First Half Results

For the six months ended 30 September 2020

Embargoed until 7:00am on 17 November 2020

Fund Management Company profits up 6%; Interim dividend up 13%

Growth-orientated and resilient business model drives strong performance

Intermediate Capital Group plc (ICG or the Group) announces its first half results for the six months ended 30 September 2020.

Highlights

- Strong, off-cycle fundraising, despite the pandemic, with €2.6bn of new money raised in the period resulting in AUM of €46.1bn (+2% on 31 March 2020). Fundraising of €6bn expected for the full year
- Exceptional period of investment activity, particularly for our Strategic Equity and European Corporate funds, with a total of €2.1bn deployed and a further €4.0bn signed or in exclusivity
- Strong investment performance particularly in our European and Asian Corporate funds
- Fund Management Company profit before tax up 6% to £89.8m (H1 2020: £85.0m), representing an operating profit margin of 51.1% (H1 2020: 51.7%)
- Investment Company profit before tax of £108.0m (H1 2020: £68.4m) reflecting recovery in portfolio valuations and favourable realisations
- Group profit before tax on an IFRS basis up 29% to £197.8m (H1 2020: £153.4m); earnings per share up 32% to 66.9p (H1 2020: 50.8p)
- Robust financial position: strong balance sheet, with £1bn of available liquidity and net gearing of 0.67x (31 March 2020: 0.76x)
- Interim ordinary dividend up 13% to 17.0p per share (H1 2020: 15.0p), in line with our policy of paying a third of the prior full year dividend

Outlook:

- Fundraising timetable accelerated: Strategic Equity Fund IV launched, and Europe Fund VIII expected to launch in the next twelve months.
- Confident in maintaining our growth momentum given our performance track record and resilient business model, which additionally benefits from structural tailwinds for alternative asset management

Commenting on the results, Benoit Durteste, CEO, said:

“The sustained growth of our Fund Management Company profits demonstrates the strength of our business model in these challenging times, as we continue to see investor demand for a broad range of our funds, including a number of new strategies. Our long-life funds are designed to withstand economic cycles; our portfolios are performing well, and that is flowing through to profits. While remaining disciplined, we have experienced a period of exceptional investment activity since June. The pace of deployment in our flagship funds is such that we have already launched Strategic Equity IV and expect Europe Fund VIII to be in the market in the next twelve months.

This is much sooner than planned for both strategies which are expected to be larger than their predecessors. This will accelerate the growth of our Fund Management Company.

"I would like to thank all our employees for their continued dedication and hard work during the pandemic."

Commenting on the results Lord Davies of Abersoch, Chairman, said:

"ICG has an outstanding team who continue to build one of the world's leading diversified alternative asset management platforms, underpinned by a strong, well-capitalised balance sheet. Our performance during the pandemic demonstrates the resilience of our business model, which is supported by strong long-term industry dynamics, enabling us to maintain our commitment to value generation and shareholder returns through both earnings growth and an attractive ordinary dividend. We expect to emerge from this crisis stronger than before."

Financials

	Unaudited 6 months to 30 September 2020	Unaudited 6 months to 30 September 2019	% change	Audited 12 months to 31 March 2020
Alternative Performance Measures				
Fund Management Company profit before tax[1]	**£89.8m**	£85.0m	6%	£183.1m
Investment Company profit/(loss) before tax[1]	**£103.0m**	£66.0m	56%	£(72.3)m
Group profit before tax[1]	**£192.8m**	£151.0m	28%	£110.8m
Earnings per share[1]	**64.6p**	50.4p	28%	38.3p
Net gearing[1]	**0.67x**	0.80x	(16%)	0.76x
Net asset value per share	**£4.88**	£5.00	(2%)	£4.63
IFRS Consolidated				
Fund Management Company profit before tax	**£89.8m**	£85.0m	6%	£183.1m
Investment Company profit/(loss) before tax	**£108.0m**	£68.4m	58%	£(68.6)m
Group profit before tax	**£197.8m**	£153.4m	29%	£114.5m
Earnings per share	**66.9p**	50.8p	32%	38.2p
Dividend per share in respect of the period	**17.0p**	15.0p	13%	50.8p

[1] These are non-GAAP alternative performance measures and exclude the impact of the consolidation of certain funds and CLOs following the adoption of IFRS 10. Further details and a reconciliation are included on page 31.

Assets under management[1]

	30 September 2020	30 September 2019	31 March 2020
Third-party assets under management	**€43,688m**	€38,380m	€42,829m
Balance sheet investment portfolio[1]	**€2,410m**	€2,694m	€2,471m
Total assets under management	**€46,098m**	€41,074m	€45,300m
Third-party fee-earning assets under management	**€37,105m**	€32,892m	€35,868m
Balance sheet portfolio as a percentage of total assets under management	**5.2%**	6.6%	5.5%

The following foreign exchange rates have been used.

	30 September 2020 Average	30 September 2019 Average	31 March 2020 Average	**30 September 2020 Period end**	30 September 2019 Period end	31 March 2020 Period end
GBP:EUR	**1.1166**	1.1237	1.1447	**1.1025**	1.1282	1.1249
GBP:USD	**1.2786**	1.2497	1.2712	**1.2920**	1.2292	1.2420

Enquiries

A presentation for investors and analysts will be held at 09:00 GMT today on our website via the Webcast link under Latest Results https://www.icgam.com/shareholders. For those unable to dial in it will be available on demand https://www.icgam.com/shareholders later in the day.

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This Half Year Results statement may contain forward-looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report and should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward looking information.

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About ICG

ICG is a global alternative asset manager with over 30 years' history.

We manage €46.1bn of assets in private debt, credit and equity, principally in closed-end funds. We provide capital to help companies grow through private and public markets, developing long-term relationships with our business partners to deliver value for shareholders, clients and employees.

We operate across four asset classes – corporate, capital market, real asset and secondary investments. In addition to growing existing strategies, we are committed to innovation and pioneering new strategies across these asset classes where the market opportunity exists.

ICG is listed on the London Stock Exchange (ticker symbol: ICP). Further details are available at: www.icgam.com. You can follow ICG on LinkedIn https://www.linkedin.com/company/52126.

Business review

We have continued to grow our global alternative asset management business in line with our strategic objectives, delivering:

- Strong fundraising: €2.6bn raised in an off-cycle year, with fundraising of €6bn expected for the full year
- Stable fee rates: weighted average fee rate[1] at 0.85% compared to 0.86% in the prior year
- Substantial investment opportunities: €2.1bn deployed with a further €4.0bn signed or in exclusivity across our strategies, which accelerates the fundraising timetable for our flagship funds
- Robust financial position: strong balance sheet, with £1bn of available liquidity

Resilient and growth-orientated model

In an extraordinary environment when our employees, clients and portfolio companies around the world are facing many challenges, the strength of our resilient and growth-orientated business model has been evident in our performance in the first half of the financial year.

The management and Board of ICG remain focused on the wellbeing of our employees and those of our portfolio companies, and the role we play in the communities where we are present, through those companies and more broadly. Thanks to the dedication and commitment of our employees, their ability to adapt successfully to new ways of working, and the strength of our platform, we have been fully operational throughout the pandemic.

We have built a business model that is designed to deliver strong and sustainable results over the long term, both for investors in our funds, for our shareholders, and other stakeholders. Our funds are primarily closed-ended and long in duration which enables us to withstand economic cycles and to invest where we see opportunities.

Long-term industry tailwinds support ICG's growth

While the pandemic continues, visibility on the short-term economic outlook remains limited. At the same time, the long-term industry tailwinds which support ICG's growth are, if anything, intensifying. Over the last decade, institutional investors, attracted by enhanced returns, lower volatility and diversification opportunities, have increased their allocations to alternative investment strategies year-on-year. Also, the private markets investment landscape has expanded, with companies staying private for longer, and continuing to seek alternative sources of financing. These long-term trends are accelerating the growth of the alternative asset management industry as a whole. In addition, there is a flight to quality as investors favour the larger and more diversified managers with a compelling fund performance track record, such as ICG.

Fundraising set to be ahead of expectations in an off-cycle year

At €2.6bn (H1 2020: €4.6bn) our fundraising in the first half of the financial year has been ahead of our expectations in what was always going to be a slower fundraising year given our natural fundraising cycle. We now expect overall fundraising in the current financial year to be in line with our well-established, long-term fundraising plan of €6bn.

We continued to see strong demand for Senior Debt Partners which has to date raised a total of €4.2bn across Fund IV and segregated mandates, including €1.0bn raised in the period. As fees are charged on invested capital, the pace of fundraising has had no impact on the income statement.

Our liquid open-ended credit strategies had net inflows in the period, raising €0.5bn of new money. We also raised capital for the fourth vintage of our Asia Pacific Fund; closed one European CLO; and continued to make good progress with our new Sale and Leaseback and Infrastructure Equity strategies. We have also started fundraising for the second vintage of our Recovery Fund, with a first close in the period, to invest in opportunities that may arise from the current economic disruption.

Strong deployment for flagship funds bodes well for future fundraising

We have had an exceptional period of investment activity, while maintaining our rigorous and disciplined investment approach. In managing long-term funds our portfolio managers actively prepare for economic cycles and have flexibility within fund mandates to take advantage of dislocated markets. In addition, we have benefited from real competitive advantages in accessing the attractive deal opportunities that are emerging, thanks in particular to our significant available dry powder and our local presence in multiple markets, which brings on-the-ground expertise and relationships while also avoiding the constraints of current international travel restrictions. We have deployed €2.1bn across our direct investment strategies with a further €4.0bn of deals closed, signed or in exclusivity since 30 September. This compares to €5.9bn deployed across the whole of the last financial year. As at the end of

September 2020, we still had €10.8bn of capital available to deploy across all strategies, of which €6.5bn will be fee-earning once it is invested.

Our Strategic Equity fund in particular is benefiting significantly from current market conditions, with the investment opportunity expanding to include single-asset secondary transactions. The growth in this market is substantial, and as a global player with first-mover advantage, ICG is a market leader. The third-vintage fund, which only closed early in 2020, is deploying rapidly, and we have already launched fundraising for the next vintage, an unprecedentedly rapid return to market. Europe Fund VII is also deploying strongly and is likely to be back in the market in the next twelve months. As both of these flagship funds charge fees on committed capital fundraising will have an immediate positive impact on profit.

