Apax Global Alpha Limited

Annual Report and Accounts 2017

Introduction

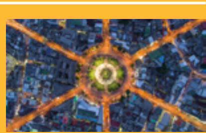
Apax Global Alpha Limited offers its shareholders exclusive exposure to both Apax Partners' Private Equity funds and a tailored mix of Derived Investments.

01

STRATEGIC REPORT

Read more on PG04

02



GOVERNANCE REPORT

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www.apaxglobalalpha.com

Highlights 2017

Total NAV Return[1]
at 31 December 2017

%	
2017	2.2%
2016	6.6%

2.2%

Dividend per ordinary share in respect of 2017
at 31 December 2017

€	
2017	9.42c
2016	9.43c

£	
2017	8.41p
2016	8.08p

9.42c | 8.41p

Adjusted NAV[2]
at 31 December 2017

€m	
2017	912.4
2016	938.7

£m	
2017	810.3
2016	801.2

€912.4m | £810.3m

Adjusted NAV[2] per share
at 31 December 2017

€	
2017	1.86
2016	1.91

£	
2017	1.65
2016	1.63

€1.86 | £1.65

Market capitalisation
at 31 December 2017

€m	
2017	822.6
2016	804.8

£m	
2017	730.5
2016	686.9

€822.6m | £730.5m

Percentage of funds invested
at 31 December 2017

%	
2017	98%
2016	96%

98%

Read more on PG16

1. Total NAV Return for the Company reflects the percentage movement in the period between the closing euro Adjusted NAV (dividend added back) relative to the opening Adjusted NAV
2. Adjusted NAV is calculated by deducting the estimated performance fee reserve from period-end NAV

For details of calculations used please see the glossary on page 100

Company overview

AGA is a closed-ended investment company that invests in a diversified portfolio of Private Equity funds and Derived Investments identified as a result of the private equity activities of Apax Partners.

Structure

The Company
Apax Global Alpha Limited

Apax GLOBAL ALPHA

About AGA
Apax Global Alpha Limited ("AGA") is a closed-ended investment company that invests in a diversified portfolio of Private Equity investments and Derived Investments in debt and equities. The Company was admitted to trading on the Main Market of the London Stock Exchange on 15 June 2015. On 18 September 2017, AGA became part of the FTSE All Share and Small Cap Indices. Ticker: APAX

What AGA does
- Sets business objectives and investment strategy
- Governance and risk management
- Appointment and oversight of Investment Manager and other service providers

The Investment Manager
Apax Guernsey Managers Limited

About AGML
AGA has appointed Apax Guernsey Managers Limited ("AGML" or the "Investment Manager") as its discretionary Investment Manager. AGML is managed by a board of experienced investment professionals and operational private equity executives.

What AGML does
- Discretionary portfolio management
- Investment and divestment decisions
- Portfolio performance analysis and risk management

The Investment Adviser
Apax Partners LLP

Apax PARTNERS

About Apax Partners
Apax Partners LLP ("Apax Partners", "Apax", or "Investment Adviser") is a leading global private equity advisory firm and acts as Investment Adviser to AGML. It operates globally and has more than 30 years of investing experience. Apax Partners has raised and advised funds that total over €42bn in aggregate at 31 December 2017.

What Apax Partners do
- Identification and due diligence of investment opportunities
- Recommendation of potential investments and divestments to AGML for consideration

Objective

The Company's investment objective is to provide shareholders with capital appreciation from its investment portfolio and regular dividends.

The Company is targeting an annualised Total Net Asset Value ("NAV") Return across economic cycles of

12–15%

net of fees and expenses.

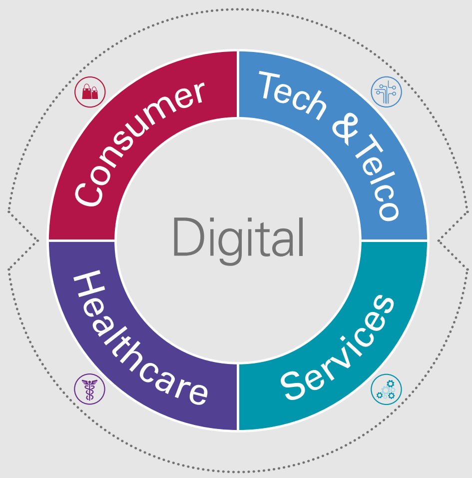
The Company aims to pay an annualised dividend yield of

5% of NAV

per annum.

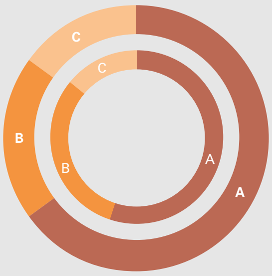
Expertise

Apax Partners advises on investments globally in companies across four sectors: Tech & Telco, Services, Healthcare and Consumer. Underpinning these four vertical sectors is a horizontal specialism in digital. This includes investments the Apax Funds make in digital businesses as well as operational capabilities focused around helping portfolio companies embrace the full digital potential of their business.



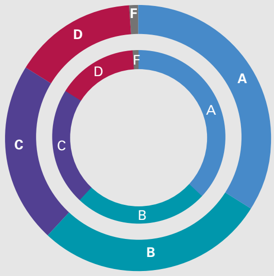
Portfolio

Asset type



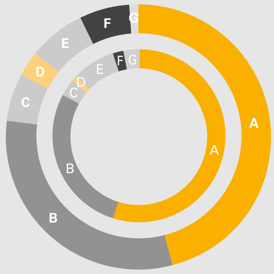
	2016	2017
A Private Equity	55%	**65%**
B Derived Debt	31%	**20%**
C Derived Equity	14%	**15%**

Sector



	2016	2017
A Tech & Telco	37%	**34%**
B Services	25%	**28%**
C Healthcare	22%	**22%**
D Consumer	15%	**15%**
E Digital	0%	**0%**
F Other	1%	**1%**

Geography



	2016	2017
A North America	55%	**46%**
B Europe	28%	**31%**
C United Kingdom	3%	**6%**
D Israel	1%	**3%**
E India	8%	**7%**
F China	2%	**6%**
G Rest of World	3%	**1%**

Private Equity 65%

35% Derived Investments

	Private Equity 65%	**Debt 20%**	**Equity 15%**
Portfolio value[1] at 31 December 2017 (€m)			
2017	590.2	188.4	132.1
2016	498.8	284.9	127.9
	€590.2m	**€188.4m**	**€132.1m**
Adjusted NAV at 31 December 2017 (€m)			
2017	586.1	185.5	121.8
2016	494.1	280.1	126.1
	€586.1m	**€185.5m**	**€121.8m**
Total Return[2] at 31 December 2017 (%)			
2017	3.3	-2.0	24.2
2016	6.4	8.0	11.3
	3.3%	**-2.0%**	**24.2%**

1. Excludes cash and cash equivalents and net current assets
2. Total Return calculated by taking total gains or losses, divided by the sum of Adjusted NAV at the beginning of the period and the time weighted net invested capital. The time weighted net invested capital is the sum of investments made during the period less realised proceeds received during the period, both weighted by the number of days the capital was at work in the portfolio. Please see page 100 of the glossary for further details

Our strategy and performance

01 STRATEGIC REPORT

AGA's business model provides shareholders with unique exposure to four key sectors where long-term superior gains can be achieved through AGA's ability to invest "ahead of the curve".

In this section

Strategic report

Chairman's statement

AGA's investment portfolio performed strongly in 2017, however reported returns were depressed by the strengthening of the euro, notably against the US dollar.

Overview

I am pleased to report that Apax Global Alpha made encouraging progress in 2017. In Private Equity, through its holdings in a range of Apax Funds, AGA invested in a number of attractive and well-priced companies. Derived Equity exposure was increased at the expense of Derived Debt in response to the frothiness of debt markets. This proved to be a successful approach with very strong returns being achieved from the Derived Equity portfolio during the year. The Derived Debt portfolio remained a stable contributor to the performance and income of AGA, although its substantial weighting in securities denominated in US dollars had a negative impact on returns.

The Investment Manager's Report provides a comprehensive analysis of the performance of the portfolio as well as a commentary on the current state of investment markets.

Read more on PG10

Results

On a constant currency basis, the Company delivered a Total NAV Return of 10.2% for the year. However, currency effects reduced the return to 2.2% when reported in euro terms. AGA does not hedge currency movements, and the weakness of the US dollar relative to the euro, against which it fell by 12% in the year, had a substantial impact on the reported value of the portfolio. Adjusted NAV per share decreased from €1.91 to €1.86 over the past twelve months, as solid gains across the portfolio were offset by adverse currency movements and two dividend payments of 4.13p and 4.24p made in March and August 2017, respectively.

Total NAV Return
at 31 December 2017

2.2% / 10.2%[1]

2016: 6.6% / 3.9%[1]

Adjusted NAV
at 31 December 2017

€912.4m

2016: €938.7m

Adjusted NAV per share
at 31 December 2017

€1.86

2016: €1.91

1. On a constant currency basis

On a constant currency basis, the Investment Portfolio of AGA contributed 12.5% to Total NAV Return, with Private Equity delivering a Total Return of 10.0%, Derived Debt 9.8%, and Derived Equity 35.7%.

Portfolio summary
AGA was 98% invested as at 31 December 2017 and the portfolio was split 65% Private Equity and 35% in Derived Investments. Whilst AGA strives to maintain a balance in its exposure to Private Equity and Derived Investments, shareholders should continue to expect the share of investments in Private Equity and Derived Investments to fluctuate. In 2017 in particular, AGA funded a number of new investments in the Private Equity portfolio towards the year-end, increasing the Private Equity proportion in the portfolio. To fund these investments, Derived Investments were realised in line with AGA's portfolio management strategy.

Read more on PG16

The Private Equity portfolio's constant currency return of 10.0% was largely attributable to the profitable growth achieved by the majority of portfolio companies. Over 80% of portfolio companies grew their earnings during the year, with average revenue and EBITDA up 12.8% and 17.9% respectively over the last twelve months.

Read more on PG18

The Derived Investments portfolio generated a Total Return of 17.5% on a constant currency basis. The higher weighting in Derived Equity supported returns during the year. Derived Debt investments produced resilient investment returns with 27 out of the 30 investments made or held in the portfolio during 2017 contributing positively to performance before currency effects.

Read more on PG28

Investment activity
2017 saw a high level of investment activity in the portfolio. In total, €429.3m of capital was deployed over the twelve months to 31 December 2017, €150.8m in Private Equity and €278.5m in Derived Investments. Realisations totalled €451.1m, with €74.5m from Private Equity and €376.6m from Derived Investments.

Market environment
Global equity and debt markets continued to reach new highs in 2017. Private equity valuations also surpassed their 2007 peaks, even though leverage levels were more moderate and interest rates lower. Although there is no immediate reason for concern regarding an economic slowdown in the US and Europe, rising interest rates combined with the continued phasing out of quantitative easing policies may cause some volatility in markets. In the current market environment, a continued focus on appropriate entry pricing and leverage levels will remain important disciplines in the management of AGA's portfolio.

Read more on PG10

Second lock-up release and FTSE Indices inclusion
The second anniversary of AGA's IPO took place on 15 June 2017 which resulted in an additional 7.5% of AGA's ordinary shares being released from lock-up. As with the initial lock-up release, the Company and its broker offered a tender process for share placements in the market. However, no shares were tendered on this occasion. This illustrates that AGA continues to be regarded as an attractive value proposition by its pre-IPO shareholders.

Following the second lock up release, AGA's free float increased to more than 50% which led to the Company being included for the first time in the FTSE All Share and FTSE Small-Cap Indices on 18 September 2017.

Dividend
Following the first interim dividend of 4.24 pence paid in August 2017, the Board has declared a final dividend in respect of the financial period to 31 December 2017 of 4.17 pence per share. This dividend is equivalent to 2.5% of AGA's euro NAV at 31 December 2017 and thus continues the policy of distributing 5% of AGA's NAV per annum. The dividend will be paid on 4 April 2018 to shareholders on the register of members on 16 March 2018. The shares will trade ex-dividend on 15 March 2018.

www.apaxglobalalpha.com/investors/share-price-dividends/share-price-and-dividends

Funding and commitments
In May 2017, AGA committed $50m to the Apax Digital Fund, a new tech-focused growth fund advised by Apax Partners. The Apax Digital Fund, which had its final close in December 2017, successfully raised its maximum target of $1bn following significant investor demand. It aims to make minority and buyout investments in high-growth enterprise technology and consumer internet companies globally. The $50m commitment enabled AGA to continue its strategy of providing shareholders with access to Private Equity funds. AGA now has exposure to six Apax Funds spanning vintages from 2005 – 2017 and with a total commitment of €805.5m. €589.5m of commitments have already been funded by AGA.

Read more on PG21

Discontinuation vote
As AGA has no fixed life, the Company's articles require a resolution to be put to shareholders on a periodic basis regarding the continuation of the Company. Accordingly, a "Discontinuation Resolution" will be put forward at the 2018 Annual General Meeting (and if not passed, every three years thereafter) which will enable shareholders to vote on whether to instruct the Directors to bring forward proposals to wind up, liquidate, unitise or restructure the Company.

The Board of Directors unanimously recommends that all shareholders vote "Against" the Discontinuation Resolution in order to ensure the Company continues in its current form and that the considerable costs and uncertainties of a liquidation process are avoided. AGA has to date provided shareholders with a consistent dividend stream and its portfolio has strong fundamental characteristics that puts it in good stead to realise more value in the future.

Board changes
Sarah Evans resigned as a Non-Executive Director in January 2018 due to ill-health. Sarah was appointed as a Director in July 2016 and the Board would like to thank her for her valuable contribution to the Company.

Outlook
AGA is fortunate to have a portfolio that is well diversified by asset classes and geographies. Together with a flexible investment strategy that deploys the insights gained from the Private Equity investment process of Apax Partners, this provides a strong basis for continued value creation in future years.

Tim Breedon CBE
Chairman
5 March 2018

Strategic report

Our strategic objectives

AGA's investment objective is to provide shareholders with capital appreciation from its Investment Portfolio and regular dividends. The Company is targeting an annualised Total NAV Return across economic cycles of 12-15%, net of fees and expenses as well as to pay an annualised dividend yield of 5% of NAV per annum.

Objective

1

Target annual 5% of NAV dividend

2

Over-the-cycle net target Total NAV Return of 12–15%

3

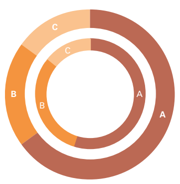
Continue investing in the Apax Funds

4

Balanced exposure to Private Equity and Derived Investments

5

Remain fully invested

Progress 2017	Outlook 2018	Risks[1]
Dividends paid p 2017: 8.41 2016: 8.08 **8.41p**	> Target dividend strategy viable on current projections	> Limited foreseeable risk Read more on PG93
Total NAV Return % 2017: 2.2 2016: 6.6 **2.2%**	> Focus on micro-oriented investment themes, price discipline, and early value generation as drivers of returns in an elevated valuation environment	> Investment portfolio does not achieve its target investment return for a variety of reasons > Increasing geo-political uncertainty could create macro-economic risks Read more on PG16
Fund commitments $m 2017: 50 2016: 350 **c.$50m**	> The Board will continue to evaluate potential commitments to future Apax Funds	> New Apax Funds not available Read more on PG21
Portfolio balance  **A** Private Equity **B** Debt **C** Equity **65%** Private Equity **20%** Debt **15%** Equity	> The split is currently overweight towards Private Equity in light of significant new investment activity in the Private Equity portfolio towards the end of 2017 > Investors should expect the proportion of Private Equity to Derived Investments to fluctuate around the longer term over-the-cycle objective of the Company to maintain a balanced exposure	> Apax Funds capital drawdown and distribution rate > Market conditions > Differing attractiveness or performance of the asset classes Read more on PG16
Invested Portfolio % 2017: 98 2016: 96 **98%** % of NAV	> Remain fully or close to fully invested	> Dependent on wider market conditions that may favour portfolio divestments over new investments > Timing of cash flows in the portfolio Read more on PG16

1. These risks are not exhaustive and should not be considered to be a definitive list. For more information please see page 40

Strategic report

Investment Manager's report | Market overview

In 2017 equity and debt markets continued to rally around the globe. Macro remains strong, but geopolitical risks lie ahead.

2017 market review

2017 was a year of global asset price appreciation, most pronounced in equities. The US markets were the standout performer in the developed world, driven by the "Trump trade", betting on tax reform and robust growth. In Europe, the economic rebound continued and its momentum improved. In addition to a solid macroeconomic climate, European elections generally had benign outcomes from an economic perspective, for example in the Netherlands, France and arguably also Germany. China had its own macroeconomic boost in the second half of the year which re-ignited equity markets that were lacklustre for the better part of the past two years. The Emerging Markets more generally, while being heterogeneous, widely benefited from increasing demand from the West and China as well as a commodity price rebound.

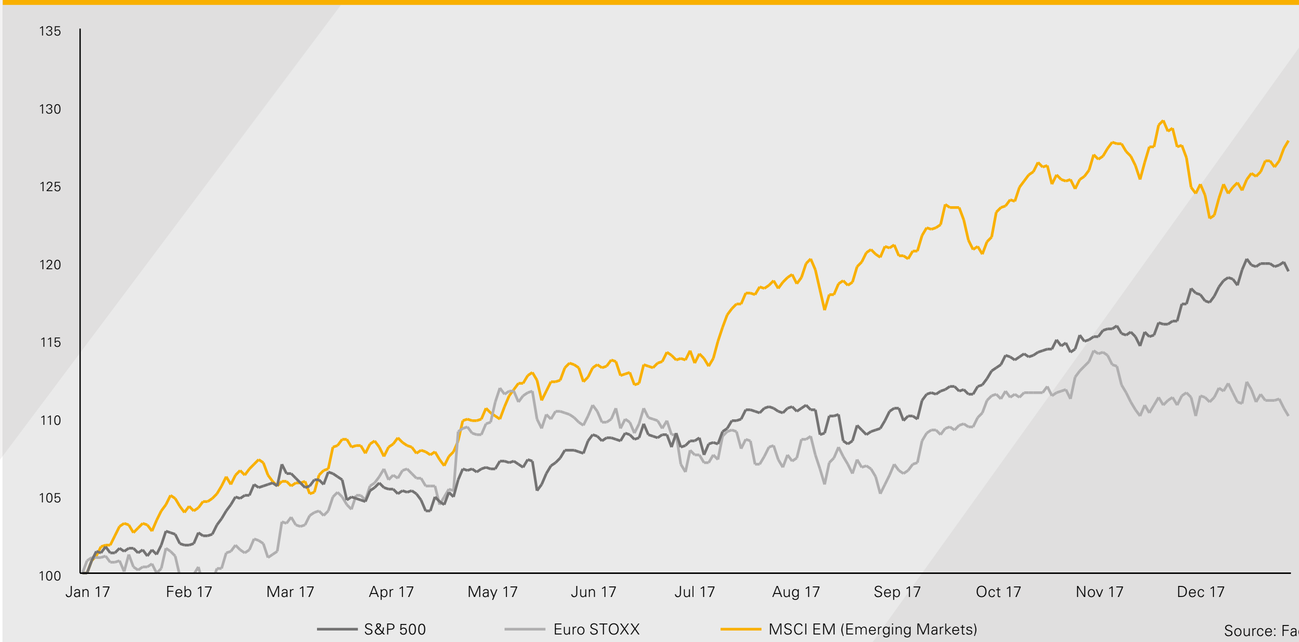
Stock markets made new highs, partly driven by improving corporate profits globally (Fig.1). The average 2017 net earnings change in the S&P 500, the euro STOXX and the MSCI Emerging Markets are expected to be 10%, 14% and 22%, respectively. The fact that bottom lines generally grew more slowly than stock prices implies that price to earnings ("P/E") multiples are exceeding previous years' levels. Fig.2 shows NTM P/E multiples in most markets are significantly higher than they were at any point since the financial crisis.

Credit markets generally moved in line with equities, and yields declined for most ratings levels and geographies. Further, the spread between more junior instruments and investment grade debt has narrowed substantially, showing increasing risk appetite or perhaps even risk ignorance in the hunt for yield. At these levels credit is arguably higher valued on a relative basis than equities, in particular in Europe (Fig.3, Fig.4).

With strong public equity markets, the private equity markets have also benefited and today valuations are at all-time highs for buyouts in the developed world as Fig.5 summarises.

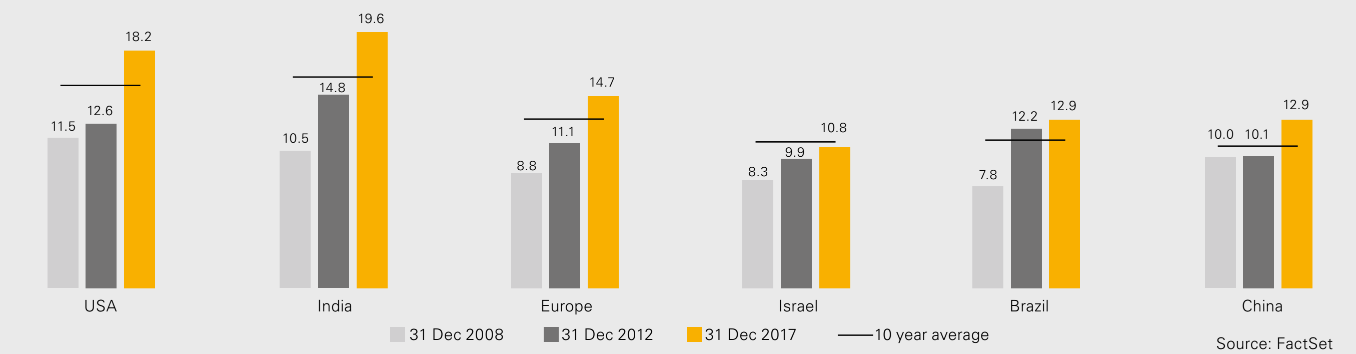
Whilst today's valuation levels are exceeding those of 2006/7 we note that both leverage levels and interest rates are lower. As a consequence, private equity investments carry a lower interest burden now than a decade ago (Fig.6).

Fig.1: Market indices (rebased)



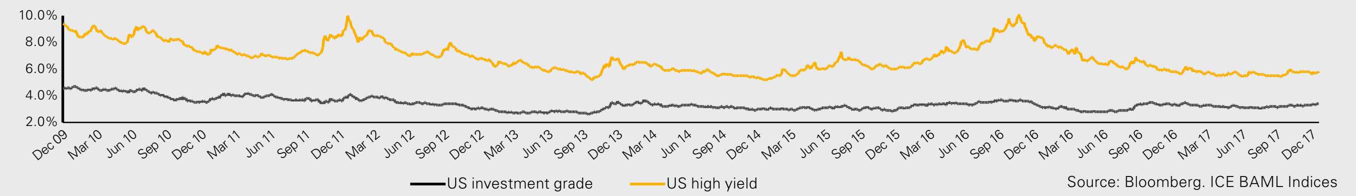
Source: FactSet

Fig.2: NTM P/E multiples (x)



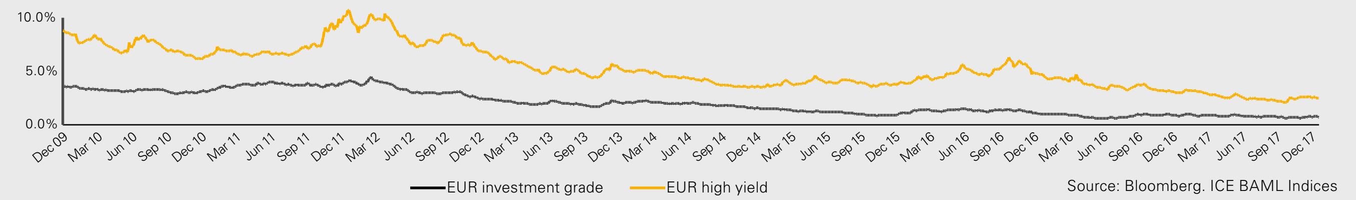
Source: FactSet

Fig.3: US dollar bond yields



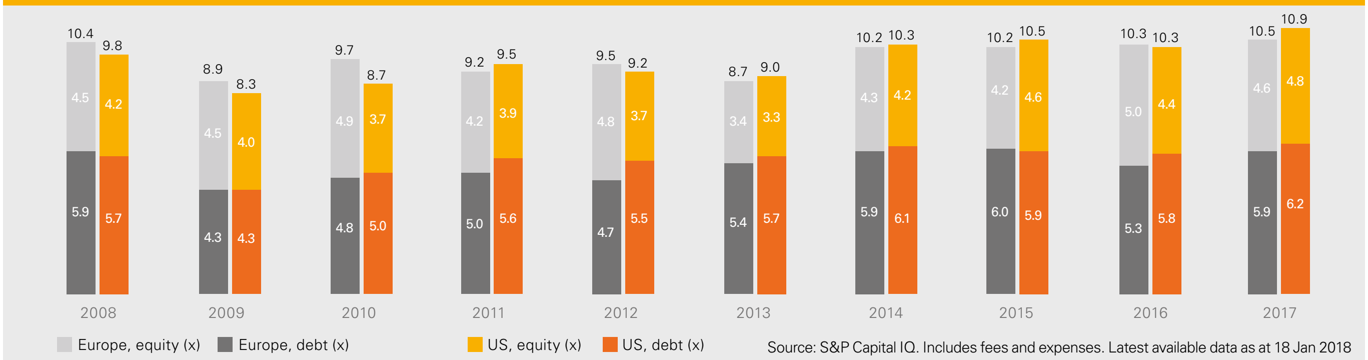
Source: Bloomberg. ICE BAML Indices

Fig.4: Euro bond yields



Source: Bloomberg. ICE BAML Indices

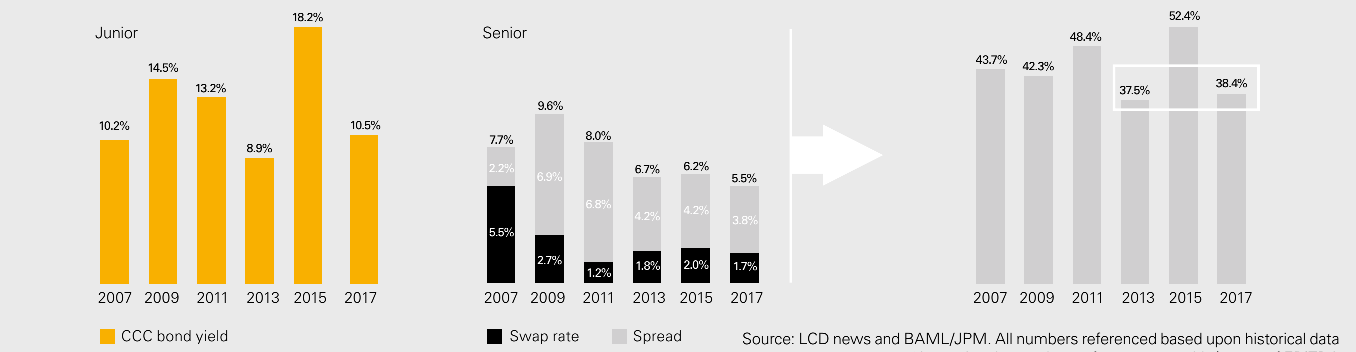
Fig.5: Average PE buyout multiples (EV/LTM EBITDA)



Source: S&P Capital IQ. Includes fees and expenses. Latest available data as at 18 Jan 2018

Fig.6: Rates have fallen from recent peaks…

Resulting in low interest as % of EBITDA for an average buyout*



Source: LCD news and BAML/JPM. All numbers referenced based upon historical data
*Assuming the purchase of a company with $100m of EBITDA

Strategic report

Investment Manager's report | Market overview

2018 outlook

The macroeconomic picture around the globe is solid and likely to improve further in 2018 as highlighted by major analysts in their updates for 2018 growth expectations (Fig.7).

