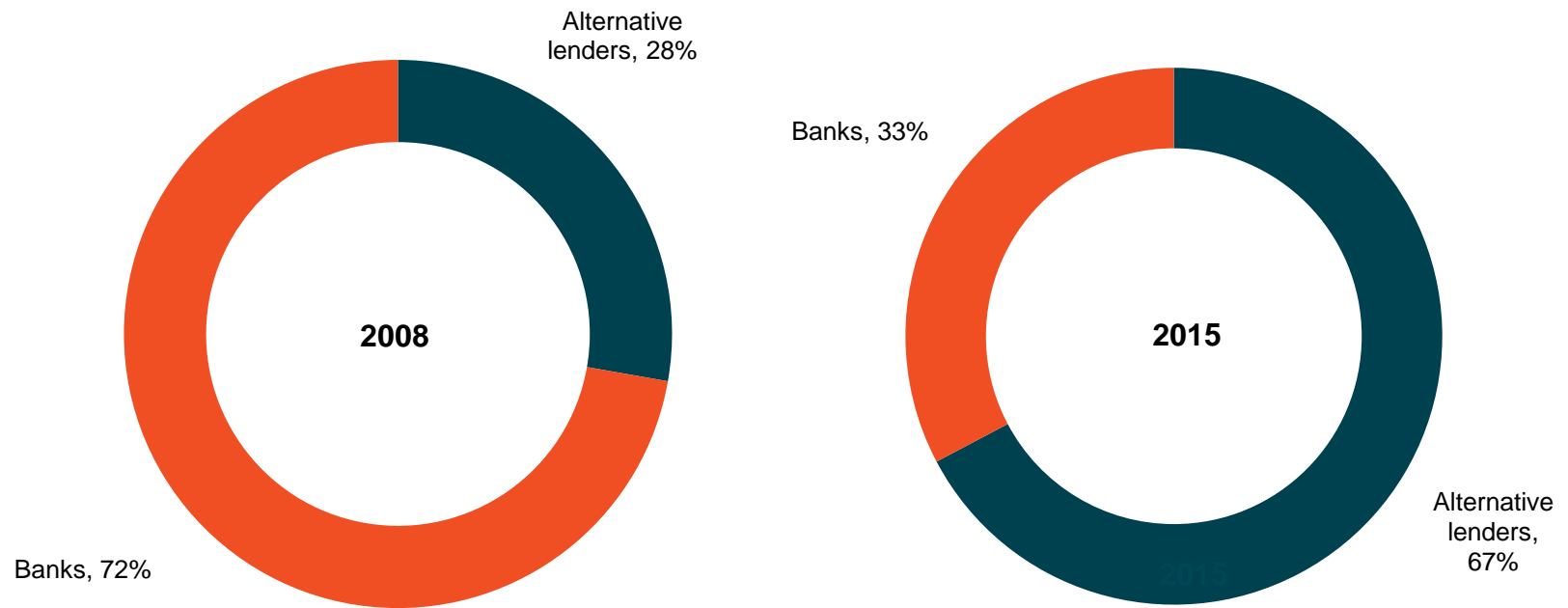


Source: Preqin, data as at January 2016

# Corporate - Investment market

## Increasing role for alternative lenders in financing

### European primary loan market by investor type

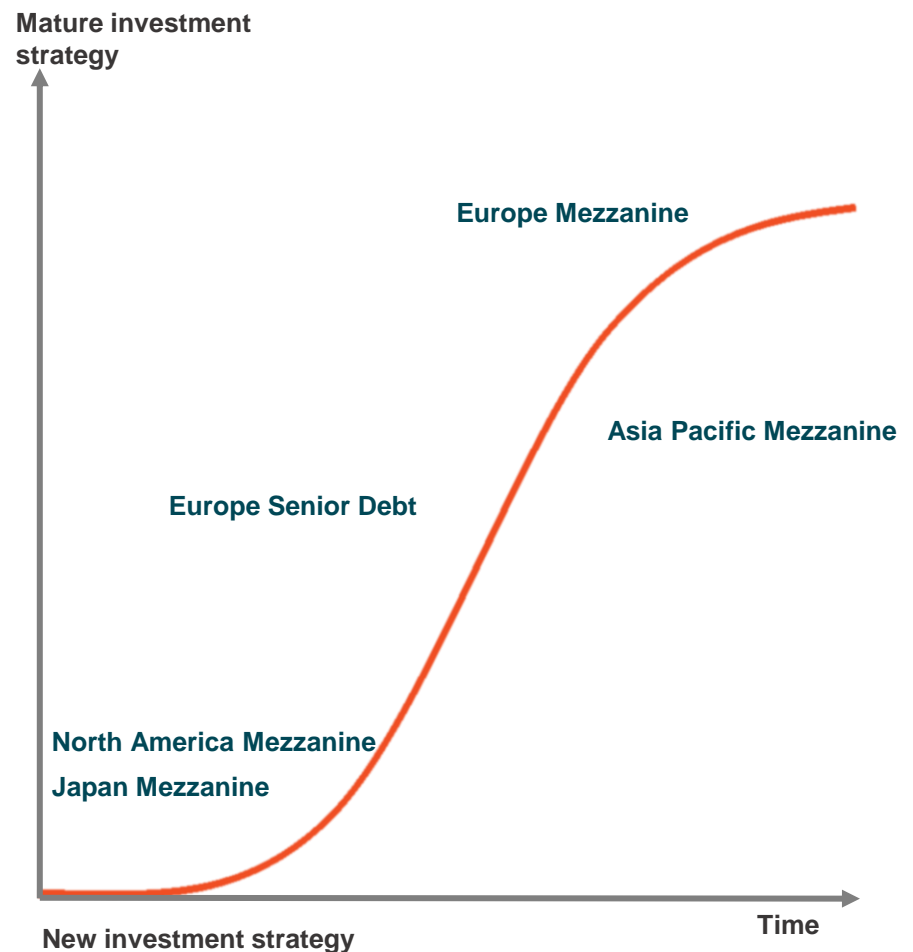


Source: LCD S&P, Q3 2015

# Corporate - ICG

## Regionally focused Mezzanine and Senior Debt funds

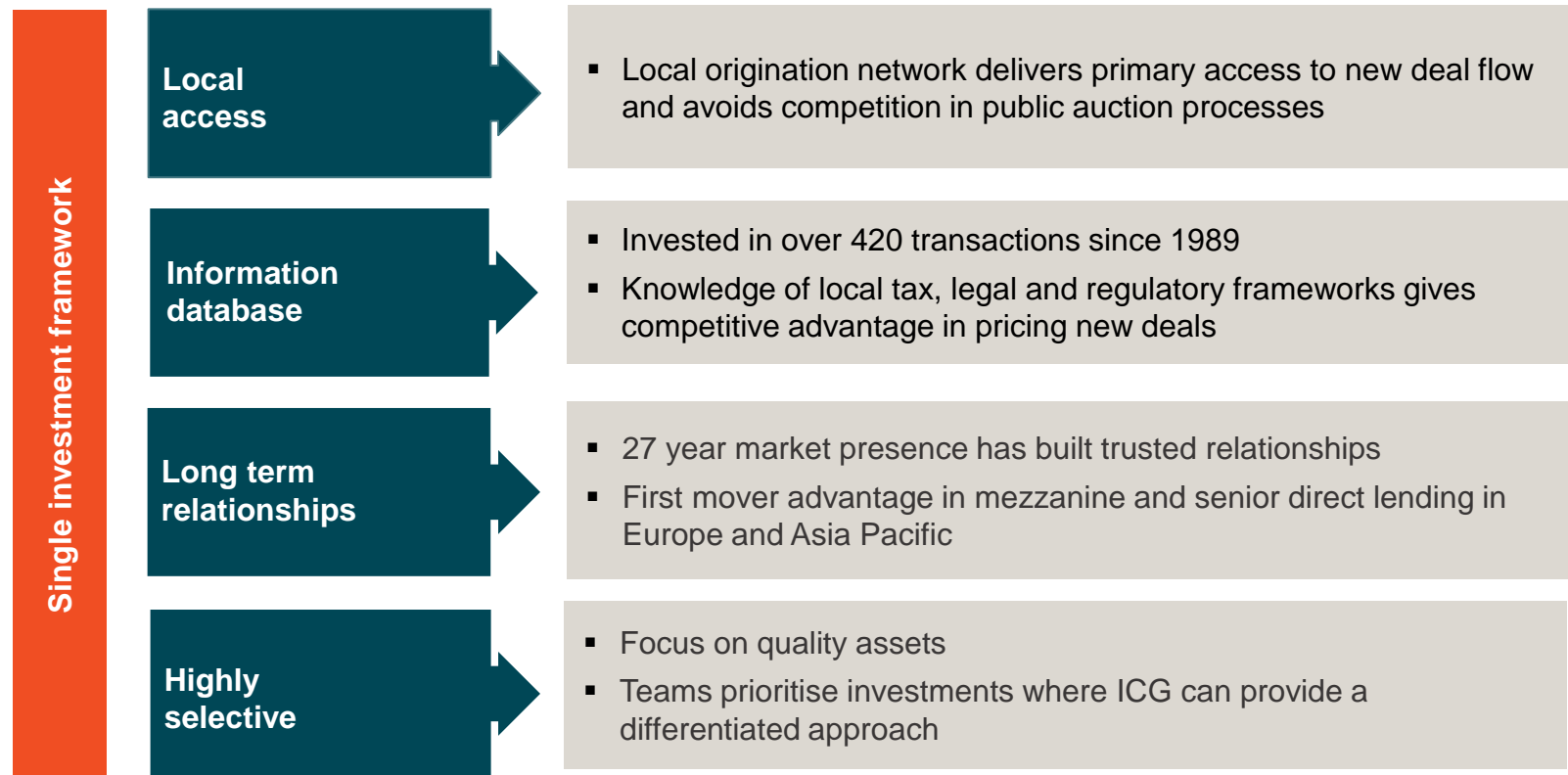
- AUM of €10.8bn across 13 funds
- First provider of dedicated European mezzanine financing in 1989
- Recent expansion into North America, Japan and Senior Debt
- Local network with 48 investment professionals based in 11 local offices
- Senior investment professionals have an average of 21 years experience
- Invested in over 420 transactions over 27 years
- New fundraising of €6bn in calendar year 2015





# Corporate - Investment framework

## Local origination network provides competitive advantage

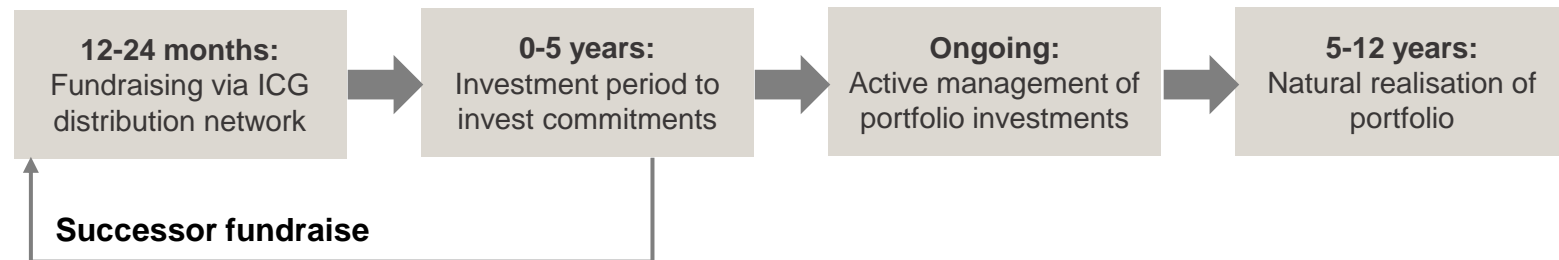


# Corporate - Mezzanine Fund life cycle

Funds are closed ended locking in capital for up to 12 years



**Closed ended: c.10-12 years**



# Corporate - Europe Mezzanine Fund V

## Success of Fund V a key determinant to raising Fund VII

Fund	<ul style="list-style-type: none"><li>▪ Fund V was established in 2011 as a successor fund within ICG's European Mezzanine strategy</li><li>▪ Launched with a target size of €2bn and a maximum size of €2.5bn commitments</li></ul>
Fundraising	<ul style="list-style-type: none"><li>▪ Fundraising reached the maximum size of €2.5bn at final close in 2012</li><li>▪ Investor commitments were diverse by region: EMEA 32%, Asia Pacific 39% and US 29%</li><li>▪ Long term institutional investors, including pension funds 38%, sovereign wealth funds 36% and insurance companies 11%</li></ul>
Investment	<ul style="list-style-type: none"><li>▪ Fully invested within 3.5 years permitting successor fund to be raised</li><li>▪ Investment portfolio included 22 portfolio companies across Europe and is diversified across 14 industry sectors</li><li>▪ Target returns of 18% IRR and 1.6x MM</li></ul>
Performance to date	<ul style="list-style-type: none"><li>▪ Realised one exit to date: 27% IRR and 1.6x MM</li><li>▪ Current performance, including realised and unrealised investments, is in line with target</li></ul>

# Corporate - Growth opportunities

Expand existing and add complementary strategies

## Existing strategies

**Raise successor funds using same investment teams:**

- Europe Mezzanine
  - Fund VII: c.2019
- Asia Pacific Mezzanine
  - Fund IV: c.2021
- Japan Mezzanine
  - Fund II: c.2020
- North America Mezzanine
  - Fund II: c.2018
- Europe Senior Debt
  - Fund III: c.2018

## Strategy expansion

**Growth in adjacent and complementary strategies:**

- US Senior Debt
- Equity related strategies
- Selective acquisition

# Strategic asset classes

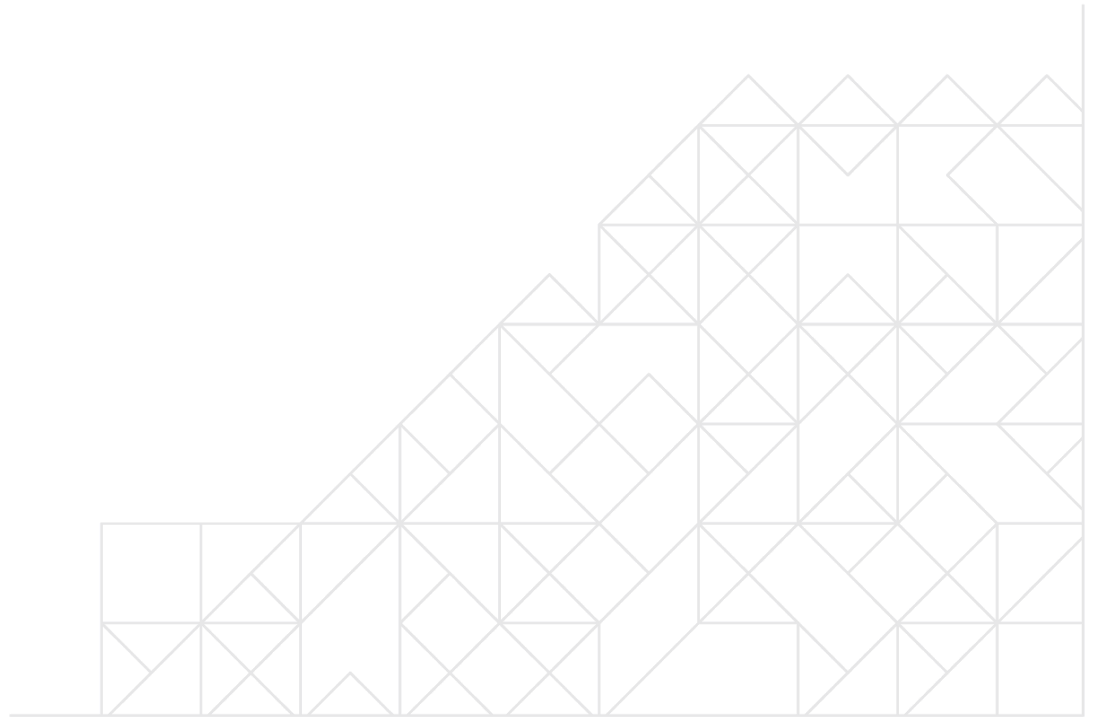
## Investing across four strategic asset classes

Corporate investments <i>€10.8bn AUM</i>	Capital Market investments <i>€4.8bn AUM</i>	Real Asset investments <i>€3.2bn AUM</i>	Secondary investments <i>€0.1bn AUM</i>
<ul style="list-style-type: none"> <li>▪ Senior debt, mezzanine &amp; equity investments</li> <li>▪ Europe, Asia Pacific &amp; North America regionally focused funds</li> <li>▪ Launched in 1989</li> <li>▪ 13 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ CLO, loan mandates &amp; Alternative Credit strategies</li> <li>▪ Europe &amp; North America regionally focused funds</li> <li>▪ Launched in 1999</li> <li>▪ 24 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Real estate investment in senior debt, subordinated debt &amp; equity</li> <li>▪ UK commercial real estate investment</li> <li>▪ Launched in 2011</li> <li>▪ 7 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment in secondaries PE transactions</li> <li>▪ Europe &amp; North America investment remit</li> <li>▪ Launched in 2014</li> <li>▪ 1 active fund</li> </ul>

Third party assets under management (AUM) as at 31 December 2015

# Strategic asset class - Capital Markets

Dagmar Kent Kershaw



# Capital Markets

## Key features

<b>Investment characteristics</b>	Traded, largely liquid, investments in loans, bonds and structured instruments delivering income yield and trading gain
<b>Investment market volume</b>	Market driven primary and secondary flows
<b>Investment sourcing</b>	Assets are sourced through primary syndication, secondary trading and financial intermediaries
<b>Investor appeal</b>	Income yield with downside protection and exit options available
<b>Performance measurement</b>	Index or yield based measure

# Capital Markets - Investment approach

## Investing in traded loans, credit and other securities

### Target assets

Leveraged loans	Floating rate senior secured loans offering strong downside protection and access to yield
High yield bonds	Senior secured and unsecured bonds of sub-investment grade companies which typically pay a fixed coupon
Special situations credit	Off-market transactions which may be directly negotiated or sourced
CLO debt	Debt and equity investment in tranches of structured portfolios of loans (CLO)
Alternative credit	Investment in portfolios seeking to opportunistically capitalise on market events

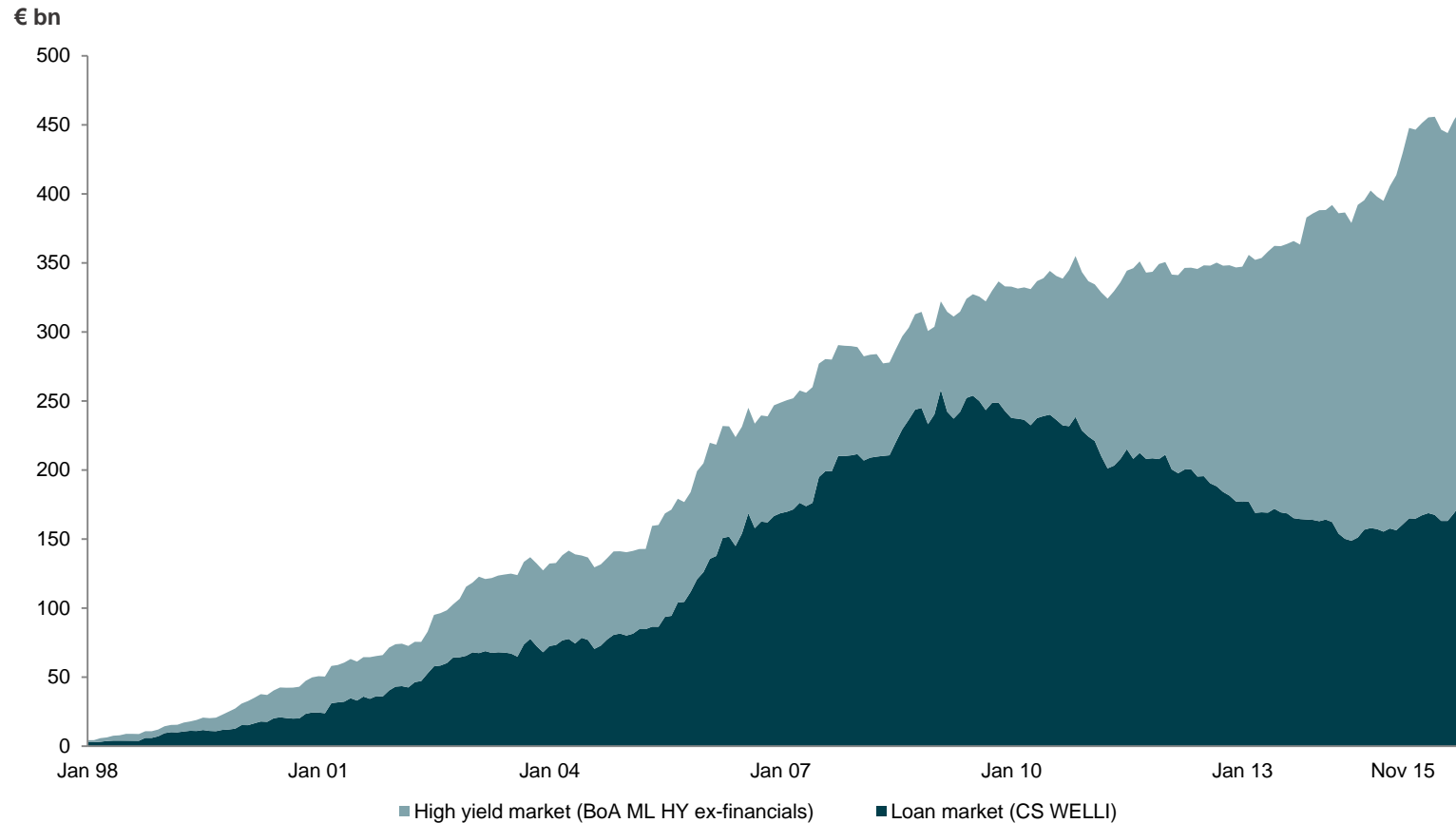
### Management approach

- Detailed analysis on underlying companies or portfolios of credit during due diligence
- Robust Investment Committee process
- Active monitoring of portfolio company performance, including monthly credit reviews and risk rating system
- Ongoing review of risk-adjusted relative and absolute value
- Portfolio management supported by sector specialist credit analyst teams



# Capital Markets - Investment market

European credit market is established and diversified

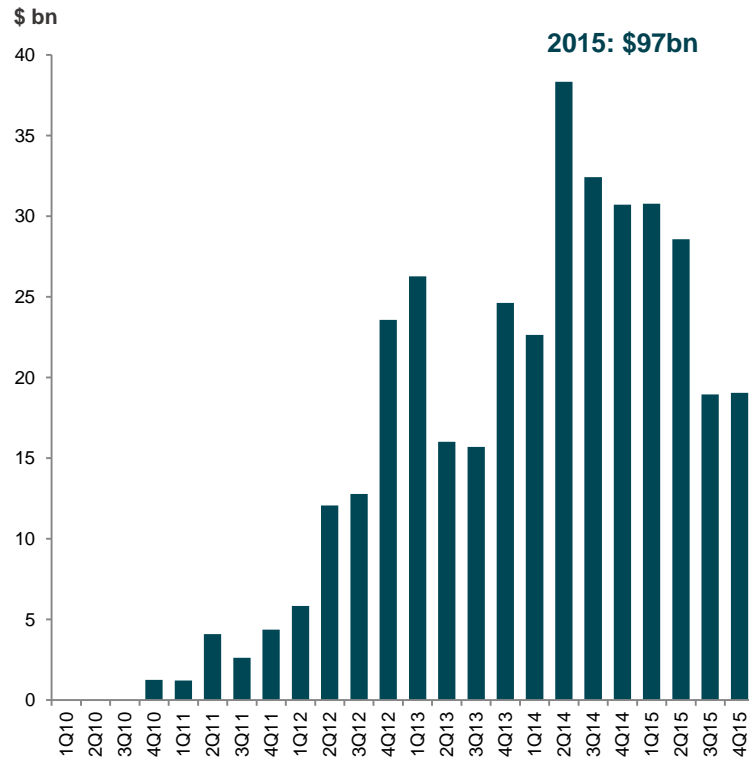


Source: Credit Suisse, Bank of America Merrill Lynch. Data to 30 November 2015. Index does not include all issuers in the market