Diversified portfolios support long-term fund performance

Diversification is a core strength of our business model. We are investing across 22 strategies and have very little exposure to industries which are most negatively affected by the Covid-19 crisis. Our portfolios have performed well since the year-end and more strongly than initially expected. Portfolio investments in our Europe and Asia Pacific funds have performed exceptionally well in the period, particularly those in healthcare, education and technology. Consequently, we have very good visibility over the likely performance of these funds.

Our clients assess our performance on the returns we generate over the life of a fund, and we continue to expect to meet or exceed our fund-return hurdle rates over the longer term.

Diversified and robust balance sheet

We manage our balance sheet prudently, with a strong focus on liquidity, which stood at £1bn at 30 September 2020. We also continuously manage our sources of balance sheet financing while maintaining conservative financial leverage. The weighted-average life of drawn debt at 30 September 2020 was 4.8 years with £417m of maturities by the end of our next financial year (FY22), which includes a £250m unutilised revolving credit facility which we are currently in the process of refinancing.

These characteristics of prudence and liquidity gives us the flexibility and agility to support the growth of our business as opportunities arise. Our balance sheet capital is primarily invested alongside our funds and is both an enabler and an accelerator of the growth of our fund-management business. We expect the scale of our balance sheet commitment to remain broadly stable over time in absolute terms, and for it to represent a progressively smaller proportion of the overall AUM as we continue to grow our third-party fund management business. Our balance sheet portfolio is widely diversified, investing through our funds in over 300 companies, across 37 industries and 33 countries. The fund portfolio performance has driven the unrealised gains on our balance sheet portfolio in the period.

Interim dividend increased

In line with our stated policy that the interim dividend will equate to a third of the prior-year total, the Board has approved an interim dividend of 17.0p, an increase of 13%. The dividend will be paid on 8 January 2021 to shareholders on the register on 11 December 2020. We will continue to make the dividend reinvestment plan available.

Outlook: well-placed for significant sustainable long-term growth

The first half of 2020 was dominated by the social and economic impacts of Covid-19 globally. These will likely continue for some time.

While we remain cautious about the outlook for the remainder of this financial year, we expect to fundraise approximately €6bn, despite it being an off-cycle year and notwithstanding the challenges associated with Covid-19. We also believe that our resilient business model will deliver strong profitability, with the operating margin of our Fund Management business expected to be in line with our long-term guidance.

We are confident that the Group is in an excellent position for long-term growth and shareholder value creation. Our closed-end-funds model provides excellent visibility on future assets under management and Fund Management Company profits. We have significant growth potential from our existing portfolio of strategies, and we also expect the current environment to present further opportunities for us to innovate and increase diversification by asset class and geography. We therefore remain highly confident in our ability to grow our AUM over the long-term, supported by strong investor demand for our fund strategies and underpinned by our investment-performance track record.

[1] These are non-GAAP alternative performance measures. Please see the glossary on page 31 for further information.

Finance and operating review

The financial information prepared for, and reviewed by, management and the Board is on a non-GAAP basis. These are alternative performance measures as defined in the glossary on page 31. The IFRS financial statements are on pages 14 to 30.

Under IFRS, the Group is deemed to control funds when the Group is exposed, or has rights, to variable returns from its involvement with those funds and has the ability to affect those returns through its power over those funds. There are 15 credit funds and CLOs that are required to be consolidated under this definition of control. This has the impact of including all of the assets and liabilities of these funds in the consolidated statement of financial position and recognises all the related interest income and gains or losses on investments in the consolidated income statement. However, the legal and economic structure of these funds means that shareholders are only exposed to the Group's own investment in, and the fee income from, these funds and CLOs.

The Board believes that presenting the financial information in this review on a non-GAAP basis, and therefore excluding the impact of the consolidated credit funds and CLOs, assists shareholders in assessing their investment and the delivery of the Group's strategy through its financial performance. This is consistent with the approach taken by management, the Board and other stakeholders.

The Group's profit after tax on an IFRS basis was above the prior year at £192.8m (H1 2020: £147.5m). On the alternative performance measurement basis, it was above the prior year at £183.9m (H1 2020: £143.5m). The reconciliation is below:

Income Statement	6 months to 30 September 2020			6 months to 30 September 2019		
	Alternative performance measurement basis £m	**Adjustments £m**	**IFRS as reported £m**	Alternative performance measurement basis £m	Adjustments £m	IFRS as reported £m
Revenue						
Fee and other operating revenue	154.2	(6.1)	148.1	135.6	(8.0)	127.6
Finance and dividend income	11.7	(22.0)	(10.3)	17.4	(5.7)	11.7
Net investment returns / gains on investments	186.6	27.7	214.3	131.6	33.1	164.7
Total revenue	**352.5**	**(0.4)**	**352.1**	**284.6**	**19.4**	**304.0**
Finance costs	(37.9)	7.4	(30.5)	(20.3)	(8.8)	(29.1)
Administrative expenses	(121.8)	(2.2)	(124.0)	(113.3)	(9.6)	(122.9)
Other	-	0.2	0.2	-	1.4	1.4
Profit before tax	**192.8**	**5.0**	**197.8**	**151.0**	**2.4**	**153.4**
Tax	(8.9)	3.9	(5.0)	(7.5)	1.6	(5.9)
Profit after tax	**183.9**	**8.9**	**192.8**	**143.5**	**4.0**	**147.5**

Non-GAAP measures are denoted by [1] throughout this review. The definition, and where appropriate, reconciliation to a GAAP measure, is included in the glossary on page 31.

Overview

The Group's profit before tax[1] for the period under the alternative performance measurement basis was 28% higher at £192.8 (H1 2020: £151.0m), with Fund Management Company (FMC) profit 6% higher at £89.8m (H1 2020: £85.0m) and Investment Company (IC) profit 56% higher at £103.0m (H1 2020: £66.0m).

Our principal profit metric is FMC profit which has benefited from the increase in assets under management and increased fee income, partially offset by lower dividend income and increased operating costs in the period. The IC has reported increased profits with net investment returns higher primarily due to the recognition of unrealised gains arising from the period end portfolio valuations.

The IC profit also includes a non-cash loss of £7.4m (H1 2020: gain of £8.5m) arising from the fair value movement of hedging derivatives. We use these to match the currency exposure of our Investment Company assets and related liabilities.

Income statement Alternative performance measurement basis	6 months to 30 September 2020 £m	6 months to 30 September 2019 £m	Change %
Fund Management Company	89.8	85.0	6%
Investment Company	103.0	66.0	56%
Profit before tax	192.8	151.0	28%
Tax	(8.9)	(7.5)	19%
Profit after tax	183.9	143.5	28%

The effective tax rate is lower than the standard corporation tax rate of 19%, as detailed on page 29. This is due to a significant proportion of the Investment Company's assets being invested directly into funds based outside the United Kingdom. Investment returns from these funds are paid to the Group in the form of non-taxable dividend income. This is in line with other UK investment companies. The Investment Company's taxable costs offset the taxable profits of our UK Fund Management business, reducing the overall Group charge.

Based on the alternative performance measurement profit above, the Group generated a ROE[1] of 28.5% (H1 2020: 21.0%). Adjusted earnings per share[1] for the period of 64.6p (H1 2020: 50.4p) consisted of: Fund Management Company 30.1p (H1 2020: 28.4p) and Investment Company 34.5p (H1 2020: 22.0p).

Net current assets[1] of £511.7m are down from £762.3m at 31 March 2020, with a net decrease in cash and financial liabilities maturing within one year of £254.5m.

Fund Management Company

Assets under management

A key measure of the success of our strategy to generate value from our fund management business is our ability to grow assets under management[1]. AUM is our best lead indicator of sustainable future fee streams and therefore sustainable profit growth. In the six-month period to 30 September 2020, the net impact of fundraising and realisations saw third party AUM increase 2% to €43.7bn. AUM by strategic asset class is detailed below, where all figures are quoted in €m.

Third party AUM by strategic asset class	Corporate Investments €m	Capital Market Investments €m	Real Asset Investments €m	Secondary Investments €m	Total Third-party AUM €m
At 1 April 2020	20,689	13,831	4,944	3,365	42,829
Additions	1,441	869	244	-	2,554
Realisations	(561)	(226)	(159)	(18)	(964)
FX and other	(222)	(160)	(145)	(204)	(731)
At 30 September 2020	**21,347**	**14,314**	**4,884**	**3,143**	**43,688**
Change %	3%	3%	(1%)	(7%)	2%

Corporate Investments

Corporate Investments third-party funds under management increased 3% to €21.3bn in the period as additions of €1.4bn, including €1.0bn for Senior Debt Partners, €0.2bn for Asia Pacific Fund IV and €0.2bn for our recently launched Recovery Fund, outweighed the realisations from our older funds.

Capital Market Investments

Capital Markets third-party funds under management increased 3% to €14.3bn, with new third party AUM of €0.9bn raised in the period. We priced a €0.4bn European CLO in March which closed in the current period. The remaining €0.5bn was raised across our other liquid credit funds and multi-asset mandates.

Real Asset Investments

Real Assets third-party funds under management decreased 1% to €4.9bn. This reflects the fundraising cycle for our real estate strategies, with no funds currently being raised and realisations from our older funds. We raised €0.2bn of new AUM in the period across our Infrastructure Equity and Sale and Leaseback funds.

Secondary Investments

Secondary's third-party funds under management decreased 7% to €3.1bn. With Strategic Equity closing its latest fund at the beginning of this calendar year, there were no funds being raised during the period. The decrease in AUM is therefore attributable to realisations from our older funds.