In the US, low unemployment as well as positive effects from the tax overhaul are key factors underlying their growth acceleration. In Europe, there is a continuing rebound from a long recession between 2008 and 2013 as well as better economic policies, in particular in the Mediterranean countries and most notably France. China remains on an upward trajectory, fuelled by additional indebtedness of the corporate sector. We view the ever-increasing debt levels in China as a potential de-stabilising factor in the long term, but it is hard to say when and how a correction will happen (Fig.8).

Whereas the economic environment generally looks very favourable, we believe there are somewhat heightened risks from armed conflicts in the Far and Middle East. First, the tensions between North Korea and the US could come to a head in 2018 and unfortunately, war between nuclear powers as one possible scenario cannot be excluded. Second, tensions between Iran and the US, Israel and/or Sunni states, in particular Saudi Arabia, could turn into armed conflict with a variety of imaginable coalitions. Given the importance of the region for oil supply globally, even a regional conflict could have economic repercussions elsewhere.

Setting these geopolitical risks aside, the world actually looks quite investable, with one notable question mark in relation to the UK. Brexit will be progressing into a decisive phase in 2018. Depending on the turn of events, the UK's trade relations and its economic environment could take very different directions in the years to come. Despite implicit or explicit deadlines looming for decision making on what the relationship between the UK and the EU should be, the UK's position and/or its practicality remain opaque. There is a risk that by default a hard Brexit scenario is the eventual outcome, which in our view could have substantially negative implications for the UK as a whole.

In 2018, we expect base rates to rise in both the US and Europe. We believe that in the US, the central bank and the markets will adjust inflation expectations upwards, based on the fiscal stimulus hitting an economy already close to full capacity utilisation and record low unemployment. In Europe, the ECB is probably less prone to react quickly, but there will be some, possibly lagged, reaction as well. We do not think that the rise in interest rates should have a meaningfully negative effect on the real economy in the US, but there will likely be an effect on capital markets. As discussed, both equity and credit markets are very highly valued and are "waiting" for a reason to correct. While we believe that such a correction will likely happen in 2018, we do not see basic trends reversing in the mid to long term. In Europe, the picture is more complex, as rising interest rates could put some stress on the financial systems of a few countries. However, we also expect the ECB to be cautious and thus believe that any negative impacts will be diligently managed.

What does this all mean for investment in 2018?

Geographies

Fig.9 highlights countries in which the Apax Funds and AGA typically invest, as positioned in a macro-growth and public valuation plane. Clearly, excluding all other factors, the further to the right and bottom a country is positioned, the more attractive it should be for investments.

To pick an example, Israel continues to offer good value. Consequently, the Apax Funds were very active in Israel during 2017. AGA, through the Apax IX and AMI funds, invested in four deals with a total invested capital of €15.6m. The country, in our view, remains attractive for new investments also in 2018, but any new investment needs to take into account the possibility of disruptive developments in the region as touched upon above.

Amongst the larger geographies, the US remains more expensive compared to Europe, where economic growth is improving. The tax reform in the US will, however, create a growth kicker, and the lower corporate tax rate is likely to accelerate corporate reorganisations and the disposal of divisions. As such, the private equity market could become more transactable leading to an increase in deal volumes. However, the tax reform is a double-edged sword from a private equity perspective. On the positive side, there are likely to be more deals, and profit-making portfolio companies are likely to benefit from the reduction in tax rates. On the negative side, limits to the tax deductibility of interest are imposing a burden on more highly levered and less profitable businesses. With regards to the net effect on AGA's Private Equity portfolio, simulations suggest a net positive effect on future returns.

In Europe, positive macro trends are becoming ubiquitous and valuation levels on a relative basis remain decent. Seven out of 16 investments of the Apax Funds in 2017 were made in Europe and Israel. Our expectation is that there will be a greater focus on Europe and Israel in 2018. The UK remains a possible exception, for the reasons discussed earlier.

The other market that stands out in Fig.9 is China, with high growth rates and relatively low valuation levels. However, we remain somewhat cautious when investing in this market. Valuations in China have increased over the year and growth remains fuelled by increasing public and private debt. A reversal of debt trends will have to happen eventually and may cause frictions that lead to market corrections. At the same time, we note that the online economy in China is booming. Valuation levels for digital companies are sometimes at discounts to their Western counterparts, despite more attractive industry fundamentals.

Fig.9 also reflects that India and Brazil are at different points. India, on the one hand, is a large economy with the highest growth globally. While valuations are high, the market is liquid and we believe that temporary market corrections and niches could offer interesting acquisition targets. Brazil, on the other hand, could have troughed. The market does not offer many private equity opportunities but 2018 could mark an interesting entry point.

Asset classes

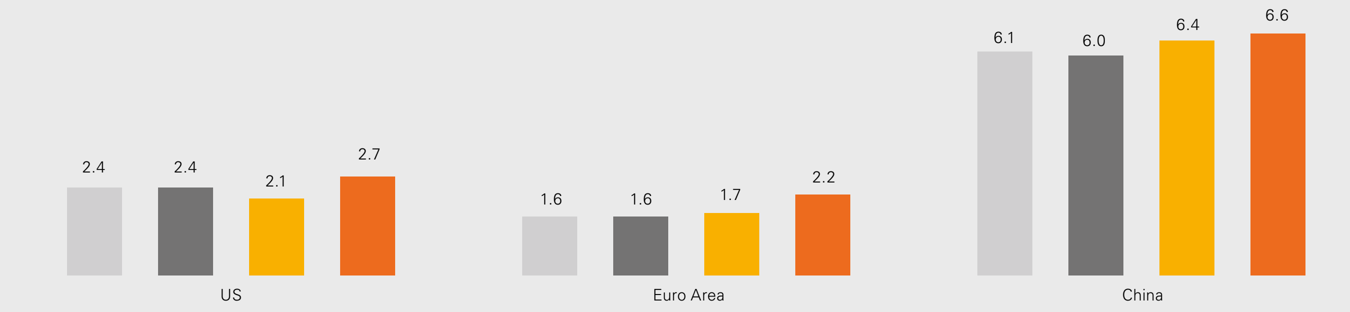
From an asset class perspective, we continue to find overall credit risk-reward profiles difficult relative to opportunities that AGA can access in the equity markets. Low spreads in the overall market suggests that there is more downside than upside. Thus, our focus continues to be on identifying micro situations in which we believe AGA can generate an outsized risk-adjusted return driven by a differentiated insight into the credit quality of the business. Apax Partners is well positioned to identify these opportunities, given its global flexibility and sector-focused platform.

Despite high valuations, both private equity and public equity can benefit from the upside of a strong macroeconomic environment and improving corporate profits. On the margin, private equity appears more attractive, as transformational ownership of companies should allow for valuation growth more easily.

Strategic report

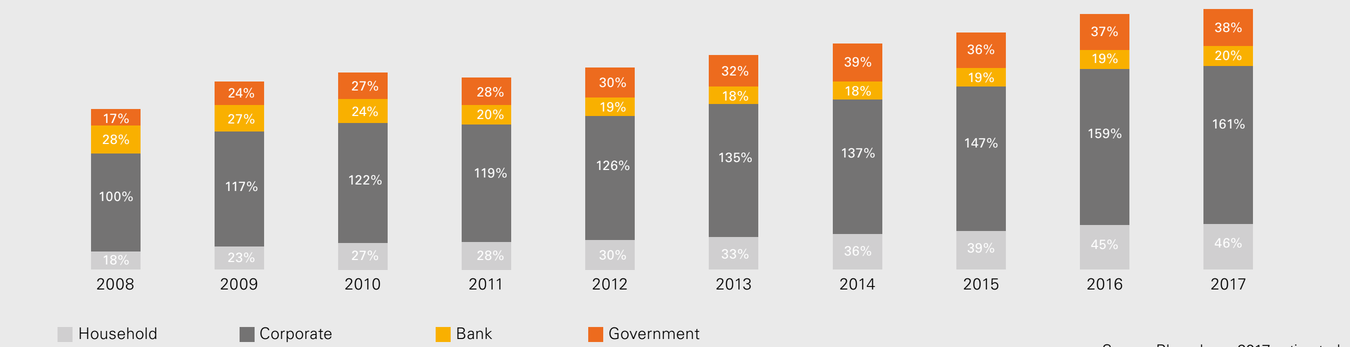
Investment Manager's report | Market overview

Fig.7: Analyst expectations for real 2018 GDP growth (% yoy) since 2015



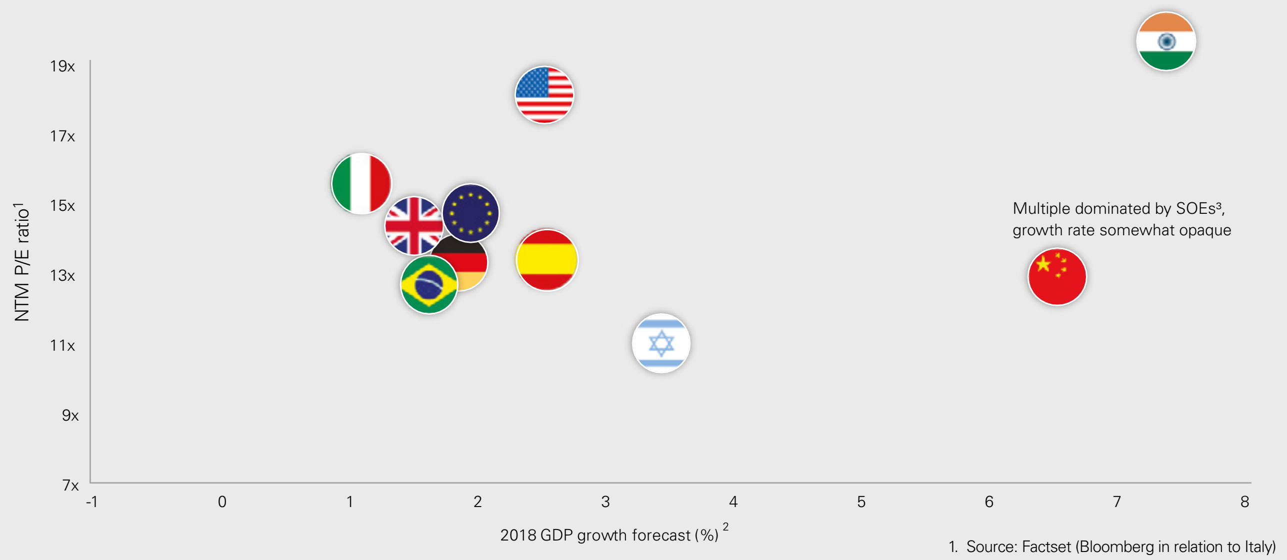
Source: IMF WEO database as at Apr 2015, Apr 2016, Jul 2017 and Jan 2018

Fig.8: China debt as % of GDP split by sector



Source: Bloomberg. 2017 estimated

Fig.9: NTM P/E ratio vs 2018 GDP growth forecast



1. Source: Factset (Bloomberg in relation to Italy)
2. Source: IMF World Economic Outlook
3. SOE – State Owned Enterprise

Sectors
In a world of fiscal impulse, more cyclical assets should provide opportunity in the short to mid-term and thus for Derived Investments in general and Derived Equity in particular. In Private Equity, with investment horizons of four to seven years, the holding periods will likely include macro slowdowns and thus stability is at a premium. For our focus sectors of Tech & Telco, Services, Healthcare and Consumer, this suggests areas of particular interest for the next 12-18 months.

Overarching sector themes are an accelerated trend towards digitisation and online use of both consumers and businesses. While valuations generally already reflect this trend, there have been and likely will be niches of value to be found in the digital space.

Most of the market themes discussed in this report are policy and macro-oriented. However, the investment strategies of the Apax Funds and AGA are micro-oriented. In particular, the Apax Funds are selecting investments with the following orientation:

> Focus on early value creation by finding and improving undermanaged businesses, consolidating fragmented markets or digitally transforming businesses;
> Relentlessly looking for decent entry multiple and "buying right" opportunities, consciously avoiding the temptation of cheap and high levels of debt; and
> A belief that sector focus and geographic flexibility allows these opportunities to be found more easily than a country-oriented perspective would.

In Derived Investments, we will continue with our strategy to leverage the expertise and private equity insight of Apax Partners and focus on opportunities where AGA will have a differentiated view from the general market perspective, allowing for the creation of "Alpha". The graphic below illustrates a few such examples of potentially interesting investment areas.

Consumer

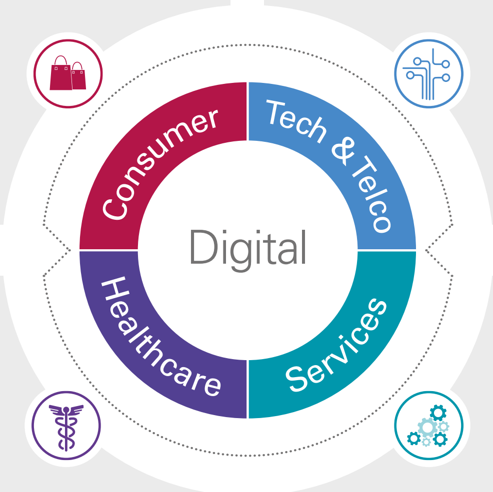
Private Equity:
Retailers with distinct, "un-amazonable" value propositions, eg. luxury, discount, high emotion

Derived Investments:
Digital models

Tech & Telco

Private Equity:
Revisit telecoms, digital services

Derived Investments:
Systems, software and IT services



Healthcare

Private Equity:
Services and med-tech deals

Derived Investments:
Consumer discretion; undervalued segments such as pharmaceuticals

Services

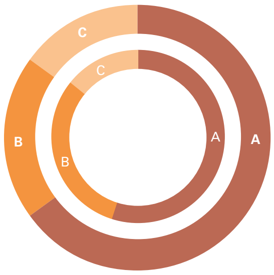
Private Equity:
Recurring revenue business models and "buy and build" opportunities

Derived Investments:
Consumer and industrial exposures, financial services (specifically in India)

Strategic report

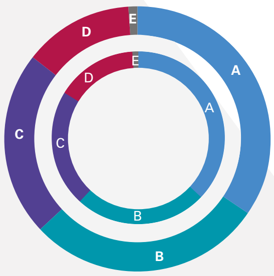
Investment Manager's report | Portfolio overview

Portfolio split by asset type



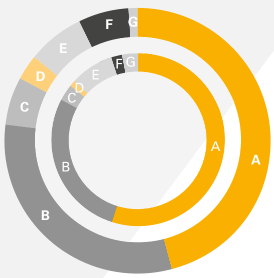
	2016	2017
A Private Equity	55%	**65%**
B Derived Debt	31%	**20%**
C Derived Equity	14%	**15%**

Portfolio split by sector



	2016	2017
A Tech & Telco	37%	**34%**
B Services	25%	**28%**
C Healthcare	22%	**22%**
D Consumer	15%	**15%**
E Digital	0%	**0%**
E Other	1%	**1%**

Portfolio split by geography



	2016	2017
A North America	55%	**46%**
B Europe	28%	**31%**
C United Kingdom	3%	**6%**
D Israel	1%	**3%**
E India	8%	**7%**
F China	2%	**6%**
G Rest of World	3%	**1%**

Apax Partners' ability to identify investments off-the-beaten-track has resulted in AGA's portfolio being positioned to deliver sustainable returns.

Portfolio overview

AGA had an active year in both Private Equity and Derived Investments. In Private Equity, 16 new investments were made during 2017. Eleven of these investments were funded by Apax IX, which is the current global Apax buyout fund being invested. Three investments were made in mid-market buyouts in Israel through the AMI Opportunities Fund ("AMI"). We are also pleased to report that the new Apax Digital Fund ("ADF"), which closed in December 2017, made two growth investments in digital companies before year end.

Read more on PG27

We made 27 new investments in Derived Investments and divested 25 positions by year-end. Divestments towards the second half of the year were largely driven by a need to fund the new Private Equity investments. As a result, AGA's portfolio mix increased in Private Equity by 15% with an exposure of 65% at year-end. We consider this a normal fluctuation in the context of the long term objective to maintain a balanced portfolio. Shifts in the portfolio split will continue to occur over time due to market conditions, differing attractiveness or performance of the asset classes in which AGA invests as well as the investment and disposal rate of the Apax Funds. In making investments, we will prioritise AGA's ability to generate attractive risk-adjusted returns for shareholders over actively managing the portfolio to an equal split between Private Equity and Derived Investments in the short term. Investors are therefore reminded that they should continue to expect movements in the portfolio split, and that the ratio will continue to fluctuate around AGA's longer term objective to keep Private Equity and Derived Investments in balance.

At year end, AGA had exposure to 48 Private Equity investments and 30 Derived Investments. Nine investments in the Derived Investments portfolio overlapped with the Apax Funds' portfolio companies, either because AGA took a minority investment in the debt issued by these portfolio companies, or has also invested in listed companies in which the Apax Funds have a holding (three investments).

The sector split remained largely stable across our four focus sectors with the geographic exposure shifting slightly towards Europe.

NAV development and portfolio performance

At the end of 2017, Adjusted NAV was €912.4m, down from €938.7m at 31 December 2016 (Fig.1 and 3). A substantial part of this movement was due to the depreciation relative to the US dollar to the euro during the reporting period, a negative impact of €77.2m. €42.9m of realised gains increased Adjusted NAV on the back of profitable realisations. €50.8m of unrealised gains underline the quality of the portfolio at 31 December 2017. Additionally, there was an increase of €12.8m in the performance fee reserve, largely reflecting the increased number of profitable divestments driven by the need to fund Private Equity calls ahead of year end. Two semi-annual dividends totalling €46.4m were paid to shareholders, in line with AGA's objective to distribute 5% of NAV per annum. This amount includes the final dividend for 2016 and the first semi-annual dividend for 2017. The final dividend for 2017 is expected to be paid on 4 April 2018.

All three asset classes in which AGA invests in – Private Equity, Derived Debt, and Derived Equity – provided positive return contributions during the year in constant currency terms (Fig.2).

Private Equity's Total Return on a constant currency basis was 10.0%, and contributed 4.9% to Total NAV Return.

Read more on PG18

Derived Equity delivered a particularly strong result with a constant currency Total Return of 35.7% and contributing 5.5% to Total NAV Return. Derived Debt, improved its performance during the year and delivered a very solid constant currency Total Return of 9.8% and a Total NAV Return contribution of 2.1% in 2017.

Read more on PG28

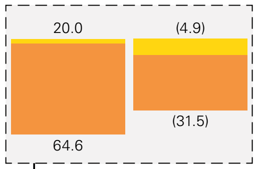
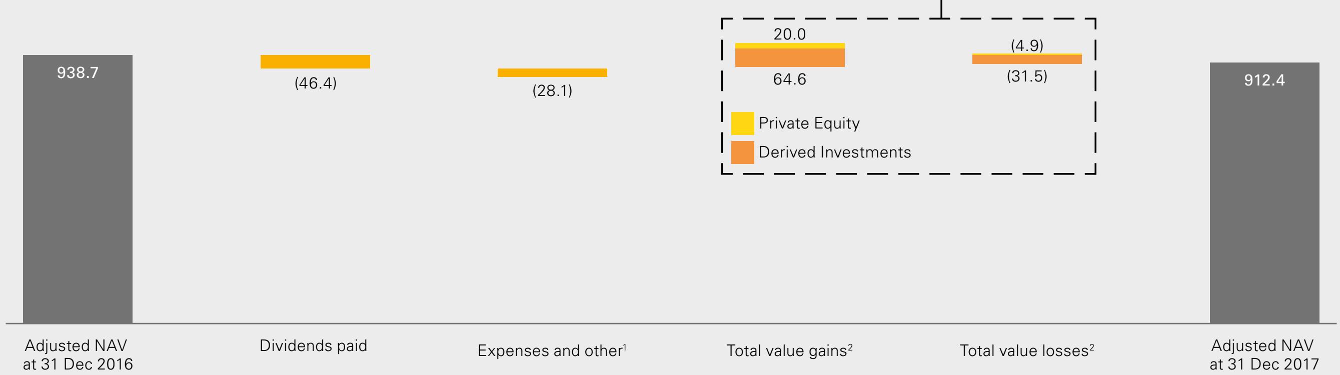
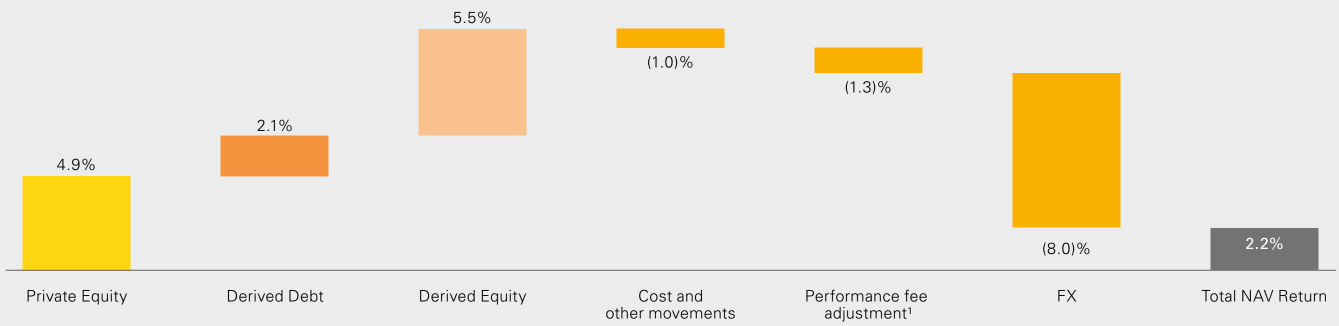


Fig.1: Adjusted NAV development and performance (€m)



1. Expenses and other consists of: expenses and accruals of €10.8m; performance fee of €12.8m; and FX losses on cash of €4.5m
2. Total value movement calculated by taking unrealised and realised movements, FX and income earned during the period. Total value gains show the positive contributors and total value losses show the negative contributors

Fig.2: Performance (%)



1. Performance fee adjustment accounting for the movement in the estimated performance reserve fee at 31 December 2017

Fig.3: Adjusted NAV development (€m)

	Private Equity	Derived Investments[1]	Cash	Other	Total
Adjusted NAV at 31 December 2016	**494.1**	**406.2**	**33.9**	**4.5**	**938.7**
+ Investments	150.8	278.5	(429.8)	0.5	–
- Divestments	(74.5)	(376.6)	455.5	(4.4)	–
+ Interest and dividend income	–	–	27.2	(0.9)	26.3
+ Unrealised gains	47.3	3.5	–	–	50.8
+ Realised gains	–	42.9	–	–	42.9
- FX losses	(32.2)	(40.5)	(4.5)	–	(77.2)
+/- Costs and other movements	–	–	(10.3)	0.4	(9.9)
- Dividends paid	–	–	(46.4)	–	(46.4)
+/- Performance fee reserve	0.6	(6.8)	(6.6)	–	(12.8)
Adjusted NAV at 31 December 2017	**586.1**	**307.2**	**19.0**	**0.1**	**912.4**

1. Included in investments, divestments and realised gains are movements related to the restructuring of Answers and Rue21. AGA received equity, warrants and new second lien debt in lieu of first and second lien debt held in Answers and it received equity in lieu of first lien debt held in Rue21

Strategic report

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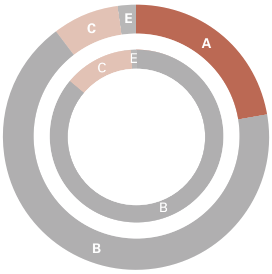
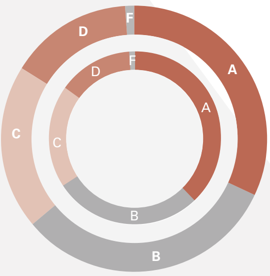
Portfolio split by fund exposure



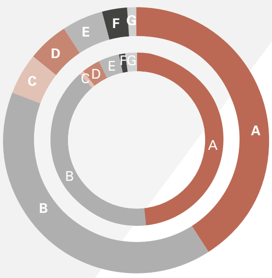
	2016	2017
A AIX	-1%	**22%**
B AVIII	87%	**66%**
C AEVII	13%	**8%**
D AEVI	0%	**0%**
E AMI	1%	**2%**
F ADF	0%	**0%**

Portfolio split by sector



	2016	2017
A Tech & Telco	38%	**32%**
B Services	28%	**32%**
C Healthcare	19%	**20%**
D Consumer	14%	**15%**
E Digital	0%	**0%**
F Other	1%	**1%**

Portfolio split by geography



	2016	2017
A North America	47%	**41%**
B Europe	39%	**40%**
C United Kingdom	1%	**5%**
D Israel	3%	**5%**
E India	7%	**5%**
F China	1%	**3%**
G Rest of World	2%	**1%**

Private Equity delivered a Total Return of 10% on a constant currency basis in 2017. FX in the period materially impacted valuations, with the strengthening of the euro against the US dollar reducing the value of US denominated investments.

Highlights

Private Equity delivered a constant currency Total Return of 10.0% in 2017. The overall portfolio is performing well, and both organic and inorganic earnings growth in the portfolio were the main drivers of value creation. However, FX negatively impacted performance as the US dollar weakened relative to the euro, and as such the Total Return for the year was 3.3%.

NAV development

The Adjusted NAV of the Private Equity portfolio increased from €494.1m to €586.1m in the year, a rise of 18.6%. AGA invested €150.8m in its Private Equity portfolio and €74.5m was realised. Unrealised gains at 31 December 2017 amounted to €47.3m. FX negatively impacted the Private Equity Adjusted NAV by €32.2m (Fig.1).

Investment performance

AGA's €586.1m Private Equity portfolio consists of commitments to six Apax Funds and delivered a Total Return of 3.3% (Fig.2). Organic and acquisitive growth were the main drivers of returns during the period, with earnings growth in the portfolio contributing 12.9% to returns. An increase in total net debt across the Private Equity holdings had a negative impact on returns of 4.0%. Portfolio companies often use additional debt to fund accretive acquisitions. It is important to note that despite the additional debt raised by the portfolio companies, leverage levels declined throughout the year, thanks to EBITDA growth during the year and lower leverage of additions in the year. The movement in valuation multiples had an impact of 7.0% on Total Return. This reflects the increase in public equity market valuations serving as valuation benchmarks for the portfolio. As 44% of the portfolio was in US dollar denominated investments, and with the US dollar weakening relative to the euro by 12% during the year, currency fluctuations had a materially negative impact on returns of 6.7%. Fees, costs, expenses and other items had a further impact of negative 4.6%.

A number of portfolio companies outperformed during the reporting period (Fig.3). The two largest positive valuation movers were Azelis and Engineering, increasing AGA's indirect holding value by €15.2m and €11.8m, respectively. Both companies delivered strong organic growth alongside accretive M&A. Assured Partners, the third largest valuation driver in the Private Equity portfolio at €11.2m, continued to successfully execute its M&A strategy making 17 acquisitions. Further, portfolio companies also took advantage of favourable debt markets to pursue their M&A strategies, amongst them Unilabs which acquired a record €72.8m of EBITDA[1] during the year through ten M&A transactions in the nine months to 30 September 2017.

The largest valuation declines in the portfolio came from One Call (€13.5m), FullBeauty (€12.9m)[2] and EVRY (a reduction of €9.2m). The key reason for EVRY's valuation decline was the lower than anticipated valuation achieved at IPO, and FX headwinds despite strong operational performance. One Call continued to perform below expectations as a result of ongoing integration issues following the merger with Align Networks. As One Call continues to address these challenges, the business has recently experienced more positive momentum. The trading environment at FullBeauty remains challenging and has caused a decline in EBITDA during the year. In November 2017, FullBeauty appointed a new CEO.