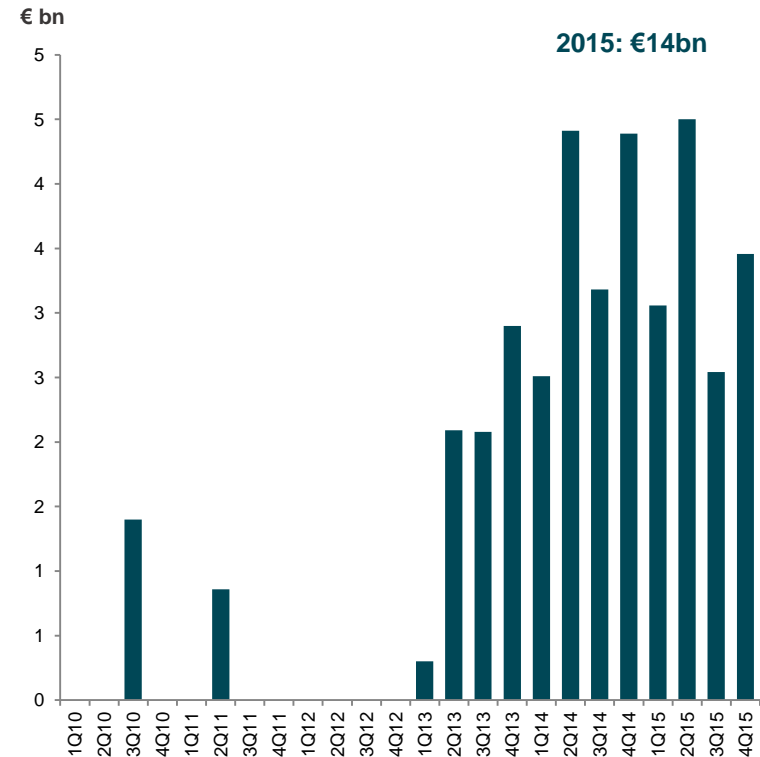
# Capital Markets - Investment market

## CLO issuance volumes have recovered post crisis

### US CLO issuance



### European CLO issuance

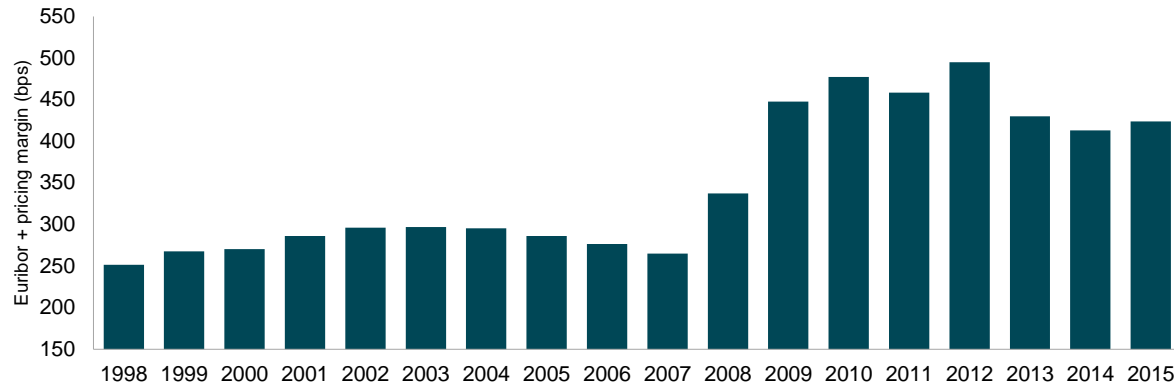


Source: S&P LCD, January 2016

# Capital Markets - Investment market

## Risk-adjusted metrics of new loan issuance are appealing

### New European senior loan issuance pricing



- Banks withdrawing opens up opportunities for institutional investors
- Returns increasing whilst underlying risk remains unchanged

### European senior loan return per unit of risk



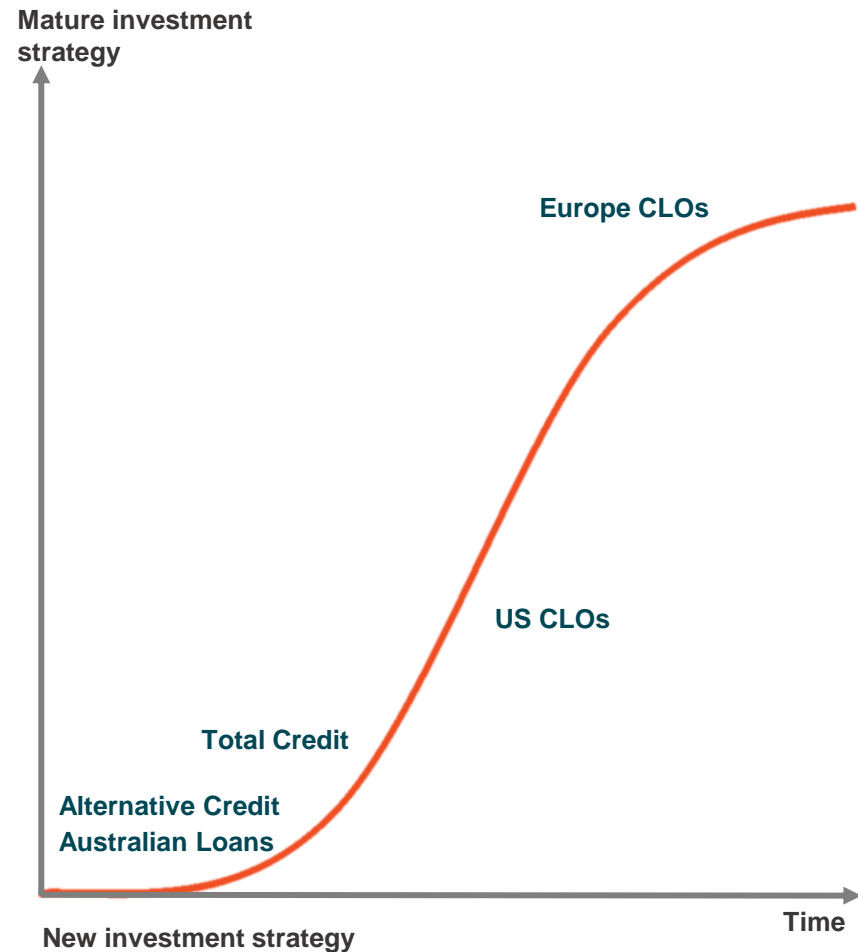
- Higher bank capital requirements and bank/CLO cost of capital increasing compensation per unit of risk
- Investors achieving higher risk-adjusted returns than historic average

Source: S&P LCD, Bank of America Merrill Lynch Q4 2015. Term Loan B and Term Loan C tracked by S&P

# Capital Markets - ICG

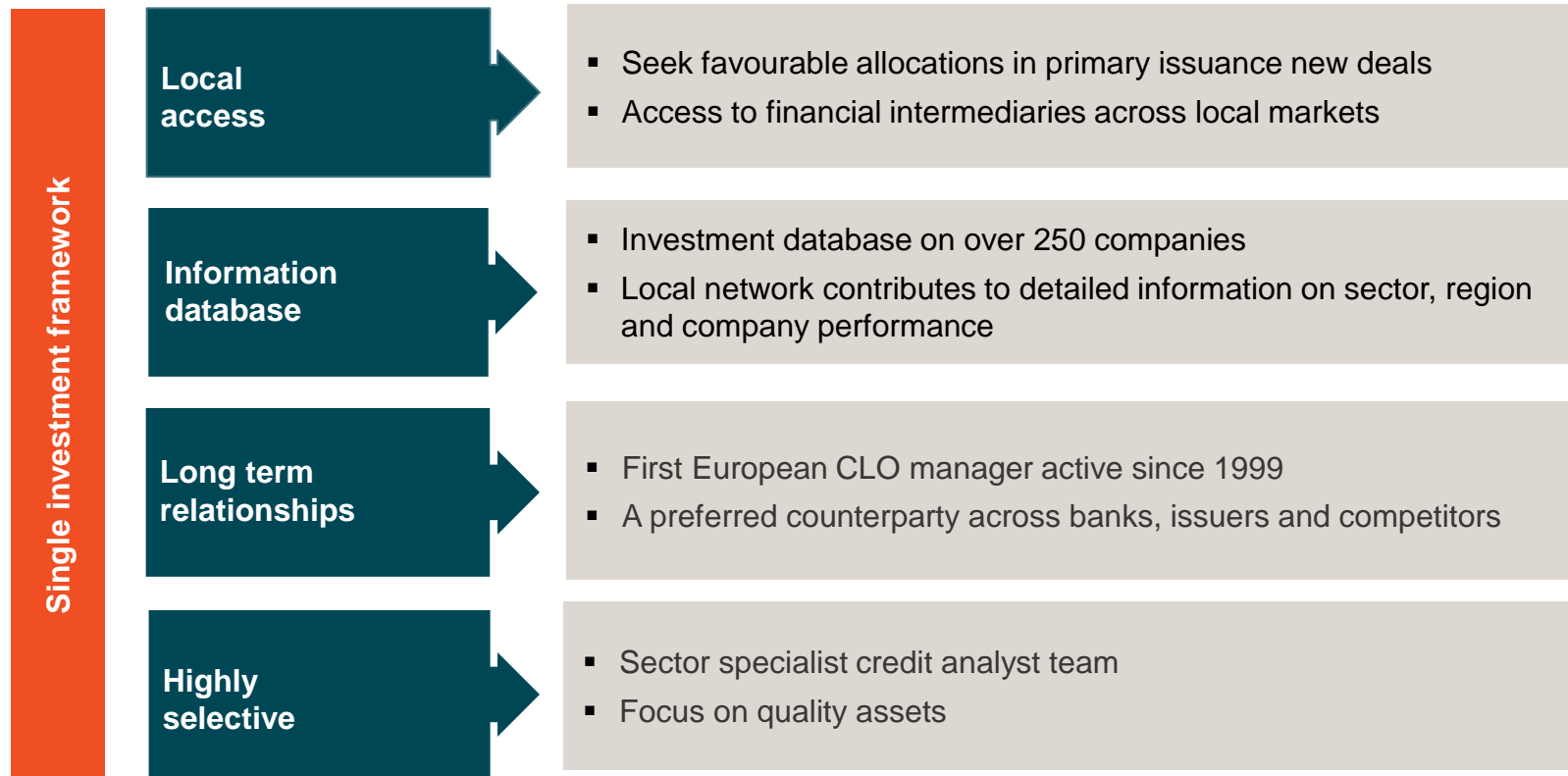
## Experienced European CLO issuer with growing US platform

- AUM of €4.8bn across 24 funds
- First issuer of European CLOs in 1999 and continued leading issuer
- New entrant into the larger US CLO market in 2014, closing 5 CLOs in under 2 years
- Scalable analyst platform of sector specialists in both London and New York
- 30 investment professionals with an average of 16 years investment experience
- Liquid strategies building excellent track record



# Capital Markets - Investment framework

Access to new issuance gives ICG edge on competitors

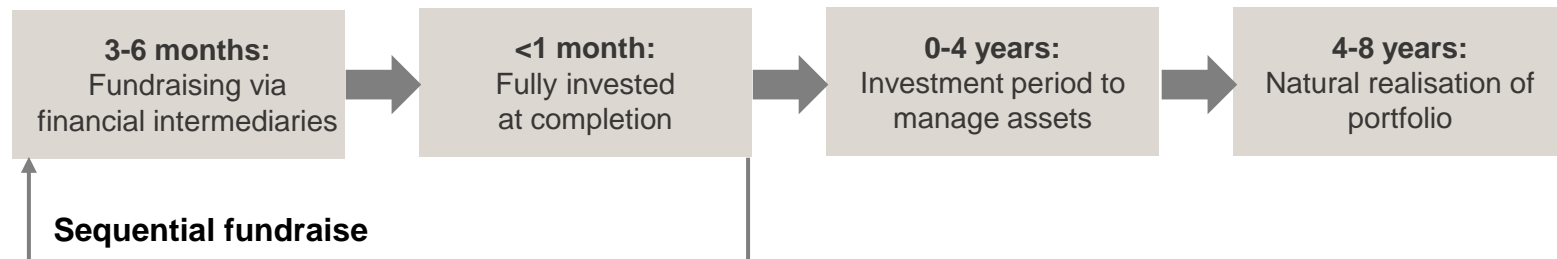


# Capital Markets - CLO fund life cycle

CLO funds are locked in for up to 8 years



**Closed ended: Up to 8 years**



# Capital Markets - St Paul's European CLO III

## Europe's largest CLO in 2013

### Fund

- Closed in December 2013 at €550m total size
- ICG's third European CLO closed post crisis, continuing ICG's European credit fund track record established since 1999

### Fundraising

- Fundraising through financial intermediaries across debt and equity tranches

### Investment

- Fully invested at completion in December 2013
- 4 year re-investment period enables active investment management

### Performance to date

- Annualised cash distributions since inception of 13.5%
- LTM cash distributions of 16.6%

# Capital Markets - Growth opportunities

## Expand existing and add complementary strategies

### Existing strategies

**Raise sequential funds using same investment teams:**

- Europe CLOs
- US CLOs

**Raise more third party capital to invest in open ended strategies:**

- Alternative Credit
- Total Credit
- Australian Loans

### Strategy expansion

**Growth in adjacent and complementary strategies:**

- Focus on segregated loan mandates
- Liquids and open ended funds
- Selective acquisition



# Strategic asset classes

## Investing across four strategic asset classes

Corporate investments €10.8bn AUM	Capital Market investments €4.8bn AUM	Real Asset investments €3.2bn AUM	Secondary investments €0.1bn AUM
<ul style="list-style-type: none"> <li>▪ Senior debt, mezzanine &amp; equity investments</li> <li>▪ Europe, Asia Pacific &amp; North America regionally focused funds</li> <li>▪ Launched in 1989</li> <li>▪ 13 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ CLO, loan mandates &amp; Alternative Credit strategies</li> <li>▪ Europe &amp; North America regionally focused funds</li> <li>▪ Launched in 1999</li> <li>▪ 24 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Real estate investment in senior debt, subordinated debt &amp; equity</li> <li>▪ UK commercial real estate investment</li> <li>▪ Launched in 2011</li> <li>▪ 7 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment in secondaries PE transactions</li> <li>▪ Europe &amp; North America investment remit</li> <li>▪ Launched in 2014</li> <li>▪ 1 active fund</li> </ul>

Third party assets under management (AUM) as at 31 December 2015

# Strategic asset class - Real Assets

Martin Wheeler



# Real Assets

## Key features - UK commercial real estate

Investment characteristics	Private investment in senior debt, whole loans, mezzanine and equity instruments in UK commercial property
Investment market volume	UK property and property finance markets are characterised by high transaction volumes
Investment sourcing	Primary origination through local presence and long term local relationships. Avoid highly competed real estate assets
Investor appeal	Attractive returns on a relative value basis combined with capital protection and predictable outcomes
Performance measurement	Cash based coupon, enhanced with arrangement and exit fees

# Real Assets - Investment approach

## Investing in UK commercial real estate

### Target assets

Senior debt	Debt investment to support real estate assets offering strong protection against capital loss and an attractive interest yield - quasi investment grade risk profile
Partnership capital	Whole loans, mezzanine and equity investment to support repositioning of retail, office space and industrial properties - frequently profit participating
Development finance	Senior debt and whole loans to finance development in multi-family residential and student housing in the UK - avoid overheated central London residential market

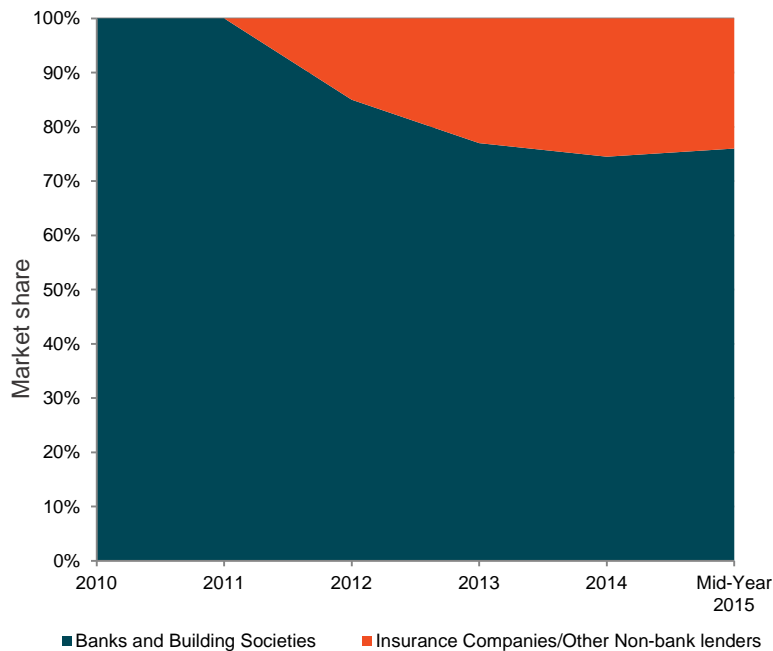
### Management approach

- Targeted origination to partner with or lend to highly experienced property company clients
- Investment analysis focused on capital preservation and income yield
- Robust Investment Committee process supported by in-house property expertise
- Active monitoring of investment portfolios capturing opportunities to add value and identify changes in risk

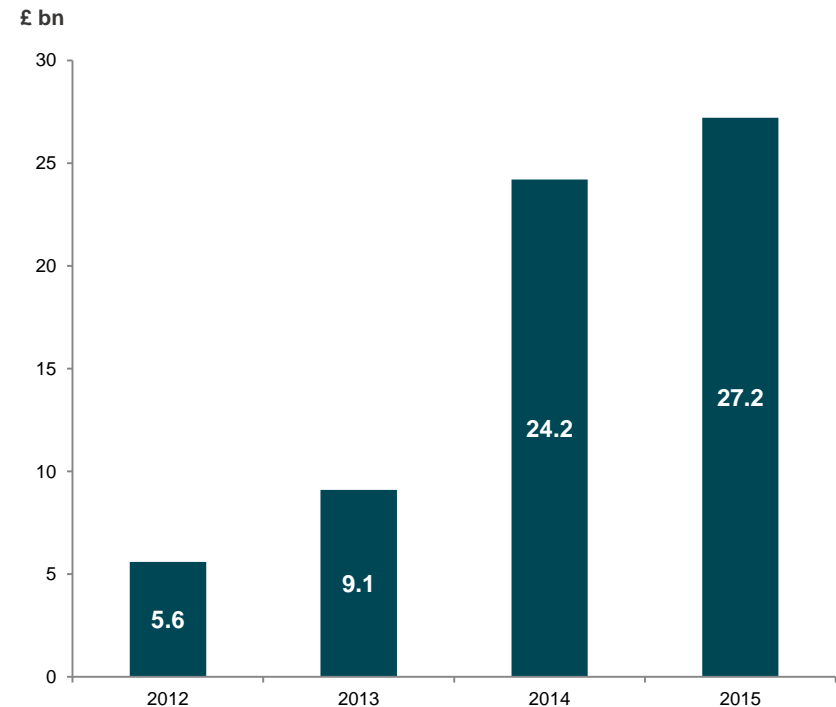
# Real Assets - Investment market

## Increasing opportunity for non-bank lenders into UK real estate

New real estate lending by type<sup>1</sup>



UK real estate loan sales<sup>2</sup>



Source:

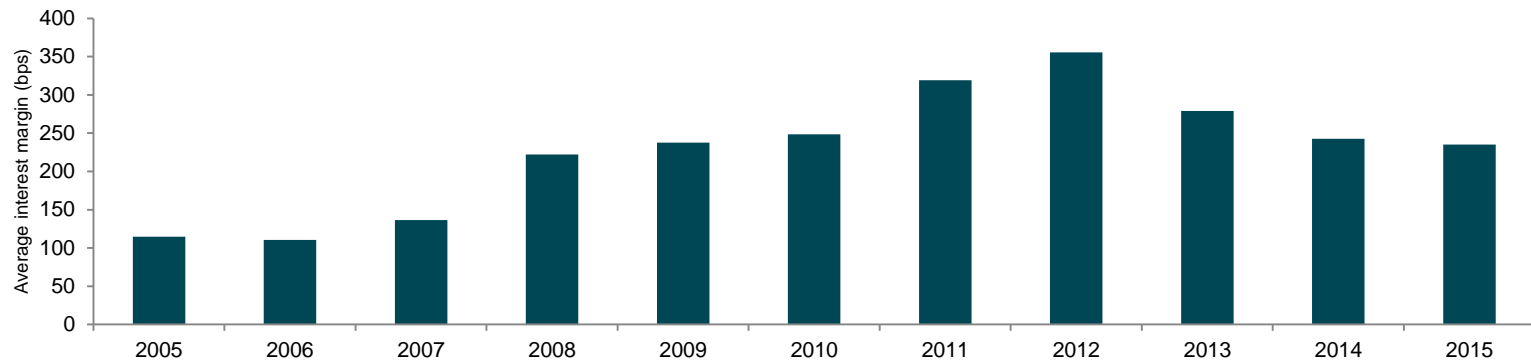
1.UK Commercial Property Lending Market Research Findings 2015 Mid-Year (De Montfort University)

2.Cushman & Wakefield EU RE Loan Sales Market Q4 2015

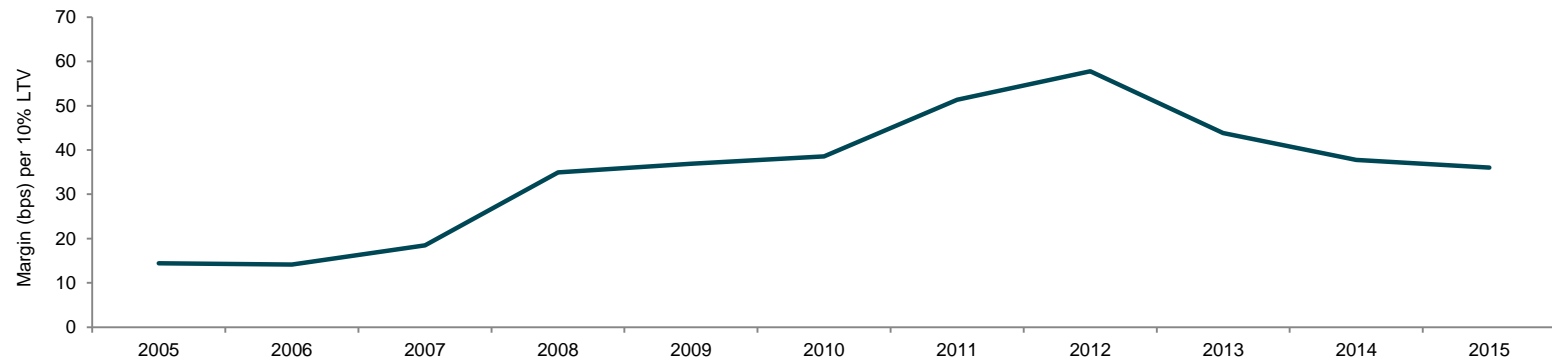
# Real Assets - Investment market

Senior debt investment offers attractive risk-adjusted returns

## UK commercial real estate pricing



## UK commercial real estate pricing per 10% loan-to-value

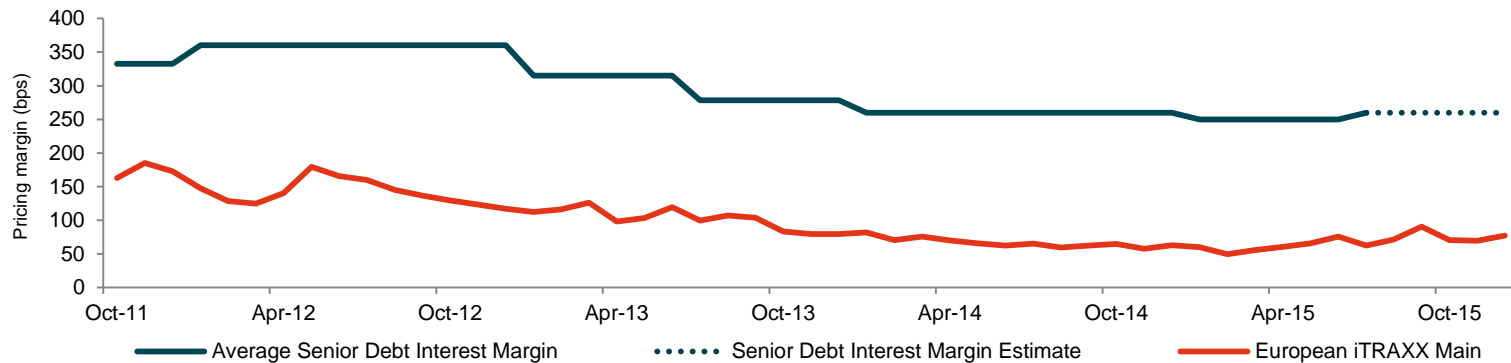


Source: UK Commercial Property Lending Market Research Findings 2015 Mid-Year (De Montfort University) margin for Offices

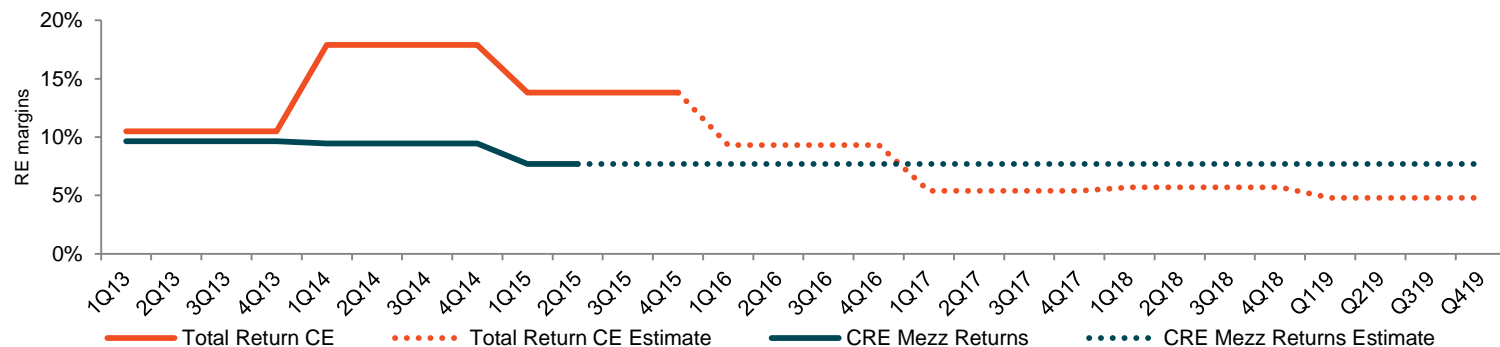
# Real Assets - Investment market

## Higher returns versus comparable risk assets

### Real estate senior debt margins relative to European iTRAXX Main<sup>1,2</sup>



### Real estate mezzanine margins relative to Capital Economics All Property Total Return<sup>1,3</sup>



1. UK Commercial Property Lending Market Research Findings 2015 Mid-Year (De Montfort University), Estimated of Senior debt margin: ICG-Longbow. Sector data is based on straight average for each sector