Fee earning AUM

The deployment rate for our Senior Debt Partners strategy, our Real Estate funds and our North American Private Debt Fund has a direct impact on FMC income as fees are charged on an invested-capital basis. The total amount of third-party capital deployed on behalf of the direct investment funds was €2.1bn in the period compared to €2.2bn in the first half of the last financial year. The direct investment funds are investing as follows, based on third-party funds raised at 30 September 2020:

Strategic asset class	Fund	% invested at 30 September 2020	% invested at 31 March 2020	Assets in fund at 30 September 2020	Deals completed in period
Corporate Investments	ICG Europe Fund VII	53%	52%	8	0
Corporate Investments	Europe Mid-Market Fund	14%	7%	2	1
Corporate Investments	North American Private Debt Fund II	42%	26%	11	4
Corporate Investments	Senior Debt Partners IV*	22%	15%	10	6
Real Asset Investments	ICG Longbow Real Estate Fund V	69%	61%	15	1
Secondary Investments	Strategic Equity III	48%	30%	5	2

* Co-mingled fund, excluding mandates and undrawn commitments

Fee-earning AUM has increased 3% to €37.1bn since 1 April 2020 primarily due to the immediate impact of those funds which charge fees on committed capital, fundraising across our capital markets strategies, and the deployment of Senior Debt Partners and Real Estate funds. New investments made in our direct investment funds are partially offset by realisations as detailed below:

Third party fee earning AUM	Corporate Investments €m	Capital Market Investments €m	Real Asset Investments €m	Secondary Investments €m	Total Third Party Fee Earning AUM €m
At 1 April 2020	15,641	13,182	3,784	3,261	35,868
Additions	1,347	1,068	475	5	2,895
Realisations	(665)	(262)	(147)	(24)	(1,098)
FX and other	(156)	(108)	(79)	(217)	(560)
At 30 September 2020	**16,167**	**13,880**	**4,033**	**3,025**	**37,105**
Change %	3%	5%	7%	(7%)	3%

Fee income

Third-party fee income[1] of £154.2m was 14% higher than the prior year due to the successful fundraising in the current and prior year of funds which charge fees on committed capital as well as investments made by other funds that charge fees on invested capital. Details of movements are shown below:

Fee income	**6 months to 30 September 2020 £m**	6 months to 30 September 2019 £m	Change %
Corporate Investments	**88.5**	81.2	9%
Capital Market Investments	**29.3**	25.8	14%
Real Asset Investments	**17.0**	11.3	50%
Secondary Investments	**19.4**	17.3	12%
Total third-party funds	**154.2**	135.6	14%
IC management fee	**10.0**	11.4	(12%)
Total	**164.2**	147.0	12%

Third-party fees include £15.5m of net performance fees (H1 2020: £15.6m), primarily related to Corporate Investments. Performance fees are an integral recurring part of the fee income profile and profit stream of the Group.

Third-party fees are 84% denominated in Euros or US Dollars. The Group's policy is to hedge non-Sterling fee income to the extent that it is not matched by costs and is predictable. Total fee income included a £1.9m FX benefit in the period.

The weighted-average fee rate[1], excluding performance fees, across our fee earning AUM is 0.85% (March 2020: 0.86%).

Weighted-average fee rates	**30 September 2020 £m**	31 March 2020 £m
Corporate Investments	**1.07%**	1.05%
Capital Market Investments	**0.46%**	0.49%
Real Asset Investments	**0.96%**	0.91%
Secondary Investments	**1.25%**	1.49%
Total third-party funds	**0.85%**	0.86%

Other income

In addition to fees, the FMC recorded CLO dividend receipts[1] of £11.7m (H1 2020: £17.4m). The reduction resulted from Covid-related credit-rating downgrades of some of the underlying assets meaning that they are temporarily unable to make dividend distributions. The level of credit rating downgrades has stabilised, but we remain cautious in our short-term outlook for CLO dividend receipts.

Operating expenses

Operating expenses of the FMC were £86.1m (H1 2020: £79.4m).

Salaries were £30.3m (H1 2020: £27.5m) as average headcount increased 13% from 326 to 369, the result of continued investment across our platform in the prior year. This also led to increased incentive scheme costs of £33.9m (H1 2020: £30.0m). Other administrative costs remained flat at £21.9m (H1 2020: £21.9m), with higher costs from our new head office offset by lower travel and entertainment expense.

The FMC operating margin[1] was 51.1%, down from 51.7% in the prior year, as a result of lower CLO dividend receipts and continued investment in newer strategies. Average fee earning AUM increased 10% to €36.6bn for the six months ending 30 September thereby increasing the operating leverage of our existing strategies.

Investment Company

Balance sheet investments

The balance sheet investment portfolio[1] remained flat in the period at £2.2bn, representing 5.2% (2020: 5.5%) of total assets under management, as illustrated in the investment portfolio bridge below.

	£m
At 1 April 2020	2,196.8
New investments	123.0
Realisations	(280.7)
Net investment returns*	182.2
Cash interest received	(31.7)
FX and other	(3.3)
At 30 September 2020	**2,186.3**

* Excludes net investment returns of £3.9m from current assets held on the balance sheet prior to being transferred to third party investors or funds

Realisations comprise the return of £269.8m of principal and the crystallisation of £10.9m of net investment returns.

In the period £39.4m was invested alongside our Corporate Investments strategies for new and follow-on investments. Of the remaining £83.6m, £18.1m was invested in new and reset CLOs, £42.7m in our Real Asset Investment strategies and £22.8m in our Strategic Equity strategy.

The Sterling value of the portfolio decreased by £2.3m due to FX movements. The portfolio is 41% Euro denominated, 24% US dollar denominated and 23% Sterling denominated.

The balance sheet investment portfolio is weighted towards the higher-returning asset classes as detailed below:

	As at 30 September 2020 £m	**% of total**	As at 31 March 2020 £m	% of total
Corporate Investments	**1,329**	**61%**	1,327	60%
Capital Market Investments	**446**	**21%**	433	20%
Real Asset Investments	**248**	**11%**	297	14%
Secondary Investments	**163**	**7%**	140	6%
Total balance sheet portfolio	**2,186**	**100%**	2,197	100%

In addition, £22.0m (31 March 2020: £12.8m) of current assets are held on the balance sheet prior to being transferred to third-party investors or funds.

Net investment returns

Net investment returns[1] of £186.1m (H1 2020: £131.6m) represents the total return generated in the period from the balance sheet investments in our third-party funds and represents 17.0% of the average balance sheet portfolio (H1 2020: 10.8%). As with unrealised losses, unrealised gains do not result in cash movements. The Group's long-term business model, involving management of predominantly closed-end funds, means that teams are not forced to exit investments to meet liquidity needs. They have the benefit of time and portfolios are structured to perform through economic cycles.

Net investment returns by asset class were as follows:

	As at 30 September 2020 £m	As at 30 September 2019 £m	Change %
Corporate Investments	**156.4**	87.0	80%
Capital Market Investments	**17.9**	10.3	74%
Real Asset Investments	**7.6**	6.3	21%
Secondary Investments	**4.2**	28.0	(85%)
Total net investment returns	**186.1**	131.6	41%

The fair value of the funds that the Group's Corporate Investments represent is determined in line with industry guidelines and uses both earnings multiple and discounted cash flow valuation techniques. The increase in net investment return is primarily due to unrealised gains arising from the half year valuations reflecting the stronger performance of the fund portfolio investments in the healthcare, education and technology sectors, and more broadly those in Asia Pacific.

Within Capital Market Investments is the Group's regulatory investment in the CLOs it manages. The fair value of the CLO equity assets is assessed using discounted cash flow models, with CLO debt assets valued based on observable market prices. Valuations can therefore be volatile in the short term. With a small number of assets currently in default – representing only 2% of the CLO portfolio – we have reduced our peak default rate assumption from 8% to 6%. The impact of this reduction has been more than offset by other assumptions, including extending the peak default timeframe, as we continue to apply a cautious valuation approach in the light of ongoing uncertainties related to the pandemic.

Net investment returns on our Secondary Investments in the prior year were enhanced by a significant uplift on one individual portfolio investment.

Interest expense

Interest expense[1] of £30.5m was £1.7m higher than the prior period (H1 2020: £28.8m), due to an increase in the average level of drawn debt in the period.

Operating expenses

Operating expenses[1] of the IC amounted to £35.7m (H1 2020: £33.9m), of which incentive scheme costs of £24.2m (H1 2020: £24.4m) were the largest component. Other staff and administrative costs were £11.5m compared to £9.5m in the first half of last year, a £2.0m increase primarily due to increased head-office costs and investment in our platform in the prior year.

Group cash flow and debt

Balance sheet liquidity remains healthy, with £1,015m of available cash and unutilised debt facilities at 30 September 2020, excluding the consolidated structured entities. The movement in the Group's cash and unutilised debt facilities during the period is detailed as follows:

	£m
At 1 April 2020	1,216.5
Private placement notes repaid	(170.4)
Retail bond repaid	(80.0)
Movement in cash	(433.6)
Movement in drawn debt	515.4
FX and other	(33.4)
At 30 September 2020	**1,014.5**

Total drawn debt at 30 September 2020 was £1,405m compared to £1,915m at 31 March 2020, with available cash of £465m compared to £917m at 31 March 2020.

Capital position

Shareholders' funds increased by £80.9m to £1,390.1m (31 March 2020: £1,309.2m), as the retained profits in the period were offset by the payment of the ordinary dividend. Total net debt[1] to shareholders' funds (net gearing[1]) as at 31 March 2020 decreased to 0.67x from 0.76x at 31 March 2020, a level we are comfortable with given the current economic environment.

Principal risks and uncertainties

The principal risks and uncertainties to which the Group is exposed for the remainder of the year have been subject to robust assessment by the Directors and remain consistent with those outlined in our annual report for the year ended 31 March 2020.

The Group is contending with several challenges posed by the Covid-19 pandemic, including market volatility and new ways of working. In the first half of 2020, we responded positively to the early challenges presented by the pandemic and adapted successfully to operating remotely, with minimal disruption to business continuity. Our priority has been, and remains, the safety and wellbeing of our colleagues and our ability to continue to serve our clients. Any return to our office locations has been carefully considered in respect of the best interests of our team members, risk assessments being conducted in line with local guidance, and robust return-to-office procedures. We are monitoring carefully those locations operating in a hybrid home and office environment which presents its own distinct challenges. While our working arrangements will continue to evolve with the varied impact of Covid-19 regionally, we are prepared for our offices to operate with fewer colleagues on site for an extended period of time, if required.

Our investment teams acted quickly and decisively to take the measures necessary to best navigate the unexpected challenges presented by the pandemic, and they continue to interact regularly with clients and portfolio company management and hold meetings virtually. In line with our well-established fundraising plan, this was also going to be a lower fundraising year, but there may also be a slowdown in the broader fundraising market as clients focus on managing existing portfolios. Additionally, although it is difficult to fully replace the benefits of in-person meetings, remote due diligence has been effective, allowing transactions to still be completed.

Careful attention is being paid to the ongoing potential impacts of Covid-19 and the resulting impact on our principal risks and the overall risk profile of the Group. We will continue to monitor the situation and potential exposures as matters evolve and develop a range of further plans to put into action should this be required.

Responsibility Statement

We confirm to the best of our knowledge:

- The condensed set of financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting';

- The interim management report, which is incorporated into the Directors' report, includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and

- There have been no material related-party transactions that have an effect on the financial position or performance of the Group in the first six months of the current financial year since that reported in the 31 March 2020 Annual Report.