The Private Equity portfolio also delivered a number of strong full and partial exits as the Apax Funds continued to monetise their portfolios. Distributions from the Apax Funds to AGA totalled €74.5m. There were

1. Pro-forma for expected synergies
2. FullBeauty is not a top 30 exposure, hence it is not reflected in Fig.3

Total Return
at 31 December 2017

3.3% / 10.0%[1]

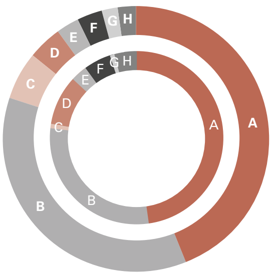
2016: 6.4% / 4.3%[1]

Adjusted NAV
at 31 December 2017

€586.1m

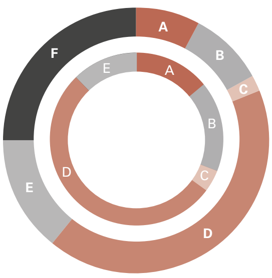
2016: €494.1m

Portfolio split by currency



	2016	2017
A USD	48%	**44%**
B EUR	29%	**36%**
C GBP	1%	**6%**
D NOK	9%	**4%**
E ILS	3%	**3%**
F INR	5%	**3%**
G HKD	1%	**2%**
H Other	4%	**2%**

Vintage



	2016	2017
A 2005–2012	14%	**8%**
B 2013	17%	**9%**
C 2014	4%	**2%**
D 2015	53%	**42%**
E 2016	12%	**14%**
F 2017	0%	**25%**

1. On a constant currency basis

a number of strong full exits, notably Bankrate, Chola and Garda, as well as partial exits, such as GlobalLogic, EVRY and Sophos. In addition, nine portfolio companies were refinanced, capitalising on favourable debt markets.

Investment activity

The rate of new investments was high with 16 new additions to the Private Equity portfolio during the year. These investments reflect the wide geographic aperture of the Private Equity strategy as well as the operational skills and sub-sector knowledge of Apax Partners, all of which allow Apax to tackle more value-added deals and off-the-beaten-path opportunities. We believe that this approach remains critical to finding good relative value in a market of record private equity valuations.

The portfolio additions in Private Equity are balanced between high growth businesses bought at reasonable relative multiples, such as MATCHESFASHION.COM, a global luxury e-commerce player in which AGA indirectly invested €15.7m, alongside more value-added acquisitions which were bought at attractive *absolute* multiples. Examples include Attenti, a provider of electronic people-monitoring technologies (AGA indirect investment of €7.1m), ECi Software Solutions ("ECi"), a provider of enterprise resource planning software solutions (AGA indirect investment of €9.5m) and Tosca, a leading provider of supply chain solutions and reusable packaging to the perishable food market (AGA indirect investment of €6.6m). Three mid-market buyouts in the Israeli market (Ten Petroleum, Max, Go Global Travel) provided an interesting diversification for AGA's Private Equity portfolio (total AGA indirect investment of €8.5m). We are also pleased to report that ADF has made its first two investments: Moda Operandi, a leading luxury e-commerce business, and SoYoung, China's leading digital marketplace for aesthetic medical treatments. Both investments have leveraged Apax's experience and track record, namely in online retailing and digital marketplaces.

Apax Funds update

Apax IX, the current global buyout fund being invested held its final close in December 2016 and is deploying capital well. In light of the Fund's vintage, the portfolio is still very young. Apax VIII (2012 vintage) is now close to being fully invested. No new investments are expected and the remaining capital will likely be used to fund add-on acquisitions to existing portfolio companies. Across the Apax IX and Apax VIII portfolios the average age of current investments is 2.1 years. As a result of this relative immaturity, the majority of investments have yet to complete their value creation strategies which should bode well for further NAV expansion in the years ahead. Apax Europe VII and Apax Europe VI are fund vintages 2007 and 2005, respectively. The three mid-market buyouts in the Israeli market were through AMI, the Israeli mid-market fund with a 2015 vintage. ADF, to which AGA made a commitment of $50m in the year, raised $1bn hard cap and held a final close in December 2017, to pursue tech-focused growth opportunities globally, and has already made two investments.

The Private Equity portfolio saw good momentum, delivering impressive EBITDA growth during the year. Capital was deployed into 16 attractive opportunities and the year saw a number of strong exits.

Strategic report

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Fig.1: NAV development chart (%)

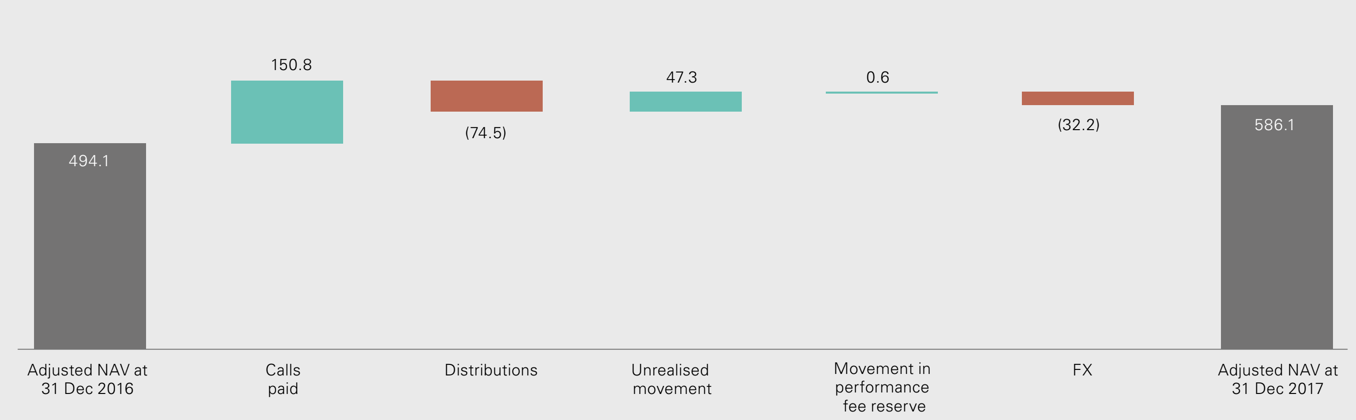
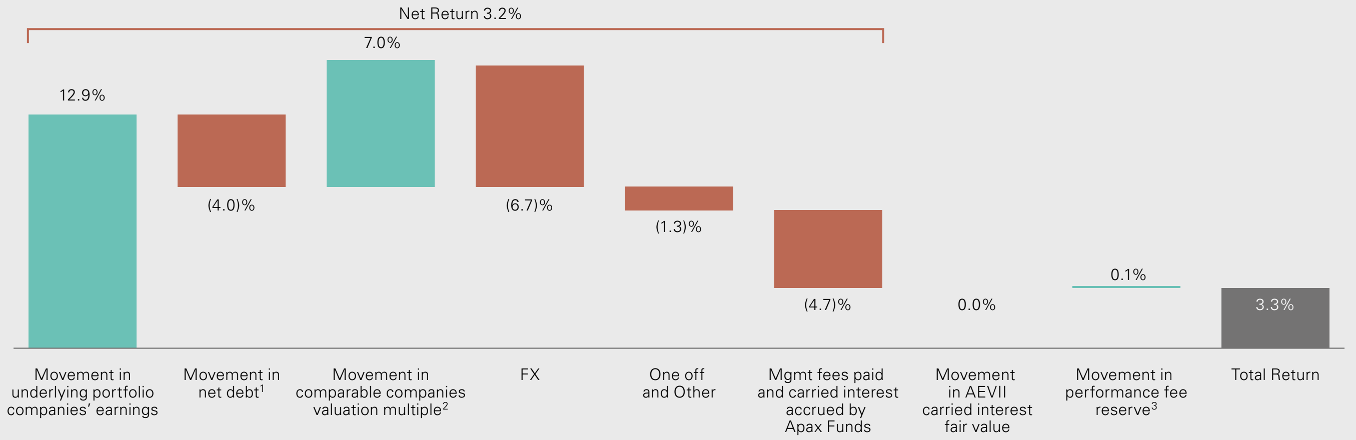
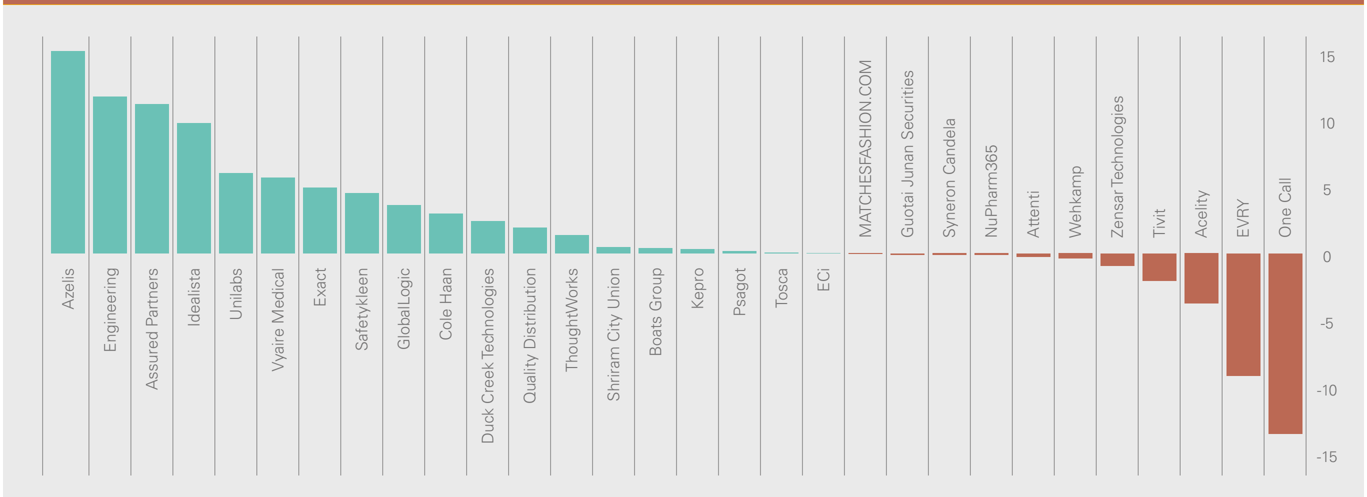


Fig.2: Private Equity performance (%)



1. Represents movement in all instruments senior to equity
2. Movement in the valuation multiples captures movement in the comparable companies valuation multiples. In accordance with International Private Equity and Venture Capital Valuation ("IPEV") guidelines, the Apax Funds use a multiples based approach where an appropriate valuation multiple (based on both public and private market valuation comparators) is applied to maintainable earnings, which is often but not necessarily represented by EBITDA to calculate enterprise value
3. Performance fee adjustment accounting for the movement in the estimated performance fee reserve at 31 December 2017

Fig.3: Private Equity contribution from top 30 companies (€m)



Operational metrics

AGA's underlying portfolio companies in Private Equity demonstrated good operational momentum with Last Twelve Months ("LTM") revenue and EBITDA growth of 12.8% and 17.9% respectively compared to 6.1% and 9.8% at the same time last year. Growth accelerated due to new faster growing portfolio additions and also M&A.

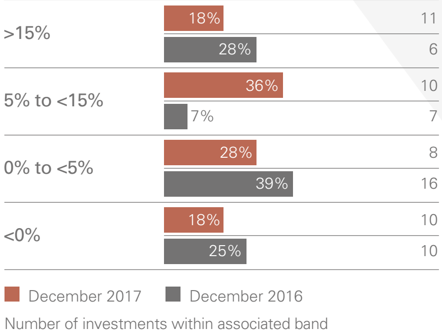
The weighted average valuation multiple of the portfolio increased from 12.9x to 13.8x LTM EBITDA at 31 December 2017. The movement largely reflects improving public market multiples in the sectors in which the Apax Funds invest.

The weighted average leverage level of portfolio companies decreased from 4.4x to 4.3x LTM EBITDA over the period. This is due to EBITDA growth outpacing increases in absolute net debt.

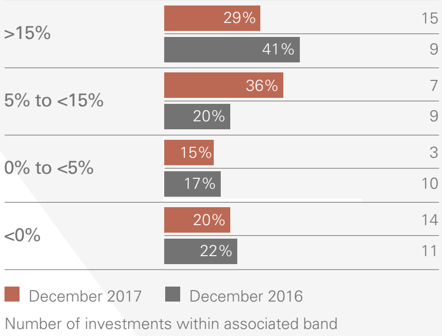
Market outlook

A number of "drag factors" in the Private Equity portfolio have been worked through or reflected in 2017's valuations. The remaining assets are showing strong performance which should increase the momentum of value creation in the foreseeable future.

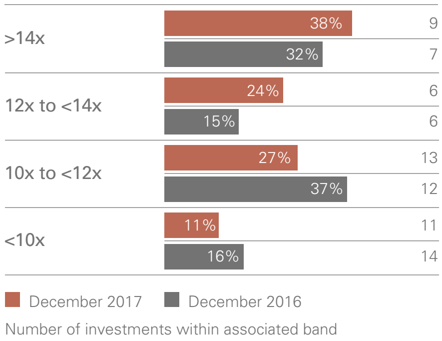
Portfolio year-over-year LTM revenue growth[1]:
Dec-17: 12.8% vs Dec-16: 6.1%



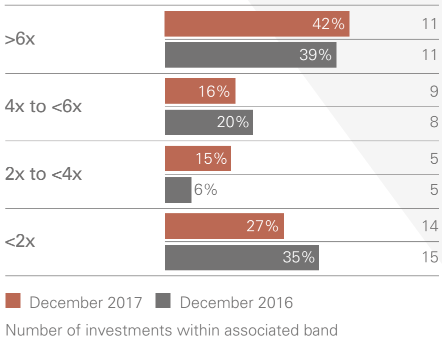
Portfolio year-over-year LTM EBITDA growth[1]:
Dec-17: 17.9% vs Dec-16: 9.8%



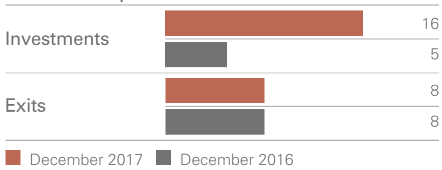
Entepprise Value/EBITDA valuation multiple[1]:
Dec-17: 13.8x vs Dec-16: 12.9x



Net debt/EBITDA multiple[1]:
Dec-17: 4.3x vs Dec-16: 4.4x



Investment activity[2]:
Number of positions in the last 12 months



1. Gross Asset Value weighted average of the respective metric across the portfolio. At December 2017 and December 2016 nine and four investments were respectively excluded as these are large positive outliers, financial services companies often valued on book value or for which clean earnings financials are not available e.g. complex carve-outs or recent acquisitions. The increase was due to new portfolio additions and one financial services company newly excluded
2. Please refer to pages 22 and 24 for a list of acquisitions and divestments

Apax IX	
AGA NAV:	€143.3m
Vintage:	2016
Commitment amount:	€300.3m
Invested and committed:	41%

Apax VIII	
AGA NAV:	€378.6m
Vintage:	2012
Commitment amount:	€341.5m
Invested and committed:	98%

Apax Europe VII	
AGA NAV[3]:	€52.3m
Vintage:	2007
Commitment amount:	€86.5m
Invested and committed:	108%

Apax Europe VI	
AGA NAV:	€1.9m
Vintage:	2005
Commitment amount:	€10.6m
Invested and committed:	107%

AMI Opportunities Fund	
AGA NAV:	€14.7m
Vintage:	2015
Commitment amount:	€25.0m
Invested and committed:	43%

Apax Digital Fund	
AGA NAV:	(€0.6m)
Vintage:	2017
Commitment amount:	$50m
Invested and committed:	7%

3. Includes AGA's exposure to AEVII as a limited partner, valued at €32.9m, and through its carried interest holdings, valued at €19.4m. The carried interest holdings were acquired through a €10.5m investments in 2015

Strategic report

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Acquisitions

Closed[1]		Cost[2]
Attenti	Leading provider of electronic people monitoring technologies *(AIX, Israel, Tech & Telco)*	€7.1m
ECi	Provider of enterprise resource planning software solutions *(AIX, North America, Tech & Telco)*	€9.5m
Go Global Travel	B2B travel technology and service provider *(AMI, Israel, Tech & Telco)*	€3.5m
Guotai Junan Securities	Financial services provider with a range of services including securities brokerage, underwriting, asset management and credit *(AIX, China, Services)*	€8.6m
Kepro	Provider of beneficiary eligibility and medical cost containment services *(AIX, North America, Healthcare)*	€6.4m
Manappuram Finance	One of India's leading gold loan non-bank financial companies *(AIX, India, Services)*	€3.7m
MATCHESFASHION.COM	Leading luxury, multi-brand e-commerce retailer *(AIX, United Kingdom, Consumer)*	€15.7m
Max	Israel's largest general discount retail chain *(AMI, Israel, Consumer)*	€2.6m
Moda Operandi	Online luxury fashion retail marketplace *(ADF, North America, Digital)*	€1.5m
Safetykleen	Europe's largest service provider of surface treatment and chemical application services *(AIX, United Kingdom, Services)*	€11.0m
SoYoung	Leading online aesthetic vertical platform in China *(ADF, China, Digital)*	€1.4m
Syneron Candela	Global non-surgical aesthetic med-tech company *(AIX, North America, Healthcare)*	€11.9m
Ten Petroleum	Operator of discount gas stations *(AMI, Israel, Consumer)*	€2.4m
ThoughtWorks	Global software development and digital transformation consulting company *(AIX, North America, Tech & Telco)*	€15.0m
Tosca	Leading provider of supply chain solutions and reusable packaging to the perishable food market *(AIX, North America, Services)*	€6.6m
Unilabs	Pan-European laboratory and radiology service company *(AIX[3], Europe, Healthcare)*	€22.4m

1. Unilabs closed in February 2017, Ten Petroleum closed in March 2017, Guotai Junan Securities closed in April 2017, Kepro closed in May 2017, Syneron Candela, Safetykleen and Max closed in July 2017. Go Global Travel and Manappuram Finance closed in August 2017. ECi closed in September 2017. ThoughtWorks, Attenti, Tosca and MATCHESFASHION.COM closed in October 2017. Moda Operandi and SoYoung closed in December 2017
2. Cost is AGA's indirect exposure to the underlying portfolio companies held by the Apax Funds. Costs may change following final close of the deal or the completion of a syndication post closing
3. The above is in reference to AIX's acquisition of a majority position in Unilabs. AEVI will retain its existing minority stake which it initially acquired in 2007

ThoughtWorks

Investment details	
Date of investment	**October 2017**
Fund	**AIX**
Sector	**Tech & Telco**
Region	**North America**
Status	**Unrealised**
Contribution to AGA NAV	**€16.4m**

ThoughtWorks is a global software development and digital transformation consulting company. The company was incorporated in 1993 and is headquartered in Chicago, USA. The company has grown from a small group to over 4,500 employees spread across 42 offices in 15 countries. A pioneer in agile software development, ThoughtWorks has been at the forefront of software design and delivery since its inception.

Apax Funds acquired ThoughtWorks in October 2017 from its founder. Having tracked the business for a number of years, the Investment Adviser was attracted to the company's differentiated, market-leading position in the growing digital transformation market thanks to its well-respected brand, history as an innovative thought leader, and talent. The investment thesis is to back a business at the forefront of digital transformation and both accelerate growth and improve margins.

Since acquisition, the Investment Adviser has been driving sales growth by focusing on account management practices and further investing in new technology capabilities to ensure ThoughtWorks remains the leader in digital innovation. In addition, there is a project underway to ensure greater general-and-administrative-expenses efficiency and improve margins whilst ensuring the strong culture remains intact.

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Strategic report

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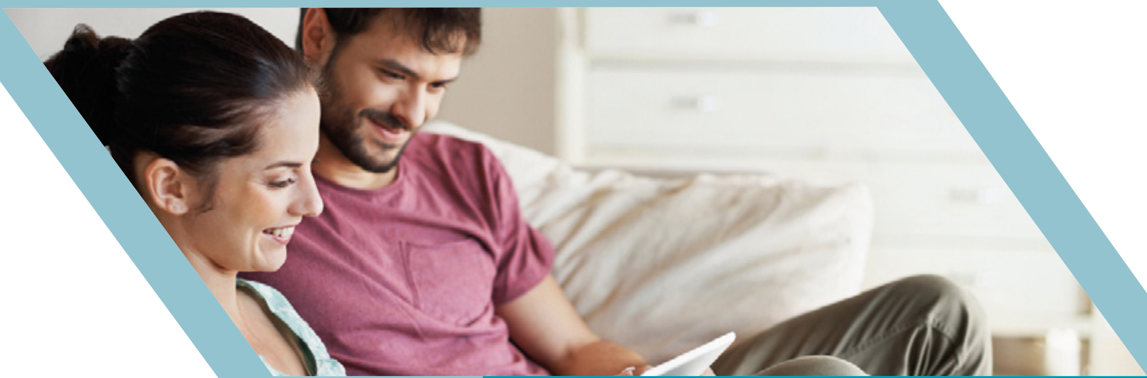
Divestments

Closed – fully exited[1]			Initial year of purchase	Gross MOIC[2]	Gross IRR[2]
Ascential	International B2B media company *(AEVII, Europe, Legacy Media)*	Exited via public markets	2008	1.1x	2%
Answers	Social content publisher and cloud platform *(AVIII, North America, Services)*	Restructuring	2014	0.0x	-64%
Bankrate	Internet based consumer banking and personal finance network *(AEVII, North America, Services)*	Sale to strategic buyer	2009	2.2x	20%
Capio	Pan-European hospital and healthcare services operator *(AEVI, Europe, Healthcare)*	Exited via public markets	2006	1.6x	6%
Chola	Indian non-bank financial company *(AVIII, India, Services)*	Exited via public markets	2014	2.7x	54%
Garda World	Leading provider of cash logistics services in North America and physical security services in Canada and emerging markets *(AVIII, North America, Services)*	Exited via private sale	2012	N/A[3]	N/A%[3]
Paradigm	Provider of software solutions for the oil and gas sector *(AEVII, Rest of World, Tech & Telco)*	Exited via private sale	2012	0.1x	-38%
Rue21	Apparel and accessories retailer *(AVIII, North America, Consumer)*	Restructuring	2013	0.0x	NM[4]
Partial exits, IPOs and others			**Initial year of purchase**	**Gross MOIC[2]**	**Gross IRR[2]**
EVRY	Nordic IT services provider *(AVIII, Europe, Tech & Telco)*	Recapitalised	2015	2.5x	47%
Exact	Provider of cloud-based and on-premise business software *(AVIII, Europe, Tech & Telco)*	Recapitalised	2015	2.0x	27%
GlobalLogic	Outsource product developer *(AVIII, North America, Tech & Telco)*	Partially exited	2013	5.5x	58%
Idealista	Leading real estate classified marketplace in Spain *(AVIII, Europe, Consumer)*	Recapitalised	2015	2.5x	51%
Safetykleen	Europe's largest service provider of surface treatment and chemical application services *(AIX, United Kingdom, Services)*	Recapitalised	2017	1.2x	56%
Shriram City Union	Leading consumer finance non-banking financial company in India *(AVIII, India, Services)*	Recapitalised	2015	1.1x	2%
Sophos	Leading provider of endpoint security software *(AEVI & AEVII, Europe, Tech & Telco)*	Partially exited	2010	3.8x	26%

1. Chola final sale closed January 2017, Capio final sale closed February 2017, Ascential final sale closed March 2017, Garda World final sale closed May 2017, Bankrate closed in November 2017 and Paradigm closed in December 2017. Answers and Rue21 restructured in April 2017 and September 2017 respectively
2. Gross MOICs and Gross IRRs represent return to the Apax Funds as at 31 December 2017, including unrealised value and total realised proceeds. Calculated since the initial purchase date of the investment. AVIII and AIX represent the euro tranches returns
3. Disclosure restricted
4. Not meaningful

Bankrate



Investment details

Date of investment	**2009**
Fund	**AEVII**
Sector	**Services**
Region	**North America**
Status	**Realised**
Fully exited returns	**2.2x MOIC, 20% Gross IRR**

Bankrate today is a network of leading internet consumer banking, personal finance, and senior living websites in the USA.

Apax Funds acquired Bankrate in 2009, the peak of the global financial crisis, in a "take private" as the firm delisted from the Nasdaq Stock Market. The Investment Adviser had identified an opportunity to purchase a market-leading personal finance website near the bottom of the cycle. The investment thesis was to capitalise on the secular trend for consumers to research and purchase financial products online and to use Bankrate's attractive platform to consolidate competitors at accretive multiples.

During Apax Funds' ownership, the company strengthened management and accelerated EBITDA growth through optimising operations and executing M&A (most notably the acquisition of Creditcards.com).

In 2011 Bankrate underwent an IPO which realised an uplift in multiple, following a strategic repositioning and cyclical timing. Apax Funds retained a 70% ownership post-IPO, but exited additional stakes between 2011-2014. In November 2017 the remaining shares were sold to Red Ventures.

Strategic report

Investment Manager's report | Private Equity

Top 30 Private Equity investments

AGA's indirect exposure at 31 December 2017

Top 30 Private Equity	Fund	Initial purchase year	Sector	Geography	Valuation €m	% of NAV
Azelis	AVIII	2015	Services	Europe	55.7	6%
Assured Partners	AVIII	2015	Services	North America	48.2	5%
Exact	AVIII	2015	Tech & Telco	Europe	32.8	4%
Engineering	AVIII	2016	Tech & Telco	Europe	30.8	3%
GlobalLogic	AVIII	2013	Tech & Telco	North America	29.8	3%
Unilabs	AEVI & AIX	2007	Healthcare	Europe	28.9	3%
EVRY*	AVIII	2015	Tech & Telco	Europe	26.3	3%
Idealista	AVIII	2015	Consumer	Europe	25.7	3%
Wehkamp	AVIII	2015	Consumer	Europe	20.2	2%
Vyaire Medical	AVIII	2016	Healthcare	North America	19.7	2%
NuPharm365	AVIII	2016	Healthcare	Europe	18.3	2%
Quality Distribution*	AVIII	2015	Services	North America	17.6	2%
Cole Haan	AVIII	2013	Consumer	North America	17.5	2%
ThoughtWorks	AIX	2017	Tech & Telco	North America	16.4	2%
Duck Creek Technologies	AVIII	2016	Tech & Telco	North America	16.1	2%
MATCHESFASHION.COM	AIX	2017	Consumer	United Kingdom	15.6	2%
Shriram City Union	AVIII	2015	Services	India	15.4	2%
Acelity	AEVII	2011	Healthcare	North America	14.9	2%
Safetykleen*	AIX	2017	Services	United Kingdom	14.1	2%
Syneron Candela	AIX	2017	Healthcare	North America	11.8	1%
ECi*	AIX	2017	Tech & Telco	North America	9.5	1%
Psagot	AEVII	2010	Services	Israel	9.0	1%
Guotai Junan Securities	AIX	2017	Services	China	8.7	1%
One Call	AEVII & AVIII	2013	Healthcare	North America	8.1	1%
Tivit	AEVI & AEVII	2010	Tech & Telco	Rest of world	7.3	1%
Attenti	AIX	2017	Tech & Telco	Israel	6.9	1%
Zensar Technologies	AVIII	2015	Tech & Telco	India	6.8	1%
Kepro	AIX	2017	Healthcare	North America	6.8	1%
Tosca	AIX	2017	Services	North America	6.6	1%
Boats Group	AIX	2016	Services	North America	6.3	1%
Other					57.3	6%
Total gross investments					**609.1**	**67%**
Carried interest					(38.0)	-4%
Capital call facilities and other					19.1	2%
Total net investments					**590.2**	**63%**

* AGA also holds these companies in the Derived Investments portfolio

www.apaxglobalalpha.com/investment-portfolio/top-holdings/private-equity-funds

Apax Digital Fund

In May 2017, AGA made a commitment of **$50m** to the Apax Digital Fund ("ADF") to continue its strategy of providing shareholders with access to Private Equity investments advised by Apax Partners.