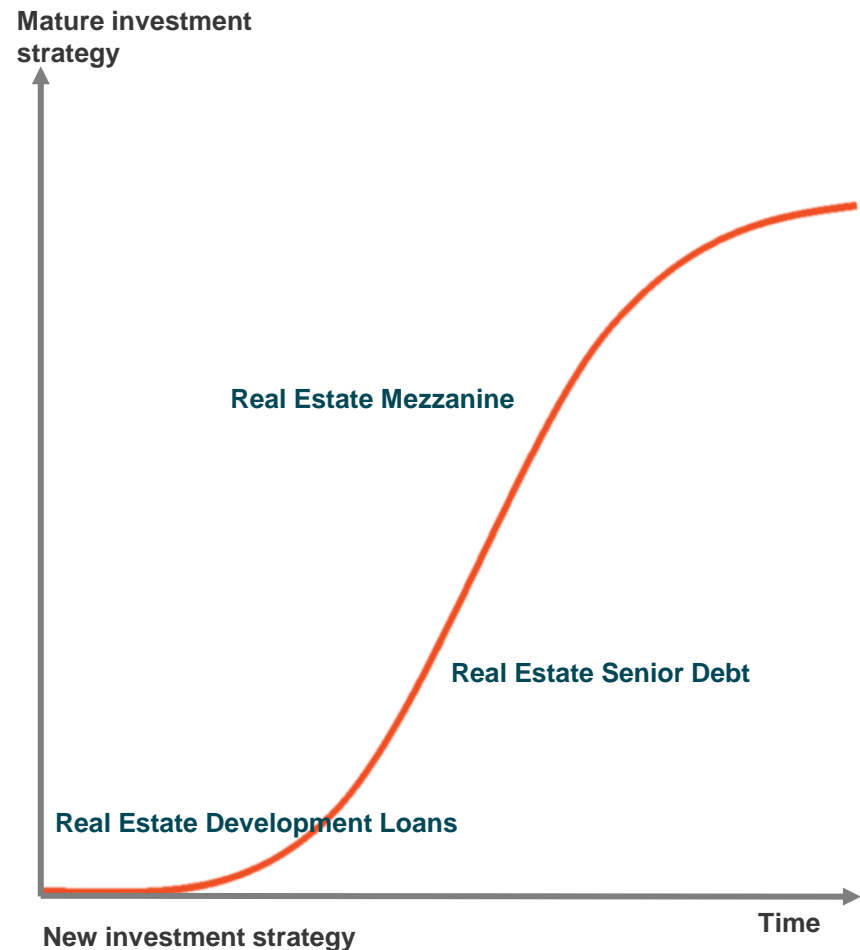
2. European iTRAXX, Bloomberg as at 31 December 2015

3. Capital Economics (CE), The UK Commercial Property Analyst Q3 2015; Estimate Total Returns: IPF Consensus Forecast; De Montfort University UK Commercial Property lending Report Mid Year 2015 and Estimate Commercial Real Estate (CRE) Mezzanine; ICG Longbow at 31-Dec-2015

# Real Assets - ICG

## Funds dedicated to investing in UK commercial property

- AUM of £2.4bn across 7 funds
- ICG acquired a team of 10 executives and AUM of £80m in 2011
- Focus on UK mid-market commercial property investment
- Grown to 26 investment professionals with management team having an average of 27 years experience
- ICG Longbow cumulative investment of £2.4bn in 111 transactions
- New fundraising of £1bn in calendar year 2015

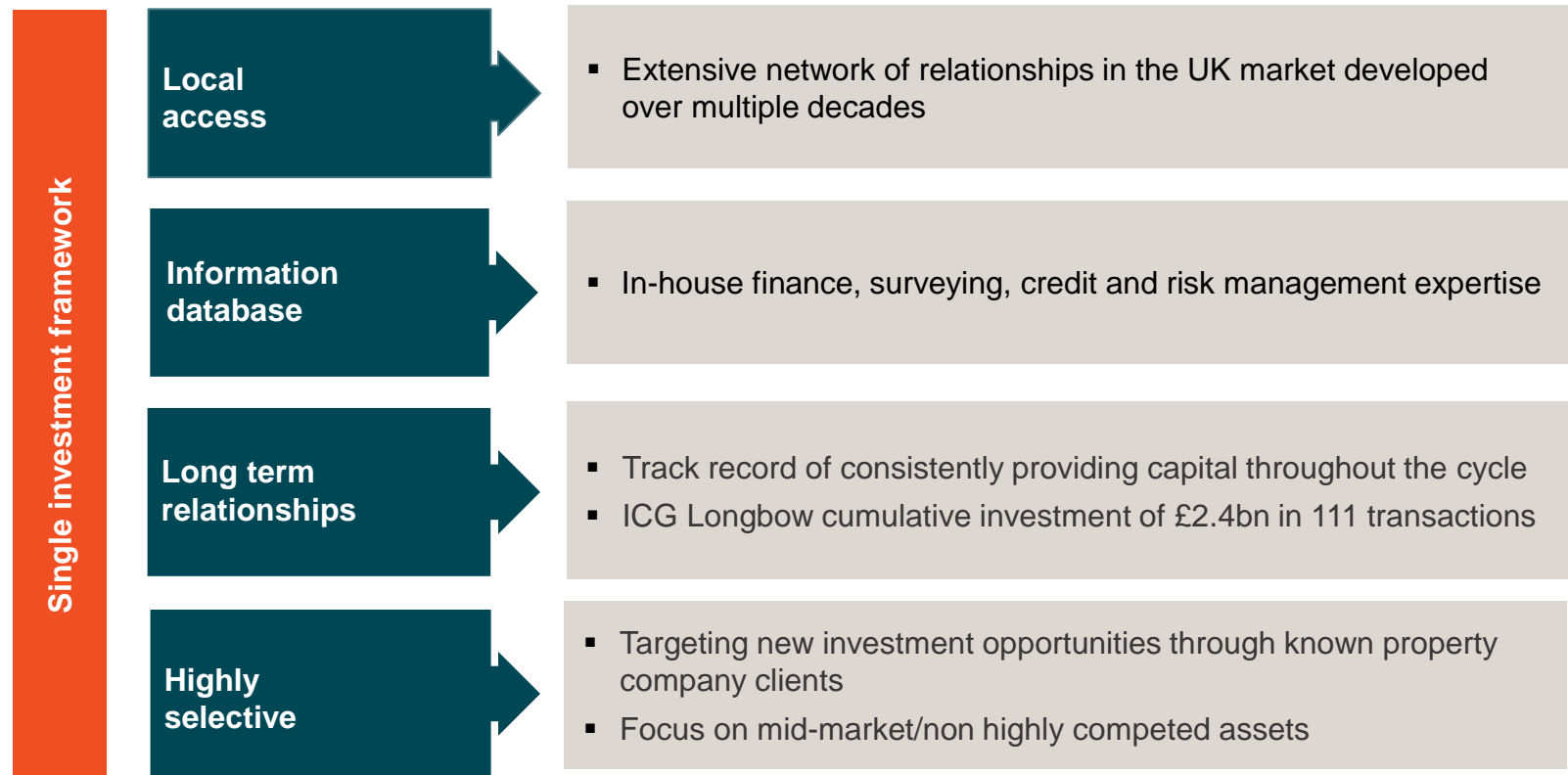


Note EUR: GBP FX rate of 1.3559:1



# Real Assets - Investment framework

Long standing partnerships give ICG competitive edge

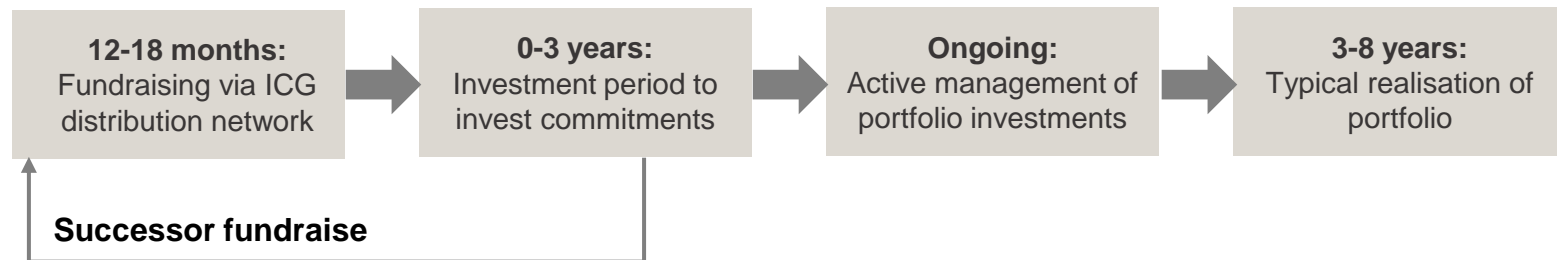


# Real Assets - Real Estate Mezzanine Fund life cycle

Closed end fund invested and realised over 8 years



Closed ended: c.8 year



# Real Assets - ICG Longbow Mezzanine Fund III

## Successful fundraise took ICG Longbow to over £1bn AUM

### Fund

- Established in 2013 as a successor fund within the ICG Longbow Real Estate Mezzanine strategy
- Target size of £500m and a maximum size of £700m total commitments

### Fundraising

- Reached its maximum size of £700m at final close in May 2013
- Diverse investor base by geography: Europe (excl. UK) 43%, UK 32% and rest of the world 25%

### Investment

- Fully invested by December 2014, within its 2 year contractual investment period
- Investment portfolio is diversified across 28 underlying investments
- Target returns of 11% IRR

### Performance to date

- Realised 4 assets to date: 18% IRR
- Current performance, including realised and unrealised investments, is on target

# Real Assets - Growth opportunities

## Expand existing and add complementary strategies

### Existing strategies

#### **Raise successor funds using same investment teams:**

- Real Estate Mezzanine
  - Fund V: c.2017
  - Fund VI: c.2020
- Real Estate Senior Debt
  - Fund III: 2016
  - Fund IV: c.2019
- Real Estate Development Loans
  - Fund II: c.2018

### Strategy expansion

#### **Growth in adjacent and complementary strategies:**

- Europe Real Estate
- Infrastructure
- Energy
- Selective acquisition

# Q&A

## Christophe Evain

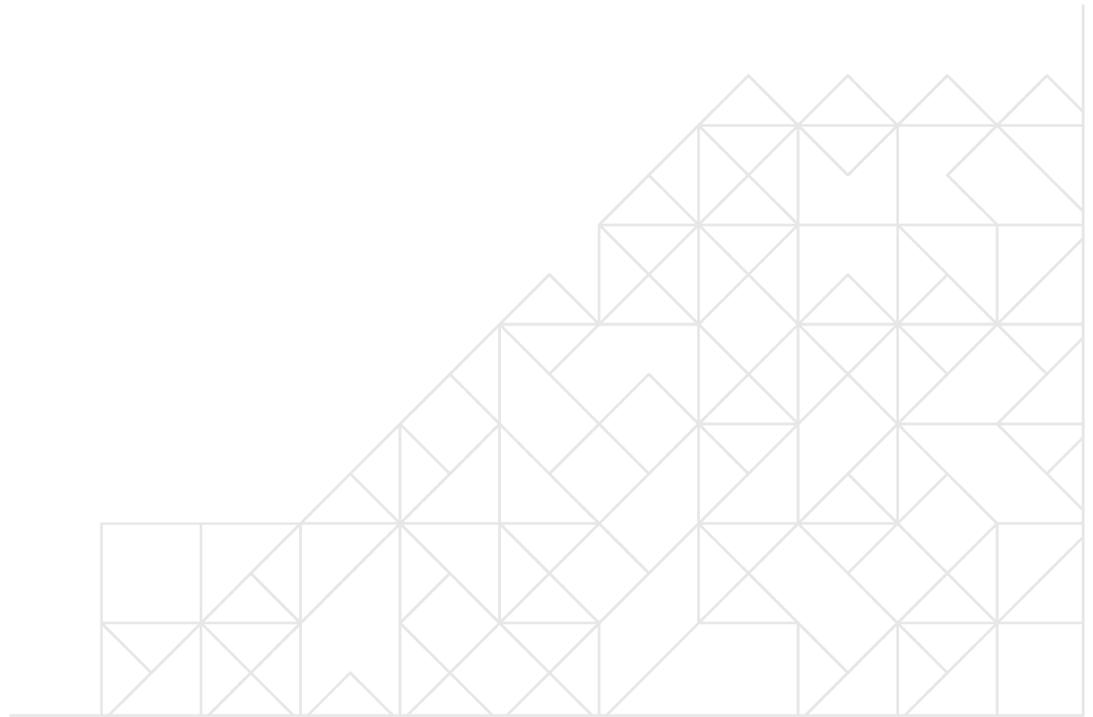


# Coffee



# Recent initiatives - Secondaries

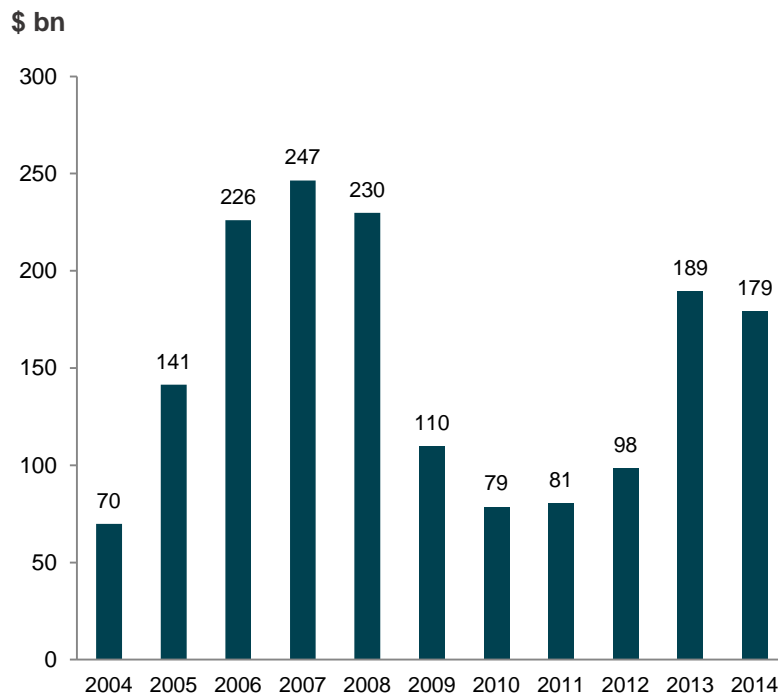
Benoit Durteste



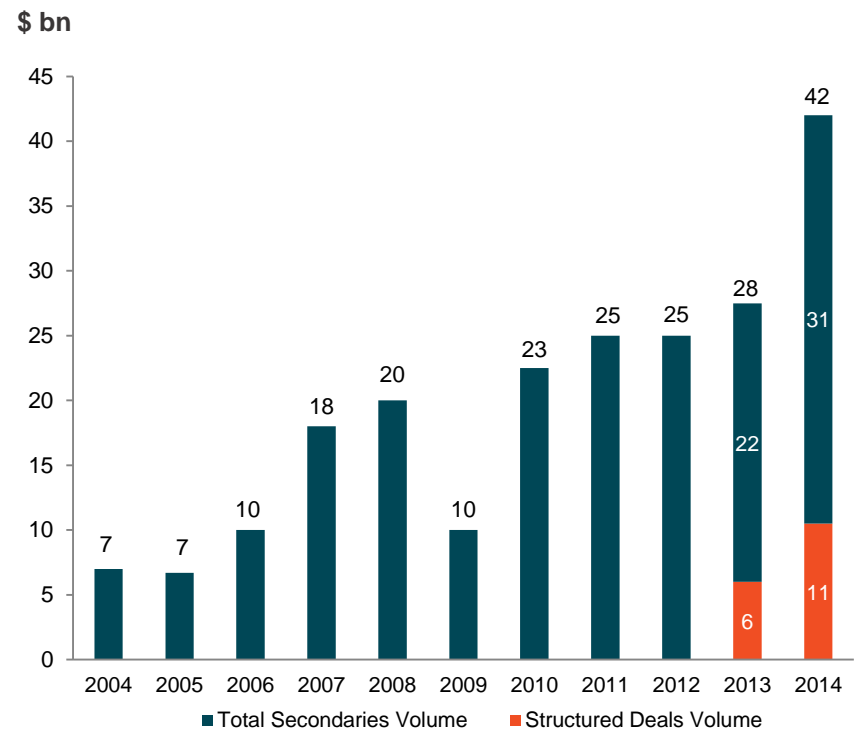
# Strategic Secondaries PE - Investment opportunity

## Growing population of late cycle funds need restructure

Global private equity fundraising volume



Global PE secondaries transaction volume



Source: Preqin total global buyouts data as of January 2015

Sources: Capital Dynamics White Paper – Private Equity Secondaries, April 2013. Cogent Partners, Secondary Market Trends & Outlook, July 2014



# ICG Strategic Secondaries PE

## Investing in private equity fund restructurings

### Strategies

- Direct approach to secondaries by leading restructuring and investment in mature private equity funds
- Liquidity option provided to existing investors and realignment of manager incentives
- Attractive market opportunity as investors in older fund vintages seek liquidity
- One of few investment teams in the market with dedicated fund restructuring expertise
- Investments provide attractively priced access to mature underlying portfolios of assets with good visibility on performance and exit potential
- Focus on North American and European opportunities

### ICG platform

- Team of 6 specialist investment professionals
- Proprietary deal sourcing through manager and investor relationships
- Leverage ICG track record, information database and sector specialist teams
- Investment in 2 restructured fund transactions to date
- Currently raising dedicated strategic secondaries fund
- Significant potential for further growth in AUM as strategy matures

# Private equity fund investments

## Acquired listed private equity multi-manager fund contract

### Strategy

- Acquired management contract to ICG Enterprise Trust effective from 1 February 2016
- Investment in primary and secondary fund investments and selective co-investments
- Focus on European buyout investments managed by 30 top performing managers
- Diverse portfolio of investments in over 60 funds with almost 400 underlying companies
- Investor proposition delivers long term capital growth
- Highly scalable model

### ICG platform

- Team of 5 private equity investment professionals operate from London office
- Closed end investment trust listed on the main market with a NAV of c.£500m
- Long term relationships secure preferential allocations in new funds and co-investments
- Strategic fit with ICG's expertise investing in private equity transactions

# Strategic asset classes

## Investing across four strategic asset classes

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Third party assets under management (AUM) as at 31 December 2015

# Agenda

**Significant market opportunity and competitive strength**

**Expertise in investment within single investment framework**

ICG North America



**Sal Gentile**

Fundraising



**Andreas Mondovits**

Financial drivers



**Philip Keller**

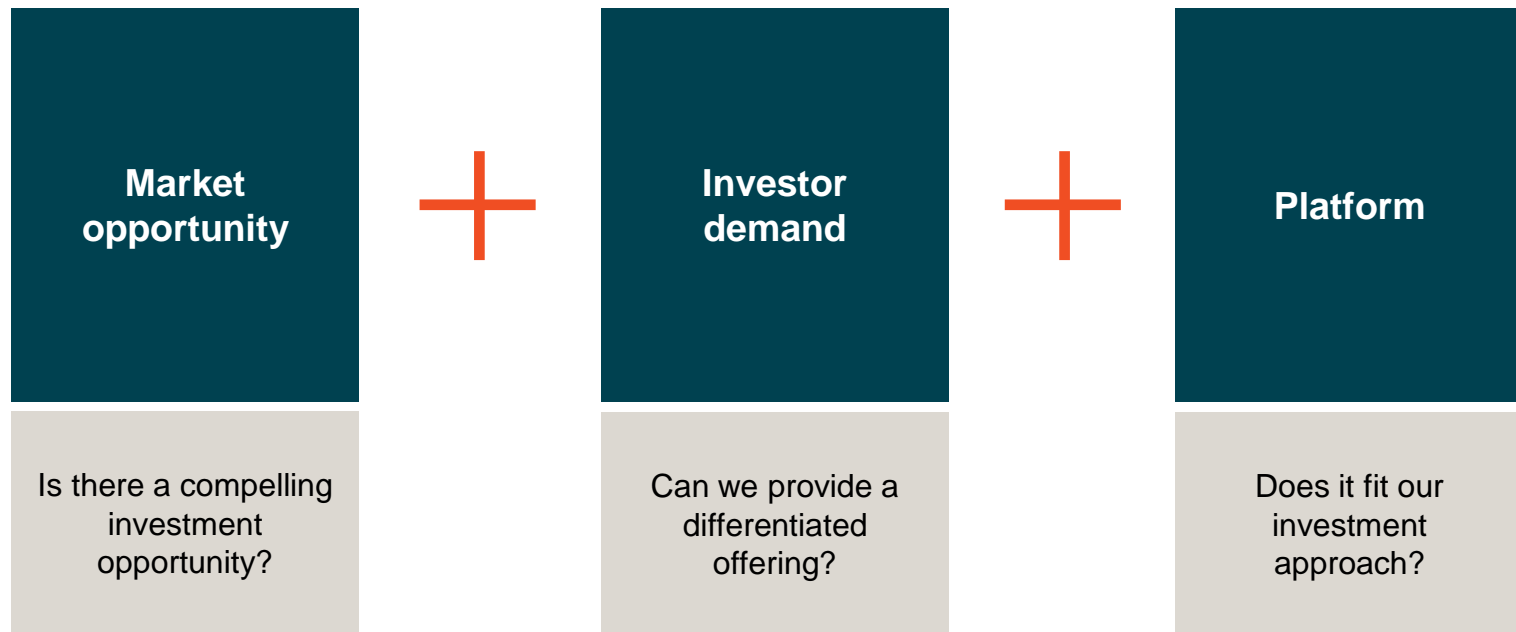
# ICG North America

## Sal Gentile



# ICG North America

## Evaluating expansion into North America

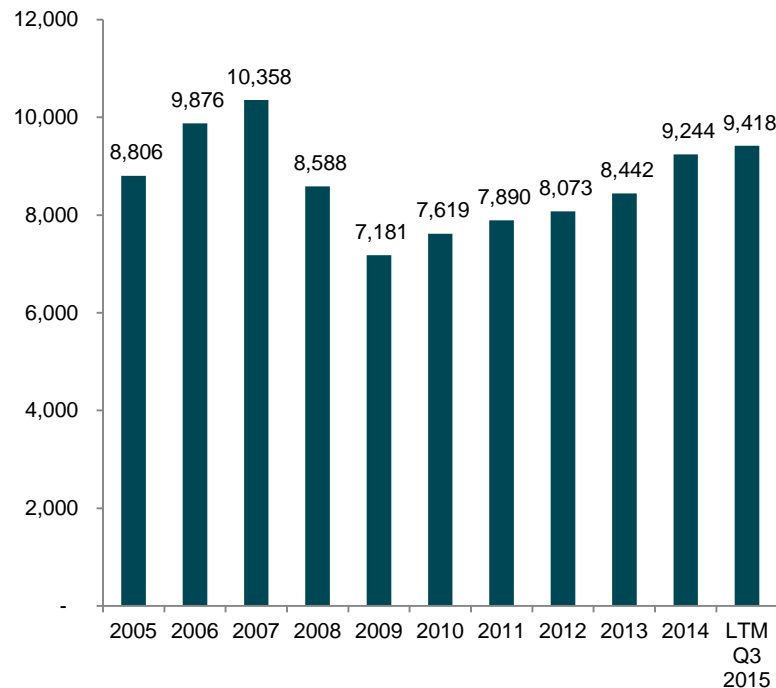


# ICG North America - Mezzanine market opportunity

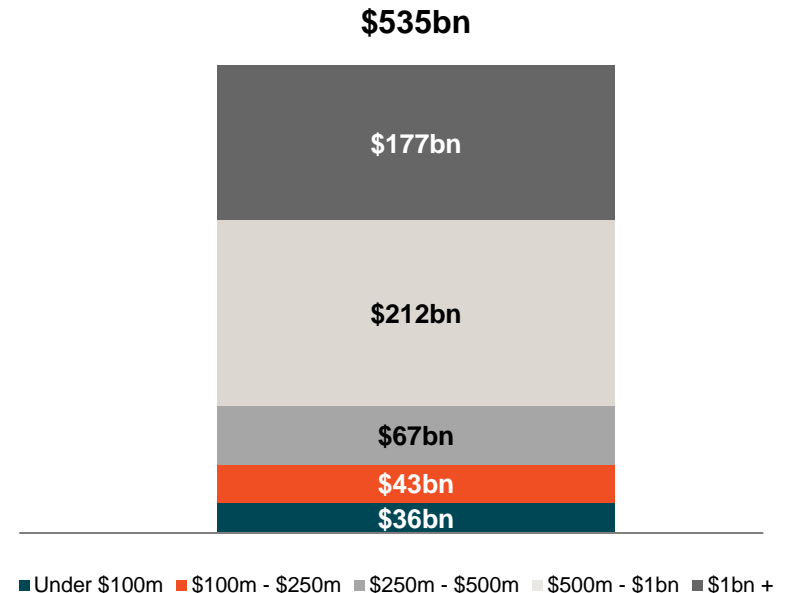
## High volume of mid-market M&A transactions to target

### US mid-market M&A volume

Number of transactions



### Uninvested capital in US PE funds, by fund size



Source: Thomson Financial; Transactions less than \$500m EV

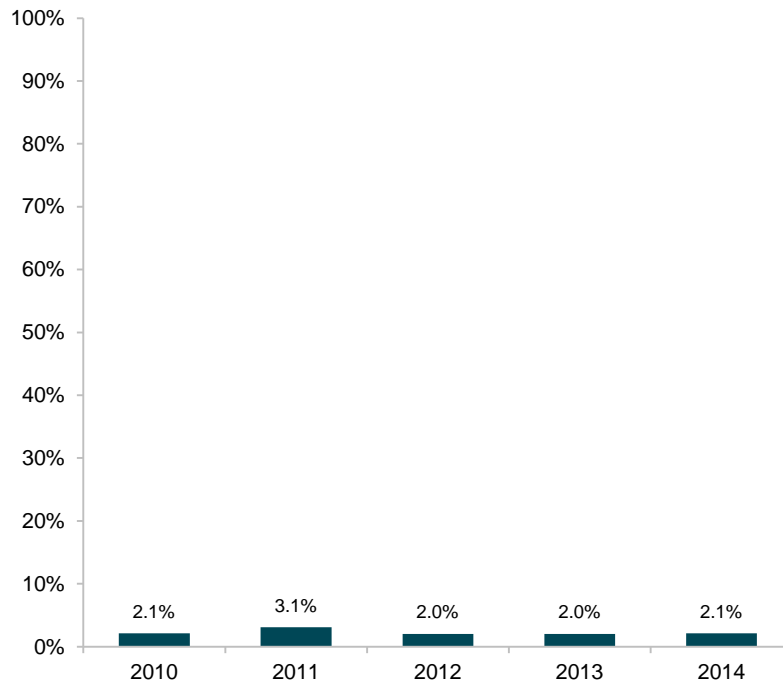
Source: Pitchbook 1H2015 Private Equity Fundraising & Capital Overhang Report

# ICG North America - Mezzanine market opportunity

## Mezzanine is a core financing solution for the mid-market

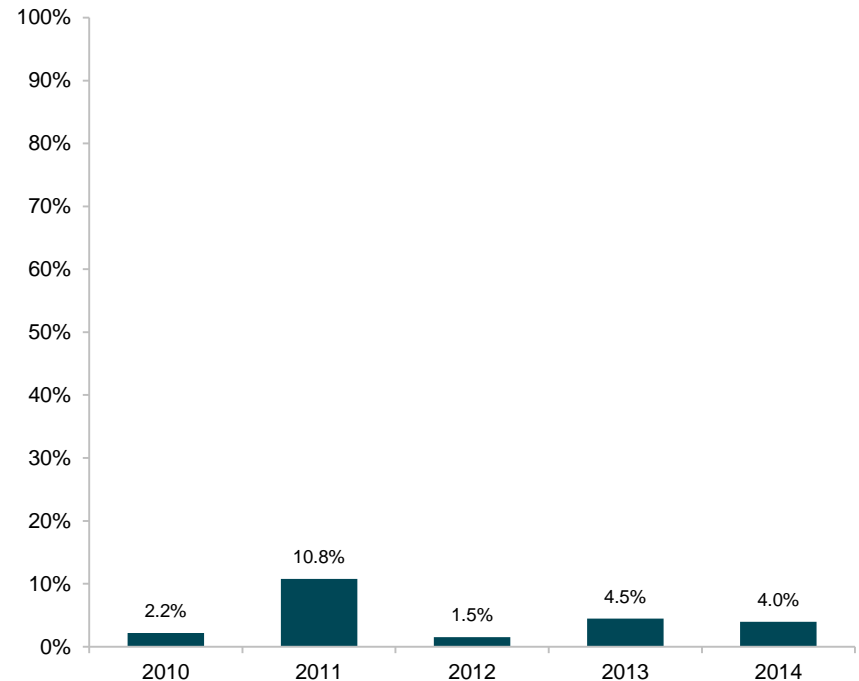
### High yield issuance to mid-market companies

% of total high yield issuance



### Syndicated loan issuance to mid-market companies

% of total syndicated loan issuance



Source: Standard and Poor's Second Lien Loan Review.