This responsibility statement was approved by the Board of Directors on 16 November 2020 and is signed on its behalf by:

Benoit Durteste	Vijay Bharadia
CEO	CFOO

Independent Review Report to Intermediate Capital Group plc

Introduction

We have been engaged by Intermediate Capital Group plc (the 'Company' or the 'Group') to review the condensed consolidated financial statements in the Half-year financial report for the six months ended 30 September 2020 which comprises the Condensed consolidated income statement, Condensed consolidated statement of comprehensive income, Condensed consolidated statement of financial position, Condensed consolidated statement of cash flows, Condensed consolidated statement of changes in equity and the related notes 1 to 9 (together the 'condensed consolidated financial statements'). We have read the other information contained in the Half-year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The Half-year financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half-year financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed consolidated financial statements included in this Half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated financial statements in the Half-year financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements in the Half-year financial report for the six months ended 30 September 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London
16 November 2020

Condensed Consolidated Income Statement

For the six months ended 30 September 2020

	Notes	**Six months ended 30 September 2020 (Unaudited) £m**	Six months ended 30 September 2019 (Unaudited) £m
Fee and other operating income	2	**148.1**	127.6
Finance (loss)/income		**(10.3)**	11.7
Net gains on investments		**214.3**	164.7
Total revenue		**352.1**	304.0
Finance costs		**(30.5)**	(29.1)
Administrative expenses		**(124.0)**	(122.9)
Share of results of joint ventures accounted for using equity method		**0.2**	1.4
Profit before tax		**197.8**	153.4
Tax charge	7	**(5.0)**	(5.9)
Profit after tax		**192.8**	147.5
Attributable to:			
Equity holders of the parent		**190.5**	144.5
Non controlling interests		**2.3**	3.0
		192.8	147.5
Earnings per share	5	**66.9p**	50.8p
Diluted earnings per share	5	**66.0p**	50.0p

All activities represent continuing operations. The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2020

	Six months ended 30 September 2020 (Unaudited) £m	Six months ended 30 September 2019 (Unaudited) £m
Profit after tax	**192.8**	147.5
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**(1.5)**	9.6
Tax on items taken to other comprehensive income	**3.8**	1.1
	2.3	10.7
Total comprehensive income for the period	**195.1**	158.2

Attributable to:		
Equity holders of the parent	**192.8**	154.6
Non controlling interests	**2.3**	3.6
	195.1	158.2

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 30 September 2020

	Notes	**30 September 2020 (Unaudited) £m**	31 March 2020 (Audited) £m
Non current assets			
Intangible assets		**26.0**	26.7
Property, plant and equipment	9	**65.8**	13.4
Investment property		**1.7**	8.1
Investment in joint venture accounted for under the equity method		**2.8**	2.5
Financial assets at fair value	4	**5,868.6**	5,492.6
Derivative financial assets	4	**3.5**	12.8
Deferred tax asset		**13.2**	11.1
		5,981.6	5,567.2
Current assets			
Trade and other receivables		**271.8**	201.8
Financial assets at fair value	4	**22.0**	12.8
Derivative financial assets	4	**111.5**	126.5
Current tax debtor		**20.9**	22.8
Cash and cash equivalents		**602.5**	1,086.9
		1,028.7	1,450.8
Total assets		**7,010.3**	7,018.0
Equity and reserves			
Called up share capital		**77.2**	77.2
Share premium account		**179.9**	179.9
Other reserves		**(11.8)**	(28.3)
Retained earnings		**1,144.8**	1,080.4
Equity attributable to owners of the Company		**1,390.1**	1,309.2
Non controlling interest		**3.8**	1.5
Total equity		**1,393.9**	1,310.7
Non current liabilities			
Provisions		**0.2**	0.1
Financial liabilities at fair value	4,8	**3,725.0**	3,329.3
Financial liabilities at amortised cost	8	**1,308.3**	1,664.1
Other financial liabilities	8	**56.3**	5.5
Derivative financial liabilities	4	**48.6**	41.4
Deferred tax liabilities		**1.8**	1.9
		5,140.2	5,042.3
Current liabilities			
Provisions		**0.6**	0.7
Trade and other payables		**304.7**	336.0
Financial liabilities at amortised cost	8	**96.5**	252.8
Other financial liabilities	8	**3.2**	3.2
Current tax creditor		**4.9**	6.6
Derivative financial liabilities	4	**66.3**	65.7
		476.2	665.0
Total liabilities		**5,616.4**	5,707.3
Total equity and liabilities		**7,010.3**	7,018.0

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2020

	Six months ended 30 September 2020 (Unaudited) £m	Six months ended 30 September 2019 (Unaudited) £m
Operating activities		
Interest received	**125.2**	124.0
Fees received	**120.2**	106.5
Dividends received	**2.2**	0.5
Payments to suppliers and employees	**(139.1)**	(56.3)
Proceeds from sale of current financial assets and disposal groups	**7.2**	80.7
Purchase of current financial assets and disposal groups	**(12.9)**	(82.1)
Proceeds from sale of non current financial assets	**990.9**	1,031.4
Purchase of non current financial assets	**(872.6)**	(1,294.0)
Net cash inflow from derivative contracts	**8.7**	15.4
Cash generated from / (used in) operating activities	**229.8**	(73.9)
Taxes (paid) / received	**(0.9)**	0.9
Net cash generated from / (used in) operating activities	**228.9**	(73.0)
Investing activities		
Purchase of property, plant and equipment	**(6.7)**	(2.7)
Purchase of intangible assets	**(2.2)**	-
Net cash used in investing activities	**(8.9)**	(2.7)
Financing activities		
Dividends paid	**(102.3)**	(100.0)
Interest paid	**(85.1)**	(93.8)
Payment of lease liabilities	**(5.8)**	(2.4)
Increase in long term borrowings	**-**	496.8
Repayment of long term borrowings	**(496.7)**	(150.5)
Purchase of own shares	**-**	(48.5)
Net cash (used in) / generated from financing activities	**(689.9)**	101.6
Net (decrease) / increase in cash	**(469.9)**	25.9
Cash and cash equivalents at beginning of period	**1,086.9**	354.0
Effect of foreign exchange rate changes	**(14.5)**	(26.8)
Net cash and cash equivalents at end of period	**602.5**	353.1
Presented on the statement of financial position as:		
Cash and cash equivalents	**602.5**	353.1

The Group’s cash and cash equivalents includes £138.0m (31 March 2020: £172.2m) of restricted cash held principally by structured entities controlled by the Group.

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2020

(Unaudited)	Share capital £m	Share premium £m	Capital redemption reserve £m	Share based payments reserve £m	Own shares £m	Foreign currency translation reserve £m	Retained earnings £m	Total £m	Non controlling interest £m	Total equity £m
Balance at 1 April 2020	**77.2**	**179.9**	**5.0**	**58.4**	**(114.4)**	**22.7**	**1,080.4**	**1,309.2**	**1.5**	**1,310.7**
Profit after tax	**-**	**-**	**-**	**-**	**-**	**-**	**190.5**	**190.5**	**2.3**	**192.8**
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**(1.5)**	**-**	**(1.5)**	**-**	**(1.5)**
Tax on items taken to other comprehensive income	**-**	**-**	**-**	**3.8**	**-**	**-**	**-**	**3.8**	**-**	**3.8**
Total comprehensive income for the period	**-**	**-**	**-**	**3.8**	**-**	**(1.5)**	**190.5**	**192.8**	**2.3**	**195.1**
Options/awards exercised	**-**	**-**	**-**	**(31.1)**	**31.9**	**-**	**(23.8)**	**(23.0)**	**-**	**(23.0)**
Credit for equity settled share schemes	**-**	**-**	**-**	**13.4**	**-**	**-**	**-**	**13.4**	**-**	**13.4**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(102.3)**	**(102.3)**	**-**	**(102.3)**
Balance at 30 September 2020	**77.2**	**179.9**	**5.0**	**44.5**	**(82.5)**	**21.2**	**1,144.8**	**1,390.1**	**3.8**	**1,393.9**

For the six months ended 30 September 2019

(Unaudited)	Share capital £m	Share premium £m	Capital redemption reserve £m	Share based payments reserve £m	Own shares £m	Foreign currency translation reserve £m	Retained earnings £m	Total £m	Non controlling interest £m	Total equity £m
Balance at 1 April 2019	**77.2**	**179.5**	**5.0**	**64.3**	**(92.8)**	**20.0**	**1,130.2**	**1,383.4**	**10.9**	**1,394.3**
Adjustment on initial application of IFRS 16	**-**	**-**	**-**	**-**	**-**	**-**	**(1.8)**	**(1.8)**	**-**	**(1.8)**
Profit after tax	**-**	**-**	**-**	**-**	**-**	**-**	**144.5**	**144.5**	**3.0**	**147.5**
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**9.0**	**-**	**9.0**	**0.6**	**9.6**
Tax on items taken to other comprehensive income	**-**	**-**	**-**	**1.1**	**-**	**-**	**-**	**1.1**	**-**	**1.1**
Total comprehensive income for the period	**-**	**-**	**-**	**1.1**	**-**	**9.0**	**142.7**	**152.8**	**3.6**	**156.4**
Movement in control of subsidiary	-	-	-	-	-	-	**(0.9)**	**(0.9)**	**0.9**	**-**
Own shares acquired in the period	**-**	**-**	**-**	**-**	**(36.9)**	**-**	**-**	**(36.9)**	**-**	**(36.9)**
Options/awards exercised	**-**	**0.4**	**-**	**(30.3)**	**48.5**	**-**	**(18.2)**	**0.4**	**-**	**0.4**
Credit for equity settled share schemes	**-**	**-**	**-**	**12.5**	**-**	**-**	**-**	**12.5**	**-**	**12.5**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(100.0)**	**(100.0)**	**-**	**(100.0)**
Balance at 30 September 2019	**77.2**	**179.9**	**5.0**	**47.6**	**(81.2)**	**29.0**	**1,153.8**	**1,411.3**	**15.4**	**1,426.7**

The accompanying notes are an integral part of these financial statements.

Notes to the Half Year Report

For the six months ended 30 September 2020

1. Basis of preparation

(i) Basis of preparation

The interim condensed consolidated financial statements included in this half year financial report have been prepared in accordance with the Disclosure Rules and Transparency Rules of the Financial Conduct Authority and International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union, and on the basis of the accounting policies and methods of computation set out in the consolidated financial statements of the Group for the year ended 31 March 2020.

While the financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs) as adopted by the European Union, this announcement does not itself contain sufficient information to comply with IFRSs.