ADF is a **$1bn** fund raised in 2017 to focus on minority and buyout investments in high-growth enterprise technology and consumer internet companies globally.

ADF's investments are concentrated in subsectors where Apax Partners has expertise, namely vertical software, data and analytics, tech-enabled services, marketplaces, digital media, and disruptive e-commerce. Its strategy is to target individual equity investments of **$30 – $150 million**, with the ability to complete larger investments alongside its Limited Partners.

With a dedicated team based in New York and London, ADF benefits from the resources of Apax's global platform, both in terms of deal sourcing as well as the use of the Operational Excellence Practice to identify value creation opportunities.

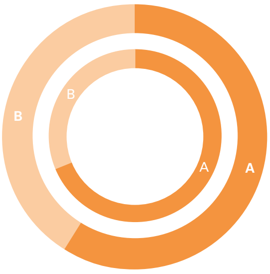
In December 2017 ADF made its first two investments: Moda Operandi, a leading luxury e-commerce business offering the world's top designer brands; and SoYoung, China's leading digital marketplace for aesthetic medical treatments.

For further information please visit: www.apax.com/digital

Strategic report

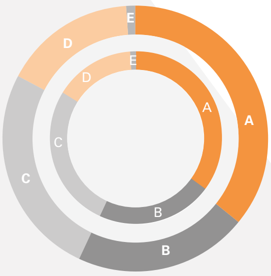
Investment Manager's report | Derived Investments

Portfolio split by asset type



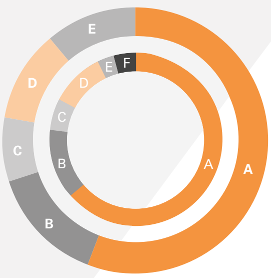
	2016	2017
A Derived Debt	69%	**59%**
B Derived Equity	31%	**41%**

Derived Investments by sector



	2016	2017
A Tech & Telco	35%	**36%**
B Services	22%	**21%**
C Healthcare	27%	**26%**
D Consumer	15%	**16%**
E Other	1%	**1%**

Derived Investments by geography



	2016	2017
A North America	64%	**56%**
B Europe	13%	**14%**
C United Kingdom	6%	**8%**
D India	10%	**11%**
E China	3%	**11%**
F Rest of World	4%	**0%**

The Derived Investments portfolio delivered a Total Return of 17.5% on a constant currency basis. The increased weighting in Derived Equity contributed strongly to returns.

Highlights

The Total Return in euro terms for the Derived Investments portfolio was 6.9% in 2017. The return was impacted by a substantial weakening of the US dollar relative to the euro during the period. On a constant currency basis, Total Return was 17.5%, reflecting the strength of the underlying investments. We have put a greater emphasis on listed equities during 2017, and preferred loan investments over high yield bonds in our approach to Derived Debt investing.

NAV development

The Adjusted NAV of the Derived Investments portfolio reduction from €406.2m to €307.2m in the year, a decrease of 24.4%. The decline was due to more Derived Investments being sold than there were new purchases as AGA was required to fund capital calls from Apax IX and AMI.

AGA invested €278.5m and divested €376.6m in Derived Investments, generating net realised gains of €42.9m. Unrealised gains were €3.5m. FX negatively impacted AGA's Derived Investments by €40.5m in the year (Fig.1).

Investment performance

The Derived Investments portfolio generated an impressive Total Return of 17.5% on a constant currency basis. FX had a negative effect of 10.6% mostly from the depreciation of the US dollar versus the euro (Fig.2).

In the 2016 annual report to shareholders, we stated our intention to focus the Derived Investments portfolio towards listed equities. This proved to be very successful with Derived Equities contributing 11.8% to the performance of Derived Investments on a constant currency basis, compared with Derived Debt with 5.7% on a constant currency basis.

The top three contributors to Derived Investments' unrealised gains including income (Fig.3) were Sophos, Quality Distribution and Riemser. The Sophos share price continued to rise on the back of the strong operating performance of the company. Quality Distribution's performance was driven by organic growth, M&A activity and re-focusing the business on more attractive segments. We have acquired a position in Riemser's first lien debt, a German pharmaceutical company, during 2017. Our analysis suggested that the trading price of this credit did not reflect the underlying quality of the product portfolio and the significant equity cushion. This thesis started to materialise towards the end of the year.

The positions with the highest mark to market decreases in performance were FullBeauty, Rue21 and Strides Shasun. The difficult positions of Rue21 and FullBeauty dragged down Derived Debt in particular in the first half of the year. Both companies are active in the challenged US fashion retail sector. Rue21 completed its restructuring in September when AGA received equity in lieu of the debt that it had previously held. In addition, AGA participated in Rue21's debtor in possession facility as part of the restructuring. Rue21 is reflected as the fourth largest decrease, since Fig.3 excludes realised positions. Strides Shasun's valuation was impacted by the general market sentiment in Indian pharmaceuticals and price erosion in US markets, as well as the delay in key product approvals.

The most successful realisation during the year was the partial exit from AGA's equity position in Sophos. In addition, recovering the par value of AGA's holding in Paradigm's second lien boosted returns in the fourth quarter.

Total Return
at 31 December 2017

6.9% / 17.5%[1]

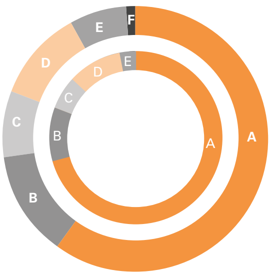
2016: 8.7% / 5.7%[1]

Adjusted NAV
at 31 December 2017

€307.3m

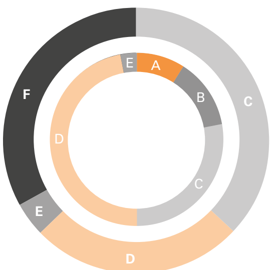
2016: €406.2m

Derived Investments by currency



	2016	2017
A USD	71%	**60%**
B EUR	10%	**13%**
C GBP	6%	**8%**
D INR	10%	**11%**
E HKD	3%	**7%**
F NOK	0%	**1%**

Derived Debt by maturity



	2016	2017
A 2020	9%	**0%**
B 2021	13%	**0%**
C 2022	28%	**37%**
D 2023	47%	**26%**
E 2024	3%	**4%**
F 2025	0%	**33%**

Investment activity

Derived Debt
In 2017, the investment approach continued to favour loans (ten new investments) whilst no investments were made in high yield notes and bonds. We believe that this remains the preferred positioning in a market characterised by rising interest rates and a pricing premium paid for more liquid bonds. Of the ten new debt investments, most were made in North America. In all of these situations, AGA took advantage of Apax's private equity insight. Examples include: a second lien position in Syncsort which was previously reviewed as a potential private equity investment and ECi, already an Apax Funds' Private Equity portfolio company. Similarly, PDC Brands and Legal Zoom had been closely followed by Apax's respective sector teams for many years.

The overlap between AGA's debt portfolio with Private Equity holdings of Apax Funds was reduced to six out of a total of 15 Derived Debt holdings in the course of the year.

AGA exited a total of 12[2] Derived Debt positions in 2017, generating €212.4m of proceeds. Some of those positions were sold to meet funding requirements for Private Equity investments. Gross IRR achieved on sold positions was 14.7%[2], contributing €11.8m (inclusive of income) to Adjusted NAV. As many of these debt investments were US dollar denominated, the constant currency Gross IRR achieved on these sold positions was 16.3%[3].

Derived Equity
Throughout the year, we successfully continued to focus on Derived Equity investments. In total twelve new Derived Equity investments and four add-on investments were made across all four Apax sectors, with an emphasis on Europe, China and India.

A good example of where Apax's insight was levered is Talend. It was identified as a result of the private equity diligence work done on the opportunity to combine Syncsort and Vision when they were merging their businesses. AGA invested in the second lien note of Syncsort but also recognised Talend as a Derived Equity opportunity during this process.

The overlap with the Private Equity portfolio at the end of the year consisted of three positions out of a total of 16 Derived Equity holdings.

The majority of the equity realisations occurred in the first half of the year. Over 90% of these investments had been purchased in the twelve months prior to the sale. The relatively short holding periods were driven by achieving investment objectives earlier than anticipated. The average Gross IRR on the sold positions was 62.8%, contributing €42.8m to Adjusted NAV. The constant currency Gross IRR achieved on these positions was 54.9%[2].

The small number of challenged positions have been largely worked through and the conscious shift towards Derived Equity has contributed strongly to returns.

1. On a constant currency basis
2. Excludes 2 debt positions in Answers and 1 debt position in Rue21 that were restructured during the year
3. Constant currency Gross IRR calculated based on the aggregate cashflows of each position sold, converted to euro using the FX rate at the first date of purchase for each respective position. Excludes two positions in Answers and one position in Rue21 that have been restructured

Strategic report

Investment Manager's report | Derived Investments

Fig.1: NAV development chart (%)

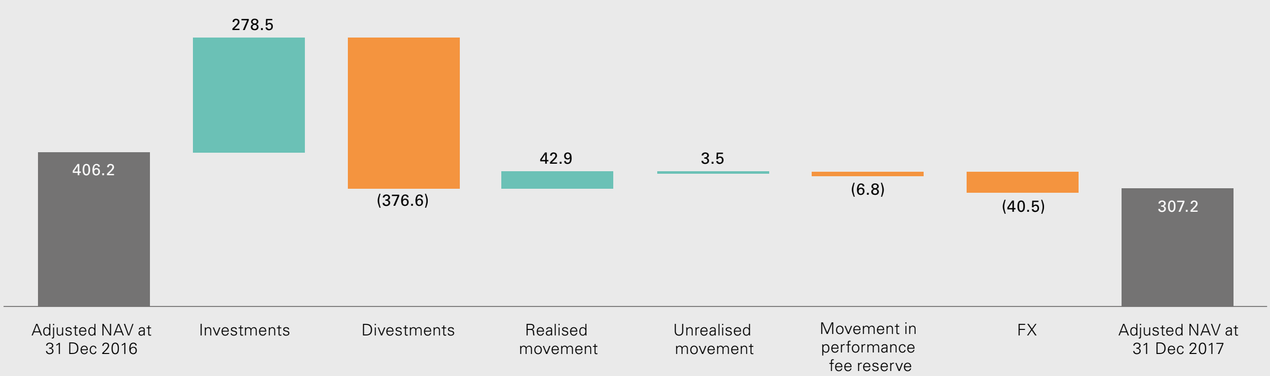
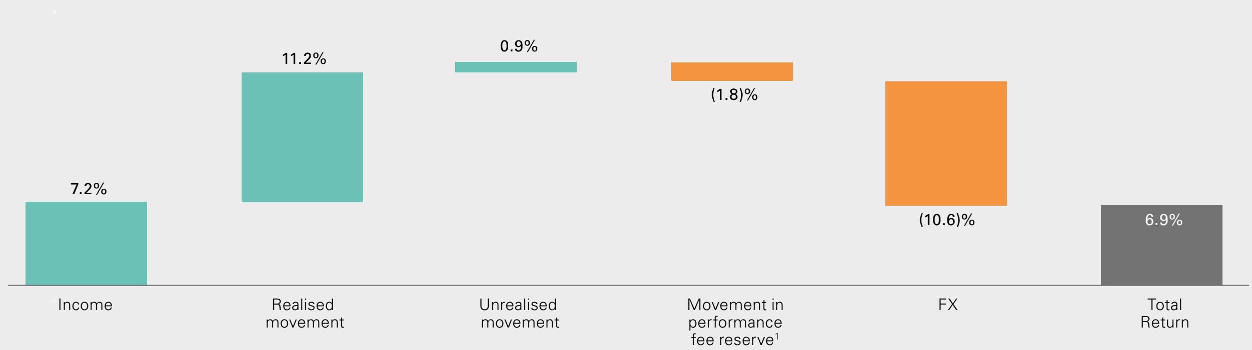
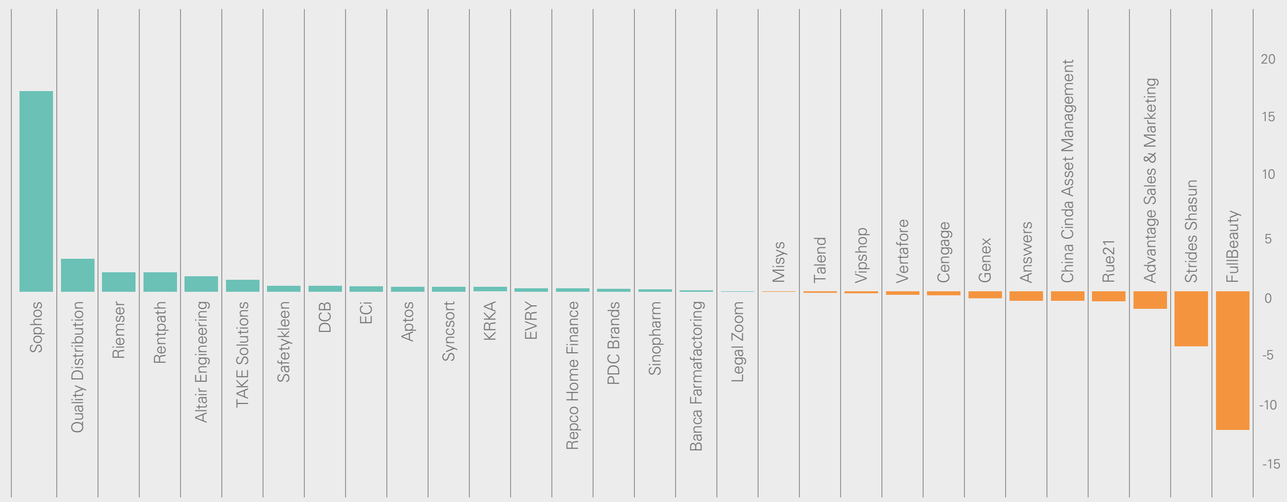


Fig.2: Derived Investments performance (%)



1. Performance fee adjustment accounting for the movement in the estimated performance fee reserve at 31 December 2017

Fig.3: Derived Investments contribution from top 30 companies (€m)



Operational metrics

Operational performance in the Derived Debt portfolio measured by LTM EBITDA growth improved from 2.7% to 6.2% during the year, mainly due to the exit of one portfolio company (Paradigm) which had lower EBITDA growth.

Average LTM earnings growth in the Derived Equity portfolio has decreased from 32.0% to 12.0% due to the Derived Equity portfolio composition changing significantly in the period. 64% of the December 2017 portfolio was acquired during the year.

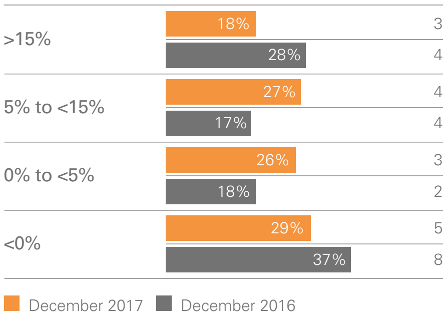
The average yield to maturity in the Debt portfolio remained largely unchanged at 11.6% despite portfolio turnover, with eight old positions and eight new positions changing the portfolio mix. 75% of Derived Debt positions were yielding 10% to maturity or higher.

The average price-to-earnings multiple for the Derived Equity portfolio increased to 29.0x, almost entirely thanks to Sophos as its share price increased substantially over the year. This was partially offset by the change in the portfolio composition where exited investments exhibited higher price-to-earnings multiples than those added to the portfolio during the course of the year.

Market outlook

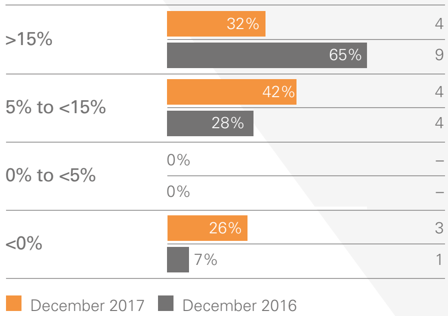
Debt valuations continue to be characterised by difficult risk-reward profiles in comparison to equity. The level of market spreads suggests that there is more downside than upside in beta and thus debt investments need to be driven by micro situations. Given yield differentials between the US and Europe, attractive opportunities are more likely to be found in North America.

Debt year-over-year LTM EBITDA growth[1]
Dec-17: 6.2% vs Dec-16: 2.7%



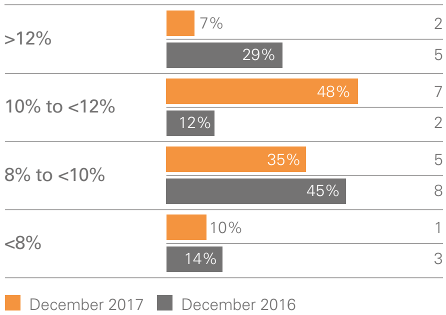
Number of investments within associated band

Equity year-over-year LTM earnings growth[2]:
Dec-17: 12.0% vs Dec-16: 32.0%



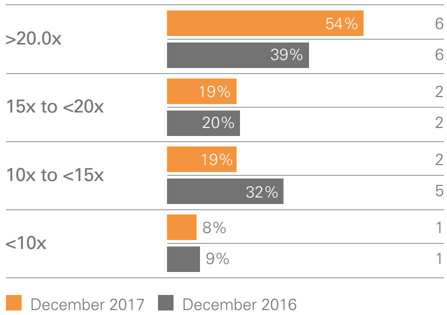
Number of investments within associated band

Debt YTM[1]:
Dec-17: 11.6% vs Dec-16: 12.0%



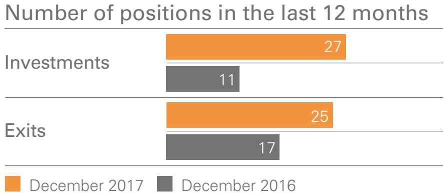
Number of investments within associated band

Equity P/E ratio[2]:
Dec-17: 29.0x vs Dec-16: 23.5x



Number of investments within associated band

Investment activity[3]:
Number of positions in the last 12 months



1. Gross Asset Value weighted average of the respective metric across the Derived Investments Debt portfolio
2. Gross Asset Value weighted average of the respective metric across the Derived Investments Equity portfolio. (Cengage, Talend, Altair, Answers and Rue21 have been excluded from the analysis above)
3. Please refer to pages 32 and 34 for a list of acquisitions and divestments. Exits excludes the debt positions in Answers and Rue21 that were restructured. Investments excludes the new equity and debt positions that were received in lieu of restructured debt in Answers and Rue21

Strategic report

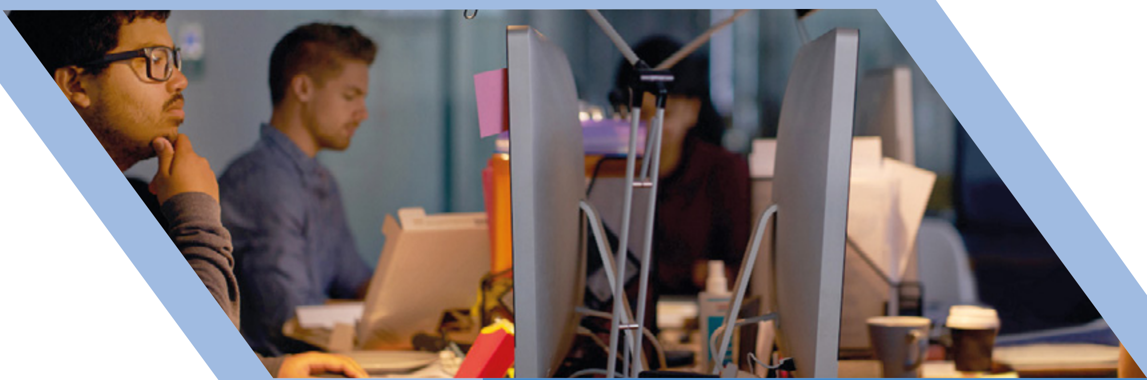
Investment Manager's report | Derived Investments

Acquisitions

Debt[1]		Cost[2]
Aptos	Software provider for omni-channel retailing, store customer engagement solutions *(North America, Tech & Telco, first lien)*	€16.5m
Assured Partners[3]	Mid-market property, casualty and employee benefits insurance brokerage *(North America, Services, second lien)*	€18.3m
Caliber Collision	US collision repair, multi-shop operator *(North America, Consumer, second lien)*	€4.7m
ECi	Leading provider of vertical ERP software for SME clients *(North America, Tech & Telco, second lien)*	€12.3m
Kepro	Provider of beneficiary eligibility and medical cost containment services *(North America, Healthcare, second lien)*	€23.6m
Legal Zoom	Personalised, online legal solutions and legal documents for small businesses and families *(North America, Services, second lien)*	€8.3m
Misys	Provider of financial services software *(Europe, Tech & Telco, second lien)*	€1.8m
PDC Brands	One of the fastest growing beauty companies in the world *(North America, Consumer, second lien)*	€8.5m
Riemser	German based speciality pharmaceutical company *(Europe, Healthcare, first lien)*	€18.2m
Safetykleen	Europe's largest service provider of surface treatment and chemical application services *(United Kingdom, Services, second lien)*	€11.0m
Syncsort	Infrastructure software provider *(North America, Tech & Telco, second lien)*	€20.8m
Equity[1]		
51Jobs	Leading online job listing website in China *(China, Consumer, ADR)*	€9.5m
Altair Engineering	Product design and development, engineering software and cloud computing software company *(North America, Tech & Telco)*	€1.7m
Banca Farmafactoring	Italian factoring business focusing on healthcare and public sector suppliers *(Europe, Services)*	€1.1m
Development Credit Bank	Indian commercial bank *(India, Services)*	€11.5m
EVRY	Nordic IT services and fin-tech company *(Europe, Tech & Telco)*	€3.7m
KRKA	Slovenian generic pharmaceutical company *(Europe, Healthcare)*	€19.8m
LivaNova[3]	Med-tech company *(United Kingdom, Healthcare)*	€8.4m
Mitie[3]	Facilities management company *(United Kingdom, Services)*	€2.3m
N Brown[3]	Home shopping fashion retailer *(United Kingdom, Consumer)*	€3.9m
Nets	Nordic provider of payments, cards and information services *(Europe, Tech & Telco)*	€10.0m
Repco Home Finance	Housing finance company *(India, Services)*	€2.1m
Sinopharm	Largest wholesaler and retailer of pharmaceutical products in China *(China, Healthcare)*	€12.6m
Strides Shasun[3]	Pharmaceutical company *(India, Healthcare)*	€2.2m
Talend	Open source SaaS provider of data management solutions *(North America, Tech & Telco)*	€6.6m
Tech Mahindra	IT services, outsourcing and consulting company *(India, Tech & Telco)*	€12.7m
Vipshop	Largest independent online discount retailer in China *(China, Consumer)*	€12.7m

1. AGA's debt holdings in Answers first and second lien debt and Rue21 first lien debt were restructured in April 2017 and September 2017 respectively. In lieu of these, AGA received new second lien debt, equity and warrants for Answers and equity for Rue21. These have been excluded from the above
2. Cost represents the cost acquired during 2017
3. Add-on position

Syncsort



Investment details	
Date of investment	**September 2017**
Instrument	**Debt, second lien loan**
Sector	**Tech & Telco**
Region	**North America**
Status	**Unrealised**
Contribution to AGA NAV	**€20.5m**

Syncsort is a leading infrastructure software provider for IBM Main Frame and Power Series. The company specialises in high speed data sorting, integration and high availability management serving 6,000+ customers in over 85 countries. Headquartered in Pearl River, New York, USA, the company was formed through a series of acquisitions, including the most recent combination with Vision Solution in in the second half of last year.

The transaction was identified by the Investment Adviser given previous private equity analysis of the sector. This previous diligence concluded that Syncsort's business had strong defensibility, high recurring revenue and cash flow conversion, and better end market dynamics than was generally perceived by the market. As a result, the Investment Adviser recommended to invest at an attractive yield offered by Syncsort at the time of syndication.

Strategic report

Investment Manager's report | Derived Investments

Divestments[1]

Debt		Initial year of purchase	Gross IRR[2]
Acelity	Medical equipment company *(North America, Healthcare, second lien)*	2016	48%
Answers[3]	Internet-based knowledge exchange *(North America, Services, second lien)*	2014	-21%
Assured Partners	Mid-market property, casualty and employee benefits insurance brokerage *(North America, Services, second lien)*	2015	9%
Azelis	Global distributor of specialty chemicals and related services *(Europe, Services, second lien)*	2016	14%
Caliber Collision	US collision repair, multi-shop operator *(North America, Consumer, second lien)*	2017	-1%
Cole Haan	Leading designer and retailer of premium footwear and accessories *(North America, Consumer, first lien)*	2016	24%
Ellucian	Higher education IT *(North America, Tech & Telco, senior unsecured)*	2016	22%
Epicor	Global provider of industry specific enterprise software *(North America, Tech & Telco, second lien)*	2015	9%[4]
Exact	Leading vendor of on-premises and cloud-based accounting and ERP software and services for SMEs *(Europe, Tech & Telco, second lien)*	2015	16%[4]
Kepro	Provider of care coordination and quality assurance services *(North America, Healthcare, second lien)*	2017	13%
Paradigm	Provider of software solutions for the oil and gas sector *(Rest of World, Tech & Telco, second lien)*	2014	16%[4]
Unilabs	Pan-European laboratory and radiology service company *(Europe, Healthcare, PIK note)*	2016	10%
Equity			
51Jobs	Leading online job listing website in China *(China, Consumer, ADR)*	2017	96%
Chola	Non-bank financial company *(India, Services)*	2014	80%[4]
Epam Systems	Specialised outsourced product development services provider *(Europe, Tech & Telco)*	2016	30%
Fortinet	Security software company *(North America, Tech & Telco)*	2016	31%
Geometric	IT engineering services business *(India, Tech & Telco)*	2016	37%
LivaNova	Med-tech company *(United Kingdom, Healthcare)*	2016	67%
Mitie	Facilities management company *(United Kingdom, Services)*	2016	88%
N Brown	Home shopping fashion retailer *(United Kingdom, Consumer)*	2016	169%
Nets	Nordic provider of payments, cards and information services *(Europe, Tech & Telco)*	2017	436%
Palo Alto Networks	Security software company *(North America, Tech & Telco)*	2016	2%
Shriram Transport Finance	Commercial vehicle finance provider *(India, Services)*	2016	71%
Tech Mahindra	IT services, outsourcing and consulting company *(India, Tech & Telco)*	2017	98%
Zhaopin	Chinese onlie job portal *(China, Tech & Telco)*	2016	16%

1. Full exits only. Excludes 2 debt positions in Answers and one debt position in Rue21, that were restructured during the year. Also excludes partial divestments
2. Gross IRR calculated since the initial purchase date of the investment
3. AGA initially purchased debt in Answers first lien debt in November 2014. In April 2017, the first lien debt was restructured and AGA received equity and new second lien debt. The new second lien debt received in April 2017 was subsequently sold in September 2017 and the Gross IRR represents the Gross IRR on the disposal of the new second lien debt only
4. Gross IRR calculated since the initial purchase date of the investments which was prior to AGA's IPO on 15 June 2015. Epicor was initially purchased in June 2015, Exact in February 2015, Paradigm in March 2014 and Chola in March 2014

Ellucian

Investment details	
Date of investment	**May 2016**
Instrument	**Debt, senior unsecured note**
Sector	**Tech & Telco**
Region	**North America**
Status	**Realised**
Fully exited returns to AGA	**22% Gross IRR**

Ellucian is the world's leading provider of software and services designed for higher education. The company provides student information, finance, HR, analytics and other software solutions working with more than 2,500 institutions in c.50 countries. Headquartered near Washington, D.C., USA, the business was founded in 2012 from the merger of Datatel and SunGard Higher Education.