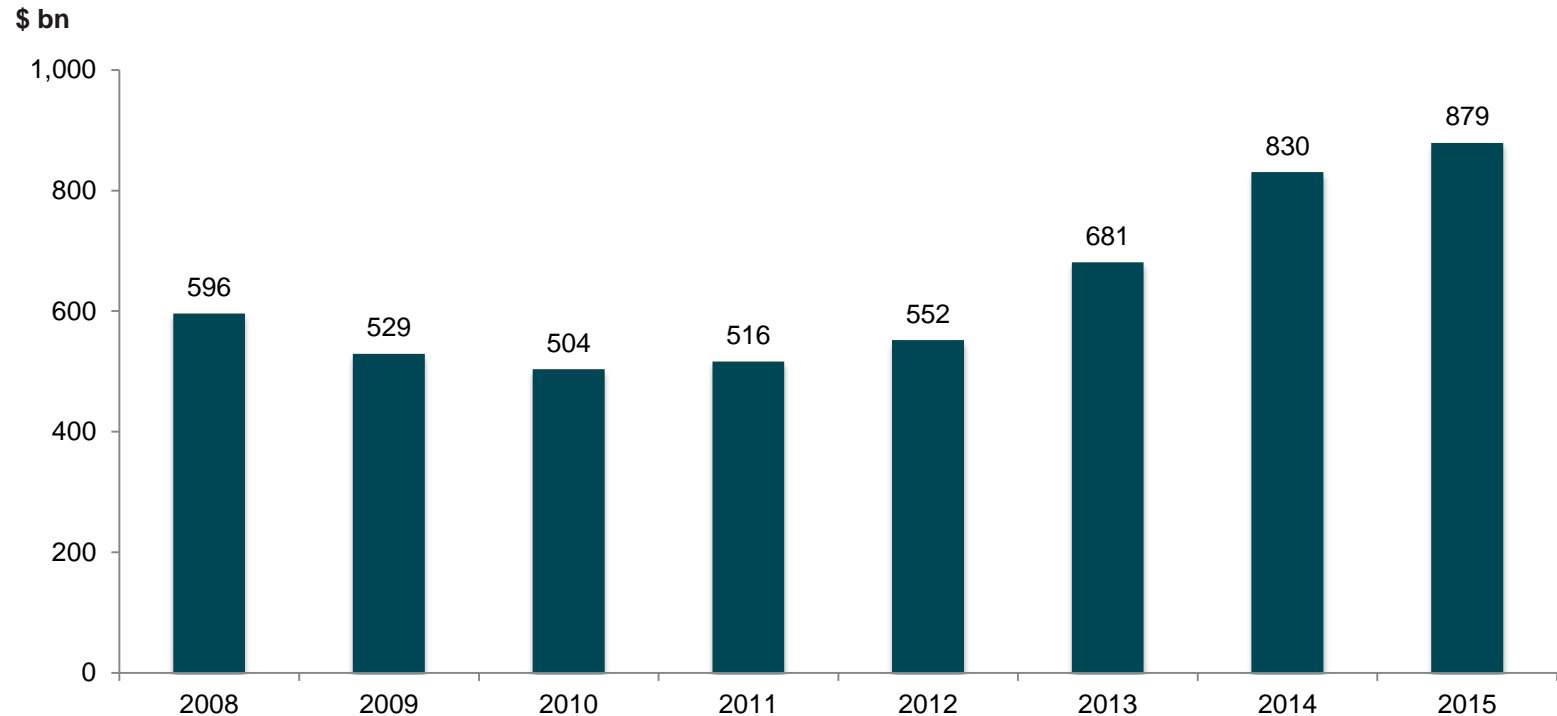
High yield issuance of less than \$150m size. Syndicated loan issuance to companies with less than \$50m EBITDA



# ICG North America - CLO market opportunity

Total loans available to invest in has increased since 2010

## Institutional loans outstanding

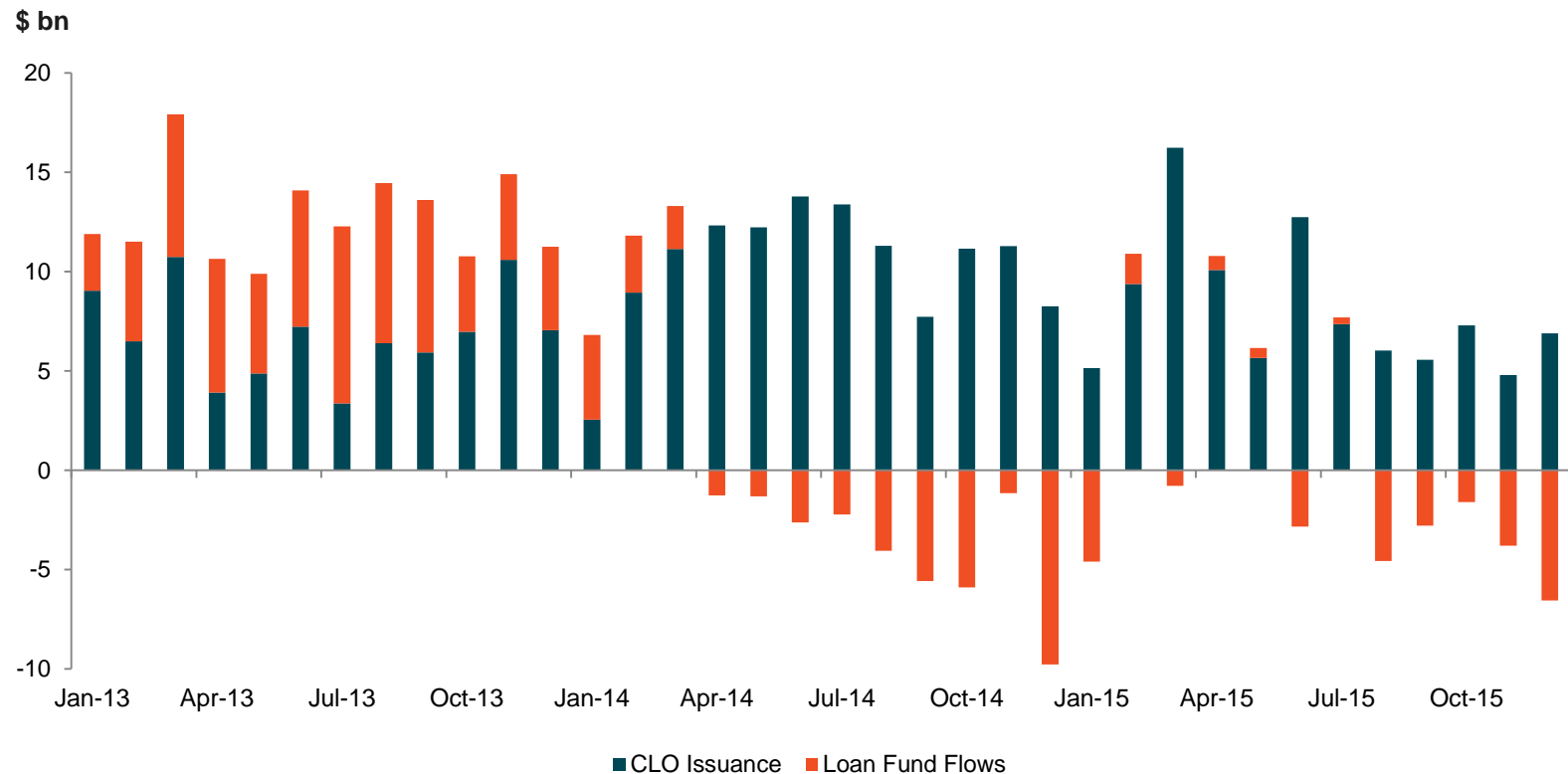


Source: S&P Capital IQ

# ICG North America - CLO market opportunity

## CLO issuance is meeting the demand for loan investing

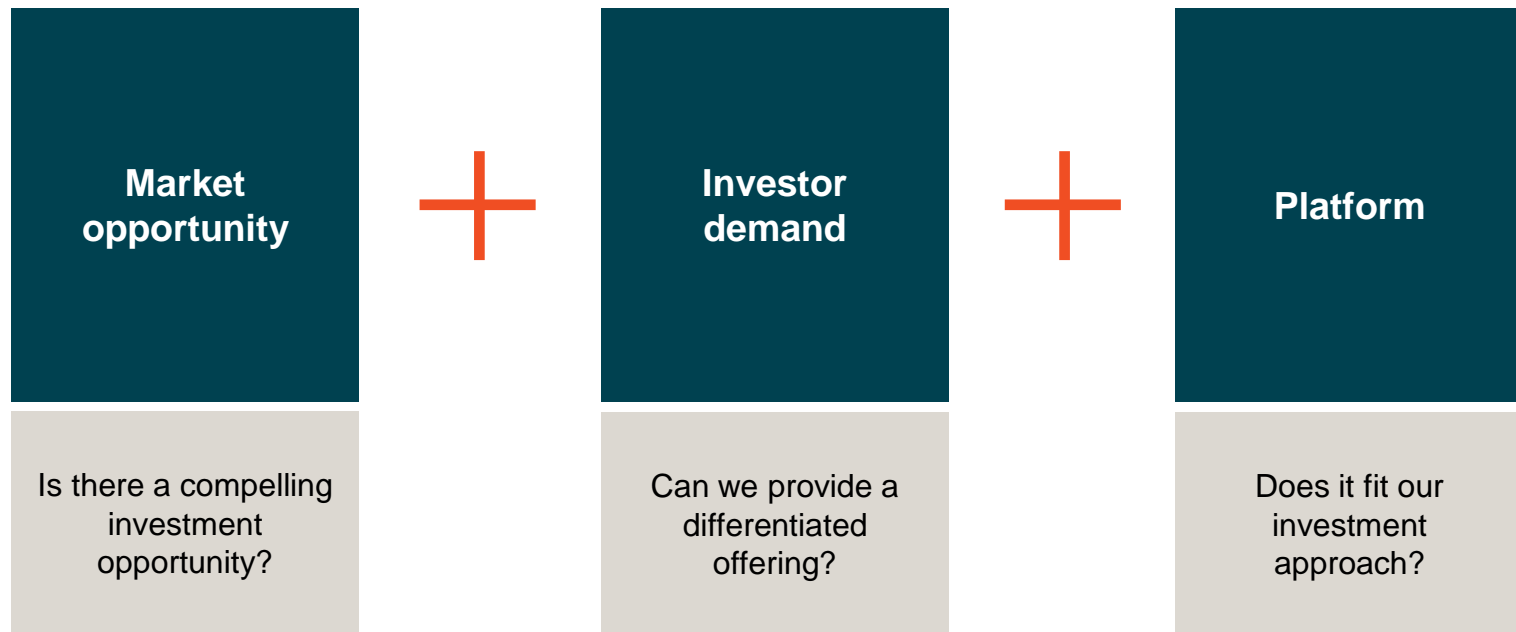
### US CLO issuance



Source: S&P Capital IQ, Lipper

# ICG North America

## Evaluating expansion into North America



# ICG North America - Investor demand

## Investors attracted to diversified asset managers

### Multi-alternatives mega firm

Blackstone

TPG

Carlyle

Apollo

KKR

Oaktree

### Diversified asset manager

**iCG**

### Single strategy boutique and specialist platforms

Antares

Golub

Audax

Newstone

NXT

# ICG North America - Platform

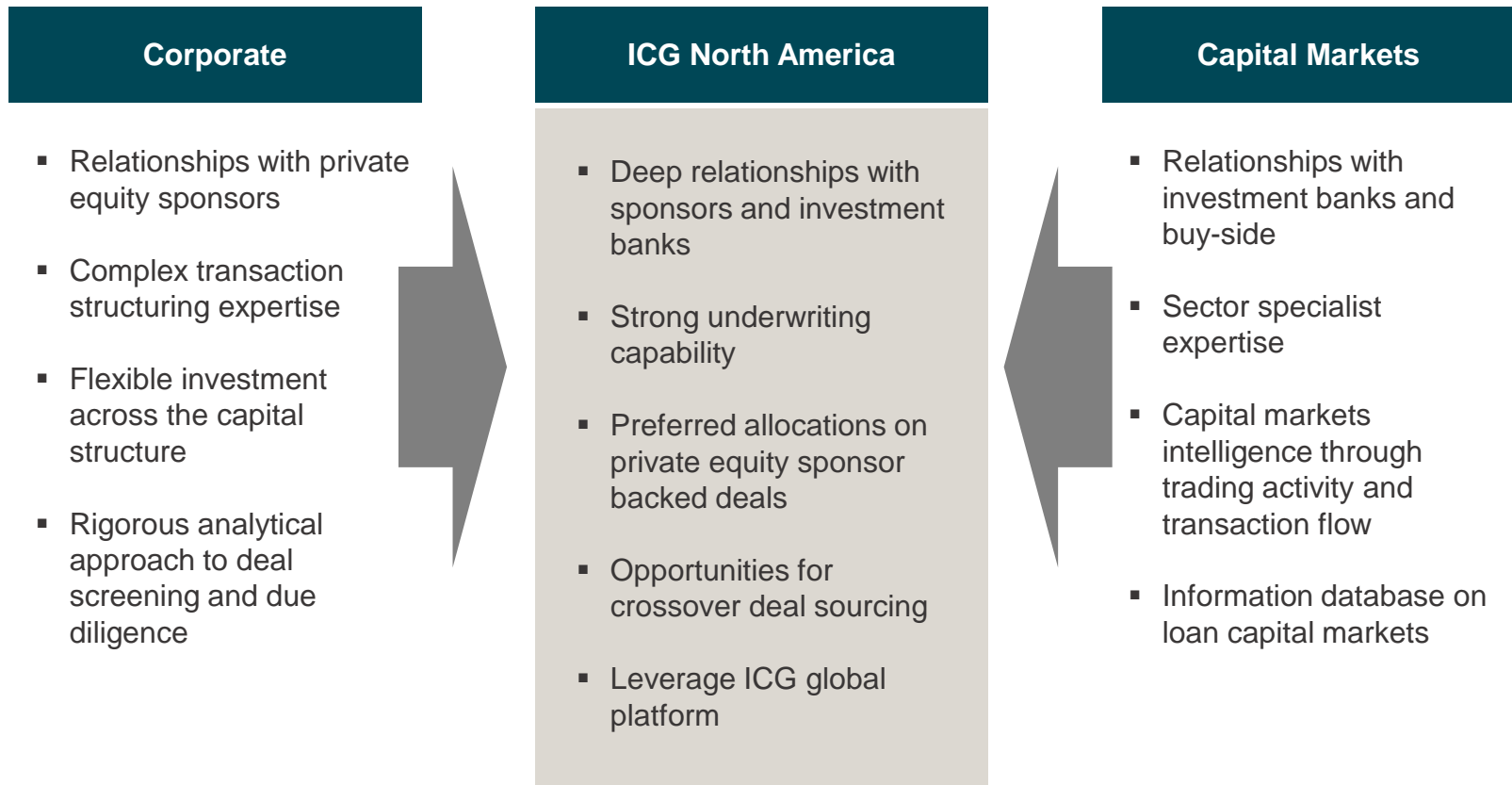
## Investing across ICG strategic asset classes

Corporate investments	Capital Market investments	Real Asset investments	Secondary investments
<ul style="list-style-type: none"> <li>▪ Mezzanine investment across US and Canada</li> <li>▪ Team of 10 investment professionals</li> <li>▪ North American Fund I closed in 2015 at \$791m size, above target</li> <li>▪ Fund I is 22% invested in 6 investments</li> </ul>	<ul style="list-style-type: none"> <li>▪ US CLO funds raised during 2014 and 2015</li> <li>▪ Team of 10 sector specialist and portfolio management professionals</li> <li>▪ Highly scalable platform</li> <li>▪ 5 US CLOs with AUM of \$2bn</li> </ul>		<ul style="list-style-type: none"> <li>▪ Strategic Secondaries PE investments from New York head office</li> <li>▪ Team of 4 investment professionals with Europe and North America investment remit</li> <li>▪ Currently raising dedicated strategic secondaries fund</li> </ul>
Led by Sal Gentile	Led by Sal Gentile		Led by Benoit Durteste

Data as at 31 December 2015  
 Note USD: GBP FX rate of 1.4739:1

# ICG North America - Platform

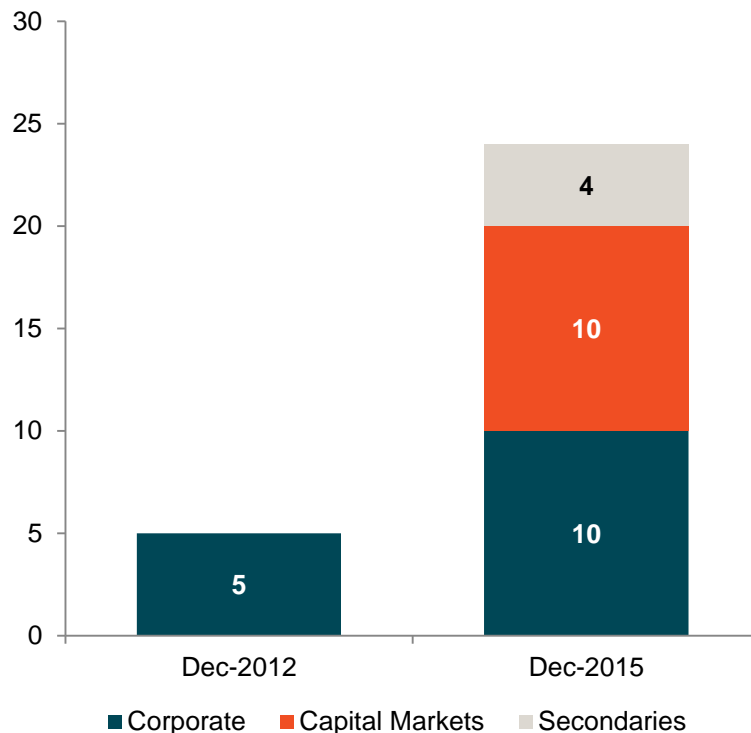
Integrated platform delivers an advantage in debt investing



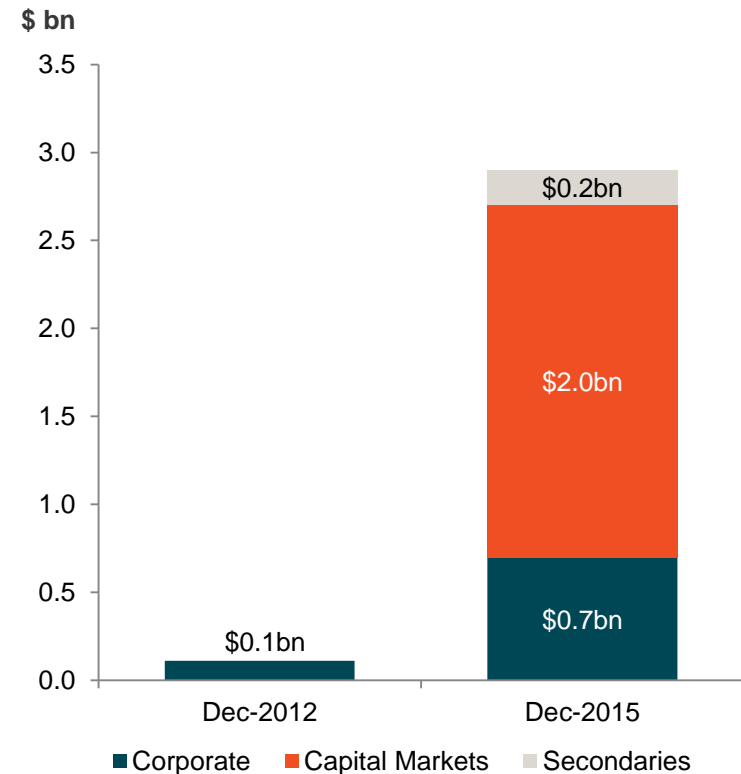
# ICG North America - Platform

## Expansion of North American business since 2012

Number of investment professionals



Assets under management\*



\*AUM reported includes drawn Investment Company commitments

Note USD: GBP FX rate of 1.4739:1

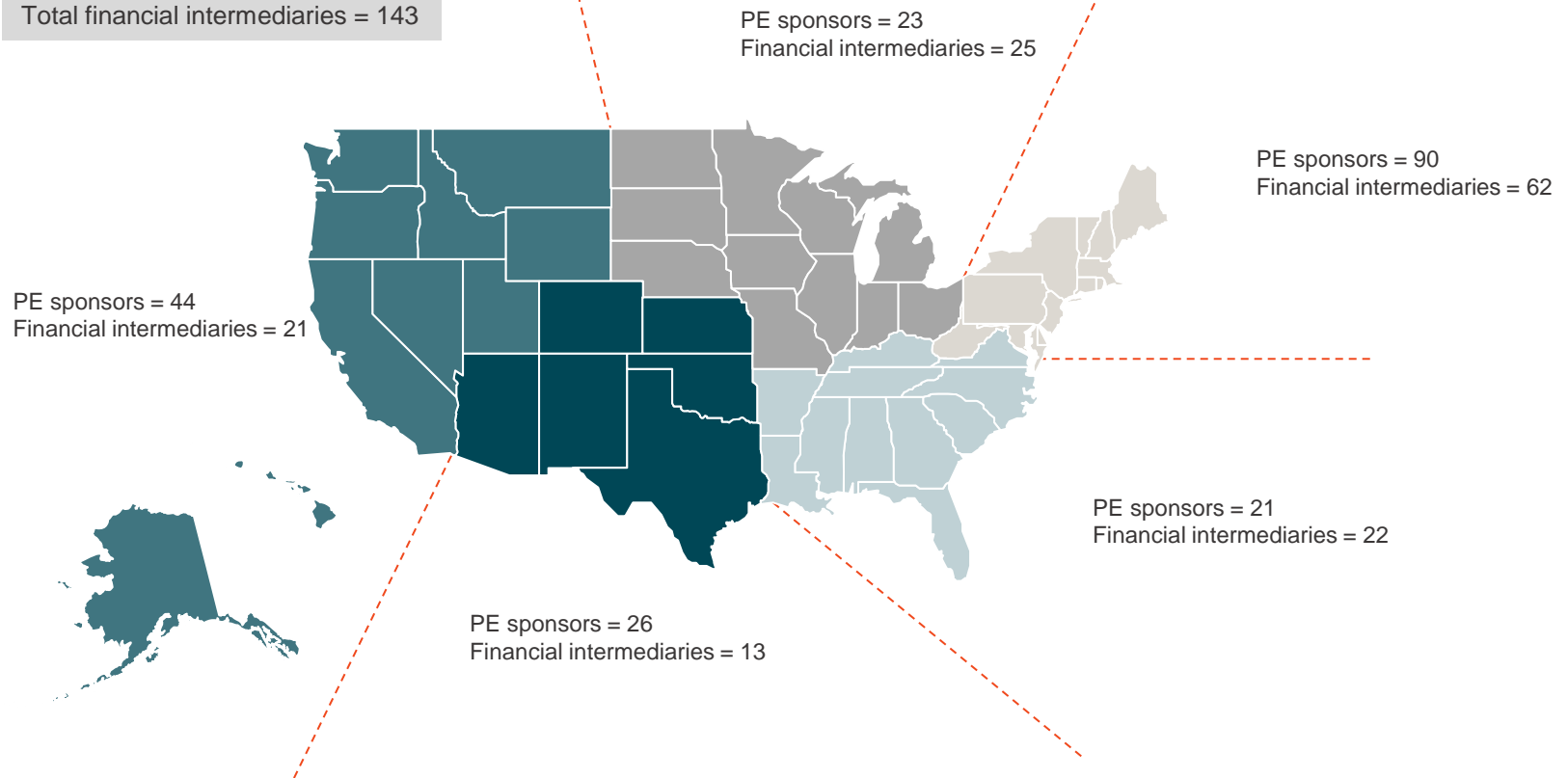
# ICG North America - Platform

## Investment team structured to secure local access

### Investment team coverage

Total PE sponsors = 204

Total financial intermediaries = 143



Note: Firms are listed once based on the location of their primary office. Canadian firms have been included in the closest region to their primary office.