The financial information for the year ended 31 March 2020 contained within this half year financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The statutory accounts for the year to 31 March 2020 have been reported on by Deloitte LLP and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Group as at and for the year ended 31 March 2020 which were prepared under International Financial Reporting Standards as adopted by the EU are available on the Group's website, www.icgam.com.

ii) Going concern

The interim condensed consolidated financial statements are prepared on a going concern basis, as the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

In making this assessment, the Directors have considered a range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The Group has good visibility on future management fees due to the long term and diversified nature of its funds, underpinned by a strong, well capitalised balance sheet and over £1bn of liquidity in cash and undrawn facilities at 30 September 2020.

The Directors continue to monitor the impact of the Covid-19 pandemic in assessing the Group's ability to continue in its capacity as a going concern. The enhanced infrastructure put in place since reporting at 31 March 2020 to ensure the health and wellbeing of employees and to support business continuity has continued to prove successful during these unprecedented times. Such enhanced measures will continue to be reviewed and enhanced where necessary.

The Directors have concluded that the preparation of the interim condensed consolidated financial statements on a going concern basis continues to be appropriate.

(iii) Related party transactions

Antje Hensel Roth was appointed Executive Director effective 16 April 2020. Antje joins Vijay Bharadia and Benoit Durteste as Executive Directors of the Group.

There have been no other material changes to the nature or size of related party transactions since 31 March 2020.

(iv) Changes in significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year then ended 31 March 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

For the six months ended 30 September 2020

1. Basis of preparation continued

(iv) Changes in significant accounting policies continued

The FCA and the Bank of England have imposed significant interest rate benchmarking reform. As a result, there will be the imminent cessation of LIBOR. LIBOR publication is expected to cease by 31 December 2021. Those instruments within the Group that may have exposure to the cessation of LIBOR will apply the practical expedient as permitted under the transition rules. The rules permit the change to the contractual interest rates, from LIBOR to the newly applied rate, to be treated as a movement in market interest rates rather than as a modification. Amendments to IFRS 9 'Financial Instruments' were issued in September 2019 and August 2020. The recent amendments to IFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it does not apply hedge accounting to its interest rate hedge relationships.

2. Revenue

Revenue and its related cashflows, within the scope of IFRS 15, are all derived from the Group's fund management company activities. The significant components of the Group's fund management revenues are as follows:

Type of contract/service	**Six months ended 30 September 2020 (Unaudited) £m**	Six months ended 30 September 2019 (Unaudited) £m
Management fees*	**144.2**	124.0
Other income	**3.9**	3.6
Fee and other operating income	**148.1**	127.6

***Included within management fees is £15.5m (H1 2020: £15.6m) of performance related fee income.

Management Fees

The Group earns management fees from its performance of investment management services. Management fees are charged on third party money managed by ICG and are based on an agreed percentage of either committed money, invested money or net asset value (NAV), dependent on the fund. Management fees are variable fee revenue streams which relate to one performance obligation and contain a non-performance and performance related fee element. Non-performance related management fees for the period of £128.7m (H1 2020: £108.4m) are charged in arrears and are recognised in the period services are performed.

Performance related fees are recognised only where it is highly probable that the revenue will not be reversed in the future. This is generally near the end of the performance period or upon early liquidation of a fund. The estimate of performance fees is made with reference to the liquidation profile of the fund, which factors in portfolio exits and timeframes. A constraint is applied to the estimate to reflect uncertainty of future fund performance. Performance fees of £15.5m (H1 2020: £15.6m) have been recognised for services performed during the period. Performance related fees will only be crystallised and subsequently paid out in cash when a performance hurdle is met, and portfolio liquidations are made.

Depending on the strategy of a fund, the Group has contracted fees based on committed and invested funds. The quantum of the contracted fees cannot be reliably forecast, without making significant assumptions around the investment rate, realisation pace and the amount and weighted average fee rate of new funds raised. There are no other individually significant components of revenue from contracts with customers.

3. Operating segments

For management purposes, the Group is currently organised into the Fund Management Company (FMC) and the Investment Company (IC). Segment information about these businesses is presented below and is reviewed by the Executive Directors.

The Group reports the profit of the FMC separately from the profits generated by the IC. The FMC incurs the majority of the Group's costs, including the cost of the investment teams, as well as the cost of support functions supporting the investment teams, primarily marketing, operations, information technology and human resources.

The IC is charged a management fee of 1% of the carrying value of the average investment portfolio by the FMC and this is shown below as Inter-segmental fee. The costs of finance, treasury and legal teams, and the other group costs primarily related to being a listed entity, are allocated to the IC. The remuneration of the Executive Directors is allocated equally to the FMC and the IC.

The amounts reported for management purposes in the tables below are reconciled to the IFRS reported amounts on the following pages.

Six months ended 30 September 2020 (Unaudited)	**FMC £m**	**IC £m**	**Operating segments £m**
External fee income	**154.2**	**-**	**154.2**
Inter-segmental fee	**10.0**	**(10.0)**	**-**
Fund management fee income	**164.2**	**(10.0)**	**154.2**
Net investment returns	**-**	**186.6**	**186.6**
Dividend income	**11.7**	**-**	**11.7**
Total revenue	**175.9**	**176.6**	**352.5**
Interest expense	**-**	**(30.5)**	**(30.5)**
Net fair value loss on derivatives	**-**	**(7.4)**	**(7.4)**
Staff costs	**(30.3)**	**(6.3)**	**(36.6)**
Incentive scheme costs	**(33.9)**	**(24.2)**	**(58.1)**
Other administrative expenses	**(21.9)**	**(5.2)**	**(27.1)**
Profit before tax	**89.8**	**103.0**	**192.8**

Six months ended 30 September 2019 (Unaudited)	FMC £m	IC £m	Operating segments £m
External fee income	135.6	-	135.6
Inter-segmental fee	11.4	(11.4)	-
Fund management fee income	147.0	(11.4)	135.6
Net investment returns	-	131.6	131.6
Dividend income	17.4	-	17.4
Total revenue	164.4	120.2	284.6
Interest expense	-	(28.8)	(28.8)
Net fair value gain on derivatives	-	8.5	8.5
Staff costs	(27.5)	(4.0)	(31.5)
Incentive scheme costs	(30.0)	(24.4)	(54.4)
Other administrative expenses	(21.9)	(5.5)	(27.4)
Profit before tax	85.0	66.0	151.0

For the six months ended 30 September 2020

3. Operating segments continued

Reconciliation of amounts reported to the Executive Directors to the financial statements reported under IFRS

Included in the table below are statutory adjustments made for the following:

– All income generated from Investment Company investments is presented as net investment returns for total operating segments purposes, whereas under IFRS it is presented within gains on investments and other operating income. Total operating segment figures are alternative performance measures ('APMs').

– The structured entities controlled by the Group are presented as fair value investments for operating segments, whereas the statutory financial statements present these entities on a consolidated basis.

Condensed Consolidated Income Statement

Six months ended 30 September 2020 (Unaudited)	Operating segments £m	Consolidated structured entities £m	Financial statements £m
Fund management fee income	154.2	(10.0)	144.2
Other operating income	-	3.9	3.9
Fee and other operating income	**154.2**	**(6.1)**	**148.1**
Dividend income	11.7	(11.7)	-
Net fair value loss on derivatives	-	(10.3)	(10.3)
Finance income/(loss)	**11.7**	**(22.0)**	**(10.3)**
Net investment returns/ gains on investments	**186.6**	**27.7**	**214.3**
Total revenue	**352.5**	**(0.4)**	**352.1**
Interest expense	(30.5)	-	(30.5)
Net fair value (loss)/ gain on derivatives	(7.4)	7.4	-
Finance costs	**(37.9)**	**7.4**	**(30.5)**
Staff costs	(36.6)	(0.4)	(37.0)
Incentive scheme costs	(58.1)	-	(58.1)
Other administrative expenses	(27.1)	(1.8)	(28.9)
Administrative expenses	**(121.8)**	**(2.2)**	**(124.0)**
Share of results of joint ventures accounted for using equity method	**-**	**0.2**	**0.2**
Profit before tax	**192.8**	**5.0**	**197.8**
Tax (charge)/credit	(8.9)	3.9	(5.0)
Profit after tax	**183.9**	**8.9**	**192.8**

For the six months ended 30 September 2020

3. Operating segments continued

Condensed Consolidated Income Statement continued

Six months ended 30 September 2019 (Unaudited)	Operating segments £m	Consolidated structured entities £m	Financial statements £m
Fund management fee income	135.6	(11.6)	124.0
Other operating income	-	3.6	3.6
Fee and other operating income	**135.6**	**(8.0)**	**127.6**
Dividend income	17.4	(17.4)	-
Net fair value gain on derivatives	-	11.7	11.7
Finance and dividend income	**17.4**	**(5.7)**	**11.7**
Net investment returns/Net gains on investments	**131.6**	**33.1**	**164.7**
Total revenue	**284.6**	**19.4**	**304.0**
Interest expense	(28.8)	(0.3)	(29.1)
Net fair value gain on derivatives	8.5	(8.5)	-
Finance costs	**(20.3)**	**(8.8)**	**(29.1)**
Staff costs	(31.5)	0.2	(31.3)
Incentive scheme costs	(54.4)	-	(54.4)
Other administrative expenses	(27.4)	(9.8)	(37.2)
Administrative expenses	**(113.3)**	**(9.6)**	**(122.9)**
Share of results of joint ventures accounted for using equity method	**-**	**1.4**	**1.4**
Profit before tax	**151.0**	**2.4**	**153.4**
Tax (charge)/credit	(7.5)	1.6	(5.9)
Profit after tax	**143.5**	**4.0**	**147.5**

For the six months ended 30 September 2020

4. Financial assets and liabilities

Financial assets

Financial assets are classified into the following categories: Amortised Cost, Fair Value Through Profit and Loss (FVTPL) and Fair Value Through Other Comprehensive Income (FVOCI). The Group has classified all financial assets at FVTPL. Financial assets at FVTPL are initially recognised and subsequently measured at fair value.

A valuation assessment is performed on a recurring basis with gains or losses arising from changes in fair value recognised through net gains on investments in the income statement. Dividends, premiums, discounts or interest earned on the financial assets are included in the net gains on investments. Where the Group holds investments in a number of financial instruments such as debt and equity through a portfolio company, the Group views their entire investment as a unit of account for valuation purposes. Industry standard valuation guidelines such as the International Private Equity and Venture Capital valuation guidelines ('IPEV'), December 2018, allows for a level of aggregation where there are a number of financial instruments held within a portfolio company.