The transaction was identified by the Investment Adviser in a systematic screen of technology investment opportunities. Credit markets, and in particular pricing for tech credits, deteriorated in early 2016, which provided an interesting backdrop for the investment. Ellucian was well known to the Investment Adviser from previous private equity analysis of the sector. This generated a unique investment thesis centred around the high credit quality of the business and the expectation that reductions in short term growth expenditure would cause an inflated leverage level to decline over time.

AGA acquired Ellucian's senior unsecured notes in May 2016 to become one of the Derived Debt portfolio's largest holdings until its divestment in 2017. At that point yields on the notes had compressed and did not compensate any longer for the longer term risks from cloud-based products identified in due diligence.

Strategic report

Investment Manager's report | Derived Investments

Top 30 Derived Investments

AGA's exposure at 31 December 2017

Top 30 Derived Investments	Instrument	Initial purchase year	Sector	Geography	Valuation €m	% of NAV
Syncsort	Second lien debt	2017	Tech & Telco	North America	20.5	2%
KRKA	Listed equity	2017	Healthcare	Europe	20.2	2%
Riemser	First lien debt	2017	Healthcare	Europe	19.5	2%
Genex*	Second lien debt	2014	Healthcare	North America	18.6	2%
Rentpath	Second lien debt	2014	Tech & Telco	North America	18.2	2%
Aptos*	First lien debt	2017	Tech & Telco	North America	16.4	2%
Quality Distribution*	Second lien debt	2015	Services	North America	16.3	2%
Advantage Sales & Marketing	Second lien debt	2014	Consumer	North America	15.9	2%
Sophos*	Listed equity	2016	Tech & Telco	United Kingdom	15.2	2%
Strides Shasun	Listed equity	2014	Healthcare	India	14.1	2%
Sinopharm	Listed equity	2016	Healthcare	China	12.8	1%
Vipshop	Listed equity	2017	Consumer	China	12.5	1%
ECi*	Second lien debt	2017	Tech & Telco	North America	12.5	1%
Development Credit Bank	Listed equity	2017	Services	India	12.0	1%
Safetykleen*	Second lien debt	2017	Services	United Kingdom	11.1	1%
FullBeauty*	Second lien debt	2015	Consumer	North America	10.7	1%
China Cinda Asset Mgmt	Listed equity	2015	Services	China	9.4	1%
Vertafore	Second lien debt	2016	Tech & Telco	North America	8.5	1%
PDC Brands	Second lien debt	2017	Consumer	North America	8.4	1%
Legal Zoom	Second lien debt	2017	Services	North America	8.3	1%
TAKE Solutions	Listed equity	2016	Tech & Telco	India	7.9	1%
Talend	Listed equity	2017	Tech & Telco	North America	6.5	1%
Answers	Equity and warrants	2017	Services	North America	6.1	1%
EVRY*	Listed equity	2017	Tech & Telco	Europe	4.0	0%
Altair Engineering	Listed equity	2017	Tech & Telco	North America	3.0	0%
Cengage Learning*	OTC[1] equity	2014	Other	North America	2.9	0%
Repco Home Finance	Listed equity	2017	Services	India	2.4	0%
Rue21	Term loan and equity	2017	Consumer	North America	3.7	0%
Misys	Second lien debt	2017	Tech & Telco	Europe	1.7	0%
Banca Farmafactoring	Listed equity	2017	Services	Europe	1.2	0%
Total Derived Investments					**320.5**	**34%**

* Investments also held by the Apax Funds
1. OTC = Over-the-counter

www.apaxglobalalpha.com/investment-portfolio/top-holdings/derived-investments

Investment Adviser's report | Responsible investing

Apax is committed to delivering returns ethically and responsibly. In this section, Apax summarises its approach to advising on responsible investing.

Apax remains focused on CSR issues and considers these as part of the overall investment thesis for every investment.

We believe that sustainable investing is not only the right thing to do, but also has a powerful and measurable business logic. As well as being integral to the investment process in respect of new investments, Corporate Social Responsibility ("CSR") considerations should also inform the day-to-day operations and core values of the companies in which we invest.

Our approach is to continually assess the possible impact of CSR issues, in order to help release the full potential of investments, while providing a net benefit for society.

From a practical perspective, our ability to assess and influence CSR matters in portfolio investments differs between Private Equity Investments and Derived Investments. This is because Private Equity Investments are characterised by longer hold periods and, often, controlling stakes, whereas Derived Investments tend to have shorter hold periods and usually involve non-control positions.

Whilst this can limit our ability to influence CSR initiatives within the Derived Investments, we remain focused on CSR issues and consider these as part of the overall investment thesis. Private Equity allows greater time and ability to influence an investment in order to create value via CSR initiatives. Details of the approach are outlined on the next page.

Driving measurable progress

Since our adoption of the Principles for Responsible Investment ("PRI") in 2011 we have developed a robust set of processes culminating in a comprehensive sustainability programme which is embedded in the lifecycle of businesses in which the Apax Funds invest. A distinctive feature of this programme is the annual collection of approximately 100 Environmental, Social and Governance ("ESG") related KPIs from the Apax Private Equity Funds' underlying portfolio companies. These KPIs are an invaluable tool in driving measurable progress in the overall ESG footprint of these funds and also in creating value through dedicated ESG programmes at the individual portfolio company level.

Modern slavery

Given the nature of our advisory business, we believe there is a very low risk of slavery or human trafficking in connection with our activities. We are committed to implementing and enforcing effective systems and controls to safeguard against slavery and human trafficking taking place in our business or supply chains.

Specifically, we look to ensure that our global team receives training to understand the risks of modern slavery and we intend to include anti-slavery and human trafficking measures in our Global Business Standards.

www.apax.com/media/620781/UK-Modern-Slavery-and-Human-Trafficking-Statement-approved-.pdf

Strategic report

Investment Adviser's report | Responsible investing

A distinctive feature of our sustainability programme is the annual collection of around 100 ESG related KPIs from the Apax Funds' underlying portfolio companies.

Integration of the sustainability framework into the investment process

Active ownership

- Apax has a well-defined CSR policy which is guided by its fundamental values (integrity, stewardship, community, people and relationships)
- Apax coordinates its sustainability efforts through a Sustainability Committee which meet on a monthly basis
- Apax focuses on being active owners and incorporating ESG issues into its ownership policies and practices relating to the Apax Funds portfolio companies

Pre-investment

- Apax's teams undertake standard ESG due diligence for each new investment made by the Apax Funds
- The findings of the ESG due diligence process are reviewed by a member of Apax's Sustainability Committee and incorporated into the final Investment Committee documentation prior to each new commitment
- The objective is to create a high degree of awareness upfront with regard to potential ESG issues which can contribute to value creation at a very early stage

Post-investment

- Pre-investment due diligence is backed up post investment by an annual ESG KPI collection cycle
- Apax is able to capture the ESG footprint of the Apax Funds portfolio companies and establish possible areas of materiality where Apax's teams can create value
- The key goal for Apax Partners is to get a better understanding of the materiality of certain ESG KPIs to the overall operations of a portfolio company

For further details and the latest Sustainability report, please refer to: www.apax.com/media/630557/apax-partners-sustainability-report-5th-edition-final.pdf

Responsible investing | case study

Apax Funds completed their investment in EVRY in March 2015. Formed in 2010 by the merger of two Norwegian IT companies, EVRY is a leading IT services company in the Nordic region with over 40 offices across Norway and Sweden, and over 8,500 employees. EVRY has leading market positions in the mid-market segment in both Norway and Sweden.

CDP A LIST 2016 CLIMATE

Reporting emissions since 2011
After the merger, several of the company's major Nordic customers (such as Telenor) began to request carbon disclosure to dovetail with their own sustainability objectives such as climate change issues and an increased focus on the ESG footprint of their suppliers. As EVRY is a core supplier to a number of these major Nordic companies, it needed to be able to provide information about its emissions. In addition, a number of EVRY's large Nordic institutional investors were asking for increased transparency and reporting on ESG matters as an important component of their investment decision.

After considering the needs of these significant stakeholders and the benefits carbon footprint disclosure would bring for their customer alignment, EVRY decided to sign up to the Carbon Disclosure Project ("CDP") in 2011.

Impact of disclosure reducing emissions by 50% in five years
EVRY found that the process of responding to the CDP climate questionnaire delivered real changes in business practices, resulting in much lower energy usage. Management became focused on driving a large number of energy efficiency initiatives throughout its operations.

The most significant of these measures is taking place during ownership by the Apax Funds, namely the consolidation of EVRY's datacentres. Across Norway and Sweden, EVRY will go from 15 data centres at the time of Apax's investment to six data centres in total. This consolidation is due to be concluded in 2019.

The results of these initiatives are outstanding: EVRY reduced its greenhouse gas emissions by 50% in a period of five years from 12,500 tons equivalent in 2012 to 6,000 in 2015. EVRY is in the top league globally for achieving real and lasting reductions in the emissions generated by its activities.

Only Norwegian company to achieve prestigious CDP A score in 2016
In 2016 EVRY made the Climate A list together with 192 other companies worldwide representing less than 10% of all respondents. Out of these, just 14 companies were from the Nordic region, of which EVRY was the only Norwegian company.

Future targets
Going forward, EVRY expects to see its CO_2 emissions decrease by a further 30% from their current level as a result of environmental measures it already has planned and the company is planning to become Climate Neutral in 2017.

The company started to increase its electronic waste reduction programme in 2017, and has reached an agreement with two recycling companies to increase the re-use and recycling of all electronic waste such as PCs, servers, light bulbs, mobile phones, cables etc. EVRY will provide a separate environmental report relating to the recycling programme once it is fully up and running.

As a result of these activities EVRY is in a very strong position to achieve even stronger alignment with its customer base on sustainability matters. The company is able to develop "green" solutions for its customers, to reinforce their own sustainability programmes and to help them reduce their energy footprint.

Strategic report

Risk management framework

The Board has developed a set of risk management policies, procedures and controls, and maintains oversight through regular reviews by the Board and the Audit Committee.

The Board and Audit Committee monitor the principal risks on a quarterly basis and a detailed review is undertaken on at least an annual basis.

The risk governance framework is designed to identify, evaluate and mitigate the risks identified by the Board as being of significant relevance to the Company in view of its risk profile and risk appetite. The underlying process aims to assist the Board to understand and mitigate, rather than eliminate these risks to the Company and, therefore, can only provide reasonable and not absolute assurance against loss.

The Board regularly reviews a register of principal risks and uncertainties (the "Risk Register") maintained on behalf of the Board by the Company Secretary. The Risk Register serves as a detailed assessment undertaken by the Board of the Company's exposure to risks based within three core categories: financial risks, strategic and business risks, and operating risks.

Ownership and governance

As a collective investment company with an investment portfolio comprising financial assets, the principal risks associated with the Company's business largely relate to market risk, portfolio risk, currency risk and liquidity risk.

While the Board remains ultimately responsible for the identification and assessment of risk, as well as implementing and monitoring procedures to control such risks, and reviewing these on a regular basis, the Board naturally places reliance on its key service providers, to whom it has delegated aspects of the day-to-day management of the Company. This includes the design and implementation of controls over specific risks including portfolio risk, currency and liquidity risk, as well as operating risk.

The Board undertakes an annual review of its risk appetite, considering recommendations from the Audit Committee and key service providers responsible for implementing the controls related to certain risks identified by the Board, as noted above. The Board considers strategic and business risk on a regular basis and at least annually during its strategy day.

Investment performance

In accordance with the Investment Management Agreement between the Company and the Investment Manager, responsibility for delivering investment performance in line with the Company's strategic and business objectives, as well as remaining within the parameters of its risk appetite, is delegated to the Investment Manager.

Specific investment decisions are taken by the Investment Manager within parameters of authority approved by the Board, while separate risk functions within the Investment Manager support and review decision-making.

Risk assessment

In assessing each category of risk, the Board considers systemic and non-systemic risks as well as the control framework established to reduce the likelihood and impact (together with the "residual risk rating") of individual inherent risks. The Board does not consider political risk in isolation, but incorporates it within its consideration of principal risks. The Board is not, practically, in a position to consider every risk. However, where possible, it identifies and assesses remote and emerging risks which may have a significant consequence and/or likelihood or may not be manageable within the current control environment.

In considering the framework around the policies and procedures adopted to reduce the potential impact of individual risks, the Board specifically considers the nature, scale and complexity of the Company, its investment objectives and strategy, and the role of the key service providers, such as the Investment Manager, Company Secretary and Registrar.

The wider control environment of the Company is maintained through the policies and procedures adopted by the Investment Manager, Company Secretary and Registrar. The Board considers these policies and procedures in its assessment of individual risks. The Board seeks periodic assurance from its main service providers on their control environments and, based on such assurances, will assess the suitability, adequacy and relevance of those policies and procedures. The Board and Audit Committee review the principal risks and uncertainties in relation to strategic and business risk, operating risk and financial risk on a quarterly basis and a detailed review is undertaken on at least an annual basis.

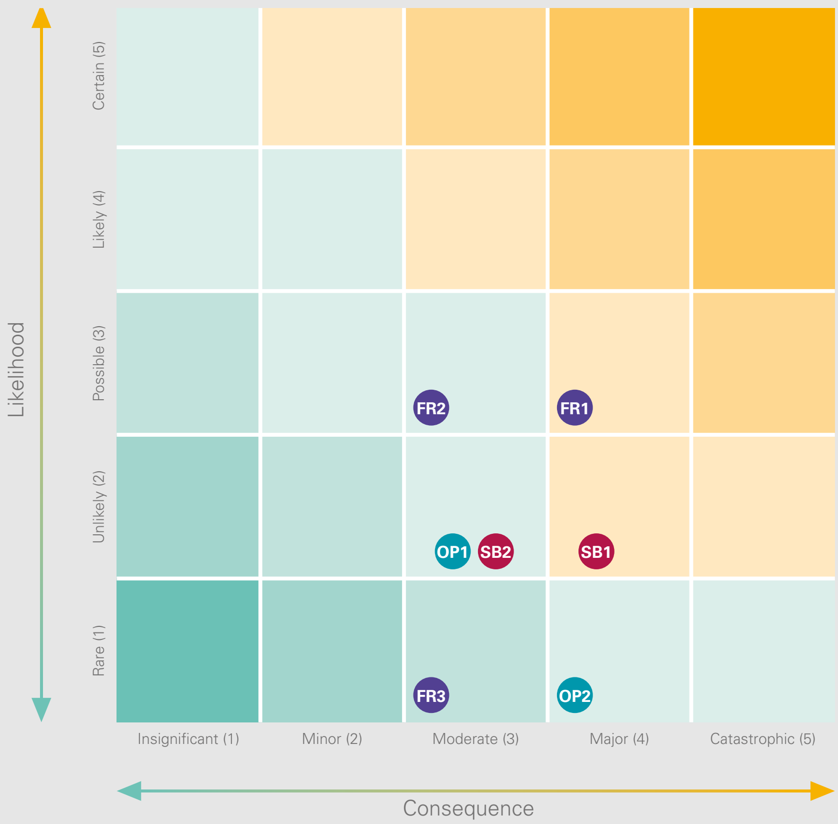
Individual risks are assessed based on the likelihood of occurrence and consequential impact. For avoidance of doubt, likelihood and consequence are assessed after taking into account the mitigating effect of the control framework. Risks are then ranked in order of residual risk rating likelihood and then consequence. Judgement is applied in determining which risks rank above the others where such risks have the same residual risk rating, likelihood and consequence.

The Board recognises that it has limited control over many of the risks it faces, such as macroeconomic events and the complex regulatory environment, and it periodically reviews the potential impact of such ongoing risks on the business and actively considers them in its decision-making.

Principal risks

The Board is ultimately accountable for effective risk management within the Company. The Audit Committee has undertaken an exercise to identify, assess and manage the risk within the Company. The principal risks identified have been assessed based on residual likelihood and consequence and are summarised on the heat map below:

Identifying risk



Key to risks rating
- Low risk
- Medium risk
- High risk
- Critical risk

Financial risks
- **FR1:** Liquidity risk
- **FR2:** Currency risk
- **FR3:** Portfolio risk

Strategic and business risks
- **SB1:** Company performance
- **SB2:** Regulatory, tax and legislative risk

Operating risks
- **OP1:** Continuity risk
- **OP2:** Service provider risk

Strategic report

Risk management framework | continued

The Company's principal risks are split between three main risk categories: financial risks; strategic and business risks; and operating risks. Assessment of the key principal risks has been summarised in the adjacent table.

Item	Risk
FR1	**Liquidity risk** Decreases in the value of investments due to market weakness may affect pace and the value of realisations, leading to reduced liquidity and/or ability to maintain credit facilities and meet covenant requirements.
FR2	**Currency risk** The Company has established a global investment mandate and has appointed an Investment Manager whose policy it is not to hedge currency exposures. Movements in exchange rates create NAV volatility when the value of investments is translated into the Company's reporting currency (the euro).
FR3	**Portfolio risk** Composition of the investment portfolio may fall outside of the investment policy, strategy and objectives, without the prior knowledge, consent or awareness of the Board or shareholders.
SB1	**Company performance** The target return and target dividend yield are based on estimates and assumptions. The actual rate of return may be lower than targets.
SB2	**Regulatory, tax and legislative risk** Regulatory, tax or legislative changes may impact the Company.
OP1	**Continuity risk** Business continuity, including service providers, may be impacted by natural disaster, cyber attack, infrastructure damage or other "outside" factors.
OP2	**Service provider risk** Control failures at key service providers may result in decreased service quality, loss of information, information security breach, theft or fraud.

Increase No change Decrease

Current year assessment	Mitigating measures	Risk status
The Board has assessed liquidity in stressed conditions as part of its assessment to continue as a going concern. The viability statement on page 63 contains further details. In addition, please refer to note 13 on liquidity risk in the financial statements.	• Diversification of the investment portfolio provides multiple avenues for liquidity • Cash flow modelling prepared and tested under various stress test scenarios • Revolving credit facility available in the event of substantial liquidity issues	
Foreign exchange markets remained volatile in 2017 resulting in large exchange rate movements, particularly the US dollar against the euro. Please refer to note 13 on currency risk in the financial statements where the Company's sensitivity to movements in exchange rates has been assessed.	• The Investment Manager has implemented an investment framework to manage and monitor the investment portfolio of the Company • Currency exposure analysis and monitoring forms part of the investment framework • The Investment Manager maintains a monitoring tool that constantly tracks portfolio exposures	
The current portfolio remains well diversified and appropriately split between Private Equity and Derived Investments, in line with the investment strategy. A summary of the top 30 assets for the Private Equity portfolio and Derived Investments portfolio is given on pages 26 and 36 respectively.	• Regular detailed reporting from the Investment Manager, including at quarterly Board meetings, keeps the Board appraised of the composition of the investment portfolio	
The Company paid an interim dividend in September 2017 of 2.5% of 30 June 2017 NAV and the Board has approved a further final dividend of 2.5% of 31 December 2017 NAV in line with its stated dividend policy. Total NAV Return for 2017 was 2.2% – please refer to the portfolio review section from page 16 for further details.	• Investment performance is monitored by the Board • Performance, positioning and investment restrictions are monitored constantly by the Investment Manager	
No significant changes in regulation or legislation have occurred that materially impacted the Company.	• Service providers have controls in place to monitor and review changes that may impact the Company • Professional advisers are engaged through primary service providers, if required	
There were no threats to business continuity registered by any of the service providers.	• All key service providers have in place adequate business continuity procedures which are tested on a regular basis and subject to minimum regulatory standards in their jurisdictions	
Control failures at key services are reported and reviewed. There were no material issues identified as part of the formal review conducted by the Board.	• The Board conducts a formal review of all key service providers on an annual basis • All key service providers have controls and procedures in place to mitigate risks related to the loss of information, security breaches, theft and fraud	

Our leadership and effectiveness

02 GOVERNANCE REPORT

The Directors recognise the importance of sound corporate governance to support the Company's long-term success.

In this section

Governance report

Leadership and effectiveness | AGA Board of Directors

Tim Breedon CBE
Chairman
Tenure: 2 years, 8 months

Tim Breedon joined the AGA Board on 28 April 2015.

He is a Non-Executive Director of Barclays plc.

Tim worked for the Legal & General Group plc for 25 years, most recently as Group Chief Executive between 2006 and 2012.

He was a Director of the Association of British Insurers ("ABI"), and also served as its Chairman between 2010 and 2012.

He served as Chairman of the UK government's non-bank lending task force, an industry-led task force that looked at the structural and behavioural barriers to the development of alternative debt markets in the UK. He was previously lead Non-Executive Director of the Ministry of Justice between 2012 and 2015.

Tim was formerly a Director of the Financial Reporting Council and was on the Board of the Investment Management Association.

He has over 25 years of experience in financial services and has extensive knowledge and experience of regulatory and government relationships. He brings to the Board experience in asset management and knowledge of leading a major financial services company.

Tim holds an MSc in Business Administration from the London Business School and is a graduate of Oxford University.

Susie Farnon
Non-Executive Director
Tenure: 2 years, 5 months

Susie Farnon joined the AGA Board on 22 July 2015 and was appointed as Chairman of its Audit Committee on 1 July 2016 and elected as Senior Independent Director on 18 November 2016.

Susie is currently a Non-Executive Director of Ravenscroft Limited, HICL Infrastructure Fund Limited, Standard Life Investments Property & Income Trust Limited, Breedon Group plc and Real Estate Credit Investments Ltd.

She served as President of the Guernsey Society of Chartered and Certified Accountants, as a member of The States of Guernsey Audit Commission and as a Commissioner of the Guernsey Financial Services Commission.

Susie was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and was Head of Audit at KPMG Channel Islands Limited from 1999 until 2001.

She is a fellow of the Institute of Chartered Accountants of England and Wales.

Chris Ambler
Non-Executive Director
Tenure: 2 years, 8 months

Chris Ambler joined the AGA Board on 28 April 2015.

He has been the Chief Executive of Jersey Electricity Plc since 1 October 2008. He has experience in a number of senior positions in the global industrial, energy and materials sectors working for major corporations including ICI/Zeneca, The BOC Group and Centrica/British Gas, as well as in strategic consulting roles.

He is a Director on other Boards, including a Non-Executive Director of Foresight Solar Fund Limited, a listed fund on the London Stock Exchange.

Chris is a Chartered Director, Chartered Engineer and a Member of the Institution of Mechanical Engineers. He holds a first class honours degree from Queens' College, Cambridge and an MBA from INSEAD.

Sarah Evans
Non-Executive Director
Tenure: 1 year, 5 months

Sarah Evans joined the AGA Board on 1 July 2016.

She is a Non-Executive Director of Real Estate Credit Investments PCC Limited, NB Distressed Debt Investment Fund Limited, Ruffer Investment Company Limited, HICL Infrastructure Company Limited and Crystal Amber Fund Limited.

Sarah is also a member of the Institute of Directors and a Director of the UK Investment Companies' trade body, The Association of Investment Companies.

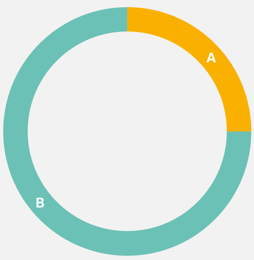
She spent over six years with the Barclays Bank plc group from 1994 to 2001. During that time, she was a Treasury Director and, from 1996 to 1998, she was Finance Director of Barclays Mercantile. Prior to joining Barclays, Sarah ran her own consultancy business advising financial institutions on all aspects of securitisation.

From 1982 to 1988, she was with Kleinwort Benson, latterly as Head of Group Finance.

Sarah is a Chartered Accountant and a graduate of Oxford University.

On 3 January 2018, Sarah Evans stepped down as a Non-Executive Director to both the Board and the Audit Committee of AGA.

Board tenure



A	1-2 years	**25%**
B	2-3 years	**75%**

Nationalities represented


Great Britain – 4

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for overseeing the performance of the Investment Manager and the Company's activities.
The Directors, all of whom are non-executive and considered independent for the purposes of Chapter 15 of the Listing Rules, are listed above.

Leadership and effectiveness | AGA Investment Committee

Andrew Sillitoe
Co-CEO\Apax Partners
Tenure: 2 years, 8 months

Andrew Sillitoe is co-CEO of Apax Partners and a partner in its Tech & Telco team. Andrew is also a member of the Apax Partners Executive, Investment and Approval Committees. He joined the firm in 1998 and has focused on the Tech & Telco sector in that time. Andrew has been involved in a number of deals, including Orange, TIVIT, TDC, Intelsat, Inmarsat and King Digital Entertainment PLC.

Prior to joining Apax Partners, Andrew was a consultant at LEK where he advised clients on acquisitions in a number of sectors.

Andrew holds an MA in Politics, Philosophy and Economics from Oxford University and an MBA from INSEAD.

Mitch Truwit
Co-CEO\Apax Partners
Tenure: 2 years, 8 months

Mitch Truwit is co-CEO of Apax Partners and a partner in its Services team. He is also a member of the Apax Partners Executive and Investment Committees and a Trustee of the Apax Foundation. Since joining Apax Partners in 2006, Mitch has been involved in a number of transactions including HUB International, Advantage Sales and Marketing, Bankrate, Dealer.com, Trader Canada, Garda and Answers.

Prior to joining Apax Partners in 2006, Mitch was the President and CEO of Orbitz Worldwide, a subsidiary of Travelport, between 2005 and 2006, and was the Executive Vice President and Chief Operating Officer of priceline.com between 2001 and 2005.

Mitch is a graduate of Vassar College where he received a BA in Political Science. He also has an MBA from Harvard Business School.

Nico Hansen
CIO\Apax Partners
Tenure: 2 years, 8 months

Nico Hansen is a partner at Apax Partners, is a member of its Investment Committee and chairs its Approval Committee. Nico originally joined Apax Partners in 2000, specialising in the Tech & Telco sector. He has both led and participated in a number of key deals, including Kabel Deutschland, Sulo, Versatel, Bezeq, Capio, Tnuva, HUB International and Trizetto.

Prior to joining Apax Partners, Nico was a consultant with McKinsey & Company where he specialised in advising clients in the telecom sector.

Nico holds a PhD in Economics from the University of Bonn and an MA in Economics from the University of Göttingen.

Ralf Gruss
COO\Apax Partners
Tenure: 2 years, 8 months

Ralf Gruss is Chief Operating Officer of Apax Partners and a partner at Apax. He is a former member of the Apax Partners Services team. Ralf has been involved in a number of deals, including Kabel Deutschland, LR Health and Beauty Systems and IFCO Systems.

Ralf originally joined Apax Partners in 2000. Prior to joining Apax Partners, he was a consultant with Arthur D. Little International Inc., where he specialised in advising clients in the financial services sector.

Ralf holds a diploma in Industrial Engineering and Business Administration from the Technical University in Karlsruhe. He also studied at the University of Massachusetts and the London School of Economics.

John Megrue
Chairman\Apax Partners US
Tenure: 2 years, 8 months

John Megrue is Chairman of Apax Partners US. He is a member of the Apax Partners Investment and Approval Committees.

John originally joined Apax Partners in 1988 and rejoined in 2005 from Saunders, Karp & Megrue. Prior to Saunders, Karp & Megrue, John served as Vice President and Principal at Patricof & Co (an Apax Partners predecessor), where he specialised in buyouts and late stage growth financings.

John is a graduate of Cornell University, where he received a BSc in Mechanical Engineering. He received his MBA from the Wharton School of the University of Pennsylvania.

*In anticipation of John's retirement in 2018, Roy Mackenzie acted as an alternate member for John during 2017. To ensure a seamless transition, Roy initially joined the Committee as an observer in 2016 and will formally become a full member of the Committee upon John's retirement.