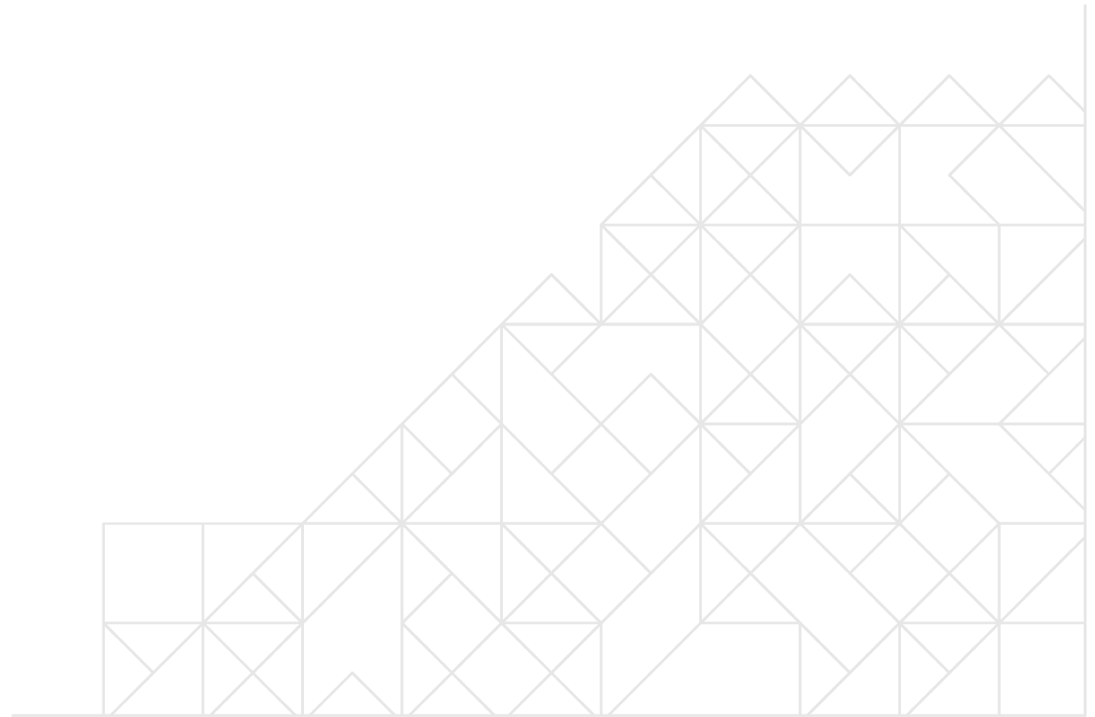
# ICG North America - Platform

North American expansion leverages ICG's global platform

## ICG North America

Distribution	Investment expertise	Compliance & Operations	Other corporate
<ul style="list-style-type: none"><li>▪ Global distribution platform for raising North America funds</li><li>▪ Centralised client services support for investor on-boarding</li></ul>	<ul style="list-style-type: none"><li>▪ Expertise from Global ICG Investment Committee</li><li>▪ Information advantage from ICG investment history and portfolio</li><li>▪ Local market insight and sector specialist knowledge</li></ul>	<ul style="list-style-type: none"><li>▪ Experienced infrastructure to support compliance and fund operations</li><li>▪ Knowledge of local regulatory environments</li><li>▪ Robust controls framework</li></ul>	<ul style="list-style-type: none"><li>▪ Corporate finance, strategy and HR services</li></ul>

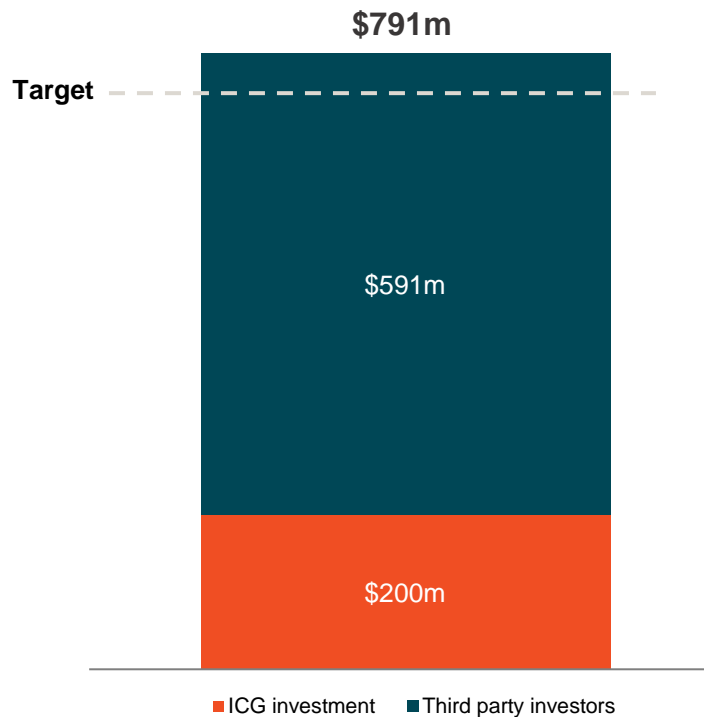
# Delivering expansion



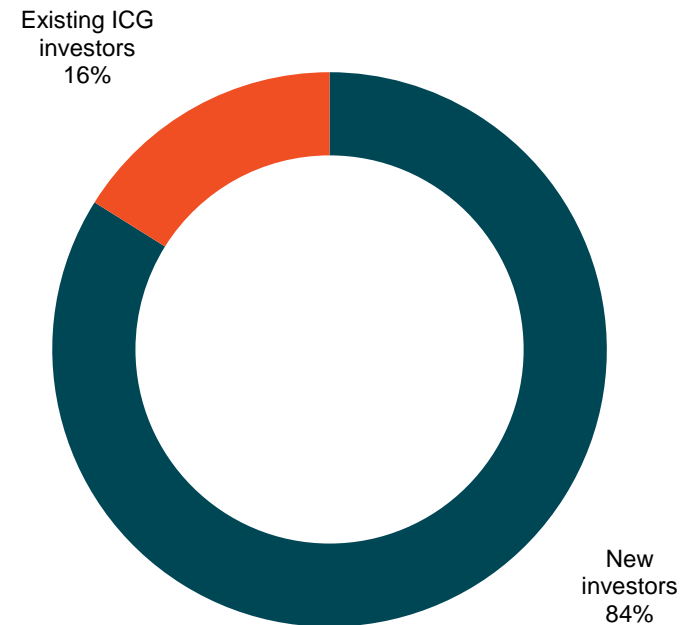
# ICG North America - Corporate

ICG anchor investor in Fund I which closed above target

## Fundraising

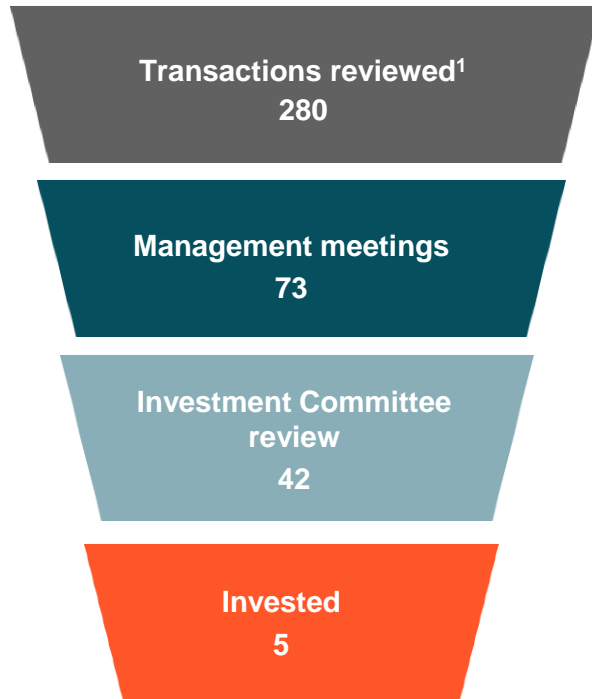


## New investor relationships



# ICG North America - Corporate

## Highly selective approach to potential opportunities



### Features of North America investment market

- Traditional mezzanine financing market exists
- Typical investments include partnering to finance a private equity sponsor in a transaction
- Success rates are lower owing to higher competition for mezzanine finance

### **But we retain:**

- Highly selective approach with investment in 6 transactions for Fund I
- Consistent deal flow through broad market coverage, extensive private equity relationships and developing new deal sources
- Diligence supported by sector specialist analysis and knowledge from ICG single investment framework

Notes:

1.North America Mezzanine Fund data for calendar year 2015

# Case study - Investing Fund I

Six investments made to date across sectors and regions

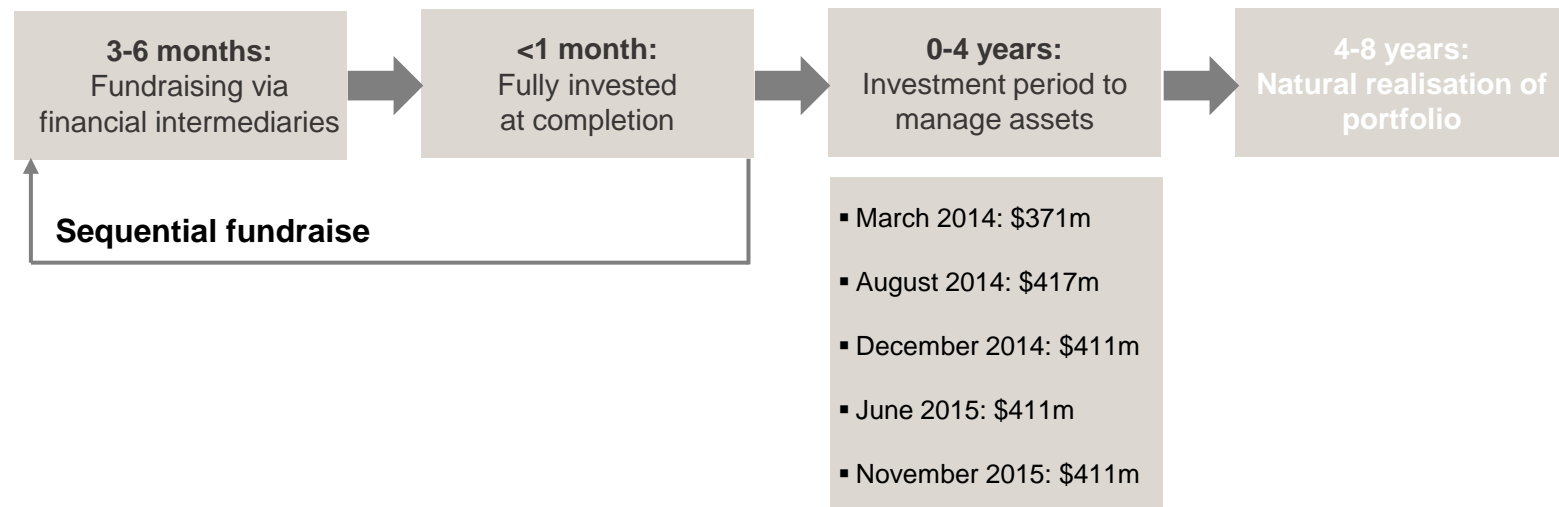


# ICG North America - Capital Markets

Active management of 5 CLO funds raised since 2014



**Closed ended: Up to 8 years**



# Growth opportunities



# Growth opportunities

Expand existing and add complementary strategies

## Existing strategies

**Raise successor funds using same investment teams:**

- North America Mezzanine
  - Fund II: c.2018
- US CLOs
  - Sequential issuance
- Strategic Secondaries PE
  - Fund I: 2016
  - Fund II: c.2021

## Strategy expansion

**Growth in adjacent and complementary strategies:**

- US Senior Debt
- Open ended funds
- Equity related strategies
- Global managed accounts
- Selective acquisition



# Agenda

**Significant market opportunity and competitive strength**

**Expertise in investment within single investment framework**

**Evidenced geographic and product expansion**

**Fundraising**



**Andreas Mondovits**

**Financial drivers**



**Philip Keller**

# Fundraising

Andreas Mondovits



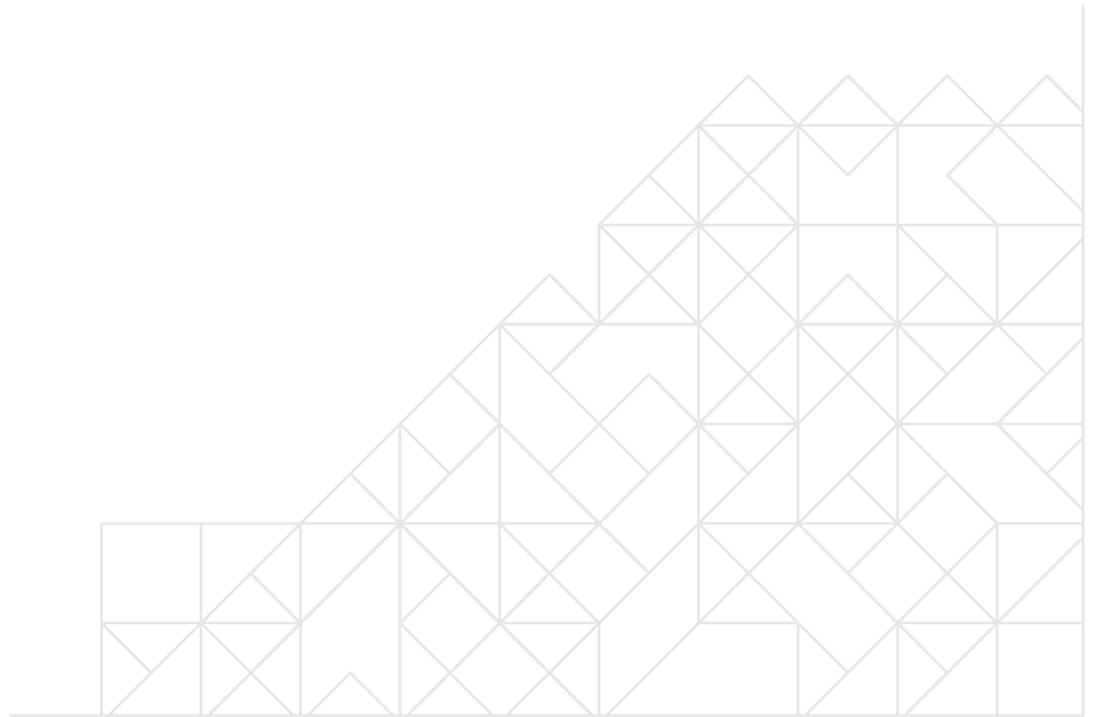
# Global distribution platform

Team of 25 professionals covering core fundraising markets



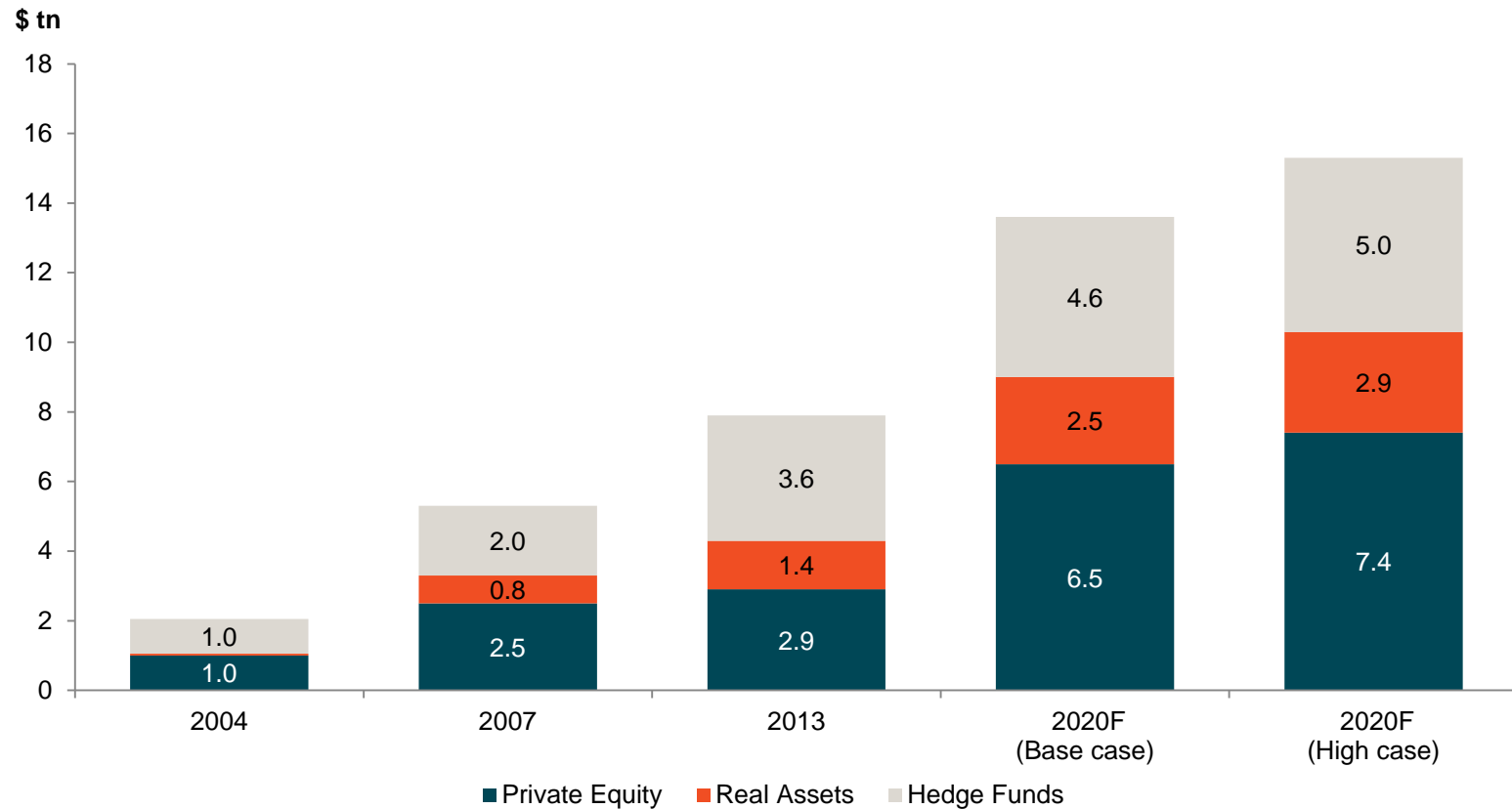
UK based team of 12 client services executives supporting global sales team

# Fundraising market



# Fundraising market

## Strong growth in alternative asset classes



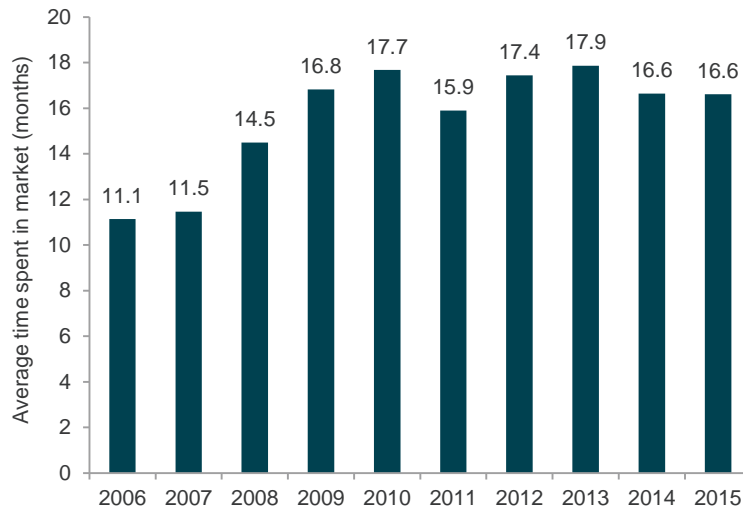
Source: PwC Market Research Centre analysis base on Preqin, HRH and Lipper data

# Fundraising market

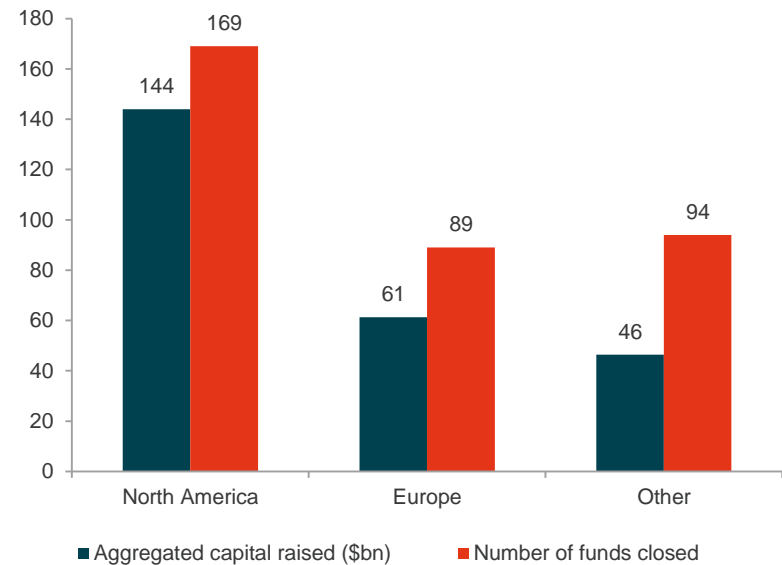
A high number of funds are competing for investor capital

- There are currently c.2,500 private equity funds seeking to raise over \$897bn in capital
- c.500 real estate funds are actively seeking to raise \$174bn from investors
- Over 9,000 hedge funds in the market; 800 new funds in 2015 alone
- At the start of Q4 2015 there were 254 private debt funds in the market targeting an aggregate \$115bn

