



# Q1 Trading Statement

For the three months ended 30 June 2021

Embargoed until 7:00am on 29 July 2021

## Strong start to the year across fundraising and investment activity

### Highlights

- Third-party AUM: \$61.5bn at 30 June 2021, an increase of 10% (\$5.4bn) during the period and 27% (\$13.1bn) in the twelve months from 30 June 2020
- Fundraising: raised \$8.2bn during the period, in line with our expectations that FY22 will be a peak year in our four-year fundraising cycle
- Europe VIII: latest vintage of this flagship strategy held a first close on 29 April 2021 and raised \$3.1bn during the period; the fund has a ten-year contractual life and charges fees on committed capital
- Deployment: activity continues to be high, with \$4.5bn deployed on behalf of our direct investment funds
- New strategies: seeded investments for our North America Private Equity, Life Sciences and LP Secondaries strategies, and acquired Australian real estate debt manager
- Sustainability and people: continued progress against our priorities, including launching an ESG-linked fund-level facility for Real Estate Partnership Capital VI and joining The Diversity Project
- Balance sheet: liquidity of £652.2m at 30 June 2021

### Benoit Durteste

CEO and CIO



We have started the year with positive momentum. As previously announced, we expect FY22 to be a peak year in our four-year fundraising cycle and are pleased with how strongly the year has begun, benefitting from fundraising being front-loaded as expected. In line with our long-term focus, we also continue to invest in the future sustainable growth of ICG.

The level of investment activity across our business remains elevated and our local teams are sourcing attractive opportunities to invest and realise our clients' capital. Our ability to invest globally across the capital structure allows us to thrive in these dynamic market conditions. The performance of our funds continues to be strong, reinforcing our track record and investment-led approach.

With responsible investing being an integral part of our investment process, we have put in place an ESG-linked fund-level financing facility for Real Estate Partnership Capital VI and have adopted an enhanced, thematic approach to our ESG engagement strategy within Europe VIII. These are important milestones in our ambitions around sustainability and people.

Looking ahead, we are fully focused on delivering our ambitious growth strategy and developing further as a leading global alternative asset manager.





## PERFORMANCE OVERVIEW

### Three months ended 30 June 2021

	30 June 2021	31 March 2021	Change
Third-party AUM activity			
Third-party AUM at period end	\$61,545m	\$56,152m	10%
Third-party fee-earning AUM at period end	\$50,626m	\$46,729m	8%
Third-party AUM additions during period	\$8,786m		
Third-party AUM realisations during period	\$3,710m		
Third-party AUM deployed from direct investment funds during period	\$4,531m		
Balance sheet investment portfolio			
Balance sheet investment portfolio at period end	£2,775.7m	£2,556.3m	9%

### Last 12 months

Compared to LTM ending 30 June 2020

- Third-party AUM +27%, third-party fee-earning AUM +24%
- \$17.5bn third-party AUM additions (\$9.3bn)
- \$8.3bn of realisations (\$2.9bn)
- \$11.3bn of capital deployed from direct investment funds (\$6.1bn)

## BUSINESS REVIEW

### AUM

- Total AUM at 30 June 2021 was \$65.2bn, up 9% from 31 March 2021 (\$59.6bn)
- Third-party AUM accounted for 94.3% of the total AUM (31 March 2021: 94.2%)

#### Third-party AUM

- Third-party AUM of \$61.5bn, an increase of 10% (\$5.4bn) during the period
- Raised \$8.2bn of third-party AUM. Corporate Investments was the largest contributor, driven by Europe VIII (\$3.1bn) and associated fee-paying co-investments (\$0.8bn), along with ongoing fundraising for our direct lending strategy (Senior Debt Partners) (\$1.8bn). We continued to take advantage of attractive conditions within the CLO market, amending the terms of two CLOs in each of Europe and the US to lock-in enhanced future returns (in aggregate accounting for \$1.5bn of additions and realisations within Capital Market Investments). Strategic Equity IV, within Secondary Investments, raised \$0.6bn
- Additions to AUM also include \$0.6bn of capital that we have called during the period from vintages of funds that have previously had a step-down and therefore are reflected in AUM on a net invested cost basis (*see Glossary on page 8 for more details*)
- At 30 June 2021 ICG had \$15.7bn of third-party AUM available to deploy in new investments, \$10.9bn of which will earn fees when the capital is invested or enters its investment period