Committee tenure

A 2-3 years	**100%**

Nationalities represented

 Great Britain – 1

 Germany – 2

 United States of America – 2

Governance report

Leadership and effectiveness | Investment Manager Board

Paul Meader
Director
Tenure: 2 years, 8 months

Paul Meader has acted as Non-Executive Director of several insurers, London and Euronext listed investment companies, funds and fund managers in real estate, private equity, hedge funds, debt, structured product and multi-asset funds. He is a senior investment professional with 28 years of multi-jurisdictional experience, 14 years of which were at Chief Executive level.

Paul was Head of Portfolio Management at Collins Stewart (now Canaccord Genuity) between 2010 and 2013 and was the Chief Executive of Corazon Capital Group from 2002 to 2010. Paul was Managing Director at Rothschild Bank Switzerland C.I. Limited from 1996 to 2002 and previously worked for Matheson Investment Management, Ulster Bank, Aetna Investment Management and Midland Montagu (now HSBC).

Paul is a graduate of Oxford University where he received an MA (Hons) in Geography. He is also a Chartered Fellow of the Chartered Institute of Securities and Investment.

Martin Halusa
Director
Tenure: 2 years, 8 months

Martin Halusa was Chairman of Apax Partners from January 2014 to March 2016, after ten years as Chief Executive Officer of the firm (2003-2013).

In 1990, he co-founded Apax Partners in Germany as Managing Director. His investment experience has been primarily in the telecommunications and service industries.

He began his career at The Boston Consulting Group ("BCG") in Germany, and left as a Partner and Vice President of BCG Worldwide in 1986. He joined Daniel Swarovski Corporation, Austria's largest private industrial company, first as President of Swarovski Inc (US) and later as Director of the International Holding in Zurich.

A graduate of Georgetown University, Martin received his MBA from the Harvard Business School and his PhD in Economics from the Leopold-Franzens University in Innsbruck.

Andrew Guille
Director
Tenure: 2 years, 8 months

Andrew Guille is a Director of Apax Partners Guernsey Limited.

Andrew has held directorships of regulated financial services businesses since 1989 and has worked for more than 13 years in the private equity industry. Andrew has been employed in the finance industry for over 30 years, with his early career spent in retail and institutional funds, trust and company administration, treasury and securities processing.

Andrew is a Chartered Fellow of the Chartered Institute for Securities and Investment, a qualified banker (ACIB) and he also holds the Institute of Directors' Diploma in Company Direction.

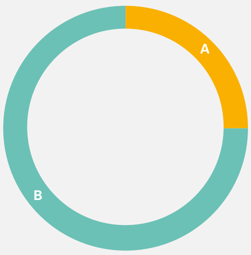
Mark Despres
Director
Tenure: 1 year, 9 months

Mark Despres is a Director of Apax Guernsey Managers Limited.

Mark has been employed in the wealth management industry in both Guernsey and London for over 16 years, principally as an investment manager to a number of listed funds (both open and closed-ended), institutional and private client portfolios.

Mark holds a first class honours degree in Mathematics from Royal Holloway University of London and is a member of the Chartered Institute for Securities & Investment.

Board tenure



A	1-2 years	**25%**
B	2-3 years	**75%**

Nationalities represented


Great Britain – 3


Austria – 1

Chairman's introduction

The Board aims to promote the Company's long-term success by delivering sustainable value to shareholders through its investment portfolio.

Overview

The Directors recognise the importance of sound corporate governance. The Directors have adopted the Association of Investment Companies ("AIC") Code of Corporate Governance (the "AIC Code"). The AIC represents closed-ended investment companies whose shares are traded on public markets. The purpose of the AIC Code is to provide a framework of best practice in respect of the governance of investment companies.

A copy of the AIC Code is available on the AIC's website at:

www.theaic.co.uk

Corporate Governance Statement Compliance with the AIC Code and UK Code

The Board considers that by reporting under the principles and recommendations of the AIC Code, and by reference to the AIC Guide, it provides better and more relevant information to its shareholders. Compliance with the principles and recommendations of the AIC Code enables the Directors to satisfy in full the requirement to comply with the UK Corporate Governance Code ("UK Code").

Compliance with the Guernsey Financial Services Commission ("GFSC") Finance Sector Code of Corporate Governance ("GFSC Code")

The Company is subject to, and complies with, the GFSC Code, which applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes in Guernsey. As the Company reports against the AIC Code, it is deemed to meet the requirements of the GFSC Code.

Modern Slavery Act statement

As an externally managed investment company, the Company relies on the adequacy of controls and tolerances of the Investment Manager (and, in turn, the Investment Adviser) with regard to the prevention of slavery and human trafficking, in accordance with the UK Modern Slavery Act 2015.

More information is available in the report of the Investment Adviser on page 37.

EU Alternative Investment Fund Managers Directive ("AIFMD")

Please refer to page 98 for further information in respect to the AIFMD.

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Governance report

Chairman's introduction | continued

The Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013 (NMPI Rules)
Information regarding the Company's status under the NMPI Rules is available on its website at:

www.apaxglobalalpha.com/governance/shareholder-services/administration

Disclosure of dividend information
Information on the Company's dividend policy and the factors that may affect the availability of dividends, including the risks of investing, are set out in the Company's prospectus dated 22 May 2015, available on the Company's website at:

www.apaxglobalalpha.com/governance/governance-documents

In accordance with the prospectus noted above, the Company targets the payment of a dividend equal to 5% of the NAV per annum.

The target dividend payment stated above should not be taken as an indication of the Company's expected future performance or results over any period and does not constitute a profit forecast. It is intended to be a target only and there is no guarantee that it can or will be achieved. Accordingly, prospective or current investors should not place any reliance on the target dividend payment stated above in making an investment decision in relation to the Company.

As a non-UK issuer, the Company does not require approval from shareholders for the payment of dividends in accordance with The Companies (Guernsey) Law, 2008 and the articles of incorporation of the Company.

In response to feedback from shareholders, an ordinary resolution is proposed at each AGM concerning approval of the dividend policy of the Company.

Statement of independence
The AIC Code recommends that at least half the board of directors of a UK-listed company, excluding the chairman, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances that may affect, or could appear to affect, the directors' judgement.

In addition to this provision, a majority of the board of directors should be independent of the Investment Manager. Independence is determined by ensuring that, apart from receiving their fees for acting as Directors or owning shares, Non-Executive Directors do not have any other material relationships with, nor derive additional remuneration from, or as a result of transactions with, the Company, its promoters, its management or its partners, which in the judgement of the Board may affect, or could appear to affect, the independence of their judgement.

The Company complies with the recommendations regarding board composition, as the Board of Directors comprises entirely of independent Non-Executive Directors and the Directors are of the opinion that the terms of the relationship agreement with the Company's Investment Manager, Apax Guernsey Managers Limited, will enable the Company to carry on its business independently.

The AIC Code also recommends that the Chairman should meet certain independence criteria as set out in the AIC Code on appointment.

I am pleased to confirm that I was independent on appointment, and remain so to date following the evaluation of the Board and its committees conducted in 2017.

Read more on PG52

Explanation as to exceptions
In the context of the nature, scale and complexity of the Company, certain recommendations of the AIC Code have not been deemed appropriate to the governance framework of the Company, an explanation of which is set out as follows:

- Provisions relating to the role of the Chief Executive, Executive Directors' remuneration, and the need for an internal audit function are not relevant to the position of AGA, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no Executive Directors, employees or internal control functions. The Company has therefore not reported further in respect of these provisions. These are re-assessed on an annual basis.
- The Company has not established a separate Remuneration Committee as it has no executive officers and the Board is satisfied that any relevant issues that arise can be properly considered by the Board or by the shareholders at AGMs. The Board as a whole considers matters relating to the Directors' remuneration. An external assessment of Directors' remuneration has not been undertaken. The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate Directors of a quality required to run the Company successfully. An external evaluation of the Board will be undertaken in 2018, in which an external review of the remuneration of the Directors will take place.
- The Board also fulfils the functions of a Management Engagement Committee, regularly reviewing the performance of the Investment Manager and relevant fee arrangements.
- The Board has not established a separate Nomination Committee as it considers this to be unnecessarily burdensome given the scale and nature of the Company's activities, as well as the current composition of the Board.
- The Board has not adopted a formal policy on diversity, as set out in DTR 7.2.8A. The Board has implemented a Board management policy (referred to throughout this section) which includes consideration of relevant issues relating to diversity. As a result, and in view of the nature, scale and complexity of the Company, the Board does not consider a specific policy with respect to diversity to be necessary at this time. Diversity of the Board is further considered on at least an annual basis through the Board evaluation process.

Our Board of Directors
The Company has a strong, independent Board of experienced independent Non-Executive Directors.

The Directors, all of whom are non-executive and considered independent for the purposes of Chapter 15 of the Listing Rules, are responsible for the determination of the investment policy of the Company and have overall responsibility for overseeing the Company's activities.

On 3 January 2018, Sarah Evans decided, for health reasons, to step down as a Non-Executive Director. The Company would like to thank Mrs Evans for her valuable contribution to the Company during her tenure.

Biographies of the Board of Directors, including details of their relevant experience, are available on page 46 and the Company's website at:

www.apaxglobalalpha.com/who-we-are/leadership-team/board-of-directors

The Investment Manager

The Company entered into an Investment Management Agreement with AGML to manage, on a discretionary basis, the investments of the Company.

AGML is responsible for the implementation of the investment policy of the Company and has overall responsibility for the management of the assets and investments of the Company.

AGML reports to the Board at each quarterly Board meeting regarding the performance of the Company's investment portfolio, which provides the Board with an opportunity to review and discuss the implementation of the investment policy of the Company. In addition, the Board attends regular meetings with AGML in order to receive a detailed overview of the performance of the underlying investments and portfolio outlook.

The AGA Board has reviewed and evaluated the performance of AGML during the year to 31 December 2017 and has determined that it is in the interests of the shareholders to continue with their appointment as Investment Manager.

Biographies of the Directors of AGML are available on page 48 and the Company's website at:

www.apaxglobalalpha.com/who-we-are/leadership-team/investment-manager-board-of-directors

The Investment Adviser and AGA Investment Committee

AGML, in turn, draws on the resources and expertise of Apax Partners for investment advice through an Investment Advisory Agreement and the AGA Investment Committee. The AGA Investment Committee is composed of several senior team members from Apax Partners.

Biographies of the members of the AGA Investment Committee are available on page 47 and the Company's website at:

www.apaxglobalalpha.com/who-we-are/leadership-team/the-investment-adviser

Culture and approach

The Board is committed to a culture of openness and dialogue with shareholders and will not only report regularly, but also ensure that Directors are available for effective engagement, whether at the AGM or other investor relations events. Apax Partners, on behalf of AGA, manages a programme of meetings with investors during each of the financial reporting cycles throughout the year. Contact details for shareholder queries can be found on page 96 and the Company's website at:

www.apaxglobalalpha.com/contact-us

AGM

Finally, my Board colleagues and I look forward to meeting shareholders at our third AGM to be held on 1 May 2018 at 10:15 (UK time) at the offices of Aztec Group, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands GY1 3PP.

The notice, agenda and form of proxy will be circulated to shareholders at least 21 working days prior to the AGM and will be made available on the UK National Storage Mechanism and the Company's website at:

www.apaxglobalalpha.com/governance/shareholder-services/agm-information

Shareholders who wish to attend the AGM in person should inform the Company Secretary by email at AGA-admin@aztecgroup.co.uk

Tim Breedon CBE
Chairman
5 March 2018

Governance report

Board composition and roles

In 2017, the Board of the Company was composed of four independent Non-Executive Directors. The Board considers that the range and experience of its members is sufficient to fulfil its role effectively and provide the required level of leadership, governance and assurance.

The terms and conditions of appointment for Non-Executive Directors are outlined in their letters of appointment, and are available for inspection at the Company's registered office during normal business hours and at the AGM for 15 minutes prior to and during the AGM.

Chairman of the Board of Directors
Tim Breedon fulfils the role of independent Non-Executive Chairman of the Board of Directors.

There have been no significant changes to the external commitments of the Chairman during the year.

The Chairman is responsible for the leadership of the Board, the creation of conditions necessary for overall Board and individual Director effectiveness and ensuring a sound framework of corporate governance, which includes a channel for shareholder communication.

The responsibilities of the Chairman include, but are not limited to:

- chairing the Board and general meetings of the Company, including setting the agenda of such meetings;
- promoting the highest standards of integrity, probity and corporate governance throughout the Company, and in particular at Board level;
- ensuring that the Board receives accurate, timely and clear information;
- ensuring effective communication with shareholders of the Company;
- facilitating the effectiveness of the contributions and constructive relationships between the Directors of the Company;
- ensuring that any incoming Directors of the Company participate in a full, formal and tailored induction programme; and
- ensuring that the performance of the Board, its Committees and individual Directors is evaluated at least once a year.

Chairman of the Audit Committee
Susie Farnon fulfils the role of Chairman of the Audit Committee.

The Audit Committee is appointed under terms of reference from the Board of Directors, available on the Company's website at:

www.apaxglobalalpha.com/governance/governance-documents

The Chairman of the Audit Committee is appointed by the Board of Directors. The role and responsibility of the Chairman of the Audit Committee is to set the agenda for meetings of the Audit Committee and, in doing so, take responsibility for ensuring that the Audit Committee fulfils its duties under its terms of reference. These include, but are not limited to:

- oversee the selection process for the external auditor, consider and make recommendations to the Board on the appointment, re-appointment and removal of the external auditors and the remuneration of the external auditor;
- review and make recommendations to the Board on the terms of engagement of the external auditor and the annual audit plan;
- review the findings of the audit with the external auditor, including a discussion of the major issues arising from the audit, those that have been resolved, left unresolved, evidence received in relation to areas of significant judgement, key accounting and audit judgements, levels of errors and explanation for unadjusted errors and the effectiveness of the audit;
- review the scope and result of the external audit and the external audit fee, keeping under consideration professional and regulatory requirements;
- assess the independence and objectivity of the external auditor on at least an annual basis, taking into consideration the level of non-audit services;
- review and consider, as appropriate, the rotation of the external audit engagement partner and tender of the external audit firm;
- external audit, audit planning and review;
- reviewing and recommending to the Board for approval, the audit, audit-related and non-audit fees payable to the external auditor and approving their terms of engagement;
- reviewing the external auditor's audit plan for the annual audit which will include all proposed materiality levels;
- internal control and financial and operational risk management systems;
- whistleblowing; and
- fraud.

The Audit Committee does not fulfil the role of a risk committee with regard to investment risk management systems. Overall responsibility for the Company's risk management and control systems lies with the Board.

Non-Executive Directors
Tim Breedon, Sarah Evans, Susie Farnon and Chris Ambler each fulfilled the roles and responsibilities of Non-Executive Directors, as set out in their appointment letters. On 3 January 2018, Sarah Evans stepped down as a Non-Executive Director to the Board of AGA for health reasons.

The Non-Executive Directors have a responsibility to ensure that they allocate sufficient time to the Company to perform their responsibilities effectively. Accordingly, Non-Executive Directors are required to make sufficient effort to attend Board or Committee meetings, to disclose other significant commitments to the Board before accepting such commitments and to inform the Board of any subsequent changes.

In determining the extent to which another commitment proposed by a Non-Executive Director would have an impact on their ability to sufficiently discharge their duties to the Company, the Board will give consideration to the extent to which the proposed commitment may create a conflict with:

- their time commitment to the Company;
- a direct competitor of the Company, the Investment Manager or the Investment Adviser;
- a significant supplier or potential significant supplier to the Company; and
- an investment manager or other related entity operating in substantially the same investment markets as the Company.

Shareholders are provided with the opportunity to re-elect the Non-Executive Directors on an annual basis at the AGM of the Company and to review their remuneration in doing so.

The role of the Non-Executive Directors includes, but is not limited to:

- constructively challenging and developing proposals on strategy;
- appointing service providers based on agreed goals and objectives;
- monitoring the performance of service providers; and
- satisfying themselves of the integrity of the financial information and that financial controls and systems of risk management are robust and defensible.

Governance framework

Senior Independent Director
Susie Farnon fulfils the role of Senior Independent Director ("SID").

The position of SID provides shareholders with someone to whom they can turn if they have concerns which they cannot address through the normal channels, for example with the Chairman, and is available as an intermediary between fellow Directors and the Chairman.

The role serves as an important check and balance in the governance process. The role of the SID includes, but is not limited to:

- providing a sounding board for the Chairman and serving as an intermediary for the other Directors when necessary;
- being available to shareholders if they have concerns which contact through the normal channels of Chairman, has failed to resolve or for which such contact is inappropriate;
- attend sufficient meetings with a range of shareholders to listen to their views in order to help develop a balanced understanding of the issues and concerns of the shareholders;
- meet with the other Non-Executive Directors at least annually to appraise the Chairman's performance (taking into account the views of the Executive Directors, if any are appointed) and on such other occasions as may be deemed appropriate;
- take responsibility for the orderly succession process for the Chairman, as appropriate; and
- maintain Board and Company stability during times of crisis and conflict.

Governance systems
The Board has considered the recommendations of the AIC Code and has adopted various policies, procedures and control systems; a summary of each of these is available on the Company's website at:

www.apaxglobalalpha.com/governance/governance-documents

In summary, these principally include:

- a schedule of matters reserved for the Board which includes, but is not limited to:
  - strategy and management;
  - structure and capital;
  - financial reporting and controls;
  - internal and risk management controls;
  - contracts and expenditure;
  - Board membership and other appointments;
  - corporate governance matters; and policies and codes.
- a Board management policy which includes, but is not limited to:
  - succession planning, including Board composition and diversity guidelines;
  - Director induction and training; and
  - Board evaluation.
- a conflicts of interests policy;
- a disclosure panel policy;
- an anti-bribery and corruption policy;
- a share dealing code;
- an insider dealing and market abuse policy; and
- a policy on the provision of non-audit services.

Board requirement and diversity policy
The Board has not established a formal policy on diversity given the relative size of the Board and will keep this matter under review as is deemed appropriate by the Board, collectively.

The Board is pleased to report that the composition of the Board as to male and female Directors was equally proportioned for the year ended 31 December 2017. On 3 January 2018, Sarah Evans retired from the Board due to health reasons. The Board is actively seeking a replacement. The Board aims to ensure that Director recruitment and appointment is conducted in a manner which is transparent, engaged and open. In particular, the Board will encourage healthy debate on the identity, skills and experience of a Board candidate.

In summary, the Board's policy on recruitment includes, but is not limited to:

- recruiting the best available candidate, considering specific criteria determined by the Board. However, ultimately a candidate's appointment will be based on merit and the Board shall endeavour to appoint the candidate who offers the best possible blend of technical ability and strategic/cultural fit;
- encouraging transparency from candidates with regard to time commitment during the recruitment process and conflicts of interests. The Board may also encourage candidates to undertake their own due diligence on the Company during the recruitment process and will remain transparent and open in such an event;
- searching for a new candidate as swiftly as possible, in view of any pressing regulatory and/or shareholder time frames. However, the Board will not make decisions in haste and will not make an appointment which is not relevant or of value to the Company and its shareholders; and
- agreeing a shortlist of candidates, considering the views of the Company's advisers and (where applicable) shareholders, considering open advertising and/or the use of a recruitment consultant as necessary, as well as conducting thorough interviews inclusive of the Board as a whole.

Administrator and secretary
The Company has appointed Aztec Financial Services (Guernsey) Limited ("Aztec Group") as Administrator and Company Secretary of the Company.

The Administrator is responsible for the Company's general administrative requirements such as the calculation of the Net Asset Value and Net Asset Value per share and maintenance of the Company's accounting and statutory records. The Administrator may delegate certain accounting and bookkeeping services to Apax Partners Fund Services Limited or other such parties and/or Group entities, as directed by the Company.

The Administrator is licensed by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law to act as "designated administrator" under that law and provide administrative services to closed-ended investment funds.

In fulfilling the role of Company Secretary, Aztec Group has due regard to the provisions of the GFSC Code and the AIC Code and statutory requirements in this respect.

Registrar
Link Asset Services has been appointed as Registrar of the Company. The Registrar is licensed by the GFSC under the POI Law to provide registrar services to closed-ended investment funds.

Information and support
The Board ensures that it receives, in a timely manner, information of an appropriate quality to enable it to adequately discharge its responsibilities. Papers are provided to the Directors in advance of the relevant Board or Committee meeting to enable them to make further enquiries about any matters prior to the meeting, should they so wish. This also allows Directors who are unable to attend to submit views in advance of the meeting.

Governance report

Governance framework | continued

A summary of the Directors' attendance at meetings to which they were eligible to attend is provided below. Eligibility to attend the relevant meetings is shown in brackets.

Director	Total Board	Total Audit Committee	Total other committees[1]
Tim Breedon	5 (5)	0 (0)	0 (0)
Susie Farnon	5 (5)	9 (9)	2 (2)
Chris Ambler	4 (5)	8 (9)	1 (1)
Sarah Evans	5 (5)	9 (9)	0 (0)

1. The Board will appoint committees of the Board on occasion to deal with specific operational matters; these committees are not established under separate terms of reference as their appointment is conditional upon terms resolved by the Board in formal Board meetings and authority conferred to such committees will expire upon the due completion of the duty for which it has been appointed. Such committees are referred to as other committee meetings

The Company Secretary takes responsibility for the distribution of Board papers and aims to circulate such papers at least five working days prior to Board or Committee meetings. The Board has adopted electronic board pack software which aids in the efficiency and adequacy of delivery of Board papers.

Ongoing charges
Ongoing charges to 31 December 2017 were 1.6% (31 December 2016: 1.5%). The Company's ongoing charges are calculated in line with guidance issued by the AIC. They comprise of recurring costs such as administration costs, management fees paid to AGML and management fees paid to the underlying Private Equity funds' general partners. They specifically exclude deal costs, taxation, financing costs, performance fees and other non-recurring costs.

Management and performance fees
Management fees to 31 December 2017 represented 1.4% of NAV and performance fees were 1.3% of NAV. Management fees represent fees paid to both the Investment Manager and the Apax Funds.

Frequency and attendance at Board and Committee meetings
The Board aims to meet formally at least four times a year and met five times in the year from 1 January 2017 to 31 December 2017.

The Audit Committee aims to meet formally at least four times a year as appropriate in terms of the financial cycle of the Company and met nine times in the year from 1 January 2017 to 31 December 2017.

Board focus – what the Board has done
Maintaining sound governance
The Board has maintained under review the ever-changing regulatory and corporate governance environment and, in particular, has conducted an annual review of the Company's key policy documents, which has involved a reflection on a review of governance practices in the industry, in particular with regard to disclosure of diversity arrangements, viability statements and dividend policy, practice and disclosure procedures.

The Board has kept under review and responded to the implementation of the EU Packaged Retail and Insurance-based Investment Products Directive on 1 January 2018 and has made available a Key Information Document on the Company's website:

www.apaxglobalalpha.com/investors/key-information-document-kid

The Board has also conducted an annual review of key service providers, being the Investment Manager, Administrator/Company Secretary, Registrar and Jefferies International Limited, as corporate broker to the Company.

The Board is pleased to report that such evaluation, which has included an assessment of internal control systems, was positive and the Board will continue its engagement with these key service providers.

Strategy and performance monitoring
The Board has been pursuing the investment strategy of the Company during the year through the discretionary management arrangements with AGML as reflected in the Investment Manager's report on page 10.

The Investment Manager operates under guidelines from the Board and, as set out in the Investment Management Agreement, as to the monitoring of the performance of the investment portfolio, associated risks and reporting to the Board in each of these areas. The Board keeps under regular review the performance of the investment portfolio through quarterly reporting and regular dialogue with the Investment Manager.

The Board held its first annual strategy day in November 2017, reflecting on the performance of the Company, its investment portfolio and future prospects.

Apax Digital Fund investment
As announced to the market in May 2017, the Board is pleased to have subscribed to a commitment of up to $50m to the Apax Digital Fund. This is in accordance with the Company's investment policy to invest in new Apax Funds with a view to maintaining a balanced exposure to Private Equity and Derived Investments.

The Apax Digital platform will aim to pursue a balanced portfolio of growth buyout and growth equity investments in technology companies globally.

Second anniversary of the lock-up release
In line with the Company's prospectus, certain existing and former Apax employees acquired shares in the Company under a share-for-share exchange agreement at IPO. As a result of this, those shareholders were subject to certain lock-up arrangements in respect of the shares issued to them for a period of either five or ten years.

The Board was engaged with the corporate broker through the process of facilitating a placing of the Company's shares for those locked-up shareholders who wished to sell their shares following the second release from lock-up on 15 June 2017.

In the case of shares subject to a five-year lock-up period, on 15 June 2017 40% of those shares were no longer subject to the lock-up arrangements.

Board calendar and focus for 2018 – what the Board plans to do

In order to position AGA to enable it to deliver on its objectives, the Board has set out a plan of key activities that need to be achieved through 2018. These will be monitored during the year and appropriate action taken to drive these initiatives forward.

Board evaluation and re-election of Directors

In accordance with the Board management policy, the Board is pleased to report completion of its second evaluation exercise for the year ended 31 December 2017, conducted internally through a process managed between the Chairman and the Company Secretary.

An internal evaluation of the Board as a whole, the Directors as individuals and the Audit Committee was undertaken. An evaluation of the Chairman was conducted by the Senior Independent Director.

No material matters were observed during the internal evaluation process and each of the Non-Executive Directors were deemed to remain independent of AGA and of the Investment Manager.

The Board is required to undertake an external valuation of performance once every three years. The first external evaluation will take place in 2018.

Election and re-election of Directors at the 2018 AGM

In accordance with the Company's Articles of Incorporation and the principles of the AIC Code, all Directors of the Company will offer themselves for re-election at the 2018 AGM.

Following the successful evaluation of the Board as noted above, it is proposed to shareholders that each of Tim Breedon, Susie Farnon and Chris Ambler are re-elected as Non-Executive Directors at the 2018 AGM.

Governance report

Audit Committee report

I am pleased to present the Audit Committee report for 2018 detailing the activities undertaken this year to fulfil its responsibilities.

Susie Farnon
Audit Committee Chairman

The scope of the Committee with respect to internal control does not include all controls around risk arising from the Company's investment portfolio. Such risks are overseen directly by the Board, which sets policies in this area to govern the day-to-day management of these risks by the Investment Manager.

The main areas of activity for the Audit Committee have been:

- reviewing in detail the content of the interim report and this annual report, the work of the service providers in producing it and the results of the external audit;
- considering those areas of judgement or estimation arising from the application of International Financial Reporting Standards to the Company's activities and documenting the rationale for the decisions made and estimation techniques selected. This includes the valuation of investments;
- keeping under review the policy on the supply of non-audit services by the external auditors, which has taken into account ethical guidance and related legislation;
- conducting an annual review of the performance of the external auditor, which has included a general review of the co-ordination of the external audit function with the activities of the Company, any appropriate internal controls, the suitability and independence of the external auditor;
- conducting a rigorous annual review of the risk control framework with the assistance of the Investment Manager and the Company Secretary;
- meeting with the external auditors, KPMG Channel Islands Limited ("KPMG"), to review and discuss their independence, objectivity and proposed scope of work for their review of the interim report and their audit of this annual report and accounts; and
- meeting with the Company's principal service providers to review the controls and procedures operated by them to ensure that the Company's operational risks are properly managed and that its financial reporting is complete, accurate and reliable.

S Farnon

Susie Farnon
Audit Committee Chairman
5 March 2018

Membership and attendance
The Audit Committee membership currently consists of Susie Farnon and Chris Ambler following Sarah Evans' resignation in January 2018. A summary of meetings held during the year and attendance at those meetings is available on page 54.