Average fundraising duration



Private equity fundraising in Q4 2015

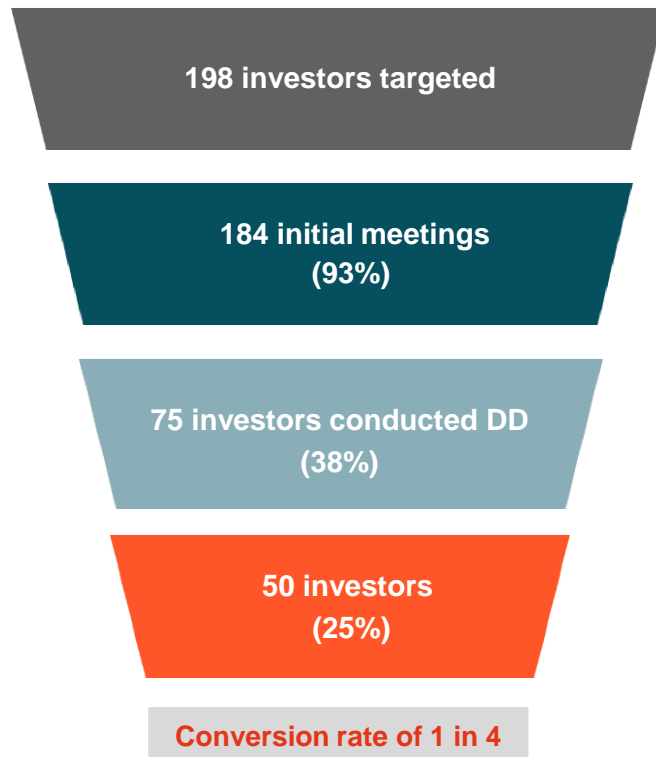


Source: Preqin

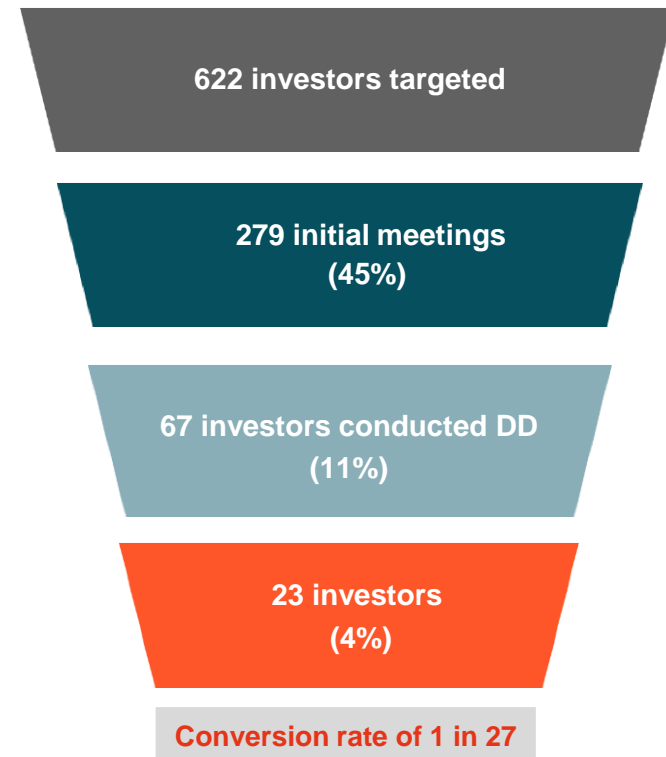
# Recent fundraising

First time funds have a lower conversion rate of investors

## Established fund - Europe Mezzanine Fund VI



## First time fund - North America Mezzanine Fund I

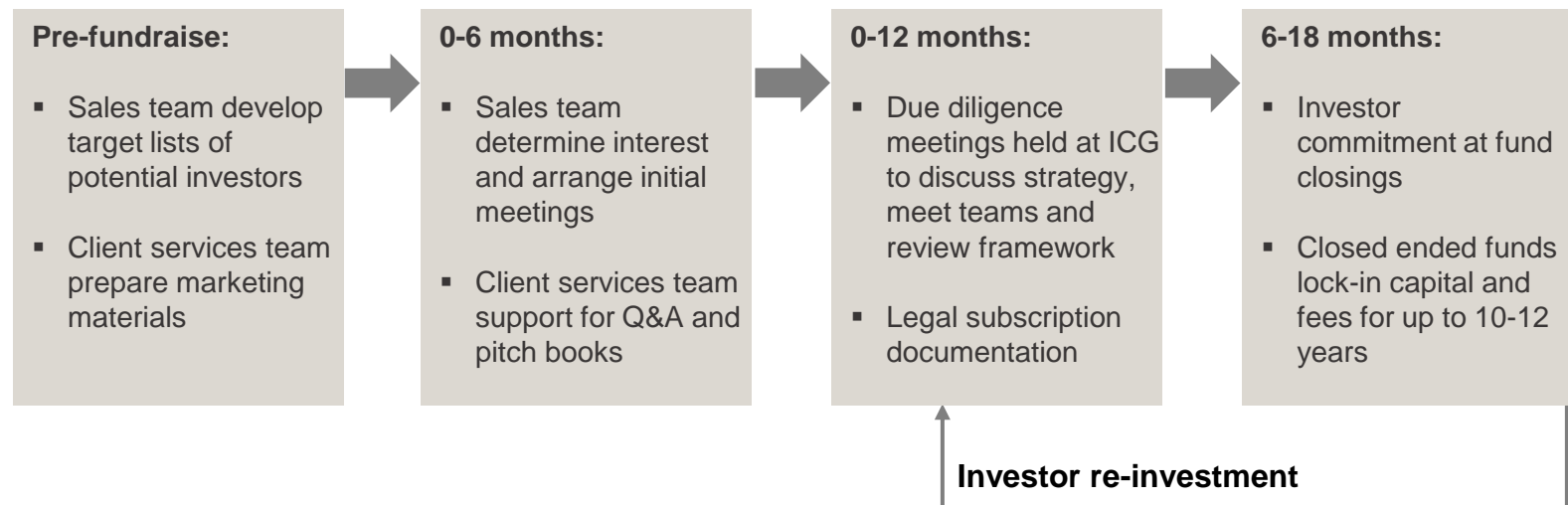


# Fundraising process

Investors are sticky but winning their capital is intensive

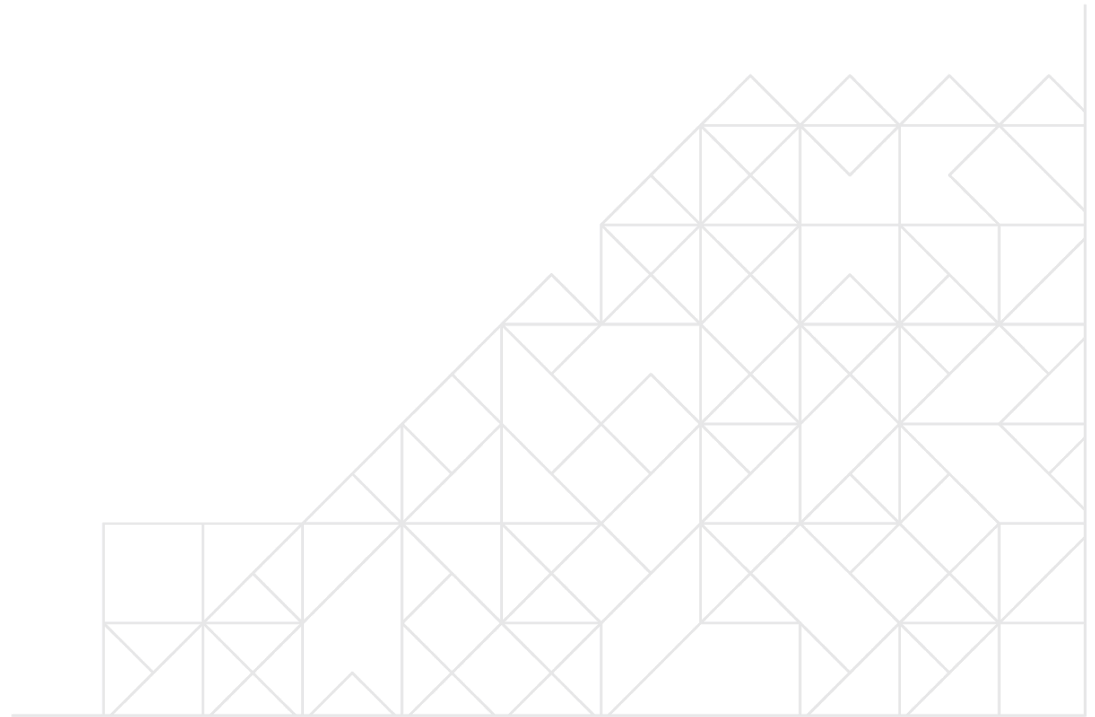


Typical pre-fundraise and marketing period of 18-24 months





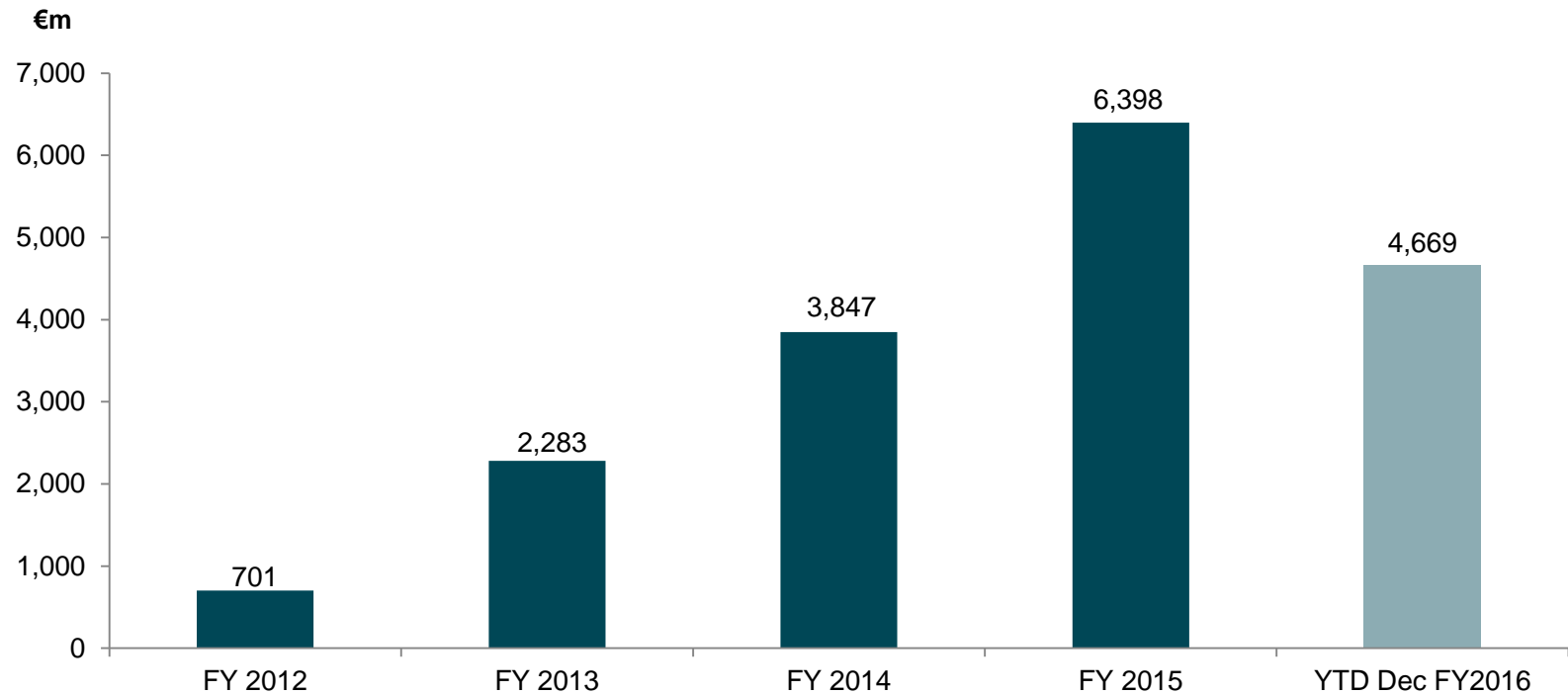
# Fundraising success



# Fundraising

AUM inflow of €18bn AUM since April 2011

## Funds raised

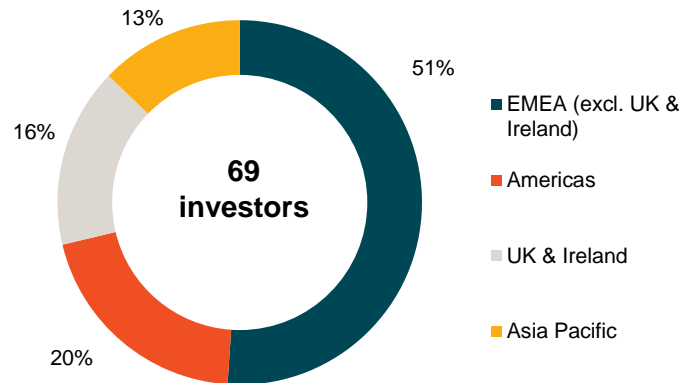


Note: Includes CLOs not directly raised by distribution team

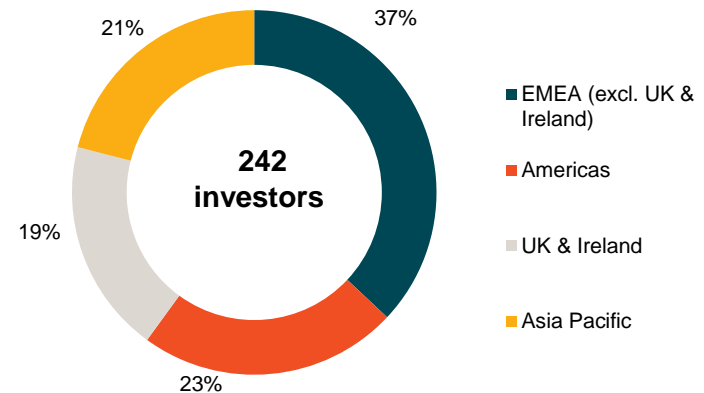
# Investor base

## Diversified investor base by geography and type

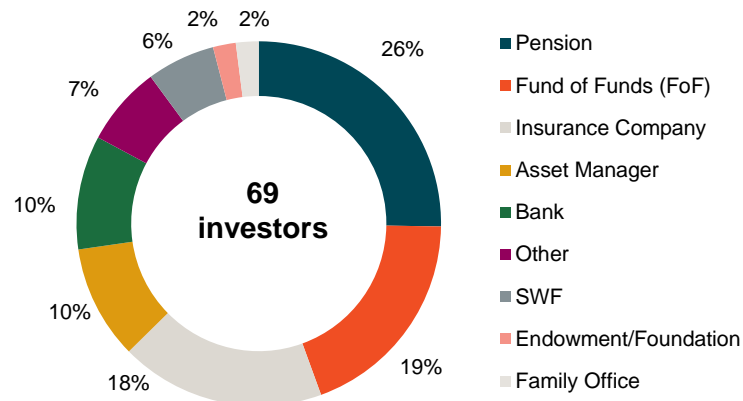
### Investors by geography 2012



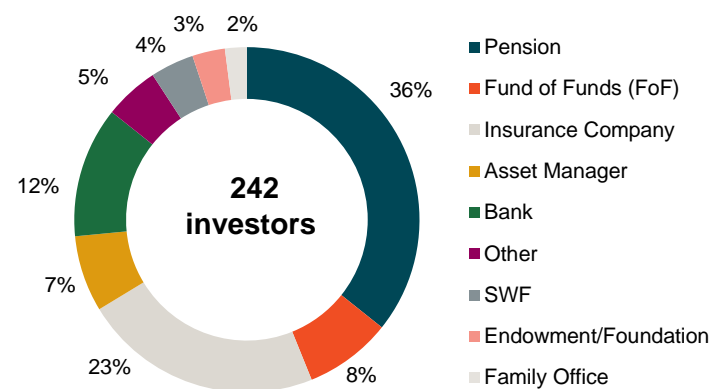
### Investors by geography 2015



### Investors by type 2012



### Investors by type 2015



Note: Figures are based on investor count, as at 31 December 2015

# Investor base

## Increasing ticket sizes with reduced concentration risk

### New commitments: Jan-2011 to Dec-2012

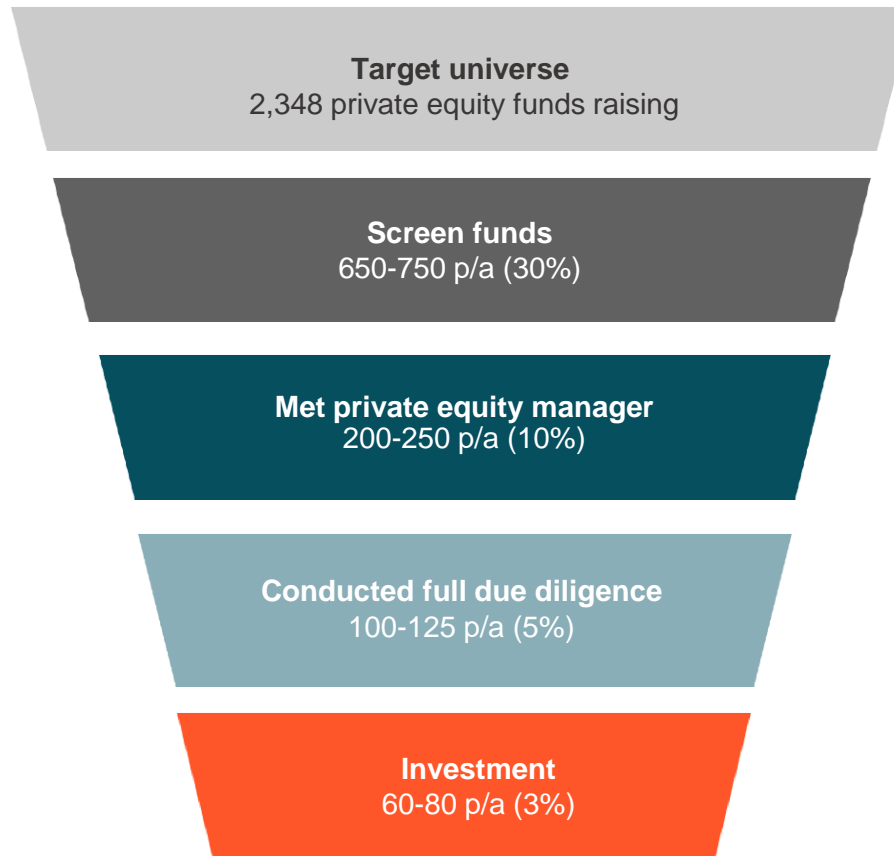
Investor	New commitments raised (€)	% of total new commitments
Investor 1	300,000,000	13%
Investor 2	200,000,000	9%
Investor 3	200,000,000	9%
Investor 4	200,000,000	9%
Investor 5	87,000,000	4%
Investor 6	83,000,000	4%
Investor 7	78,222,778	3%
Investor 8	75,000,000	3%
Investor 9	63,195,147	3%
Investor 10	56,565,352	3%
Investor 11	55,500,000	2%
Investor 12	52,000,000	2%
Investor 13	50,556,117	2%
Investor 14	50,000,000	2%
Investor 15	40,000,000	2%
Investor 16	37,917,088	2%
Investor 17	37,500,000	2%
Investor 18	37,285,137	2%
Investor 19	35,000,000	2%
Investor 20	35,000,000	2%
Investor 21	30,000,000	1%
Investor 22	30,000,000	1%
Investor 23	27,000,000	1%
Investor 24	25,000,000	1%
Investor 25	25,000,000	1%
<b>Total</b>	<b>1,910,741,618</b>	<b>85%</b>

### New commitments: Jan-2014 to Dec-2015

Investor	New commitments raised (€)	% of total new commitments
Investor 1	642,366,026	7%
Investor 2	351,000,000	4%
Investor 3	276,149,863	3%
Investor 4	252,780,586	3%
Investor 5	245,000,000	3%
Investor 6	235,000,000	3%
Investor 7	230,000,000	3%
Investor 8	220,751,264	3%
Investor 9	200,000,000	2%
Investor 10	200,000,000	2%
Investor 11	197,168,857	2%
Investor 12	154,473,205	2%
Investor 13	150,000,000	2%
Investor 14	150,000,000	2%
Investor 15	148,937,466	2%
Investor 16	146,844,776	2%
Investor 17	126,390,293	1%
Investor 18	126,390,293	1%
Investor 19	126,390,293	1%
Investor 20	126,390,293	1%
Investor 21	120,000,000	1%
Investor 22	115,000,000	1%
Investor 23	113,882,425	1%
Investor 24	113,751,264	1%
Investor 25	100,000,000	1%
<b>Total</b>	<b>4,868,666,906</b>	<b>56%</b>

# Investor targeting

Consultants are an important aggregator platform



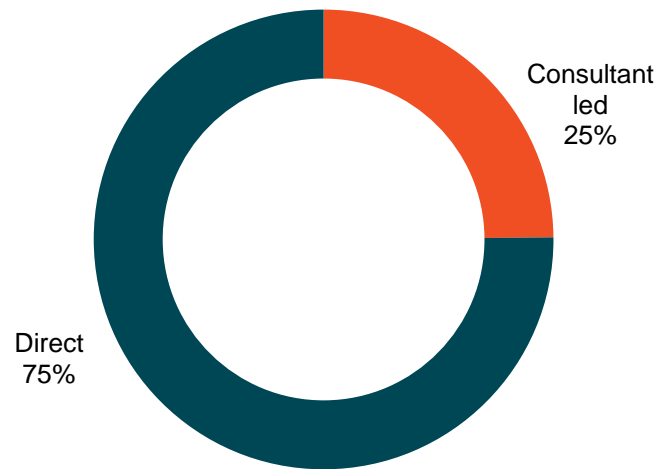
Consultants advise investment funds on capital allocation

Source: Preqin Q2 2015

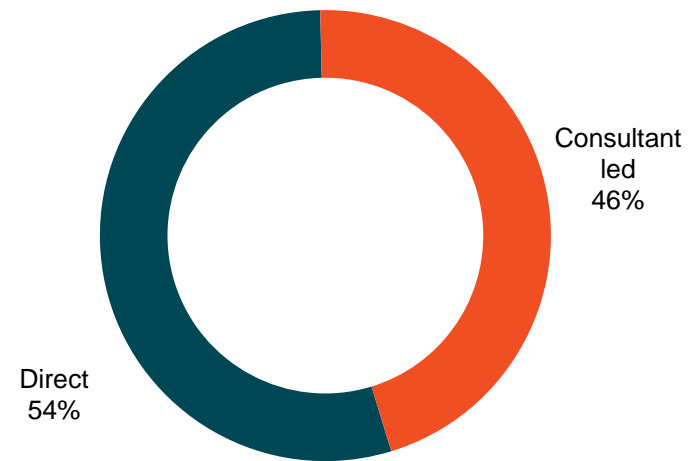
# Investor targeting

## Consultant influenced capital doubled in new ICG funds

### Predecessor funds <sup>1,2</sup>



### Successor funds <sup>1,3</sup>



Notes:

1. Based on capital committed
2. Predecessor funds: Europe Mezzanine Fund V, Europe Senior Debt Fund I and RE Mezzanine Fund III
3. Successor funds: Europe Mezzanine Fund VI, Europe Senior Debt Fund II and RE Mezzanine Fund IV

# Fundraising success

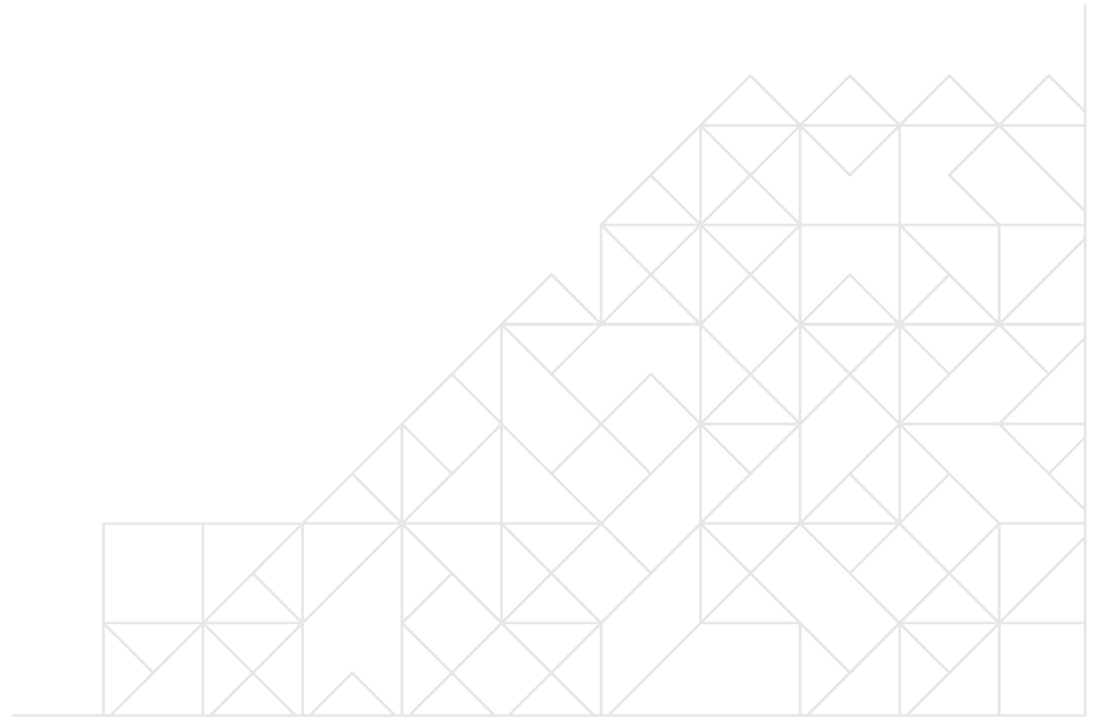
## 5 year rolling fundraising total up 95% in 2015

2014 Rank	Firm	2009 - 2014 Fundraising total (\$m)
1	Lone Star Funds	28,000
2	Oaktree Capital Management	23,037
3	Apollo Global Management	21,957
4	The Blackstone Group	20,097
5	M&G Investments	19,870
6	Goldman Sachs	15,155
7	Oak Hill Advisors	14,049
8	Cerberus Capital Management	13,830
9	Avenue Capital Group	11,300
10	Golub Capital	11,228
11	EIG Global Energy Partners	11,054
12	Ares Management	10,277
13	AXA Real Estate	10,213
14	Fortress Investment Group	9,575
15	Intermediate Capital Group	9,355
Total		228,997

2015 Rank	Firm	2010 - 2015 Fundraising total (\$m)
1	Oaktree Capital Management	38,107
2	Lone Star Funds	36,500
3	M&G Investments	30,634
4	Goldman Sachs	25,684
5	Apollo Global Management	22,304
6	The Blackstone Group	22,027
7	Intermediate Capital Group	18,260
8	Fortress Investment Group	15,752
9	EIG Global Energy Partners	12,959
10	Oak Hill Advisors	11,867
11	AXA Real Estate	11,136
12	Golub Capital	10,677
13	Kohlberg Kravis Roberts (KKR)	10,240
14	Starwood Capital Group	10,066
15	CarVal Investors	8,462
Total		284,675

Source: Private Debt Investor, September 2014 & September 2015

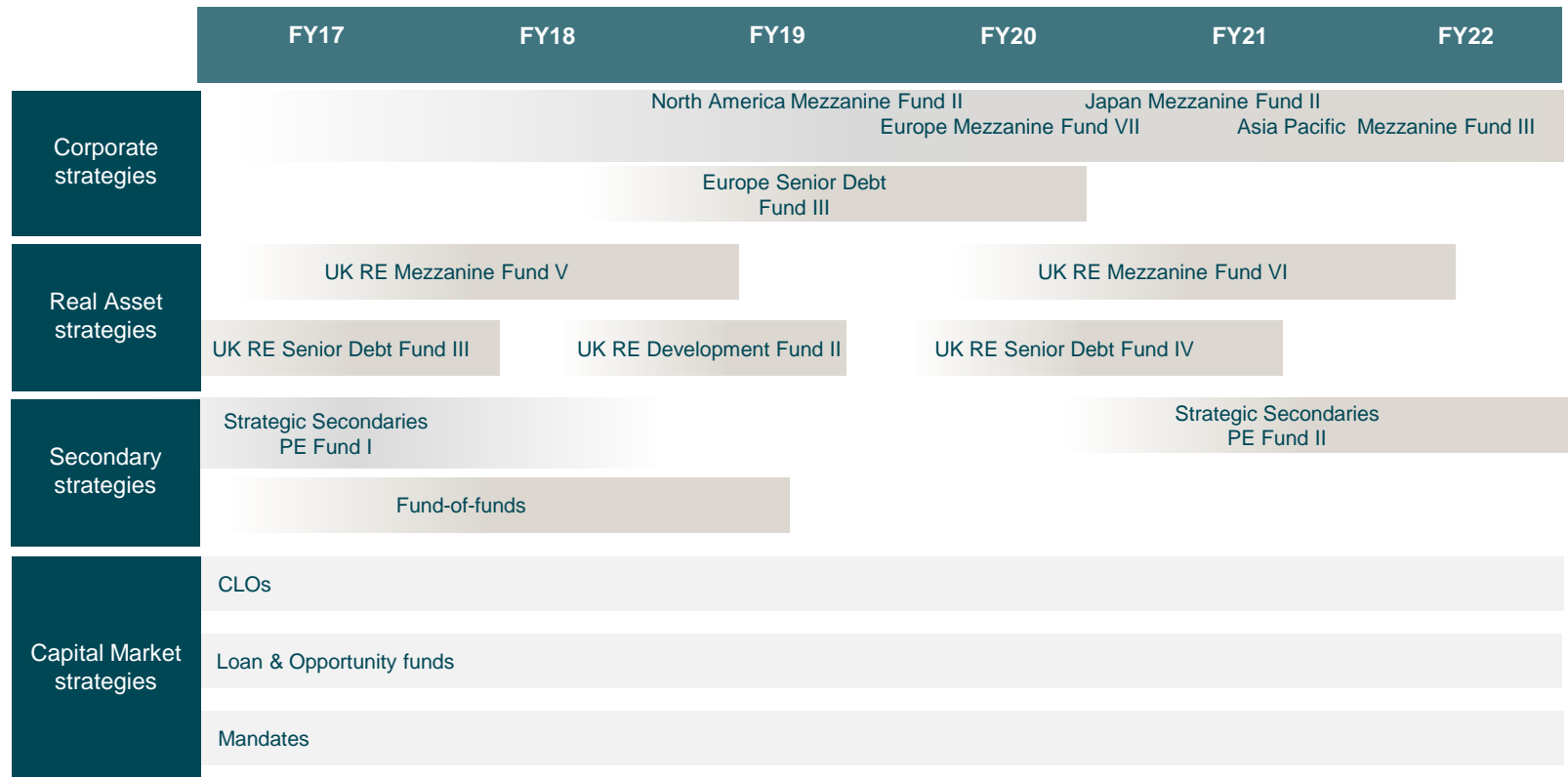
# Fundraising outlook





# Fundraising outlook

## Fundraising plans for existing strategies



# Fundraising outlook

## Opportunities exist to optimise distribution platform

### Expand US capability

- Increase distribution team dedicated to North American market from 3 to 5 people