When the Group invests in the capital structure of a portfolio company, these assets are initially recognised and subsequently measured at fair value, and transaction costs are written off to the income statement immediately. Any accrued interest, premium or discount on disposal of a loan or receivable to a third party are recognised through net gains on investments in the income statement.

Fair value measurements recognised in the statement of financial position

The information set out below explains how the Group determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

This is followed by a more detailed analysis of the financial instruments which are based on unobservable inputs (Level 3 assets). The subsequent tables provide reconciliations of movement in their fair value during the period split by asset category.

As at 30 September 2020

(Unaudited)	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Investments in managed funds[1]	**10.1**	**-**	**1,549.9**	**1,560.0**
Investments in loans held in consolidated credit funds	**-**	**3,988.9**	**-**	**3,988.9**
Derivative assets	**-**	**115.0**	**-**	**115.0**
Investments in private companies[2]	**-**	**-**	**191.7**	**191.7**
Senior and subordinated notes of CLO vehicles	**-**	**111.6**	**38.4**	**150.0**
Total assets	**10.1**	**4,215.5**	**1,780.0**	**6,005.6**
Financial liabilities at fair value				
Borrowings and loans held in consolidated credit funds	**-**	**(3,725.0)**	**-**	**(3,725.0)**
Derivative liabilities	**-**	**(114.9)**	**-**	**(114.9)**
Total liabilities	**-**	**(3,839.9)**	**-**	**(3,839.9)**

1 Level 3 Investment in managed funds includes £36.6m Senior Debt, £1,151.6m Subordinated debt & equity, £198.4m of Real Assets and £163.3m Private equity secondaries.
2 Level 3 Investment in private companies includes £149.5m, Subordinated debt and equity and £42.2m of Real Assets.

For the six months ended 30 September 2020

4. Financial assets and liabilities continued

As at 31 March 2020

(Audited)	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Investments in managed funds	18.0	-	1,323.4	1,341.4
Investments in loans held in consolidated credit funds	-	3,599.8	-	3,599.8
Derivative assets	-	139.3	-	139.3
Investments in private companies	-	-	434.0	434.0
Senior and subordinated notes of CLO vehicles	-	97.8	32.4	130.2
Total assets	18.0	3,836.9	1,789.8	5,644.7
Financial liabilities at fair value				
Borrowings and loans held in consolidated credit funds	-	(3,329.3)	-	(3,329.3)
Derivative liabilities	-	(107.1)	-	(107.1)
Total liabilities	-	(3,436.4)	-	(3,436.4)

1 Level 3 Investment in managed funds includes £36.8m Senior Debt, £910.5m Subordinated debt & equity, £236.0m of Real Assets and £140.1m Private equity secondaries.
2 Level 3 Investment in private companies includes £388.9m, Subordinated debt and equity and £45.1m of Real Assets.

Included within Financial Assets held at FVTPL is £720.4m (31 March 2020: £657.5m) relating to the Group's 20% investment in ICG Europe Fund V Limited, ICG North America Private Debt Fund and ICG Asia Pacific Fund III, and its 16.67% investment in ICG Europe Fund VI Limited, which are accounted for as associates classified as FVTPL.

Impact of Covid-19
The preparation and determination of these fair value assessments has been done so against a backdrop of unprecedented economic disruption caused by Covid-19. As a result, the Group has placed enhanced focus on its valuation assessment and the suitableness of methodologies applied, and these have been detailed by instrument below. The Group has also included additional sensitivities in respect of its Level 3 valuations, given elevated uncertainty inherent in them due to Covid-19. These sensitivities are disclosed further in this note.

Investment in managed funds
When fair values of publicly traded closed-ended and open-ended funds are based on quoted market prices in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the fair value hierarchy. The Group values these investments at bid price for long positions and ask price for short positions.

The Group also invests in funds, including credit and private equity secondary funds, which are not quoted in an active market. The Group considers the valuation techniques and inputs used by these funds to ensure they are reasonable, appropriate and consistent with the principles of fair value.

The NAV of these funds are generally used as an input into measuring their fair value. The NAV of the funds are adjusted, as necessary, to reflect restrictions on redemptions, and other specific factors relevant to the funds. In measuring fair value, consideration is also paid for any transactions in the interests of the funds. The Group classifies these funds as Level 3.

Investment in loans held in consolidated credit funds
In the absence of quoted prices in an active market, the loan asset portfolios of the consolidated credit funds and consolidated CLO vehicles are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and from independent loan pricing sources. To the extent that the significant inputs are observable, the Group classifies these investments as Level 2. The fair value of liabilities in the consolidated credit funds and consolidated CLO vehicles is determined with reference to the fair value of the underlying loan asset portfolios these liabilities are classified as level 2.

Derivative assets and liabilities
The Group uses widely recognised valuation models for determining fair values of over-the-counter interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own credit risk, foreign exchange spot and forward rates and interest rate curves. For these financial instruments, significant inputs into models are market observable and are included within Level 2.

4. Financial assets and liabilities continued

Investment in private companies

The Group takes debt and equity stakes in private companies that are not quoted in an active market and uses a market-based valuation technique for these positions. The Group determines comparable private and public companies, based on industry, size, location, leverage and strategy, and calculates an appropriate multiple for each comparable company identified.

The Group's investments in private companies are fair valued using the most appropriate valuation technique based on the nature, facts and circumstances of the private company. Typically an earnings multiple is applied to return an Enterprise Value 'EV' of the portfolio company. Where relevant a discounted cashflow 'DCF' is used to calibrate alongside the 'EV' of the private company. Alternate valuation techniques may be used where there is a recent offer or a recent comparable market transaction, which may provide an observable market price and an approximation to fair value of the private company.

Senior and subordinated notes of CLO vehicles

The Group holds investments in the senior and subordinated notes of the CLOs it manages, predominately driven by EU risk-retention requirements. The Group employs DCF analysis to fair value these investments, using several inputs, such as constant annual default rates, prepayments rates and recovery rates. Since reporting at 31 March 2020, the capital markets have seen a significant improvement, which has provided considerable liquidity and the expected spike in defaults have been reduced, although defaults are expected to remain higher than pre-Covid-19 levels and assumed to continue for an extended period.

The DCF analysis at the reporting date shows that the senior notes are expected to recover all contractual cashflows, including under stressed scenarios, over the life of the CLOs. Unobservable inputs are used in determining the fair value of subordinated notes and we have classified these investments as Level 3 instruments. Observable inputs are used in determining the fair value of senior notes and are classified as level 2. We have provided enhanced information on the model assumptions, further in this note.

Real Estate

To the extent that the Group invests in real estate assets, whether through an investment in a managed fund or an investment in a private company, the underlying assets may be a debt instrument or property classified as investment property under IAS 40 'Investment Property'. The fair value of the directly held investment properties have been recorded based on independent valuations prepared by third party real estate valuation specialists in line with the Royal Institution of Chartered Surveyors Valuation – Global Standards 2017. At the end of each reporting period, the Group reviews its assessment of the fair value of each property, taking into account the most recent independent valuations. The Directors determine a property value within a range of reasonable fair value estimates. In order to determine the fair value of the assets, an industry standard Gross Development Value 'GDV' is performed using inputs from a variety of sources including: current prices in an active market, or recent prices of similar properties in less active markets adjusted to reflect those differences, discounted cash flow projections based on reliable estimates of future cash flows, capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence. All resulting fair value estimates for properties are included in Level 3.

Due to the onset of Covid-19, valuation specialists have incorporated a statement of 'material valuation uncertainty' into their reports; this is to draw attention to the higher degree of caution necessary in this uncertain time than would ordinarily be applied. The Directors have added a heightened level of review on the reliance of the reports and have additionally assessed the stage to completion.

Where the Group invests into funds that hold real estate debt investments a Loan to Value 'LTV' impairment model is used to determine any provision for impairment on the underlying loans. The value basis is determined using the valuations techniques described above for the Group's investment in Real Estate private companies. Where the LTV of a performing debt investment is in excess of 95%, the Group impairs the investment to restore the adjusted LTV to 95% or such other level as is considered the best estimate of fair value. Where the LTV of a non-performing debt investment is in excess of 90%, the Group will obtain an updated valuation by an independent valuer and impair the debt investment to restore the adjusted LTV to 90% or such other level as is considered the best estimate of fair value. The Group believes that this approach to value the underlying investments is consistent with how a market participant would determine the fair value of investments into these funds.

for the six months ended 30 September 2020

4. Financial assets and liabilities continued

Fair value measurements recognised in the statement of financial position continued

Group Assets	Fair Value 30 September 2020 (Unaudited) £m	Fair Value 31 March 2020 (audited) £m	Primary Valuation Technique[1]	Key Unobservable Inputs	Range	Weighted Average/ Fair Value Inputs	Sensitivity/ Scenarios	Effect on Fair Value 30 September 2020 (Unaudited) £m
Senior debt	36.6	36.8	Discounted Cash Flow	Probability of Default	16.1%	16.1%	The higher the probability of default, the lower the fair value	
				Loss Given Default	18.7%	18.7%	The higher the loss given default, the lower the fair value	
				Effective Interest Rate	8.0% - 9.0%	9.0%	The higher the effective interest rate, the lower the fair value	
Subordinated debt and equity	1,301.1	1,299.5	Market Comparable Companies	Earnings Multiple	4.5x – 21.8x	13.5x	+10% Earnings Multiple	90.1
			Discounted Cash Flow[2]				-10% Earnings Multiple	(94.9)
Subordinated notes of CLO vehicles	38.4	32.4	Scenario Analysis	Discount rate	11.5%	11.5%		
			Discounted Cash Flow	Next 12 months Annual Default Rate (EUR CLOs)	4.0%	4.0%	Upside Case[3]	11.8
				Next 12 months Annual Default Rate (USD CLOs)	6.0%	6.0%	Downside Case[3]	(18.5)
				Subsequent 12 months Default Rate (All CLOs)	3.3%	3.3%		
				Prepayment rate	20.0%	20.0%		
				Recovery rate	75.0%	75.0%		
				Reinvestment rate	99.5%	99.5%		
Real Assets	240.6	281.0	Third Party Valuation	N/A	N/A	N/A	+10% Valuation	24.0
			LTV based impairment model				-10% Valuation	(24.0)
			Discounted Cash Flow[2]					
Private equity secondaries	163.3	140.1	Third Party Valuation	N/A	N/A	N/A	+10% MOIC[4]	16.3
							-10% MOIC	(16.3)
Total assets	**1,780.0**	**1,789.8**						

1 Where the Group has invested into its managed funds, it is the type of the underlying investment, and the valuation techniques used for these underlying investments, that we have captured here. Where the Group has invested directly into private companies, we have also captured here the type of the investment and the valuation technique used.
2 Investments which are valued using the DCF approach, the implied earnings multiple of these investments is used for this sensitivity analysis.
3 The sensitivity analysis is performed on the entire portfolio of subordinated notes of CLO vehicles that the Group has originated and invested in £151.1m fair value (31 March 2020:£171.0m), which itself is a combination of holdings in CLOs that are not consolidated (£38.4m fair value), and holdings in those CLOs which are consolidated £112.7m fair value (31 March 2020: £138.6m). For the sensitivity analysis, the upside case is based on a default rate of 3.0% in the next 12 months and a default rate of 3.0% in the subsequent 12 months, keeping all other parameters constant. The downside case is based on a default rate of 8.0% in the next 12 months and a default rate of 4.3% in the subsequent 12 months, keeping all other parameters constant.
4 The implied multiple of invested capital (MOIC), that currently range from 0.8x to 2.6x (weighted average: 1.5x) have been used for this sensitivity analysis.