Third-party AUM	Corporate Investments \$m	Capital Market Investments \$m	Real Asset Investments \$m	Secondary Investments \$m	Third-party AUM \$m
<b>At 31 March 2021</b>	27,207	17,998	6,317	4,630	56,152
Additions	5,986	1,697	66	1,037	8,786
Realisations	(1,419)	(2,092)	(50)	(149)	(3,710)
FX and other	74	190	29	24	317
<b>At 30 June 2021</b>	<b>31,848</b>	<b>17,793</b>	<b>6,362</b>	<b>5,542</b>	<b>61,545</b>
Change \$m	4,641	(205)	45	912	5,393
Change %	17%	(1)%	1%	20%	10%
Change % (constant exchange rate) <sup>1</sup>	16%	(2)%	0%	20%	9%

<sup>1</sup> See page 6 for an explanation of constant exchange rate calculation methodology

#### Third-party fee-earning AUM

- Third-party fee-earning AUM of \$50.6bn, an increase of 8% (\$3.9bn) during the period
- Realised \$4.0bn of investments within our third-party fee-earning AUM; of this \$0.3bn can be recycled and used for new investments, resulting in \$3.7bn of third-party AUM being realised and no longer being counted within our third-party AUM

Third-party fee-earning AUM	Corporate Investments \$m	Capital Market Investments \$m	Real Asset Investments \$m	Secondary Investments \$m	Third-party fee-earning AUM \$m
<b>At 31 March 2021</b>	19,770	17,205	5,332	4,422	46,729
<i>Funds raised: fees on committed capital</i>	3,135	-	25	416	3,576
<i>Deployment of funds: fees on invested capital</i>	1,338	1,697	353	468	3,856
Total additions	4,473	1,697	378	884	7,432
Realisations	(1,603)	(2,094)	(111)	(149)	(3,957)
FX and other	84	192	23	123	422
<b>At 30 June 2021</b>	<b>22,724</b>	<b>17,000</b>	<b>5,622</b>	<b>5,280</b>	<b>50,626</b>
Change \$m	2,954	(205)	290	858	3,897
Change %	15%	(1)%	5%	19%	8%
Change % (constant exchange rate) <sup>1</sup>	14%	(2)%	5%	19%	8%

<sup>1</sup> See page 6 for an explanation of constant exchange rate calculation methodology

## Direct investment funds: deployment and fund investment levels

- Deployed \$4.5bn of capital on behalf of clients through our direct investment funds (Q1 FY21: \$0.4bn)
- The table below details the investment levels for funds whose fundraising cycle is dependent on the investment level of the current vintage:

Fund	Third-party AUM at 30 June 2021 (\$m)	Third-party capital deployed during period (\$m)	Total third-party capital deployed at 30 June 2021 (\$m)	% invested at 30 June 2021
<b>Fees charged on committed capital</b>				
Corporate Investments				
Europe Fund VII	3,854	482	3,854	100%
Europe Fund VIII <sup>1</sup>	3,093	235	235	8%
Asia Pacific Fund IV <sup>1</sup>	425	-	147	35%
Europe Mid-Market	1,057	142	381	36%
Secondary Investments				
Strategic Equity III <sup>2</sup>	1,414	420	1,414	100%
Strategic Equity IV <sup>1,2</sup>	1,556	1,130	1,130	73%
Real Asset Investments				
Infrastructure Equity I <sup>1</sup>	578	7	259	45%
Sale and Leaseback I <sup>1</sup>	791	195	546	69%
<b>Fees charged on invested capital</b>				
Corporate Investments				
North American Private Debt Fund II	1,200	20	624	52%
Senior Debt Partners IV <sup>2</sup>	5,679	285	2,169	38%
Real Asset Investments				
Real Estate Partnership Capital V <sup>3</sup>	1,249	132	1,099	88%
Real Estate Partnership Capital VI <sup>1,3</sup>	288	80	80	31%