### Broaden consultant relationships

- New US specialists dedicated to targeting consultants
- Multiplier effect important feature in asset gathering

### Cross-selling

- Leverage relationships to sell multiple funds to the same investor

### First time funds

- Capitalise on opportunities for new pockets of investor capital establishing new relationships

# Agenda

**Significant market opportunity and competitive strength**

**Expertise in investment within single investment framework**

**Evidenced geographic and product expansion**

**Proven distribution platform capability**

**Financial drivers**



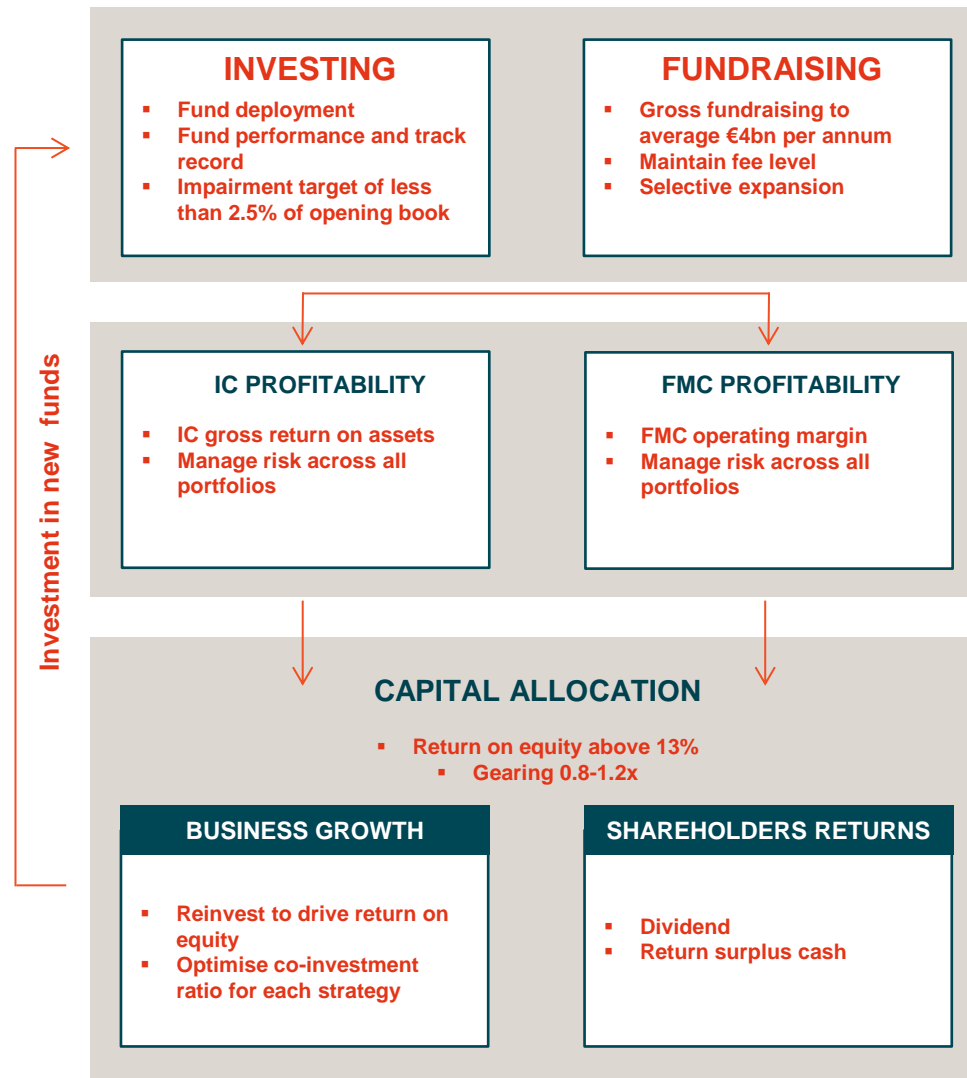
**Philip Keller**

# Financial drivers

Philip Keller



# ICG operating model

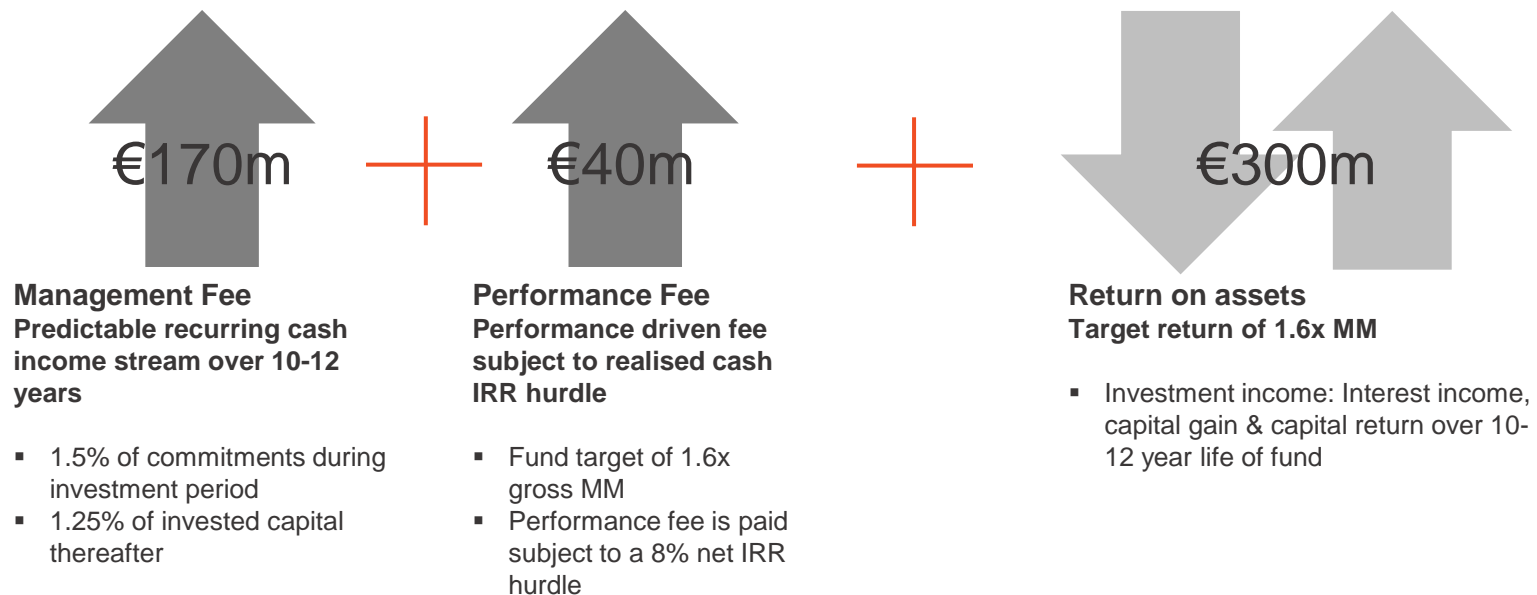


# Financial drivers

## Profit from fund management fees and own investment

### Fund Management Company

### Investment Company



**Third party commitments: €2bn**

**ICG: €500m**

Note: Income calculated using published fee rates for Europe Mezzanine Fund V

# Financial drivers

Strategic asset classes translate to four different fee profiles

## Strategic asset classes:

Corporate investments
Capital Market investments
Real Asset investments
Secondary investments



## Fee financial profiles:

Mezzanine & PE Secondaries Funds	Europe Mezzanine Asia Pacific Mezzanine North America Mezzanine Japan Mezzanine Strategic Secondaries PE ICG Enterprise Trust
Real Estate Funds	Real Estate Mezzanine Real Estate Senior Debt Real Estate Development Loans
Credit Funds	Europe Senior Debt Alternative Credit Australian Loans Total Credit
CLO Funds	Europe CLOs US CLOs

# Fund management income

Funds are grouped by shared financial characteristics

Mezzanine & PE Secondaries Funds	Real Estate Funds	Credit Funds	CLO Funds
<ul style="list-style-type: none"> <li>▪ €6.4bn AUM</li> <li>▪ 10-12 year total fund life</li> <li>▪ Funds are invested over 5 year investment period</li> <li>▪ 4-5 year fundraising cycle driven by investment pace of investing fund</li> <li>▪ Management fees earned on committed then invested capital</li> <li>▪ Performance fees</li> </ul>	<ul style="list-style-type: none"> <li>▪ €3.2bn AUM</li> <li>▪ 6-8 year total fund life</li> <li>▪ Funds are invested over 2-3 year investment period</li> <li>▪ 2-3 year fundraising cycle</li> <li>▪ Management fees earned on invested capital</li> <li>▪ Performance fees</li> </ul>	<ul style="list-style-type: none"> <li>▪ €5.1bn AUM</li> <li>▪ 6-8 year total fund life</li> <li>▪ Funds are invested over c.3 year investment period</li> <li>▪ 2-3 year fundraising cycle</li> <li>▪ Management fees earned on invested capital</li> <li>▪ Performance fees</li> </ul>	<ul style="list-style-type: none"> <li>▪ €4.2bn AUM</li> <li>▪ 6-8 year total fund life</li> <li>▪ Funds are fully invested at closing</li> <li>▪ Sequential fundraising</li> <li>▪ Management fees earned on invested capital</li> <li>▪ High potential for operating leverage</li> </ul>

Third party assets under management (AUM) as at 31 December 2015



# Fee profile - Mezzanine & Secondaries PE Funds

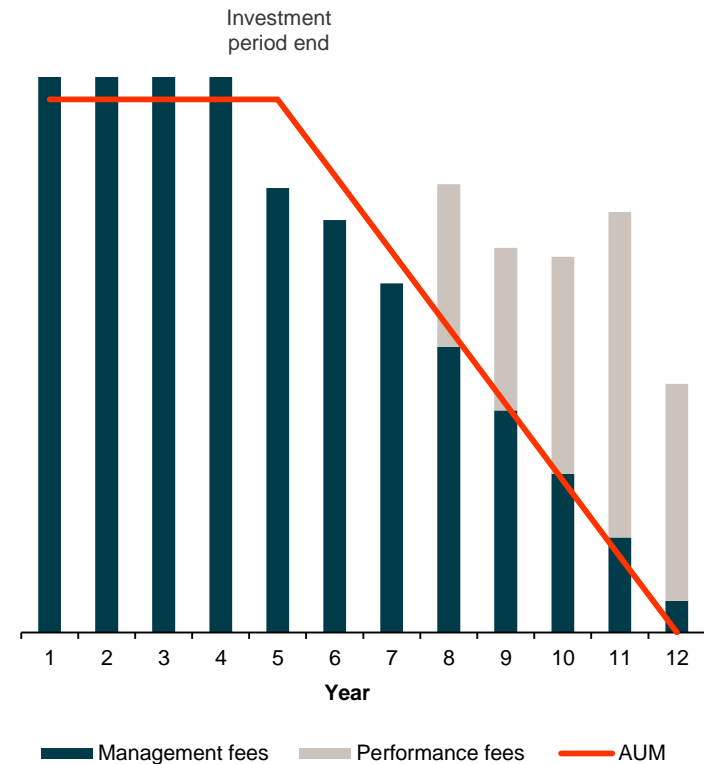
## Fees earned on committed capital

- Management fees are charged on commitments from first closing of the fund
- Management fees are charged on invested capital after end of investment period and run-off over years 5-12 as assets are realised
- Visibility of locked-in management fee income stream over total fund life of 10-12 years
- Performance fees are available in later years of fund life, subject to performance conditions
- Mezzanine & Secondaries PE funds are raised sequentially with a typical fundraising cycle of 4-5 years

### Typical fee rates:

- Management fee of 1.5% on commitments during investment period; 1.25% of invested capital thereafter
- Performance fee is 20% of 20% profit, subject to 8% net IRR cash hurdle

### Fee profile



# Fee profile - Real Estate Funds

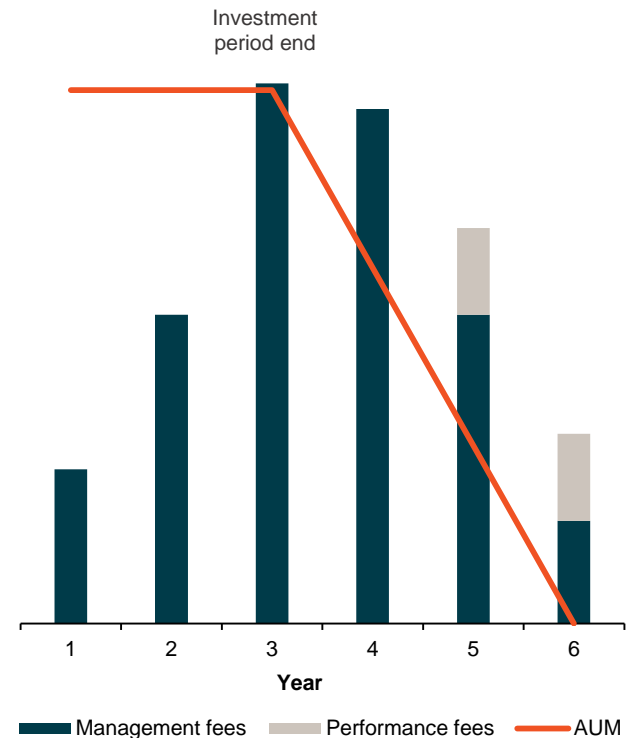
## Fees earned on invested capital basis

- Management fees are charged on invested capital
- Management fees are earned as fund invests over a 2-3 year investment period
- Fees run-off over years 3-8 as assets are realised
- Visibility of locked-in fee income stream over total fund life of 6-8 years
- Performance fees are available in later years of fund life, subject to performance conditions
- Real estate funds are raised sequentially with a typical fundraising cycle of 2-3 years

### Typical fee rates:

- Management fee of 1.0-1.3% on invested capital for Mezzanine and Development funds; 0.4% for Senior Debt
- Certain funds pay performance fee, subject to cash IRR hurdles (no catch up)

### Fee profile



# Fee profile - Credit Funds

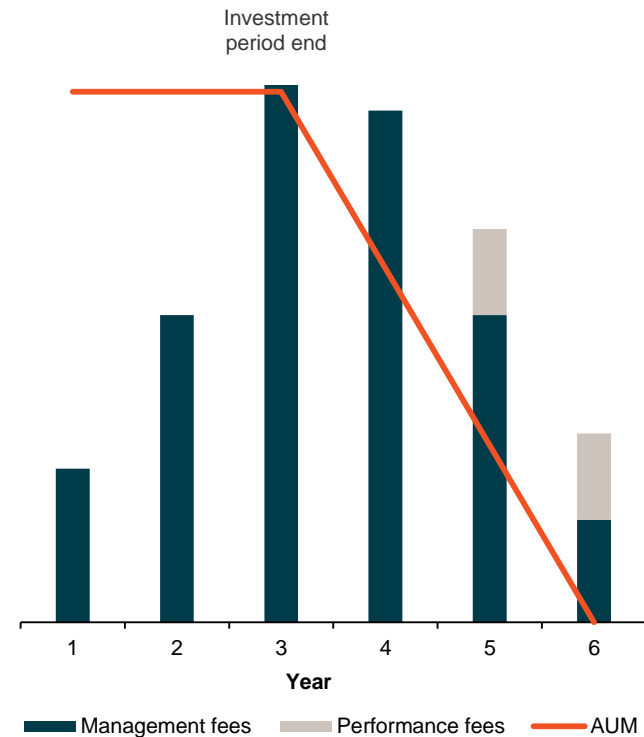
## Fees earned on invested capital basis

- Management fees are charged on invested capital
- Management fees are earned as fund invests over a c.3 year investment period
- Fees run-off over years 3-8 as assets are realised
- Visibility of locked-in fee income stream over total fund life of 6-8 years
- Performance fees are available in later years of fund life, subject to performance conditions
- Credit funds are raised sequentially with a typical fundraising cycle of c.3 years

### Typical fee rates:

- Management fee of 0.75% on invested capital
- Certain funds pay performance fee, subject to cash IRR hurdles

### Fee profile



# Fee profile - CLO Funds

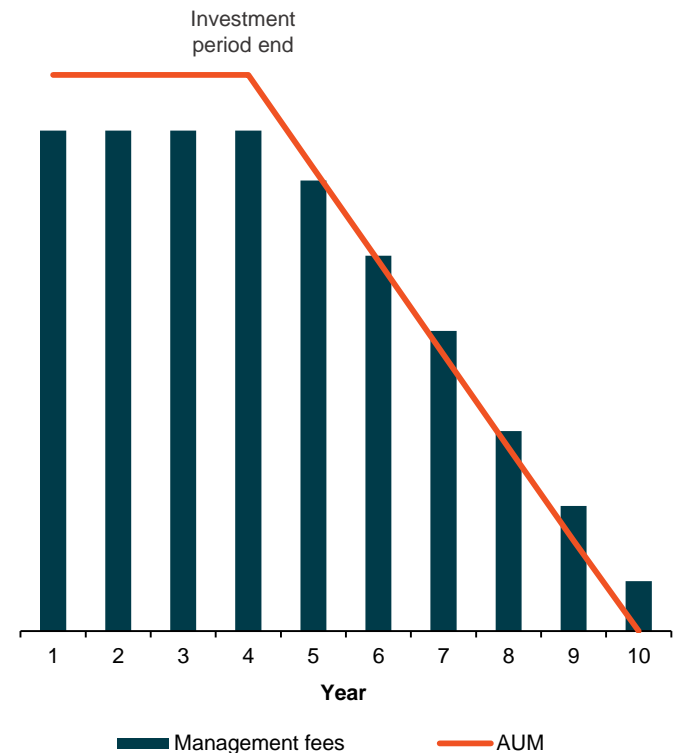
Fees earned on invested capital and fully invested from close

- Management fees are charged on invested capital
- Management fees are earned on fully invested portfolio from close which remains fully invested for 4 year re-investment period
- Fees run-off over years 4-8 as assets are realised
- Visibility of locked-in fee income stream over total fund life of up to 8 years
- CLO platform is highly scalable and funds can be raised sequentially (multiple funds per year)

## Typical fee rates:

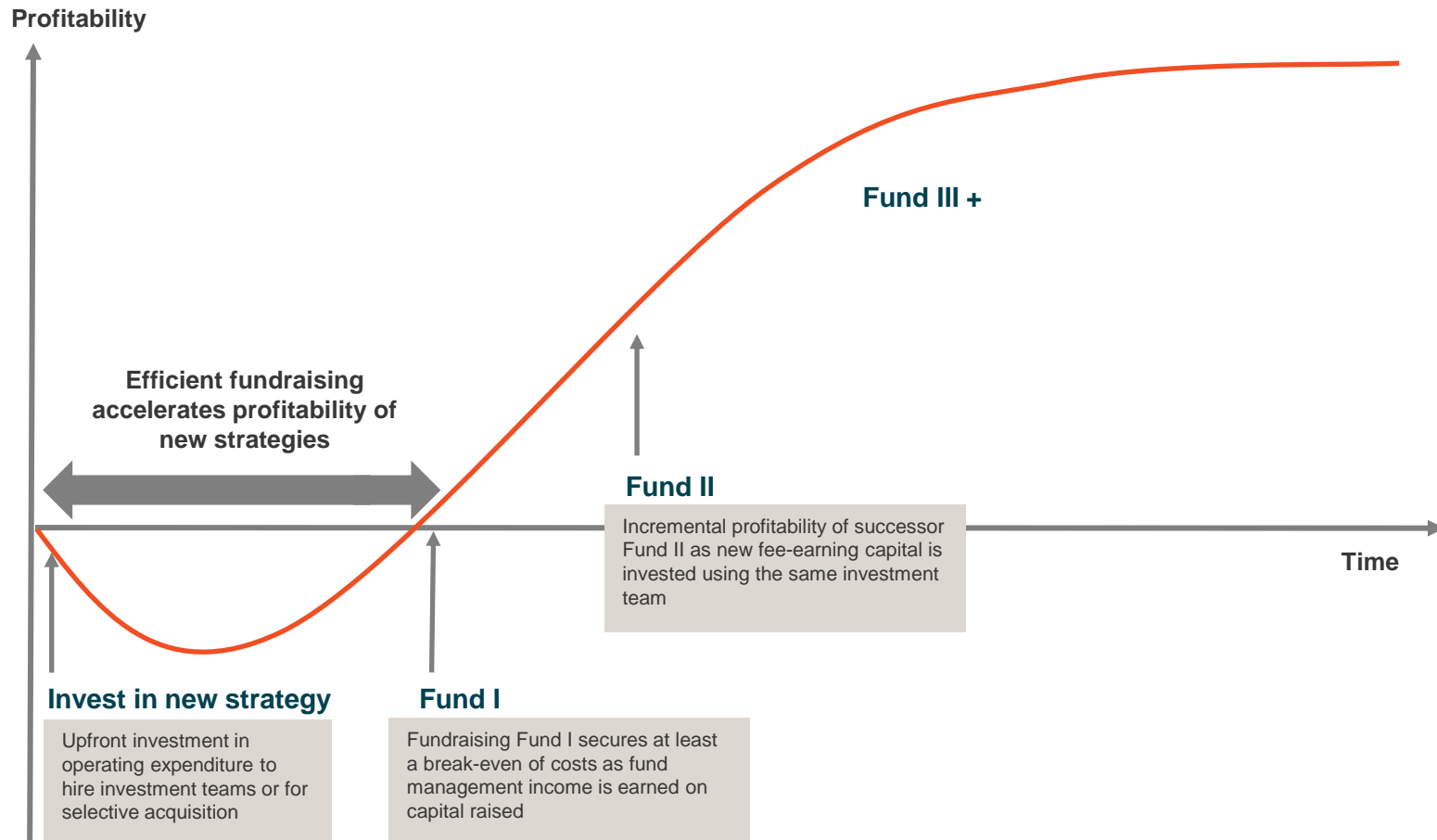
- Management fee of c.0.5% on invested capital
- No performance fee