The Chairman of the Company, Tim Breedon, whilst not required to attend meetings of the Audit Committee, does so on occasion, particularly in the case of reviewing financial reports.

Role of the Audit Committee
The Audit Committee is appointed under terms of reference from the Board of Directors, available on the Company's website at:

www.apaxglobalalpha.com/governance/governance-documents

Review of areas for judgement or estimation
The Audit Committee has determined that the key area for judgement and estimation is the fair value of the Company's investment portfolio for reporting purposes. For investments not traded in an active market, the fair value is determined by using valuation techniques and methodologies, as deemed appropriate by the Investment Manager. These assumptions may differ from valuations realised in the future. The Audit Committee has also considered the calculation of the performance fee to be an area of judgement given the complexity of the calculation. Please see further details and considerations of the Committee below.

Valuation of investments
The valuation of investments is a significant area of judgement in the preparation of the financial statements and performance reporting and represents a particular focus for the Audit Committee. The Audit Committee is satisfied that it is reasonable overall and has been prepared in accordance with the Company's stated accounting policies.

The majority of Derived Equity Investments held by the Company, and certain investments underlying the Company's Private Equity positions, are quoted and have a ready market, leaving the focus on the other Private Equity and Derived Debt Investments which are valued less easily.

At each quarterly valuation point, and particularly at the year end, members of the Audit Committee have reviewed the detailed valuation schedules prepared by the Investment Manager for the unquoted investments underlying the Private Equity positions.

Discussions were also held with the Investment Manager, Investment Adviser and the external auditors (in respect of the year-end valuation only). The aim of these reviews and discussions was to ensure, as far as possible, that the valuations were prepared in line with the valuation process and methodology set out in the Company's accounting policies. No material discrepancies were identified.

The valuation of the Derived Debt Investments has been reviewed by the external auditors who have reported to the Committee and the Board on whether, in their opinion, the valuations used are reasonable and in accordance with the stated accounting policies.

Performance fee
The detailed basis for calculation and settlement of the performance fee due to the Investment Manager is set out in the notes to the financial statements. Although this fee may not always be material in amount to the financial performance or position of the Company, its calculation is complex, and because it is due to the Investment Manager, the Audit Committee consider it important by nature.

The Audit Committee has commissioned a specific report on the calculation of the fee provided for in these financial statements and of the amount to be settled during the current period. This report has not identified any significant issues.

External audit
KPMG has been the Company's external auditor since 2015. During the year, and up to the date of this report, the Audit Committee has met formally with the external auditors, KPMG, on four occasions and, in addition, the Chairman of the Audit Committee has met them informally on three further occasions. These informal meetings have been held to ensure the Chairman is kept up-to-date with the progress of their work and that their formal reporting meets the Audit Committee's needs.

The formal meetings included detailed reviews of the proposed scope of the work to be performed by the auditors in their review of the Company's report for the period to 30 June 2017 and in their audit for the year ended 31 December 2017. They also included detailed reviews of the results of this work, their findings and observations. I am pleased to report that there are no matters arising that should be brought to the attention of shareholders.

In 2017, we:

- Regularly scrutinised the risk governance framework
- Conducted a thorough review of the external auditor's services
- Assessed the revised calculation of the Total Return metric by the Investment Manager

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Governance report

Audit Committee report | continued

The Audit Committee has also reviewed KPMG's report on their own independence and objectivity, including their team structure for the audit of the Company and of the underlying Apax Funds, and the level of non-audit services provided by them. In addition, the Audit Committee assessed the effectiveness of KPMG.

The Audit Committee has concluded that the external auditors are independent and objective, carry out their work to a high standard and provide concise and useful reporting. Accordingly, the Audit Committee has recommended to the Board that KPMG be put forward to shareholders for re-appointment at the next AGM.

The Company has a policy in place to ensure the independence and integrity of the external auditor, where non-audit services are to be provided by the external auditors. In the first instance, all non-audit services require pre-approval of the Chairman of the Audit Committee and/or the Chairman of the Board of Directors. Full consideration of the financial and other implications on the independence of the auditors arising from any such engagement are considered before proceeding. Please refer to note 6 of the financial statements for a summary of fees paid to KPMG.

Risk management, internal controls and corporate risks
An outline of the risk management framework and principal risks is provided on pages 40 to 43.

Following the implementation of a revised risk control framework with the assistance of the Investment Manager and the Company Secretary in 2016 and early 2017, which was subsequently reviewed and approved by the Board, the Audit Committee has undertaken a rigorous annual review of that control framework.

As part of this process, the Audit Committee has kept, and continues to keep, under review financial and operational risk, which includes reviewing, testing and obtaining assurances from key service providers in respect of the controls to which they are determined to be responsible. The Audit Committee has not identified any areas of concern as a result.

Service providers
The Audit Committee has met regularly with the key service providers (besides KPMG) involved in the preparation of the Company's reporting to its shareholders and in the operation of controls on its behalf, the Administrator and sub-Administrator, both of whom have attended each formal Audit Committee meeting as well as other informal meetings. Through these meetings, supported by review and challenge of supporting documentation, the Audit Committee has satisfied itself, as far as is possible in the circumstances of a Company with outsourced functions, that financial and operational risks facing the Company are appropriately managed and controlled.

Adjusted and unadjusted differences in the financial statements
The external auditors, KPMG, have reported to the Audit Committee that they found one reportable difference during the course of their audit work. The difference arose in an area of judgement, was immaterial and was not indicative of control deficiencies.

Whistleblowing
The Company does not have any employees. Each of the service providers has whistleblowing policies in place.

Anti-bribery and corruption
The Company has a zero tolerance approach to bribery and corruption, in line with the UK Bribery Act 2010.

An anti-bribery and corruption policy has been adopted and is kept under review.

Annual report
The Audit Committee members have each reviewed this annual report and earlier drafts of it in detail, comparing its content with their own knowledge of the Company, reporting requirements and shareholder expectations. Formal meetings of the Audit Committee have also reviewed the report and its content and have received reports and explanations from the Company's service providers about the content and the financial results. The Audit Committee has concluded that the annual report, taken as a whole, is fair, balanced and understandable, and that the Board can reasonably and with justification make the statement of Directors' responsibilities on page 62.

Shareholder relations

Shareholder communication
The Directors place a great deal of importance on communication with shareholders. The interim report and accounts, annual report and financial statements are available to shareholders and to other parties who have an interest in the Company's performance on the Company's website at:

www.apaxglobalalpha.com/investors/results-reports-presentations

Shareholders may obtain up-to-date information on the Company through the Company's website at:

www.apaxglobalalpha.com

The Notice of the AGM is sent out at least 21 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board or Investment Manager, either formally at the Company's AGM, informally following the meeting or in writing at any time during the year via the Company Secretary.

The Company Secretary is available to answer general shareholder queries at any time throughout the year and may be contacted by email at AGA-admin@aztecgroup.co.uk.

The Board recognises and supports the investor relations activities, which include close engagement with shareholders. On a quarterly basis, the Company provides a performance update presentation and holds a conference call and/or webcast for analysts and investors. The Board receives regular reports and updates from the investor relations team and the corporate broker. Publications can be found on the Company's website at:

www.apaxglobalalpha.com/investors/results-reports-presentations

The Company has continued to build a dialogue with its shareholders. As part of this, Apax Partners provide an investor relations service to support communications with investors. Apax Partners maintain a programme of meetings between senior management of Apax Partners on behalf of AGA, and institutional investors, fund managers and equity analysts. Issues discussed at investor presentations and meetings cover investment strategy and financial performance of AGA.

To give all shareholders access to the Company's announcements, all material information reported via the London Stock Exchange's regulatory news service is published on the Company's website at:

www.apaxglobalalpha.com/investors/news/rns

AGA has hosted conference calls to support the release of its interim and quarterly results. An investor presentation will also be held for the full-year results. Details will be published on the London Stock Exchange. These events, which are published on the Company's website, are made available to the market, subject to relevant marketing restrictions in certain jurisdictions, with the facility for all listeners to ask questions, as well as having a permanent replay facility, and a full transcript.

Remuneration report

Introduction
Provisions relating to Executive Directors' remuneration are not deemed relevant to AGA, being an externally managed investment company with a Board comprised wholly of Non-Executive Directors.

In particular, the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no Executive Directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

Remuneration report
The Directors who served in the period from 1 January 2017 to 31 December 2017 received the fees detailed in the table below.

No taxable benefits were paid to Directors in respect of this period and no remuneration above that was paid to the Directors for their services. Remuneration paid reflects the duties and responsibilities of the Directors and the value of their time. No element of the Directors' remuneration is performance related.

Directors' fees and expenses
Fees are pro-rated where an appointment takes place during a financial year. None of the fees disclosed below were payable to third parties by the Company. Chris Ambler is obliged to pay 20% of the fee he receives from the Company for his services as a Non-Executive Director to a third party, being a company to which he is appointed as an executive director. The Directors are entitled to be reasonably reimbursed for expenses incurred in the exercise of their duties as Directors. Expenses paid to the Directors are also listed in the table below.

Directors' fees and expenses at 31 December 2017

Director	Fees (EUR)	Expenses (EUR)
Tim Breedon	142,792	1,513
Susie Farnon	62,829	1,160
Chris Ambler	51,405	2,079
Sarah Evans	51,405	1,196
Total (EUR)	**308,431**	**5,948**
Total (GBP)	**270,000**	**5,278**

Directors' holdings at 31 December 2017

Director	Class of share	Shares held	Voting rights Direct	Voting rights Indirect	% of voting rights Direct	% of voting rights Indirect
Tim Breedon	Ordinary shares of NPV	70,000	70,000	0	0.014%	0.000%
Susie Farnon	Ordinary shares of NPV	20,000	20,000	0	0.004%	0.000%
Sarah Evans[1]	Ordinary shares of NPV	75,000	20,000	0	0.004%	0.000%
Chris Ambler	Ordinary shares of NPV	6,553	6,553	0	0.001%	0.000%

1. Sarah Evans' husband, a person closely associated to Sarah as defined under the EU Market Abuse Regulations, holds 55,000 shares in the Company. Please note that Sarah resigned from the Board on 3 January 2018

Governance report

Directors' report

Directors' report

The Directors submit their annual report together with the audited financial statements of the Company for the year ended 31 December 2017.

The Company's registered office and principal place of business is East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3PP.

Listing on the London Stock Exchange

On 15 June 2015, the entire issued ordinary share capital of the Company was admitted to the Premium Listing segment of the Official List of the Financial Conduct Authority and to unconditional trading on the London Stock Exchange's Main Market for listed securities.

Dividend

The Directors have approved a dividend of 4.17 pence per share as a final dividend in respect of the financial period ended 31 December 2017 (2016: 4.13 pence). An interim dividend of 4.24 pence was paid on 15 September 2017 (2016: 3.95 pence).

Board of Directors

Biographies of the Board of Directors, including details of their relevant experience, are available on the Company's website at:

https://www.apaxglobalalpha.com/who-we-are/leadership-team/board-of-directors

The Non-Executive Directors do not have service agreements.

Powers of Directors

The business of the Company is managed by the Directors who may exercise all the powers of the Company, subject to any relevant legislation, any directions given by the Company by passing a special resolution and to the Company's Articles of Incorporation (the "Articles"). The Articles, for example, contain specific provisions concerning the Company's power to borrow money and issue shares.

Appointment and removal of Directors

Rules relating to the appointment and removal of the Directors are contained within the Company's Articles of Incorporation.

Amendment of Articles of Incorporation

The Company may only make amendments to the Articles of Incorporation of the Company by way of special resolution of the shareholders, in accordance with The Companies (Guernsey) Law, 2008, as amended.

Employees

The Company does not have any direct employees.

Political donations and expenditure

The Company has made no political donations in the period since incorporation or since admission.

Share capital

As at the date of this report, the Company had an issued share capital of €873.8m. The rights attaching to the shares are set out in the Articles of Incorporation. There are no restrictions on the transfer of ordinary shares in the capital of the Company other than those which may be imposed by law from time to time. There are no special control rights in relation to the Company's shares and the Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights, except for the lock-ups agreed at the time of admission as set out in the prospectus. In accordance with the Disclosure and Transparency Rules, Board members and certain employees of the Company's service providers are required to seek approval to deal in the Company's shares.

Allotment of shares and pre-emption rights

Details of the Company's ability to allot shares and pre-emption rights are included in the Articles of Incorporation, which can be found in full on the Company's website at:

www.apaxglobalalpha.com/governance/governance-documents

Voting rights

In a general meeting of the Company, on a show of hands, every member who is present in person or by proxy and entitled to vote shall have one vote. On a poll, every member who is present in person or by proxy shall have one vote for every share of which they are the holder.

Restrictions on voting

Unless the Directors otherwise determine, a shareholder shall not be entitled to vote either personally or by proxy:

- if any call or other sum currently payable to the Company in respect of that share remains unpaid; or
- having been duly served with a notice requiring the disclosure of a member's interests given under article 10 of the Articles of Incorporation of the Company, and has failed to do so within 14 days, in a case where the shares in question represent at least 0.25% of the number of shares in issue of the class of shares concerned, or within 28 days, in any other case, from the date of such notice.

Directors' interests in shares

The Directors' share interests in the Company are detailed on the prior page.

Material interests in shares

The Company has been notified in accordance with DTR 5 of the Disclosure and Transparency Rules of the interests in its issued ordinary shares as at 31 December 2017 detailed in the table on page 59.

Significant agreements

The following agreements are considered significant to the Company:

- AGML as Investment Manager under the terms of the Investment Management Agreement;
- Aztec Group as Administrator, Company Secretary and Depositary under the Administration Agreement and Depositary Agreement;
- Link as Registrar under the Registration Agreement;
- Jefferies International as corporate broker; and
- KPMG as appointed external auditors.

Compensation for loss of office

There are no agreements between the Company and its Directors providing for compensation for loss of office that occurs because of a change of control.

Disclosures required under Listing Rule 9.8.4R

There are no disclosures required under Listing Rule section 9.8.4R.

Events after the reporting period

The Audit Committee noted that there were two post-balance sheet events:

- on 3 January 2018, Sarah Evans retired from both the Board of Directors and the Audit Committee for health reasons;
- on 5 March 2018, the Board of Directors approved a dividend of 4.17 pence per share in respect of the financial period ended 31 December 2017.

Going concern
After making enquiries and given the nature of the Company and its investments, the Directors, after due consideration, conclude that the Company should be able to continue for the foreseeable future.

In reaching this conclusion, the Board is mindful of the discontinuation vote that will be presented at the next AGM. The Company's articles require that a shareholder resolution on whether the Company should wind up, liquidate, reconstruct or unitise (the "Discontinuation Vote") be presented for the first time at the AGM in May 2018 and, if not passed, every three years thereafter. The Directors unanimously recommend that all shareholders vote "Against" the resolution.

The Directors consider that it is unlikely that the discontinuation vote will be passed, and no provisions have been made in respect to costs related to the winding up of the Company.

Furthermore, the Directors have assessed the nature of the Company's assets, and considers that adverse investment performance should not have a material impact on the Company's ability to meet its liabilities as they fall due.

Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing these financial statements.

Disclosure of information to the auditor
Having made enquiries of fellow Directors and key service providers, each of the Directors confirms that:

- to the best of their knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Re-appointment of auditor
Resolutions for the re-appointment of KPMG Channel Islands Limited as the auditor of the Company and to authorise the Directors to determine its remuneration are to be proposed at the next AGM.

AGM
Details of the next AGM will be available on the website in due course. The Directors' report has been approved by the Board and is signed on its behalf by:

Tim Breedon CBE
Chairman
5 March 2018

Table of shareholders over 5% at 31 December 2017[2]

			Voting rights		% of voting rights		
Shareholder	Class of share	Shares held	Direct	Indirect	Direct	Indirect	Threshold
NorTrust Nominees Limited	Ordinary shares of NPV[1]	32,701,581	32,701,581	0	6.7%	0.0%	5%
Investec Wealth & Investment Limited	Ordinary shares of NPV	29,171,835	29,171,835	0	6.0%	0.0%	5%
Martin Halusa	Ordinary shares of NPV	28,778,552	2,869,735	25,908,817	0.6%	5.3%	5%
Witan Investment Trust	Ordinary shares of NPV	24,672,760	24,672,760	0	5.0%	0.0%	5%

1. No par value
2. The figures shown above reflect the position of the shareholders as most recently disclosed to and by the Company pursuant to DTR 5.1 (Notification of the acquisition or disposal of major shareholdings) and may not reflect the actual or current position of the shareholders as at the date of this report

Governance report

Statement of Directors' responsibilities

Annual report and financial statements
The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable law.

Under Company Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual financial report
The Directors confirm to the best of their knowledge and belief, that they have complied with the above requirements in preparing the financial statements. During the course of this assessment, the Directors have received input from the Audit Committee, the Investment Manager, the Investment Adviser, the Company Secretary and Administrator that:

- this annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces;
- the financial statements, prepared in accordance with IFRS adopted by the EU, give a true and fair view of the assets, liabilities, financial position and results of the Company, taken as a whole, as required by DTR 4.1.6, and are in compliance with the requirements set out in the Companies (Guernsey) Law 2008 as amended;
- the annual report includes a fair review of the information required by DTR 4.1.8R and DTR 4.1.11R, which provides an indication of important events and a description of principal risks and uncertainties which face the Company;
- the Investment Manager's report, together with the Directors' report and Chairman's statement, include a fair review of the information required by DTR 4.1.12R; and
- the annual report and financial statements, taken as a whole, provide the information necessary to assess the Company's position and performance, business model and strategy, and is fair, balanced and understandable.

Signed on behalf of the Board of Directors

Tim Breedon CBE
Chairman
5 March 2018

Signed on behalf of the Audit Committee

Susie Farnon
Chairman of the Audit Committee
5 March 2018

Viability statement

As stated on page 2, the investment objective of the Company is to provide shareholders with capital appreciation from its investment portfolio and regular dividends. The Company's investment performance depends upon the performance of its portfolio of Private Equity and Derived Investments. The Directors, in assessing the viability of the Company, have paid particular attention to the risks faced by the Company in seeking to achieve its stated objectives, which are set out on pages 8 and 9. The Board has established a risk management framework within which the Investment Manager operates and which is intended to identify, measure, monitor, report and, where appropriate, mitigate the risks to the Company's investment objective. The Board does not consider the other risks faced by the Company to be principal risks, as defined in the UK Code.

The Directors confirm that their assessment of the principal risks facing the Company was robust and in doing so they have considered models projecting future cash flows during the three years to 31 December 2020. These models have also been stress tested to reflect the impact on the portfolio of some plausible but severe scenarios similar to those experienced by investment markets in the past. The projections consider cash balances, covenants, limits, the split of the investment portfolio in addition to investment policy. The stress testing examines the potential impact of the principal risks occurring individually and together.

These projections are based on the Investment Manager's expectations of future investment performance, income and costs. The viability assessment covers a period of three years, which reflects the average holding period of Derived Investments and the expected period between the launch of new funds by Apax Partners.

The Company also has access to a significant credit facility to enable it to manage cash demands without resorting to urgent sales of its less liquid portfolio assets; the Company utilised this facility five times during the year, with an average drawdown period of less than one month. Diversification of the portfolio, split between Private Equity and Derived Investments, also helps the Company withstand risks it is most likely to meet.

The continuation of the Company in its present form is dependent on the Investment Management Agreement ("IMA") with the Investment Manager remaining in place. The Directors note that the IMA with the Investment Manager is terminable with a minimum of one year's notice by either party. The Directors have no current reason to assume that either the Company or the Investment Manager would serve notice of termination of the IMA during the three-year period covered by this viability statement. The initial term of the IMA is six years and shall automatically continue unless the Investment Manager or the Company (by special resolution) serves notice electing to terminate at the expiry of the initial term. The earliest termination would be 15 June 2020. The articles require that the Directors put a discontinuation resolution to the AGM of the Company to be held in 2018. However, the Directors have reasonable grounds to believe that it is unlikely that the extraordinary resolution would be passed so early in the life of the Company, and so for the purposes of the viability assessment they have assumed that it will not do so.

The Directors, having duly considered the risks facing the Company, their mitigation and the cash flow modelling, have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

For more information on how AGA is satisfied with its ability to operate as a going concern, see page 73.

03 FINANCIAL STATEMENTS

AGA prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable law, on a going concern basis.

In this section

Financial statements

Independent auditor's report

to the members of Apax Global Alpha Limited

Our opinion is unmodified

We have audited the financial statements of Apax Global Alpha Limited (the "**Company**"), which comprise the statement of financial position as at 31 December 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the financial statements:
- give a true and fair view of the financial position of the Company as at 31 December 2017, and of the Company's financial performance and the Company's cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key Audit Matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2016):

Valuation of Investments held at fair value through profit or loss ("Investments")

€910,669,000; (2016 €911,554,000)

Refer to page 57 of the Audit Committee Report, note 3 (subsequent measurement of financial instruments), note 4 (Critical accounting estimates and judgements), note 8 (Investments) and note 14 (Fair value estimation).

The risk

Basis:
As at 31 December 2017 the Company had invested 98% of its net assets in private equity funds advised by the Investment Advisor ("Private Equity Investments") and in equities and debt in public and private companies ("Derived Investments").

The Company's holdings in Private Equity Investments (representing 65% of Investments) are valued based on the net asset values provided by the underlying funds' general partners, adjusted if considered necessary by the Board of Directors, including any adjustment necessary for carried interest.

The Company's holdings in quoted equities and debt (representing 14% of Investments) are valued based on the bid or last traded price depending upon the convention of the exchange on which the investment is quoted.

The Company's holdings in unquoted debt (representing 20% of Investments) are valued based on models that take into account the factors relevant to each investment and use relevant third party market data where available. The Company's holdings in unquoted equities (representing 1% of Investments) are valued based on comparable company multiples and precedent transaction analysis.

Risk:
The valuation of the Company's Investments is considered a significant area of our audit, given that it represents the majority of the net assets of the Company and in view of the significance of estimates and judgments that may be involved in the determination of fair value.

Our response

Our audit procedures included:

Controls evaluation:
We assessed the design and implementation of the Investment Manager's review control in relation to the valuation of Investments.

Controls observation:
We attended the year end fair market valuation meeting where we assessed the effectiveness of the Board of Directors challenge over the valuation of investments.

Challenging managements' assumptions and inputs including use of KPMG valuation specialists:
For Private Equity Investments, we agreed the fair values to capital account or other similar statements ("Statements") received from the underlying funds' general partners. For the majority of Private Equity Investments we obtained the coterminous audited financial statements and agreed the audited net asset value to the Statements. In order to assess whether the fair value required adjustment we considered: the basis of preparation together with accounting polices applied; and whether the audit opinion was unmodified.

For Derived Investments, we used our own valuation specialist to independently price 100% of quoted equities and 99% of unquoted debt based on third party data sources.

Assessing disclosures:
We also considered the Company's disclosures (see note 4) in relation to the use of estimates and judgements regarding the fair value of investments and the Company's investment valuation policies adopted and fair value disclosures in note 3, note 8 and note 14 for compliance with International Financial Reporting Standards as adopted by the EU.

Our application of materiality and an overview of the scope of our audit
Materiality for the financial statements as a whole was set at €36,800,000, determined with reference to a benchmark of net assets of €929,916,000, of which it represents 4% (2016: 4%).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding €1,800,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

We have nothing to report on going concern
We are required to report to you if we have anything material to add or draw attention to in relation to the directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in this respect.

We have nothing to report on the other Information in the Annual Report
The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Disclosures of principal risks and longer-term viability
Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement on page 63 that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability Statement on page 63 as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Corporate governance disclosures
We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the eleven provisions of the 2016 UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report to you in these respects.

We have nothing to report on other matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities

Directors' responsibilities
As explained more fully in their statement set out on page 62, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Financial statements

Independent auditor's report | continued

to the members of Apax Global Alpha Limited

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lee Clark

Lee C. Clark
For and on behalf of KPMG Channel Islands Limited

Chartered Accountants and Recognised Auditors
Glategny Court
St Peter Port
Guernsey GY1 1WR
Channel Islands
5 March 2018

Statement of financial position

At 31 December 2017

	Notes	31 December 2017 €'000	31 December 2016 €'000
Assets			
Non-current assets			
Investments held at fair value through profit or loss ("FVTPL")	8	910,669	911,554
Total non-current assets		**910,669**	**911,554**
Current assets			
Cash and cash equivalents	9	18,989	33,862
Investment receivables		–	4,400
Other receivables		1,987	2,794
Total current assets		**20,976**	**41,056**
Total assets		**931,645**	**952,610**
Liabilities			
Current liabilities			
Investment payables		–	488
Accrued expenses		1,729	2,113
Total current liabilities		**1,729**	**2,601**
Total liabilities		**1,729**	**2,601**
Capital and reserves			
Shareholders' capital	15	873,804	873,804
Share-based payment performance fee reserve	11	17,495	11,291
Retained earnings		38,617	64,914
Total equity		**929,916**	**950,009**
Total shareholders' equity and liabilities		**931,645**	**952,610**

On behalf of the Board of Directors

Tim Breedon
Chairman
5 March 2018

Susie Farnon
Chairman of the Audit Committee
5 March 2018

	31 December 2017 €	31 December 2017 £ equivalent[1]	31 December 2016 €	31 December 2016 £ equivalent[1]
Net Asset Value ("**NAV**") ('000)	929,916	825,849	950,009	810,852
Adjusted NAV ('000)[2]	912,421	810,312	938,718	801,215
NAV per share	1.89	1.68	1.93	1.65
Adjusted NAV per share[2]	1.86	1.65	1.91	1.63

1. The sterling equivalent has been calculated based on the GBP/EUR exchange rate at 31 December 2017 and 31 December 2016 respectively.
2. Adjusted NAV is the NAV net of the share-based payment performance fee reserve. Adjusted NAV per share is calculated by dividing the Adjusted NAV by the total number of shares.

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

Financial statements

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2017

	Notes	Year ended 31 December 2017 €'000	Year ended 31 December 2016 €'000
Income			
Investment income		27,560	32,493
Net changes in investments at FVTPL	8	20,870	36,738
Realised foreign currency gains		1,799	578
Net unrealised foreign currency (losses)/gains		(6,871)	2,538
Total income		**43,358**	**72,347**
Operating and other expenses			
Performance fee	11	(12,770)	(427)
Management fee	10	(5,216)	(5,834)
Administration and other operating expenses	6	(2,810)	(3,458)
Total operating expenses		**(20,796)**	**(9,719)**
Finance costs	12	(1,324)	(1,311)
Profit before tax		**21,238**	**61,317**
Taxation charge	7	(733)	(364)
Profit after taxation for the year		**20,505**	**60,953**
Other comprehensive income		–	–
Total comprehensive income attributable to shareholders		**20,505**	**60,953**
Earnings per share (cents)	16		
Basic		4.18	12.41
Diluted		4.18	12.41
Adjusted[1]		4.09	12.24

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

1. The Adjusted earnings per share has been calculated based on the profit attributable to ordinary shareholders adjusted for the total accrued performance fee at 31 December 2017 and 31 December 2016 respectively as per note 16 and the weighted average number of ordinary shares.