<sup>1</sup> Fund is currently fundraising. Level of investment is shown as a percentage of third-party AUM raised at 30 June 2021

<sup>2</sup> Co-mingled fund, excluding SMAs and (for Senior Debt Partners) undrawn commitments

<sup>3</sup> Real Estate Partnership Capital funds are shown including undrawn commitments that will earn fees once drawn

- In addition to the \$3.1bn of deployment itemised in the table above, a further \$1.4bn was deployed on behalf of older vintages, fee-paying co-investments and separately managed accounts

### Balance sheet investment portfolio

- The balance sheet investment portfolio was valued at £2,775.7m at 30 June 2021, an increase of 8.6% during the period. This was driven largely by the strong performance of our funds alongside which the balance sheet investment portfolio is invested and which generated £133.3m of unrealised gains
- We invested £105.0m on behalf of strategies that do not yet have funds, including North America Private Equity, Life Sciences and LP Secondaries

	Balance sheet investment portfolio (excluding warehoused investments)	Warehoused investments	Balance sheet investment portfolio
As at 31 March 2021	2,491.7	64.6	2,556.3
<i>New investments</i>	252.0	105.0	357.0
<i>Realisations</i>	(225.7)	(65.3)	(291.0)
Net New Investments	26.3	39.7	66.0
Unrealised gains	133.3	-	133.3
FX and Other	18.1	2.0	20.1
As at 30 June 2021	2,669.4	106.3	2,775.7

### Group

#### Acquisition of Australian real estate debt manager

- On 1 June 2021 ICG announced it had acquired Newground Capital Partners (“Newground”), an Australian real estate debt manager
- Newground is an arranger, investor and manager of real estate financing solutions in the Australian mid-market, with offices in Brisbane, Sydney, and Melbourne. The team of seven has closed over 30 transactions, deployed more than A\$200m of capital and manages investments on behalf of over 100 clients
- The business will underwrite loans of A\$30m - A\$200m to owners of value-add, stabilised and construction assets
- Investments in this strategy will be seeded initially from our balance sheet, and we intend to launch a fund in due course to capitalise on the growing interest in real estate debt amongst Australian investors

#### Liquidity

- At 30 June 2021, the Group had total available liquidity of £652.2m

## SUSTAINABILITY AND PEOPLE

- Our priorities within the broader ESG landscape are to continue to integrate ESG systematically into all investment activities; to maintain transparent ESG communications with stakeholders; and to ensure our corporate behaviour models strong ESG practice. We see the greatest potential for ICG to make an impact in the areas of climate change and diversity and inclusion (D&I)
- ESG-linked fund facility put in place for Real Estate Partnership Capital VI. The fund offers green loans under a Green Loan Framework to the real estate sector to support environmentally sustainable economic activity for developments, major refurbishments and standing operational investments. The price of the fund facility is linked to annually achieving one of two KPIs: either a) >50% of the AUM is under the Fund’s Green Loan Framework; or b) >50% of underlying AUM invested in buildings constructed to an externally-verified Green Building Certification of at least “Very Good” (or equivalent)
- Europe Fund VIII launched with an enhanced ESG engagement strategy. The fund is taking a thematic approach, with a particular emphasis on Climate Change, Human Capital Management and D&I. These topics are consistent with our broader areas of focus, are aligned with UN Sustainable Development Goals 3, 5, 7, 8 and 10, and will feed directly into portfolio company governance, performance tracking and reporting

- Effective 1 July 2021, ICG joined The Diversity Project, a UK-based cross-company initiative championing a more inclusive culture within the investment and savings professions

## OTHER

### Foreign exchange rates

The following foreign exchange rates have been used throughout this review:

	Average rate for Q1 FY22	Average rate for FY21	30 June 2021 period end	31 March 2021 period end
GBP:EUR	1.1595	1.1254	1.1667	1.1750
GBP:USD	1.3955	1.3173	1.3831	1.3783
EUR:USD	1.2036	1.1705	1.1855	1.1730

At 30 June 2021 our third-party AUM was \$61.5m. If GBP:USD had been by 5% higher (1.4523) our reported third-party AUM would have been \$457m higher. If EUR:USD had been 5% higher (1.2448) our reported third-party AUM would have been \$1,729m higher.

