



Q3 Trading Statement

For the period to 31 December 2018

Embargoed until 7:00am on 29 January 2019

Highlights

- Inflows in the third quarter were €1.9bn; of which €1.0bn has been raised across our capital markets funds and €0.5bn raised for Strategic Equity III. Year to date inflows amount to €8.0bn
- Total AUM 5% higher at €35.2bn and third party fee earning AUM 7% higher at €27.9bn, compared to 30 September 2018
- Fund deployment remains strong across strategies
- All funds on course to meet or exceed their return hurdle rates; recent capital markets volatility has not impacted valuations and fund performance remains strong.

Benoit Durteste, CEO, said:

“Strong investment performance, underpinned by steady demand for alternative asset classes, continues to drive positive inflows, despite the challenging macro-economic environment.

“It is pleasing to see this demand benefiting a broad range of our fund strategies – most notably in the third quarter for Strategic Equity III and our open-ended capital market funds. Our local teams continue to find attractive investment opportunities and where appropriate, they are capitalising on market liquidity to realise existing assets, lock in performance and return capital to investors.

“We continue to have confidence in our ability to grow despite geopolitical uncertainties, building our capabilities in newer asset classes to complement our more mature businesses and enhance our longer term growth prospects. We remain alert to the opportunities that any market dislocation may present to us.”

Business review

Total AUM increased 5% over the three months to 31 December 2018 to €35.2bn, including our €2.4bn balance sheet investment portfolio. We have raised over €1bn for our capital markets strategies, including a €0.5bn segregated mandate, our largest ever. This brings the total raised in the last two years for this scalable asset class to over €2.5bn (excluding CLOs).

Fundraising for Strategic Equity III is underway, targeting a fund significantly larger than its predecessor which raised \$0.9bn of third party money. Strategic Equity III raised €546m in the period and, with fees on committed capital from first close, fundraising is having an immediate positive impact on our profits. We also completed Fundraising for Europe Fund VII and saw further inflows for ICG Longbow Development Fund.

Third party AUM by strategic asset class at 31 December 2018 was as follows:

	Corporate Investments €m	Capital Market Investments €m	Real Asset Investments €m	Secondary Investments €m	Total Third Party AUM €m
At 30 September 2018	17,200	8,835	3,631	1,562	31,228
Additions	132	1,010	118	599	1,859
Realisations	(152)	-	(162)	-	(314)
FX and other	2	38	(18)	15	37
At 31 December 2018	17,182	9,883	3,569	2,176	32,810
Fee earning AUM - at 31 December 2018	13,059	9,883	2,927	2,012	27,881

We have continued to source attractive investments and deployed capital in the quarter while maintaining our disciplined investment culture in a competitive investment market. The total amount of capital deployed on behalf of our direct investment funds was £880m in the quarter (three months to 31 December 2017: £1,253m). The direct investment funds are investing as follows, based on third party funds raised at 31 December 2018:

Strategic asset class	Fund	% invested at 31 December 2018	% invested at 30 September 2018	Assets in fund at 31 December 2018	Deals completed in Q3
Corporate Investments	ICG Europe Fund VII	30%	28%	4	1
Corporate Investments	Senior Debt Partners III ¹	36%	25%	17	6
Corporate Investments	Asia Pacific Fund III	93%	91%	8	1
Real Asset Investments	ICG Longbow Real Estate Fund V	41%	34%	7	1
Secondary Investments	Strategic Secondaries II	77%	75%	10	0

¹ Co-mingled fund, excluding mandates and undrawn commitments

During the quarter we have also signed, subject to completion, a pioneering transaction for our Strategic Equity funds with their first transaction in Asia. This makes our Strategic Equity business truly global and highlights its significant growth potential.

90% of our AUM is in closed end funds where outflows occur with the realisation of the underlying portfolio companies. The pace of realisations remained healthy as companies continue to take advantage of market liquidity to sell assets and lock in performance.

The balance sheet investment portfolio was £2,118m at 31 December 2018 (30 September 2018: £2,110m) with new investments offsetting the realisation of older assets. As the balance sheet solely invests to support our fund management activities, its portfolio has become increasingly diversified by geography and product with its performance reflecting that of the funds in which it invests.

The balance sheet remains well funded with available cash and unutilised bank lines of £428.4m at 31 December 2018 (30 September 2018: £390.8m) and no material refinancing requirements in the next 12 months.

Result of audit tender

As disclosed in the Group's 2018 Annual Report and accounts, ICG must appoint a new auditor for its year ending 31 March 2021. The tender process was conducted during 2018 to allow as wide a group of participants as possible sufficient time to be able to become independent.

Following a competitive tender process led by the Audit Committee, ICG announces its intention to propose the appointment of Ernst & Young LLP as its external auditor for the financial year ending 31 March 2021. A resolution to approve their appointment will be proposed to shareholders at the Company's AGM in July 2020.

The Board expects Deloitte LLP will remain the Group's auditors until the year ending 31 March 2020. To facilitate an orderly transition, Ernst & Young LLP will also observe the FY20 audit.

Enquiries

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This trading 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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This Trading Statement contains information which, prior to this announcement was inside information.

About ICG

ICG is a specialist asset manager with over 29 years' history. We manage €35.2bn of assets in third party funds and proprietary capital, principally in closed end funds. Our strategy is to grow our specialist asset management activities to deliver increased shareholder value. Our goal is to generate income and consistently high returns whilst protecting against investment downside for our fund investors. We seek to achieve this through our expertise in investing across the capital structure. We combine flexible capital solutions, local access and insight with an entrepreneurial approach to give us a competitive edge in our markets. We 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 to deliver value to our fund investors and increase shareholder value.

We are listed on the London Stock Exchange (ticker symbol: ICP) and provide investment management and advisory services in support of our strategy and goal through a number of regulated subsidiaries, further details of which are available at: www.icgam.com.