4. Financial assets and liabilities continued

The following table only includes financial assets. The only financial liabilities measured subsequently at fair value on Level 3 fair value measurement represent third party debt held in disposal groups held for sale, these are non recurring and are therefore excluded from the below tables.

Reconciliation of Level 3 fair value measurements of financial assets[1]

As at 30 September 2020

(Unaudited)	**Financial assets classified at FVTPL £m**
At 1 April 2020	**1,789.8**
Total gains or losses in the income statement	
- Realised gains	**(41.9)**
- Fair value gains	**188.4**
- Foreign exchange	**(0.7)**
Purchases	**113.9**
Realisations	**(269.5)**
Transfer between levels	**-**
At 30 September 2020	**1,780.0**

As at 31 March 2020

(Unaudited)	Financial assets classified at FVTPL £m
At 1 April 2019	1,915.8
Total gains or losses in the income statement	
- Realised gains	(229.6)
- Fair value gains	132.0
- Foreign exchange	34.5
Purchases	391.3
Realisations	(355.5)
Transfer between levels	(98.7)
At 31 March 2020	**1,789.8**

1. The presentation of this table has been updated to include both current & non-current level 3 assets. The comparatives have been re-presented accordingly.

Transfers in and out of Level 3 financial assets were due to changes to the observability of inputs used in the valuation of these assets.

5. Earnings per share

	Six months ended 30 September 2020 (Unaudited) £m	Six months ended 30 September 2019[1] (Unaudited) £m
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to the equity holders of the parent	**190.5**	144.5
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**284,882,238**	284,681,971
Effect of dilutive potential ordinary share options	**3,857,392**	4,487,802
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**288,739,630**	289,169,773
Earnings per share	**66.9p**	50.8p
Diluted earnings per share	**66.0p**	50.0p

1. The 2019 diluted earnings per share has been re-presented to include the dilutive impact of deferred share awards.

The total number of shares issued during the period to 30 September 2020 was 5,118 (H1 2020 82,200).

6. Dividends

Dividends on ordinary shares paid during the period to 30 September 2020 of £102.3m, being 35.8p per share (H1 2020 £100.0m, 35.0p).

The Board has approved an interim dividend of 17.0p per share (H1 2020: 15.0p).

7. Tax expense

Analysis of tax on ordinary activities	Six months ended 30 September 2020 (Unaudited) £m	Six months ended 30 September 2019 (Unaudited) £m
Current tax	**8.0**	0.6
Deferred taxation	**(3.0)**	5.3
Tax charge/(credit) on profit on ordinary activities	**5.0**	5.9

The effective tax rate reported by the Group for the period ended 30 September 2020 of 2.5% is lower than the statutory UK corporation tax rate of 19%.

The FMC activities are subject to tax at the relevant statutory rates ruling in the jurisdictions in which the income is earned.

The lower effective tax rate compared to the statutory UK rate is largely driven by the IC activities. The IC benefits from statutory UK tax exemptions on certain forms of income arising from both foreign dividend receipts and gains from assets qualifying for the substantial shareholdings exemption. The effect of these exemptions means that the effective tax rate of the Group is highly sensitive to the relative mix of IC income, and composition of such income, in any one period.

8. Financial liabilities

The fair value of financial liabilities is £5,189.3m (31 March 2020: £5,254.9m), including £1,404.8m (31 March 2020: £1,916.9m) of financial liabilities at amortised cost which approximates to fair value. This is a decrease of £65.6m in the period since 31 March 2020 and is driven by £496.0m early repayment of long-term borrowings, partially offset by a £395.7m increase relating to structured entities controlled by the Group.

9. Property, plant and equipment

The Group's property, plant and equipment provide the infrastructure to enable the Group to operate. Assets are initially stated at cost, which includes expenditure associated with acquisition. The cost of the asset is recognised in the income statement as a depreciation charge on a straight line basis over the estimated useful life, three years for furniture and equipment, five years for short leasehold premises and over the life of the lease term for Right Of Use (ROU) assets.

As at 15 May 2020 the Group entered into two long term leases for its London and Sydney offices, recognising them as ROU assets with corresponding lease liabilities accordingly.

Group	**Furniture and equipment**			**ROU asset**			**Short lease premises[1]**				**Total**
	30 September 2020 (Unaudited) £m	31 March 2020 (audited) £m		**30 September 2020 (Unaudited) £m**	31 March 2020 (audited) £m		**30 September 2020 (Unaudited) £m**	31 March 2020 (audited) £m		**30 September 2020 (Unaudited) £m**	31 March 2020 (audited) £m
Cost											
At Period Start	**5.5**	36.4		**42.3**	30.6		**-**	5.8		**47.8**	72.8
Reclassified[1,2]	**-**	(31.0)		**-**	5.8		**-**	(5.8)		**-**	(31.0)
Additions	**1.4**	-		**55.8**	5.9		-	-		**57.2**	5.9
Disposals	**(1.3)**	-		(4.9)	-		**-**	-		**(6.2)**	-
Exchange differences	**-**	0.1		**-**	-		**-**	-		**-**	0.1
At Period End	**5.6**	5.5		**93.2**	42.3		**-**	-		**98.8**	47.8
Depreciation											
At Period Start	**4.6**	24.0		**29.8**	20.2		**-**	5.6		**34.4**	49.8
Reclassified[1,2]	**-**	(19.7)		**-**	5.6		**-**	(5.6)		**-**	(19.7)
Charge for the year	**0.1**	0.2		**4.1**	4.0		-	-		**4.2**	4.2
Disposals	**(0.7)**	-		**(4.8)**	-		**-**	-		**(5.5)**	-
Exchange differences	**-**	0.1		(0.1)	-		**-**	-		**(0.1)**	0.1
At Period End	4.0	4.6		29.0	29.8		-	-		33.0	34.4
Net book value	**1.6**	0.9		**64.2**	12.5		**-**	-		**65.8**	13.4

1 With the implementation of IFRS 16 from 1 April 2019, shorthold leases have been reassessed and those greater than 12 months remaining on the lease have been reclassified to ROU assets, £5.8m was reclassified on 1 April 2019.
2 During the year the Group carried out an assessment of its assets categorised as furniture and equipment and determined that those assets relating to computer software are appropriately classified as intangible assets per note 17 of the Group financial statements for the year ended 31 March 2020.

Glossary

Items denoted with a [1] throughout this document have been identified as non IFRS alternative performance measures. These are defined below:

<table>
<tr><th>Term</th><th>Short form</th><th>Definition</th></tr>
<tr><td>Adjusted earnings per share</td><td>Adjusted EPS</td><td>Adjusted profit after tax divided by the weighted average number of ordinary shares as detailed in note 5.</td></tr>
<tr><td>Adjusted Group profit before tax</td><td></td><td>Group profit before tax adjusted for the impact of the consolidated structured entities. As at 30 September, this is calculated as follows:
<table>
<tr><th></th><th>2020</th><th>2019</th></tr>
<tr><td>Profit before tax</td><td>£197.8m</td><td>£153.4m</td></tr>
<tr><td>Less consolidated structured entities</td><td>(£5.0m)</td><td>(£2.4m)</td></tr>
<tr><td>Adjusted group profit before tax</td><td>£192.8m</td><td>£151.0m</td></tr>
</table></td></tr>
<tr><td>Adjusted Investment Company profit before tax</td><td></td><td>Investment Company profit adjusted for the impact of the consolidated structured entities. As at 30 September, this is calculated as follows:
<table>
<tr><th></th><th>2020</th><th>2019</th></tr>
<tr><td>Investment Company profit before tax</td><td>£108.0m</td><td>£68.4m</td></tr>
<tr><td>Less consolidated structured entities</td><td>(£5.0m)</td><td>(£2.4m)</td></tr>
<tr><td>Adjusted Investment Company profit before tax</td><td>£103.0m</td><td>£66.0m</td></tr>
</table></td></tr>
<tr><td>Adjusted return on equity</td><td></td><td>Adjusted profit after tax (annualised when reporting a six month period's results) divided by average shareholders' funds for the period. As at 30 September, this is calculated as follows:
<table>
<tr><th></th><th>2020</th><th>2019</th></tr>
<tr><td>Adjusted profit after tax</td><td>£367.9m</td><td>£287.0m</td></tr>
<tr><td>Average shareholders' funds</td><td>£1,292.9m</td><td>£1,364.8m</td></tr>
<tr><td>Adjusted return on equity</td><td>28.5%</td><td>21.0%</td></tr>
</table></td></tr>
<tr><td>Assets under management</td><td>AUM</td><td>Value of all funds and assets managed by the FMC. During the investment period third party (external) AUM is measured on the basis of committed capital. Once outside the investment period third party AUM is measured on the basis of cost of investment. AUM is presented in Euros, with non-Euro denominated at the period end closing rate.</td></tr>
<tr><td>Balance sheet investment portfolio</td><td></td><td>The balance sheet investment portfolio represents non-current financial assets from the Statement of Financial Position, adjusted for the impact of the consolidated structured entities. As at 30 September, this is calculated as follows:
<table>
<tr><th></th><th>30 September 2020</th><th>31 March 2020</th></tr>
<tr><td>Financial assets at fair value</td><td>£2,186.3m</td><td>£2,196.8m</td></tr>
<tr><td>Derivative financial assets</td><td>£3.5m</td><td>£12.8m</td></tr>
<tr><td>Adjusted non-current financial assets</td><td>£2,189.8m</td><td>£2,209.6m</td></tr>
</table>
On an IFRS GAAP basis non-current assets are as follows:
<table>
<tr><th></th><th>30 September 2020</th><th>31 March 2020</th></tr>
<tr><td>Financial assets at fair value</td><td>£5,868.6m</td><td>£5,492.6m</td></tr>
<tr><td>Derivative financial assets</td><td>£3.5m</td><td>£12.8m</td></tr>
<tr><td>Non-current financial assets</td><td>£5,872.1m</td><td>£5,505.4m</td></tr>
</table></td></tr>
</table>