## Fee profile



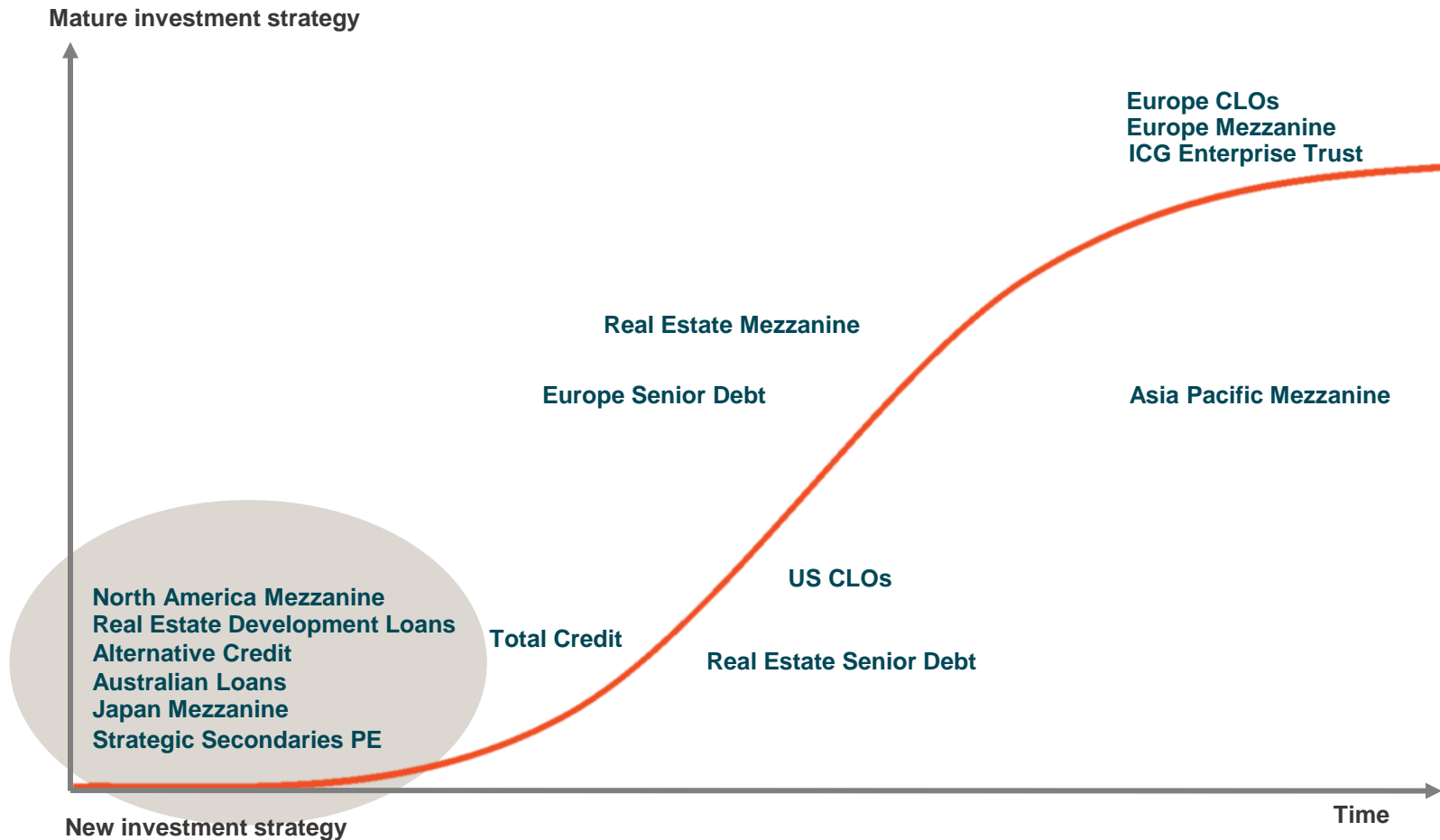
# Fund management profitability

New strategies contribute to profits once established



# Fund management profitability

Significant growth potential from recently established strategies



# Maximising shareholder returns

## Focus on operating and financial leverage for growth

### Operating leverage

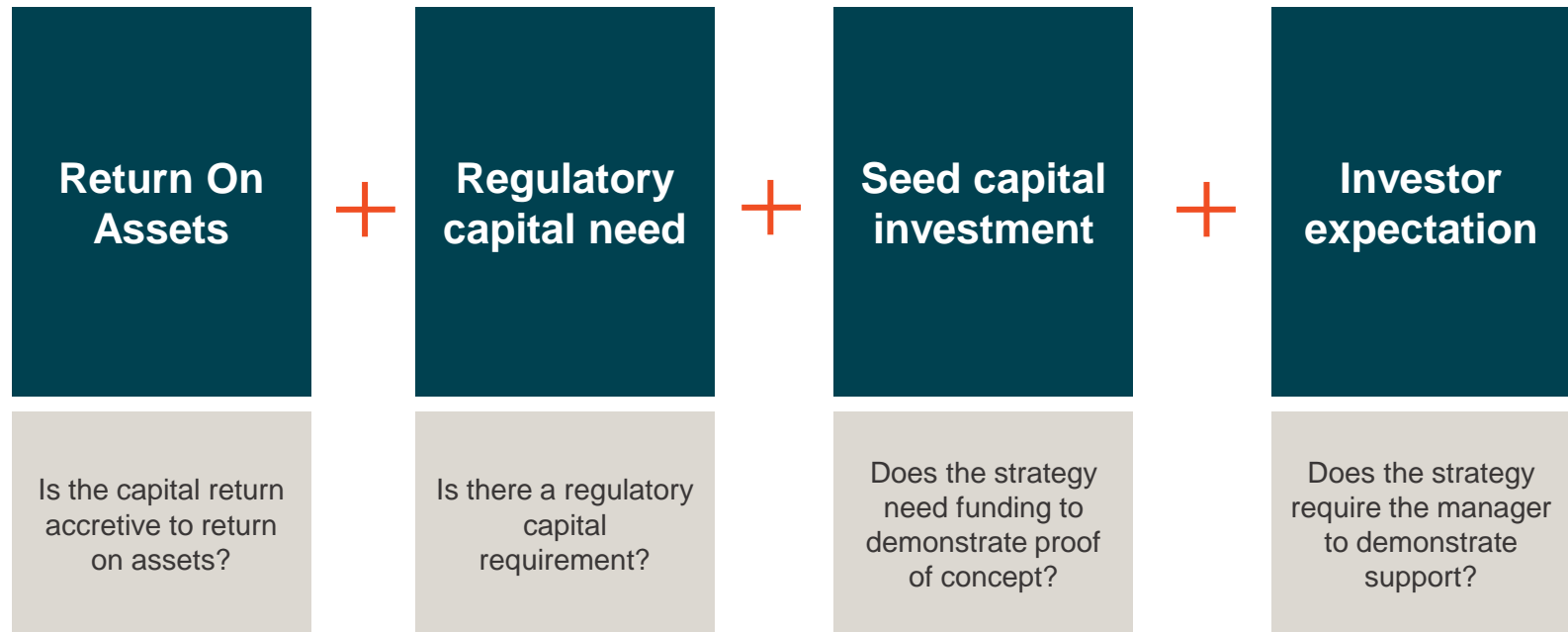
- Raise successive and larger funds using the same investment teams
- Develop new strategies utilising the same investment teams
- Re-invest to launch complementary funds leveraging existing investment expertise
- Integrate selective acquisitions to existing ICG framework
- Scale the existing infrastructure and distribution platform capability

### Financial leverage

- Optimise efficient allocation of balance sheet capital among funds
- Recycle investor capital across multiple funds through cross selling and re-investment of commitments
- Continue build-out of brand capital and recognition

# Capital allocation

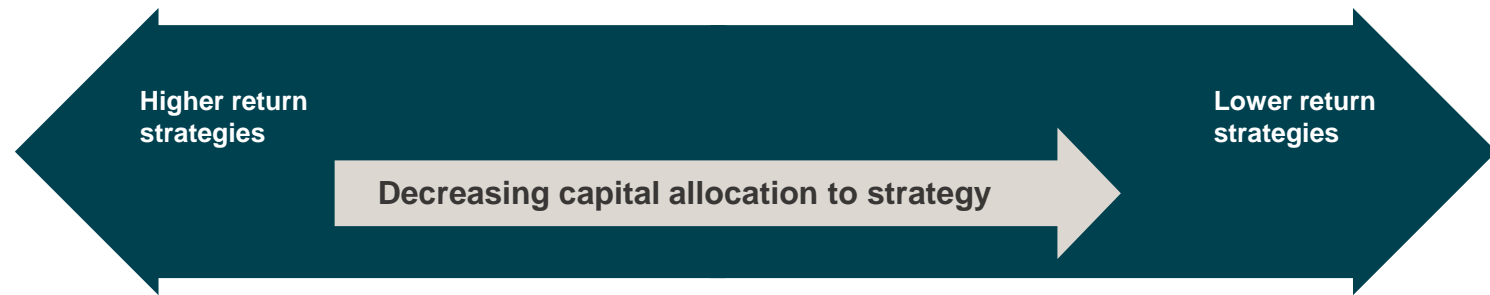
Balance sheet capital to support AUM growth





# Capital allocation

Efficient allocation of capital to optimise growth



% of balance  
sheet allocated  
to strategy:

**72%**

**Mezzanine & PE  
Secondaries Funds**

- Target 15-20% IRR
- 15-20% allocation

**6%**

**Real Estate  
Funds**

- Target 10% IRR
- 5-15% allocation

**14%**

**Credit  
Funds**

- Target 7-10% IRR
- c.5% allocation

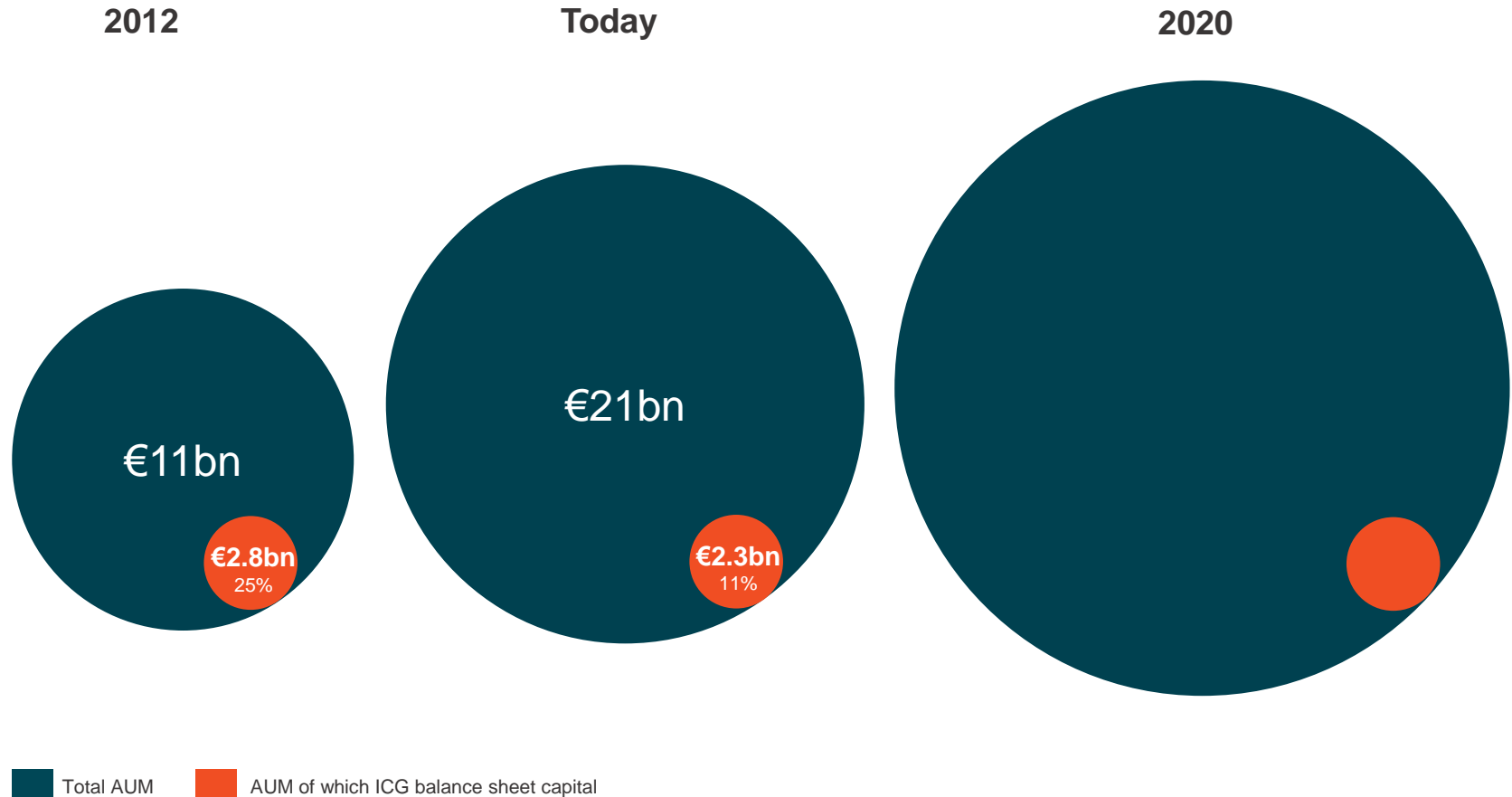
**8%**

**CLO  
Funds**

- 5-10% IRR
- Regulatory capital obligation

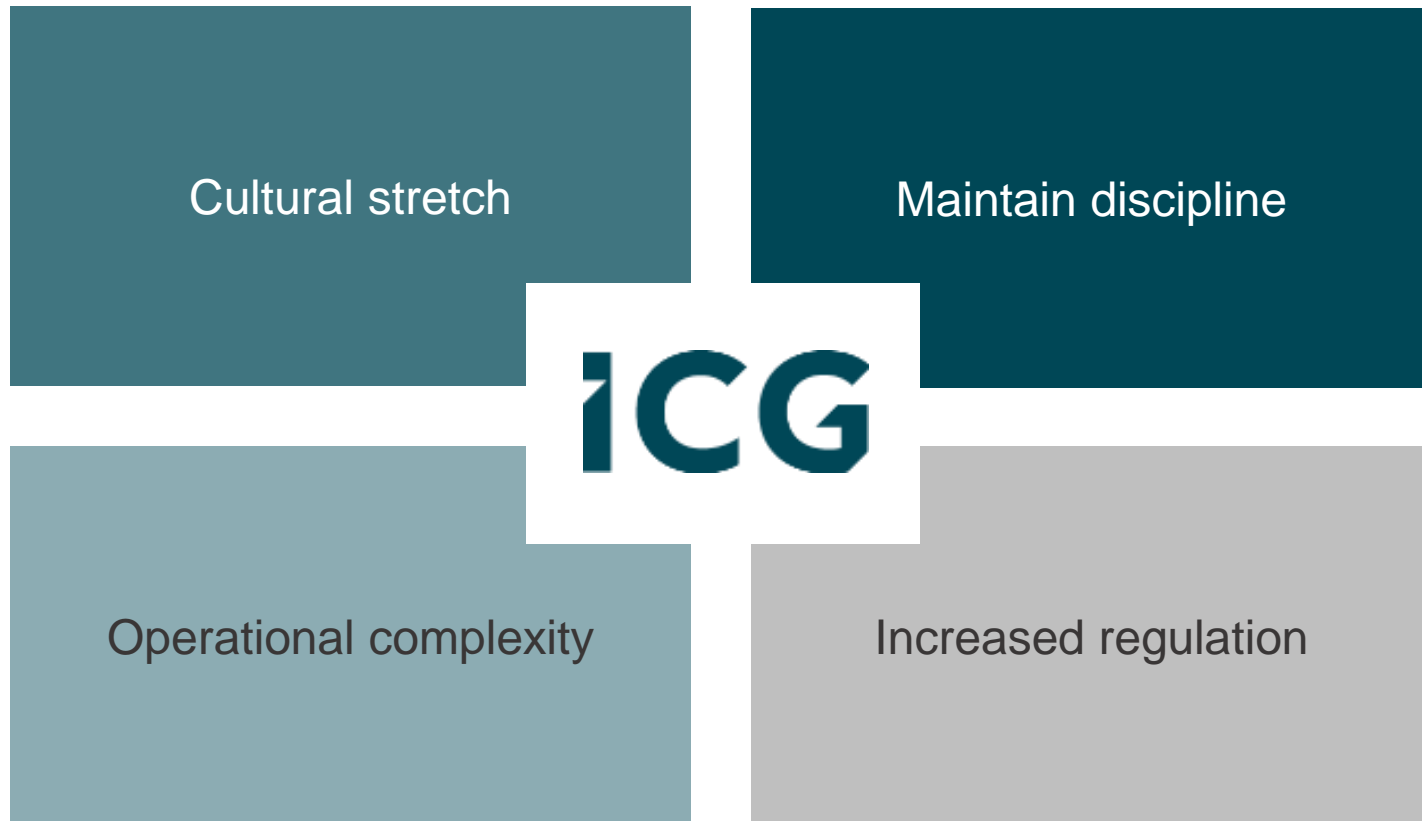
# Capital efficiency

Significant third party AUM growth achievable



# Managing growth

Retain focus on investment discipline and risk management



# Financial overview

## Sustainable profit streams from future growth

### Recurring and stable fee income streams

- Resilient and predictable fund management fee income stream underpinned by long term closed end funds
- Sticky investor base of institutional clients in multiple ICG funds

### Diverse fund offering across strategies

- Range of complementary strategies in various stages of their life cycle
- Capital re-investment for developing new strategies

### Leverage distribution and capital base

- Distribution capability and embedded investor relationships driving new fundraising inflow
- Optimal allocation of balance sheet capital supporting expanded AUM

### Operating and capital efficiency

- Robust operating margin through operating and financial leverage
- Efficient use of capital resources

# Wrap up

Christophe Evain



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# Summary

**Significant market opportunity and competitive strength**

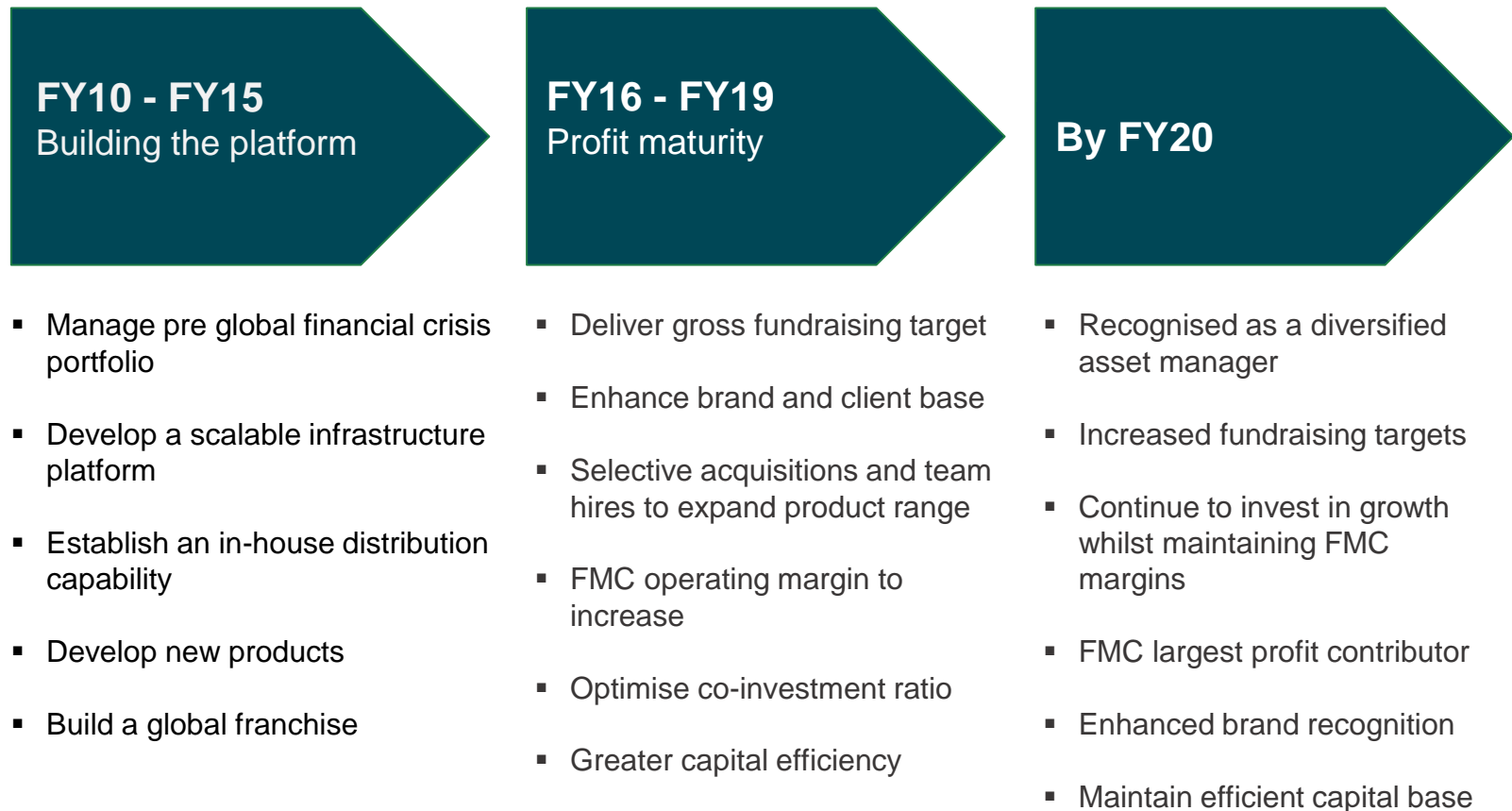
**Expertise in investment within single investment framework**

**Evidenced geographic and product expansion**

**Proven distribution platform capability**

**Fund management growth, capital efficiency and operating leverage will drive profits**

# Business priorities



# Q&A

## Christophe Evain

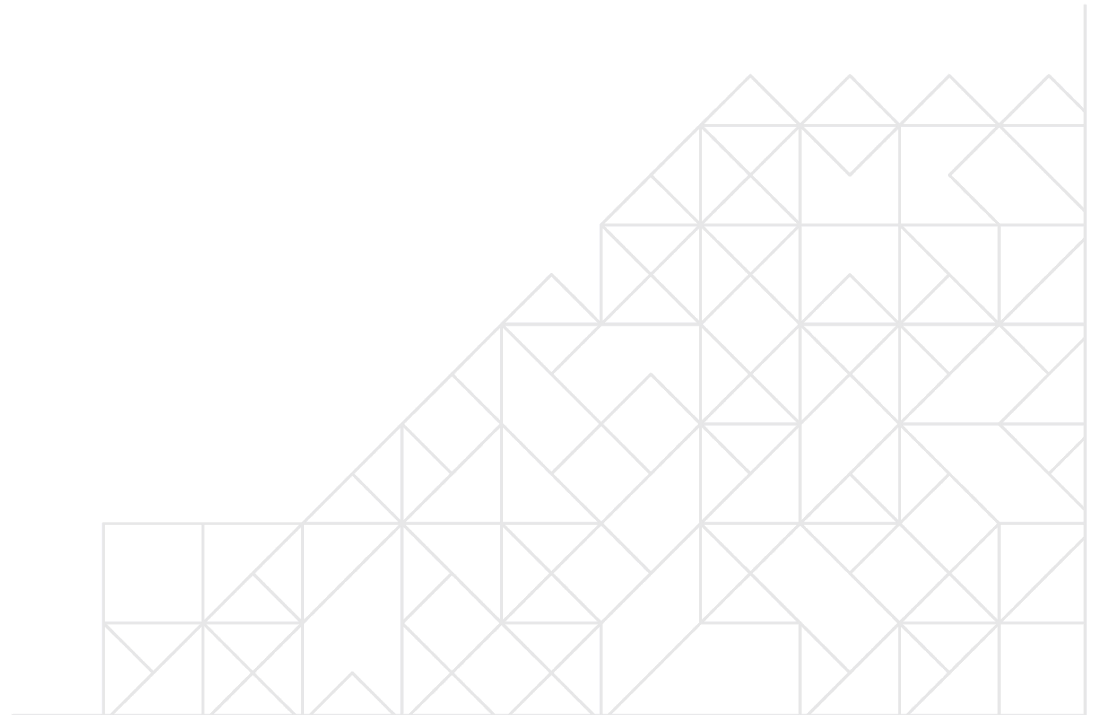






# Capital Markets Seminar

3 February 2016



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# Presenting Team



**Christophe Evain**  
**Executive Director and Chief Executive Officer**

Christophe has been CEO of ICG since 2010, during which time he has led the strategic development of the company to a fund management model. Prior to his appointment as CEO, Christophe had worked at ICG for 16 years and has been a key figure in the development of the business. He has led the expansion of ICG to new geographies by opening offices in Paris, Hong Kong and New York. Christophe also serves as Chief Investment Officer of ICG; he has a thorough and detailed knowledge of the investment portfolio and maintains a focus on investment discipline and quality.

Before ICG, Christophe held a number of roles in other leading financial institutions, specialising in leverage and structured finance.



**Philip Keller**  
**Executive Director and Chief Financial Officer**

Philip has been CFO of ICG for nine years and has responsibility for finance, operations and human resources. Philip is a Chartered Accountant. He has a strong focus on operational matters and stakeholder communications, and during his time as an Executive Director has overseen the significant expansion of the company's platform and infrastructure.

Prior to joining ICG, Philip was Finance Director of ERM, a global environmental consultancy, where he was part of a management team that led two leveraged buyouts in 2001 and 2005.



**Benoit Durteste**  
**Executive Director and Head of European Investments**

Benoit is an experienced investor with a strong understanding of European private equity markets. He is Head of European Investments and the Fund Manager for ICG's Europe Mezzanine funds. Benoit has detailed insight into the markets in which ICG operates and a thorough understanding of financial markets and the investment portfolio.

Benoit joined ICG in September 2002 from Swiss Re where he worked as a Managing Director in the Structured Finance division in London. Prior to that he held roles in leveraged finance and private equity successively at BNP and GE Capital, notably as a co-founder and CFO of one of their portfolio companies.

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# Presenting Team



**Dagmar Kent Kershaw**

**Head of Credit Fund Management in Europe and Asia Pacific**

Dagmar is the Head of Credit Fund Management in Europe and Asia Pacific and a member of the Credit Funds Investment Committee. Dagmar is responsible for overseeing management of ICG's multiple credit strategies focussing on Europe and Asia Pacific in addition to key client management.

Before joining ICG, Dagmar worked for Prudential M&G for seven years as Head of Structured Products, having originally founded that business. Prior to that, she was responsible for Prudential M&G's debt private placement business. She has extensive experience of the sub-investment grade structured finance markets and over twenty years of experience in the credit markets, also at Scotiabank and National Westminster Bank.



**Martin Wheeler**

**Head of ICG Longbow Real Estate**

Martin is a Co-Founder of Longbow and a member of ICG Longbow's Management Committee, Investment Committees and Asset Management Committee. Martin is responsible for overseeing management of investments, key client management, fund reporting and investor liaison.

Martin started his career with Legal & General Investment Management where he worked investing across the main commercial property sectors throughout the UK. Previously, Martin was a founder member of the Structured Property Finance business for Halifax and an Executive Director of GMAC.

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# Presenting Team



**Sal Gentile**  
Head of ICG North America

Sal is the Head of ICG's North America business and a member of the Investment Committee. Sal is responsible for overseeing the management of debt investments in North America and maintaining financial sponsor and intermediary relationships.

Sal was previously a senior member at Blackstone Group, a Co-Founder of Blackstone's Corporate Debt Group and a member of Blackstone's Debt Investment Committees. Sal was responsible for overseeing Blackstone's Mezzanine Group's underwriting and portfolio management activities, as well as maintaining relationships with financial sponsors and intermediaries.

Before joining Blackstone, Sal was a Director of Nomura's Leveraged Capital Group and at Alliance Capital Management.



**Andreas Mondovits**  
Head of Distribution

Andreas is the Head of the Marketing and Client Relations team. Andreas is responsible for ICG's global fundraising and client relations.

Before joining ICG, Andreas worked for UBS Global Asset Management where he spent over ten years in senior distribution and marketing roles, latterly as Global Head of Business Development for Global Real Estate. During his time at UBS Global Asset Management, Andreas ran European Sales Management, built up its Pan Asia franchise and was a key member of the global RE team that grew the business to become one of the largest real estate investment managers globally.

Prior to this, Andreas held senior sales and marketing roles at Merrill Lynch and UBS Warburg. He started his career in sales and marketing with Procter & Gamble and Coca Cola.

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