Where noted, this review presents changes in AUM on a constant exchange rate basis. For the purposes of these calculations, opening AUM has been translated from the underlying fund currencies to USD at the respective period end exchange rates. This has then been compared to the AUM at the period end to arrive at the change on a constant currency exchange rate basis.

### Company timetable

Payment of ordinary dividend	5 August 2021
Half year results announcement	16 November 2021



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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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## ABOUT ICG

ICG provides capital to help companies develop and grow. We are a global alternative asset manager with over 30 years' history, managing \$65bn of assets and investing across the capital structure.

We develop long-term relationships with our business partners to deliver value for shareholders, clients and employees, and use our position of influence to benefit the environment and society.

We operate across four strategic asset classes: corporate, capital market, real asset and secondary investments. In addition to growing existing strategies, we innovate and pioneer new strategies where the market opportunity exists.

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

## GLOSSARY

Term	Short form	Definition
Additions (of AUM)		<p><u>Within third-party AUM</u>: the aggregate of new commitments of capital by clients, and calls of capital from funds that have previously had a step-down and are therefore reflected in third-party AUM on a net invested capital basis</p> <p><u>Within third-party fee-earning AUM</u>: the aggregate of new commitments of capital by clients that pay fees on committed capital, and deployment of capital that charges fees on invested capital (including calls of capital from funds that have previously had a step-down and therefore charge fees on a net invested capital basis)</p>
Balance sheet investment portfolio		Balance sheet investments made alongside funds, or where the balance sheet is seeding investments for new strategies
Close (of a fund)		A stage in fundraising whereby a fund is able to release or draw down the capital contractually committed at that date
Direct investment funds		Funds which invest in self-originated transactions for which there is a low volume, illiquid secondary market. Specifically, this excludes Capital Market Investments and ICG Enterprise Trust within Secondary Investments
Fund		A pool of third-party capital allocated to a specific investment strategy or strategies, managed by ICG plc or its affiliates
Investment Company	IC	The Investment Company invests the Group's balance sheet to seed and accelerate emerging strategies, and invests alongside the Group's more established funds to align interests between the Group's clients, employees and shareholders. It also supports a number of costs including for certain central functions, a part of the Executive Directors' compensation, and the portion of the investment teams' compensation linked to the returns of the balance sheet investment portfolio
Realisations (of AUM)		Reductions in AUM due to capital being returned to investors and / or no longer able to be called by the fund, and the reduction in AUM due to step-downs
Recycle (of AUM)		Where the fund is able to re-invest capital that has previously been invested and then realised. This is typically only within a defined period during the fund's investment period and is generally subject to certain requirements
Separately Managed Account	SMA	A pool of third-party capital committed by a single investor allocated to a specific investment strategy or strategies, managed by ICG plc or its affiliates (the Group)
Step-down		A reduction in AUM resulting from the end of the investment period in an existing fund or when a subsequent fund starts to invest. Funds that charge fees on committed capital during the investment period will normally shift to charging fees on net invested capital post step-down. There is generally the ability to continue to call further capital from funds that have had a step-down in certain circumstances. In this instance, fees will be earned on that invested capital and it will be added to AUM through Additions
Third-party AUM		Value of all funds and assets managed by the Group (including both invested and uninvested capital) on which the Group earns, or has the potential to earn, fees. During the investment period third-party AUM is measured on the basis of committed capital. Once outside the investment period, it is measured on the basis of invested cost. AUM is presented in US dollars, with non-US dollar denominated at the period end closing rate
Third-party fee-earning AUM		Third-party AUM for which the Group earns a management or performance fee on the date in question
Total AUM		The aggregate of third-party AUM and the balance sheet investment portfolio, excluding warehoused investments
Total available liquidity		Total available liquidity comprises unencumbered cash and available undrawn debt facilities



Term	Short form	Definition
Warehoused investments		Investments within the balance sheet investment portfolio that the Group anticipates transferring to a fund in due course, typically made where the Group is seeding new strategies in anticipation of raising a fund

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