<table>
<tr><td>Dividend income</td><td></td><td>Dividend income represents distributions received from equity investments. Dividend income reported on an internal basis excludes the impact of the consolidated structured entities. See note 3 for a full reconciliation.</td></tr>
<tr><td>Third party fee-earning AUM</td><td></td><td>AUM for which ICG is paid a management or performance fee. Fee-earning AUM is determined by the fee basis on which the fund earns fees, either commitments or investments.</td></tr>
<tr><td>Interest expense</td><td></td><td>Interest expense excludes the cost of financing associated with the consolidated structured entities. See note 3 for a full reconciliation.</td></tr>
<tr><td>Net asset value per share</td><td></td><td>Total equity from the Statement of Financial Position divided by the closing number of ordinary shares. As at 30 September, this is calculated as follows:
<table>
<tr><th></th><th>30 September 2020</th><th>31 March 2020</th></tr>
<tr><td>Total equity</td><td>£1,394m</td><td>£1,311m</td></tr>
<tr><td>Closing number of ordinary shares</td><td>285,769,292</td><td>283,879,690</td></tr>
<tr><td>Net asset value per share</td><td>488p</td><td>463p</td></tr>
</table>
</td></tr>
<tr><td>Net current assets</td><td></td><td>The total of cash, plus current financial assets, plus other current assets, less current liabilities on an alternative performance measure basis. This excludes the consolidated structured entities. As at 30 September, this is calculated as follows:
<table>
<tr><th></th><th>30 September 2020</th><th>31 March 2020</th></tr>
<tr><td>Cash</td><td>£486.5m</td><td>£947.9m</td></tr>
<tr><td>Current financial assets</td><td>£22.0m</td><td>£12.8m</td></tr>
<tr><td>Other current assets</td><td>£234.8m</td><td>£240.0m</td></tr>
<tr><td>Current financial liabilities</td><td>(£96.5m)</td><td>(£256.0m)</td></tr>
<tr><td>Other current liabilities</td><td>(£135.1m)</td><td>(£182.4m)</td></tr>
<tr><td>Adjusted net current assets</td><td>£511.7m</td><td>£762.3m</td></tr>
</table>
On an IFRS GAAP basis net current assets are as follows:
<table>
<tr><th></th><th>30 September 2020</th><th>31 March 2020</th></tr>
<tr><td>Cash</td><td>£602.5m</td><td>£1,086.9m</td></tr>
<tr><td>Current financial assets</td><td>£22.0m</td><td>£12.8m</td></tr>
<tr><td>Other current assets</td><td>£404.2m</td><td>£351.0m</td></tr>
<tr><td>Current financial liabilities</td><td>(£99.7m)</td><td>(£256.0m)</td></tr>
<tr><td>Other current liabilities</td><td>(£376.5m)</td><td>(£409.0m)</td></tr>
<tr><td>Net current assets</td><td>£552.5m</td><td>£785.8m</td></tr>
</table>
</td></tr>
<tr><td>Net debt</td><td></td><td>Net debt, along with gearing, is used by management as a measure of balance sheet efficiency. Net debt includes unencumbered cash whereas gearing uses gross borrowings and is therefore not impacted by movements in cash balances.
Total drawn debt less unencumbered cash of the Group. As at 30 September, this is calculated as follows:
<table>
<tr><th></th><th>30 September 2020</th><th>31 March 2020</th></tr>
<tr><td>Adjusted gross borrowings</td><td>£1,399.7m</td><td>£1,915.1m</td></tr>
<tr><td>Less unencumbered cash</td><td>(£464.5m)</td><td>(£916.5m)</td></tr>
<tr><td>Net debt</td><td>£935.2m</td><td>£998.6m</td></tr>
</table>
</td></tr>
<tr><td>Net gearing</td><td></td><td>Net gearing is used by management as a measure of balance sheet efficiency. Net debt, excluding the consolidated structured entities, divided by closing shareholders’ funds. Gross borrowings represent the cash amount repayable to debt providers. As at 30 September, this is calculated as follows:</td></tr>
</table>

<table>
<tr><td></td><td></td><td><table><tr><th></th><th>30 September 2020</th><th>31 March 2020</th></tr><tr><td>Net debt</td><td>£935.2m</td><td>£998.6m</td></tr><tr><td>Shareholders’ funds</td><td>£1,390.1m</td><td>£1,309.2m</td></tr><tr><td>Net gearing</td><td>0.67x</td><td>0.76x</td></tr></table></td></tr>
<tr><td>Net investment returns</td><td></td><td>Net investment returns is the total of interest income, capital gains, dividend and other income less asset impairments.</td></tr>
<tr><td>Operating expenses of the Investment Company</td><td></td><td>Investment Company operating expenses are adjusted for the impact of the consolidated structured entities. See note 3 for a full reconciliation.</td></tr>
<tr><td>Operating profit margin</td><td></td><td>Fund Management Company profit divided by Fund Management Company total revenue. As at 30 September this is calculated as follows:<table><tr><th></th><th>2020</th><th>2019</th></tr><tr><td>Fund Management Company Profit</td><td>£89.8m</td><td>£85.0m</td></tr><tr><td>Fund Management Company Total Revenue</td><td>£175.9m</td><td>£164.4m</td></tr><tr><td>Operating profit margin</td><td>51.1%</td><td>51.7%</td></tr></table></td></tr>
<tr><td>Return on equity</td><td></td><td>Profit after tax (annualised when reporting a six month period’s results) divided by average shareholders’ funds for the period.</td></tr>
<tr><td>Third party fee income</td><td></td><td>Fees generated on fund management activities as reported in the Fund Management Company including fees generated on consolidated structured entities which are excluded from the IFRS consolidation position. See note 3 for a full reconciliation.</td></tr>
<tr><td>Weighted average fee rate</td><td></td><td>An average fee rate across all strategies based on fee earning AUM in which the fees earned are weighted based on the relative AUM.</td></tr>
</table>

Other definitions which have not been identified as non IFRS GAAP alternative performance measures are as follows:

Term	Short form	Definition
AIFMD		The EU Alternative Investment Fund Managers Directive.
Alternative performance measure	APM	These are non-GAAP financial measures.
Catch up fees		Fees charged to investors who commit to a fund after its first close. This has the impact of backdating their commitment thereby aligning all investors in the fund.
Closed end fund		A fund where investor’s commitments are fixed for the duration of the fund and the fund has a defined investment period.
Co-investment	Co-invest	A direct investment made alongside or in a fund taking a pro-rata share of all instruments.
Collateralised Debt Obligation	CDO	Investment grade security backed by a pool of non-mortgage based bonds, loans and other assets.
Collateralised Loan Obligation	CLO	CLO is a type of CDO, which is backed by a portfolio of loans.
Close		A stage in fundraising whereby a fund is able to release or draw down the capital contractually committed at that date.

Core Plus	Core+	Assets which have infrastructure characteristics (physical assets, protected and predictable cash flows) with a slightly higher risk/return profile than Core assets.
Direct investment funds		Funds which invest in self-originated transactions for which there is a low volume, inactive secondary market.
Earnings per share		Profit after tax divided by the weighted average number of ordinary shares as detailed in note 5.
Employee Benefit Trust	EBT	Special purpose vehicle used to purchase ICG plc shares which are used to satisfy share options and awards granted under the Group's employee share schemes.
Environmental, Social, Governance criteria	ESG	Environmental, social and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments
Financial Conduct Authority	FCA	Regulates conduct by both retail and wholesale financial service firms in provision of services to consumers.
Financial Reporting Council	FRC	The UK's independent regulator responsible for promoting high quality corporate governance and reporting.
Fund Management Company	FMC	The Group's fund management business, which sources and manages investments on behalf of the IC and third party funds.
HMRC		HM Revenue & Customs, the UK tax authority.
IAS		International Accounting Standards.
IFRS		International Financial Reporting Standards as adopted by the European Union.
Illiquid assets		Asset classes which are not actively traded.
Internal Capital Adequacy Assessment Process	ICAAP	The ICAAP allows companies to assess the level of capital that adequately supports all relevant current and future risks in their business.
Investment Company	IC	The Investment Company invests the Group's capital in support of third party fundraising and funds the development of new strategies.
Internal Rate of Return	IRR	The annualised return received by an investor in a fund. It is calculated from cash drawn from and returned to the investor together with the residual value of the asset.
Key Man		Certain funds have designated Key Men. The departure of a Key Man without adequate replacement triggers a contractual right for investors to cancel their commitments.
Key performance indicator	KPI	A business metric used to evaluate factors that are crucial to the success of an organisation.
Key risk indicator	KRI	A measure used to indicate how risky an activity is. It is an indicator of the possibility of future adverse impact.
Liquid assets		Asset classes with an active, established market in which assets may be readily bought and sold.
Open ended fund		A fund which remains open to new commitments and where an investor's commitment may be redeemed with appropriate notice.
Payment in kind	PIK	Also known as rolled up interest. PIK is the interest accruing on a loan until maturity or refinancing, without any cash flows until that time.

Performance fees	Carry	Share of profits that the fund manager is due once it has returned the cost of investment and agreed preferred return to investors.
Realisation		The return of invested capital in the form of principal, rolled up interest and/or capital gain.
Securitisation		A form of financial structuring whereby a pool of assets is used as security (collateral) for the issue of new financial instruments.
Senior debt		Senior debt ranks above mezzanine and equity.
Structured entities		Entities which are classified investment funds, CLO's or CDO's and are deemed to be controlled by the Group, though its interest in either an investment, loan, fee receivable, guarantee or commitment. These entities can also be interchangeably referred to as credit funds.
Total AUM		The aggregate of the third party external AUM and the Investment Company's balance sheet.
UK Corporate Governance Code	The Code	Sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.

Company timetable

Ex-dividend date	10 December 2020
Record date for interim dividend	11 December 2020
Last date for dividend reinvestment election	15 December 2020
Payment of interim dividend	8 January 2021
Trading Update	28 January 2021