Statement of changes in equity

For the year ended 31 December 2017

For the year ended 31 December 2017	Notes	Shareholders' capital €'000	Retained earnings €'000	Share-based payment performance fee reserve €'000	Total €'000
Balance at 1 January 2017		**873,804**	**64,914**	**11,291**	**950,009**
Total comprehensive income attributable to owners		–	20,505	–	20,505
Share-based payment performance fee reserve movement	11	–	–	6,204	6,204
Dividend paid	17	–	(46,802)	–	(46,802)
Balance at 31 December 2017		**873,804**	**38,617**	**17,495**	**929,916**

For the year ended 31 December 2016	Notes	Shareholders' capital €'000	Retained earnings €'000	Share-based payment performance fee reserve €'000	Total €'000
Balance at 1 January 2016		**873,804**	**49,757**	**12,968**	**936,529**
Total comprehensive income attributable to owners		–	60,953	–	60,953
Share-based payment performance fee reserve movement	11	–	–	(1,677)	(1,677)
Dividend paid	17	–	(45,796)	–	(45,796)
Balance at 31 December 2016		**873,804**	**64,914**	**11,291**	**950,009**

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

Financial statements

Statement of cash flows

For the year ended 31 December 2017

	Notes	Year ended 31 December 2017 €'000	Year ended 31 December 2016 €'000
Cash flows from operating activities			
Interest received		25,126	29,439
Interest paid		(70)	(58)
Dividend received		1,372	1,254
Performance fee paid	11	(6,566)	(2,104)
Operating expenses paid		(8,034)	(8,656)
Tax paid	7	(636)	(364)
Net cash from operating activities		**11,192**	**19,511**
Cash flows from investing activities			
Capital calls from Private Equity Investments		(149,581)	(58,413)
Capital distributions from Private Equity Investments		74,478	68,799
Purchase of Derived Investments[1]		(238,033)	(158,646)
Sale of Derived Investments[1]		341,966	185,375
Net flows from investment in subsidiaries		–	285
Net cash from investing activities		**28,830**	**37,400**
Cash flows used in financing activities			
Financing cost[2]		(1,668)	(1,228)
Dividend paid[3]		(46,356)	(45,884)
Revolving credit facility drawn		44,312	–
Revolving credit facility repaid		(44,312)	–
Net cash used in financing activities		**(48,024)**	**(47,112)**
Cash and cash equivalents at the beginning of the year		**33,862**	**21,525**
Net (decrease)/increase in cash and cash equivalents		(8,002)	9,799
Effect of foreign currency fluctuations on cash and cash equivalents		(6,871)	2,538
Cash and cash equivalents at the end of the year	9	**18,989**	**33,862**

1. During the year, the Company's first and second lien debt positions in Answers and first lien debt in Rue21 were restructured. At 31 December 2016, these were held at €7.2m, €0.4m and €9.3m respectively. In lieu of these, the Company received equity of €6.9m, warrants of €0.2m and new second lien debt of €1.9m for Answers and €2.6m of equity for Rue21. As no cash was exchanged, these have been excluded from the cash flows from investing activities.
2. Financing costs were included in operating expenses paid in the prior year. These have been recategorised in the current financial statements.
3. Dividend paid represents the cash amount paid to shareholders adjusted for foreign exchange movements. The difference between the amount included in the statement of changes in equity and the cash flow statement represents the foreign exchange difference between the liability being booked and the final amount paid.

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

Notes to the financial statements

1 Reporting entity

Apax Global Alpha Limited (the "**Company**" or "**AGA**") is a limited liability Guernsey company that was incorporated on 2 March 2015. The address of the Company's registered office is PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP. The Company was admitted to the premium market of the London Stock Exchange on 15 June 2015 and trades under the ticker APAX.LN. On the same date, the Company acquired PCV Lux SCA and its subsidiaries. The financial statements of the Company for the year from 1 January 2017 to 31 December 2017 comprises the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows. The Company invests in Private Equity funds, listed and unlisted securities including debt instruments.

The Company's main corporate objective is to provide shareholders with capital appreciation from its investment portfolio and regular dividends. The Company's operating activities are managed by its Board of Directors and its investment activities are managed by Apax Guernsey Managers Limited (the "**Investment Manager**") under a discretionary investment management agreement. The Investment Manager obtains investment advice from Apax Partners LLP (the "**Investment Adviser**").

2 Basis of preparation

Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). These financial statements are for the year from 1 January 2017 to 31 December 2017. These financial statements were authorised for issue by the Board of Directors of the Company on 5 March 2018.

Basis of measurement
The financial statements have been prepared on the historic cost basis except for investments, which are measured at FVTPL.

Functional and presentation currency
These financial statements are presented in euro (€), which is the Company's functional and presentation currency. All amounts are stated to the nearest one thousand euro unless otherwise stated.

Going concern
The Directors consider that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements. In reaching this assessment, the Directors have considered a wide range of information relating to present and future conditions (at least 12 months from 5 March 2018, the authorisation date of these financial statements), including the statement of financial position, future projections, cash flows, the longer-term strategy of the business and the discontinuation vote that will be presented at the next AGM.

The Company's Articles require that a shareholder resolution on whether the Company should wind up, liquidate, reconstruct or unitise (the "Discontinuation Vote") be presented for the first time at the AGM in May 2018 and, if not passed, every three years thereafter. The Directors, based on discussions with a number of key shareholders, consider that it is unlikely that discontinuation vote will be passed, and no provisions have been made in respect to costs related to the winding-up of the Company.

The Directors have reviewed models assessing the Company's estimated future cash flows for three years to 31 December 2020, which have been stress tested to provide guidance of the possible impact of financial scenarios that may affect the Company.

Investment entity
On 16 March 2017, the Company completed the liquidation of its two remaining subsidiaries. As a result, the Company no longer holds any subsidiaries at FVTPL and the investment entity status is no longer applied with respect to these subsidiaries. Please see note 8 for further details.

3 Accounting policies

The accounting policies adopted by the Company and applied consistently in these financial statements are set out below and overleaf:

Initial recognition of financial instruments
The Company designates all financial assets and financial liabilities, except loans payable, other payables, other receivables and cash, at FVTPL. These are initially recognised at cost which equates to the best indicator of fair value on the trade date, the date on which the Company becomes a party to the contractual provisions of the instrument. All transaction costs are immediately recognised in profit or loss. Financial assets or financial liabilities not at FVTPL are initially recognised at cost plus transaction costs that are directly attributable to their acquisition or issue.

Financial statements

Notes to the financial statements | continued

3 Accounting policies continued

Subsequent measurement of financial instruments

Fair value is a market-based measurement, that estimates the price at which an asset could be sold or a liability transferred, in an orderly transaction between market participants, on the measurement date. When available the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as "active" if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, then the Company establishes fair value using an alternative valuation technique.

In the absence of an active market, the Company determines fair value taking into account the International Private Equity and Venture Capital valuation ("**IPEV**") guidelines. Valuation techniques include, but are not limited to, market multiples, using recent and relevant arm's length transactions between knowledgeable, willing parties (if they are available), reference to the current fair value of other instruments that are substantially the same, statistical methods and where deemed appropriate, augmented by, discounted cash flow analyses and option pricing models. The chosen valuation technique seeks to maximise the use of market inputs and incorporates factors that market participants might consider in setting a price.

Inputs to valuation techniques aim to reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques where possible using prices from observable current market transactions in the same instrument or based on other available observable market data.

The Company has two main asset portfolios that are split between "**Private Equity Investments**" and "**Derived Investments**". Private Equity Investments comprise primary and secondary commitments to, and investments in, existing Private Equity funds advised by the Investment Adviser. Derived Investments comprise of investments in debt and equities. At each reporting date these are measured at fair value, and changes therein are recognised in the statement of profit or loss and other comprehensive income.

Fair values of the Private Equity portfolio are generally considered to be the Company's attributable portion of the NAV of the Private Equity funds, as determined by the general partners of such funds, adjusted if considered necessary by the Board of Directors, including any adjustment necessary for carried interest. The general partners consider the IPEV guidelines when valuing the Private Equity funds.

For unlisted debt investments, fair value is calculated based upon models that take into account the factors relevant to each investment and use relevant third-party market data where available. For unlisted equities and equities not traded in an active market, fair value is calculated based on comparable company multiples and precedent transaction analysis. The Company utilises the resources of the Investment Manager and the Investment Adviser, to augment its own fair value analysis of these investments to determine the most appropriate fair value for such assets.

For investments traded in an active market, fair value is determined by taking into account the latest market bid price available, or such last traded price depending upon the convention of the exchange on which the investment is quoted.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39 "**Financial Instruments: Recognition and Measurement**". The Company uses the first-in first-out method to determine realised gains and losses on derecognition. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Share-based payments

The Company applies the requirements of IFRS 2 "**Share-based Payment**" in respect to its performance fee. The Company maintains a separate performance fee reserve in equity, showing the expected performance fee calculated on a liquidation basis on eligible assets. This is revised at each reporting period and the movement is credited or expensed through the statement of profit or loss and other comprehensive income. Please refer to note 11 for further details.

Subsidiaries

Subsidiaries are investees controlled directly or indirectly by the Company. The Company controls an investee if it is exposed to, or has rights to, variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. In the prior year, these were held as investments at FVTPL. On 16 March 2017, the Company completed the liquidation of its two remaining subsidiaries. As a result, the Company no longer holds any subsidiaries at FVTPL and the investment entity status is no longer applied with respect to these subsidiaries.

3 Accounting policies continued

Operating Segments
Per IFRS 8 "**Operating Segments**", the criteria for identifying an operating segment is that the chief operating decision maker of the Company regularly reviews the performance of these operating segments and determines the allocation of resources based on these results. It is determined that the Company's chief operating decision maker is the Board of Directors. As previously noted, the Company invests into two separate portfolios, Private Equity Investments and Derived Investments. These have been identified as segments on the basis that the Board of Directors uses information based on these segments to make decisions about assessing performance and allocating resources. The Company has a third administration segment for central functions which represents general administration costs that cannot be specifically allocated to the two portfolios. The analysis of results by operating segment is based on management account information. The segment analysis of the Company's results and financial position is set out in note 5.

Investment receivables
Investment receivables are recognised in the Company's statement of financial position when it becomes party to a contractual provision for the amount receivable. Investment receivables are held at their nominal amount. They are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the receivables recoverable amount is estimated based on expected discounted future cash flows. Changes in the level of impairment are recognised in the statement of profit or loss and other comprehensive income. Investment receivables are also revalued at the reporting date if held in a currency other than euro.

Liabilities
Liabilities, other than those specifically accounted for under a separate policy, are stated at the amounts which are considered to be payable in respect of goods or services received up to the reporting date on an accruals basis.

Investment payables
Investment payables are recognised in the Company's statement of financial position when it becomes party to a contractual provision for the amount payable. Investment payables are held at their nominal amount. Investment payables are also revalued at the reporting date if held in a currency other than euro.

Loans payable
Loans payable are held at amortised cost. Amortised cost for loans payable is defined as the amount at which the loan is measured at initial recognition, less principal repayments, plus or minus the cumulative amortisation using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances, call deposits and cash held in money market funds with original maturities of three months or less.

Finance income
Finance income comprises interest income on cash and cash equivalents and interest earned on financial assets on the effective interest rate basis. Finance income is recognised in investment income in the statement of profit and loss and other comprehensive income.

Dividend income
Dividend income is recognised in the statement of profit or loss and other comprehensive income on the date that the Company's right to receive payment is established, which in the case of listed securities is the ex-dividend date. For unlisted equities, this is usually the date on which the payee's Board approve the payment of a dividend. Dividend income of €1.4m (31 December 2016: €1.3m) from equity securities designated at FVTPL is recognised in the statement of profit or loss and other comprehensive income in the current year.

Net changes in investments at FVTPL
Unrealised gains and losses
Net change in Derived Investments at FVTPL includes all unrealised changes in the fair value of investments, including foreign currency movements, since the beginning of the reporting period or since designated upon initial recognition as held at FVTPL and excludes dividend and interest income.

Net change in the fair value of Private Equity Investments is calculated based on the movement of fair value since the beginning of the reporting period adjusted for all calls paid and distributions received. Total Private Equity distributions received from this portfolio are treated as unrealised movements until the commitment for primary investments or cost and undrawn commitment for secondary investments have been fully repaid.

Realised gains and losses
Realised gains and losses from financial instruments at FVTPL represents the gain or loss realised in the period. The realised gain or loss for Derived Investments is calculated based on the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its sale or settlement price. Realised gains and losses on disposals of these investments are calculated using the first-in first-out cost method. Realised gains on the Private Equity portfolio are recognised when the commitment on primary investments or the cost and undrawn commitment for secondary investments has been fully repaid.

Distributions received in excess of the commitment for a primary investment or the cost and undrawn for a secondary investment are recognised as realised gains in the statement of profit or loss and other comprehensive income. The unit of account for Derived Investments is the individual share or debt nominal which can be sold on an individual basis. The unit of account for Private Equity Investments is commitment. The resulting accounting treatment for the realised gains and losses is based on these units of account.

Financial statements

Notes to the financial statements | continued

3 Accounting policies continued

Brokerage fees and other transaction costs
Brokerage fees and other transaction costs are costs incurred to acquire investments at FVTPL. They include fees and commissions paid to agents, brokers and dealers. Brokerage fees and other transaction costs, when incurred, are immediately recognised in the statement of profit or loss and other comprehensive income as an expense.

Other expenses
Fees and other operating expenses are recognised in the statement of profit or loss and other comprehensive income on an accruals basis.

Provisions and contingent liabilities
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless the probability of their occurrence is remote.

Foreign currency transactions
Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

For loans payable, the foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation of non-investment assets are recognised in the statement of profit or loss and other comprehensive income. For investment assets held at FVTPL, foreign currency differences are reported as part of the fair value gain or loss.

Taxation
The Company is domiciled in Guernsey and is exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. Occasionally, the Company may incur withholding taxes imposed by certain countries on investment income or capital gains taxes upon realisation of its investments. Such income or gains are recorded gross of withholding taxes and capital gains taxes in the statement of profit or loss and other comprehensive income. Withholding taxes and capital gains taxes are shown as separate items. It is the Company's policy to limit withholding taxes and, where possible, it is the Company's intention to hold assets for the minimum period required to be exempt from such taxes.

Shareholders capital and reserves
Shareholders capital
Shareholders capital issued by the Company is recognised as the proceeds or fair value received less incremental costs directly attributable to the issue of shareholders capital, net of tax effects recognised as a deduction from equity.

Own shares (treasury shares)
Where the Company purchases its own shares, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity. Any changes in the value of own shares held are recognised in equity at the time of the disposal.

Dividends
Dividends on ordinary shares are recognised in equity in the period in which they become payable, which is when they are approved by the Company's Board of Directors.

Earnings per share
The earnings per share is calculated based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year.

The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year adjusted for items that would cause a dilutive effect on the ordinary shares.

The adjusted earnings per share is calculated based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year adjusted for the performance fee.

3 Accounting policies continued

New standards and interpretations not yet adopted
The table below summarises the impact of new standards and changes in standards that may affect the Company:

Pronouncement	Nature of change	Effective date	Impact on the Company
IFRS 2 "**Share-based Payment**"	The IASB has issued amendments in relation to IFRS 2 in relation to the classification and measurement of share-based payment transactions. The amendments are intended to eliminate diversity in practice in the following three main areas: • The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction • The classification of a share-based payment transaction with a net settlement feature for withholding tax obligations • The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled	Financial periods beginning on or after 1 January 2018. Earlier application is permitted. The standard is still subject to EU endorsement.	The performance fee is equity settled and these amendments are not expected to result in a reclassification. See note 11 for more details.
IFRS 9 "**Financial Instruments**"	IFRS 9 "**Financial Instruments**" addresses the classification, measurement, recognition and derecognition of financial assets and financial liabilities. It replaces guidance from IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("**OCI**") and FVTPL. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at FVTPL with the irrevocable option at inception to present changes in fair value in OCI without recycling to the income statement. IFRS 9 also introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.	Financial periods beginning on or after 1 January 2018. Earlier application is permitted.	The Company currently holds its investments at fair value through profit and loss under IAS 39. Following the implementaion of IFRS 9, the Company does not expect there to be any material impact to its classification of financial assets managed on a fair value basis.

4 Critical accounting estimates and judgements

In preparing the financial statements, the Company makes judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on the Board of Directors and Investment Managers' experience and their expectations of future events. As these judgements involve an estimate of the likelihood of future events, actual results could differ from those estimates which could affect the future reported amounts of assets and liabilities. Revisions to estimates are recognised prospectively.

(i) Judgements
The judgement that has the most significant effect on the amounts recognised in the Company's financial statements relates to investment assets. These have been determined to be investments held at fair value through profit or loss and have been accounted for accordingly. See note 3 for further details.

(ii) Estimates
The estimate that has the most significant effect on the amounts recognised in the Company's financial statements relates to investments held at FVTPL. The fair value of investments traded in an active market at FVTPL is determined by reference to their bid-market pricing at the reporting date. For underlying instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques and methodologies.

The Investment Manager is responsible for the preparation of the Company's valuations and meets quarterly to approve and discuss the key valuation assumptions. The meetings are open to the Board of Directors, the Investment Adviser and to the external auditors to attend and it invites them to challenge the proposed valuation estimates. On a quarterly basis, the Board of Directors review and approve the final NAV calculation for distribution to the shareholders.

The Investment Manager also makes estimates and assumptions concerning the future and the resulting accounting estimates, will by definition, seldom equal the related actual results. The assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined in note 14.

Financial statements

Notes to the financial statements | continued

5 Segmental analysis

The segmental analysis of the Company's results and financial position is set out below. The Company has identified two reportable operating segments, which are as follows: Private Equity Investments; Derived Investments; and a third administration segment for central functions. Each pursue a different investment strategy thesis as approved by the Chief Operating Decision Maker, the Board of Directors.

These segments have been identified on the basis that the Board of Directors uses information based on these segments to make decisions about assessing performance and allocating resources. There have been no changes to segments since the prior year ended 31 December 2016.

The Company prepares the analysis using accounting policies that are the same as those referenced in the accounting policies in note 3. On an ongoing basis, the Board of Directors monitors the portfolio allocation to ensure that it is in line with the investment strategy.

Reportable Segments

Statement of profit or loss and other comprehensive income for the year ended 31 December 2017	Private Equity Investments €'000	Derived Investments €'000	Central functions[1] €'000	Total €'000
Investment income	–	27,304	256	27,560
Net changes in investments at FVTPL	15,510	5,360	–	20,870
Realised foreign exchange gains/(losses)	1,112	874	(187)	1,799
Net unrealised foreign currency losses	–	–	(6,871)	(6,871)
Total income	**16,622**	**33,538**	**(6,802)**	**43,358**
Performance fees	630	(13,400)	–	(12,770)
Management fees	(627)	(4,589)	–	(5,216)
Administration and other operating expenses	–	–	(2,810)	(2,810)
Total operating expenses	**3**	**(17,989)**	**(2,810)**	**(20,796)**
Finance costs	–	–	(1,324)	(1,324)
Profit/(loss) before tax	**16,625**	**15,549**	**(10,936)**	**21,238**
Taxation charge	–	(733)	–	(733)
Total comprehensive income attributable to shareholders	**16,625**	**14,816**	**(10,936)**	**20,505**

Statement of financial position at 31 December 2017	Private Equity Investments €'000	Derived Investments €'000	Cash and other NCA's[2] €'000	Total €'000
Total assets	590,185	320,484	20,976	931,645
Total liabilities	–	–	(1,729)	(1,729)
NAV	**590,185**	**320,484**	**19,247**	**929,916**

5 Segmental analysis continued

Statement of profit or loss and other comprehensive income for the year ended 31 December 2016	Private Equity Investments €'000	Derived Investments €'000	Central functions[1] €'000	Total €'000
Investment income	–	32,350	143	32,493
Net changes in investments at FVTPL	35,479	1,525	(266)	36,738
Realised foreign exchange gains	93	134	351	578
Net unrealised foreign currency gains	–	–	2,538	2,538
Total income	**35,572**	**34,009**	**2,766**	**72,347**
Performance fees	(502)	75	–	(427)
Management fees	(760)	(5,074)	–	(5,834)
Administration and other operating expenses	–	–	(3,458)	(3,458)
Total operating expenses	**(1,262)**	**(4,999)**	**(3,458)**	**(9,719)**
Finance costs	–	–	(1,311)	(1,311)
Profit/(loss) before tax	**34,310**	**29,010**	**(2,003)**	**61,317**
Taxation charge	–	(364)	–	(364)
Total comprehensive income attributable to shareholders	**34,310**	**28,646**	**(2,003)**	**60,953**

Statement of financial position at 31 December 2016	Private Equity Investments €'000	Derived Investments €'000	Cash and other NCA's[2] €'000	Total €'000
Total assets	498,750	419,960	33,900	952,610
Total liabilities	–	(488)	(2,113)	(2,601)
NAV	**498,750**	**419,472**	**31,787**	**950,009**

1 Central functions represents interest income earned on cash balances held, fair value movements on investments in subsidiaries, other general administration costs and financial costs.
2 NCA's refers to net current assets of the Company.

Geographic information

Statement of profit or loss and other comprehensive income for the year ended 31 December 2017	North America €'000	Europe €'000	BRIC* €'000	Rest of World €'000	Total €'000
Investment income	19,950	6,669	941	–	27,560
Net changes in investments at FVTPL	(20,561)	37,096	3,167	1,168	20,870
Realised foreign exchange gains	432	1,154	213	–	1,799
Net unrealised foreign currency losses	–	(6,871)	–	–	(6,871)
Total income	**(179)**	**38,048**	**4,321**	**1,168**	**43,358**
Performance fee	(1,326)	(9,515)	(1,929)	–	(12,770)
Management fee	(2,685)	(1,600)	(931)	–	(5,216)
Administration and other operating expenses	–	(2,810)	–	–	(2,810)
Total operating expenses	**(4,011)**	**(13,925)**	**(2,860)**	–	**(20,796)**
Finance costs	–	(1,324)	–	–	(1,324)
Profit/(loss) before tax	**(4,190)**	**22,799**	**1,461**	**1,168**	**21,238**
Taxation charge	–	(89)	(644)	–	(733)
Total comprehensive income attributable to shareholders	**(4,190)**	**22,710**	**817**	**1,168**	**20,505**

Statement of financial position at 31 December 2017	North America €'000	Europe €'000	BRIC* €'000	Rest of World €'000	Total €'000
Total assets	454,386	375,416	87,185	14,658	931,645
Total liabilities	–	(1,729)	–	–	(1,729)
NAV	**454,386**	**373,687**	**87,185**	**14,658**	**929,916**

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5 Segmental analysis continued

Statement of profit or loss and other comprehensive income for the year ended 31 December 2016	North America €'000	Europe €'000	BRIC* €'000	Rest of World €'000	Total €'000
Investment income	26,859	4,919	715	–	32,493
Net changes in investments at FVTPL	7,099	25,377	3,172	1,090	36,738
Realised foreign exchange gains	194	367	17	–	578
Net unrealised foreign currency gains	–	2,538	–	–	2,538
Total income	**34,152**	**33,201**	**3,904**	**1,090**	**72,347**
Performance fee	333	(1,084)	324	–	(427)
Management fee	(3,401)	(1,682)	(751)	–	(5,834)
Administration and other operating expenses	–	(3,458)	–	–	(3,458)
Total operating expenses	**(3,068)**	**(6,224)**	**(427)**	–	**(9,719)**
Finance costs		(1,311)			(1,311)
Profit before tax	**31,084**	**25,666**	**3,477**	**1,090**	**61,317**
Taxation charge	–	–	(364)	–	(364)
Total comprehensive income	**31,084**	**25,666**	**3,113**	**1,090**	**60,953**

Statement of financial position at 31 December 2016	North America €'000	Europe €'000	BRIC* €'000	Rest of World €'000	Total €'000
Total assets	491,551	397,752	59,086	4,221	952,610
Total liabilities	(512)	(2,087)	(2)	–	(2,601)
NAV	**491,039**	**395,665**	**59,084**	**4,221**	**950,009**

*BRIC = Brazil, Russia, India and China. AGA holds Derived Investments directly in India and China only.

6 Administration and other operating expenses

	Year ended 31 December 2017 €'000	Year ended 31 December 2016 €'000
Directors' fees	308	324
Administration and other fees	535	557
Deal transaction, custody and research costs	961	738
General expenses	816	1,607
Auditors' remuneration		
Statutory audit	114	132
Other assurance services – interim review	44	47
Tax services	23	39
Other non-audit services	9	14
Total administration and other operating expenses	**2,810**	**3,458**

General expenses were €0.8m (31 December 2016: €1.6m), the decrease was mainly due to €0.8m of costs related to the extension of the revolving credit facility paid in the prior year. The Company has no employees and there were no pension or staff cost liabilities incurred during the year.

7 Taxation

The Company is exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and is charged an annual exemption fee of £1,200 (31 December 2016: £1,200).

The Company, at times, may be required to pay tax in other jurisdictions as a result of specific trades in its investment portfolio. During the year ended 31 December 2017, the Company had a net tax expense of €0.7m (31 December 2016: €0.4m) mainly related to the sale of listed equities in India (€0.6m) and tax paid on debt interest income in the United Kingdom (€0.1m). No deferred income taxes were recorded as there are no timing differences.

8 Investments

(a) Unconsolidated subsidiaries
In accordance with IFRS 10, subsidiaries of the Company were determined to be controlled subsidiary investments, which were measured at FVTPL and were not consolidated. The fair value of these subsidiary investments was determined on a consistent basis to all other investments measured at FVTPL.

On 16 March 2017 the Company liquidated the last two remaining subsidiaries; RDS Guernsey PCV GP Co Ltd and Twin Guernsey PCV GP Co Ltd. Both entities were special purpose vehicles incorporated in Guernsey. At 31 December 2016, both entities had a nil fair value and the Company held 100% of the voting shares. As at 31 December 2017, the Company does not hold any subsidiaries.

(b) Investments held at FVTPL

	Year ended 31 December 2017 €'000	Year ended 31 December 2016 €'000
Opening fair value	911,554	915,095
Additions	432,965	233,826
Disposals	(387,576)	(219,854)
Net change in fair value	(46,274)	(17,513)
Closing fair value	**910,669**	**911,554**
Private Equity Investments	590,185	498,750
Derived Investments	320,484	412,804
Debt	*188,429*	*284,936*
Equities	*132,055*	127,868
Closing fair value	**910,669**	**911,554**

(c) Net changes in investments at FVTPL

	Year ended 31 December 2017 €'000	Year ended 31 December 2016 €'000
Private Equity Investments		
Gross unrealised gains	57,537	64,198
Gross unrealised losses	(42,027)	(28,719)
Total net unrealised gains on Private Equity Investments	**15,510**	**35,479**
Derived Investments		
Gross unrealised gains	40,145	31,817
Gross unrealised losses	(52,951)	(41,375)
Net unrealised losses on Derived Investments	**(12,806)**	**(9,558)**
Gross realised gains	49,486	14,066
Gross realised losses	(31,320)	(2,983)
Net realised gains on Derived Investments	**18,166**	**11,083**
Total net gains on Derived Investments	**5,360**	**1,525**
Total other net losses	–	(266)
Net changes in investments at FVTPL	**20,870**	**36,738**

(d) Involvement with unconsolidated structured entities
The Company's investments in Private Equity funds are considered to be unconsolidated structured entities. The nature and purpose of these investment funds is to invest capital on behalf of its limited partners. The funds pursue a sector focused strategy, investing in four key sectors; Tech & Telco, Services, Healthcare and Consumer. The Company commits to a fixed amount of capital, which may be drawn (and returned) over the life of the fund. The Company pays capital calls when due and receives distributions from the funds, once an asset has been sold. See note 13 for a summary of outstanding commitments and recallable distributions to the six underlying Private Equity Investments held. The fair value of these was €590.2m at 31 December 2017 (31 December 2016: €498.8m), whereas total value of the Private Equity funds was €13.9bn (31 December 2016: €12.4bn). During the year, the Company did not provide financial support and has no intention of providing financial or other support to these funds.

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9 Cash and cash equivalents

	31 December 2017 €'000	31 December 2016 €'000
Cash held at banks	18,989	33,862
Total	**18,989**	**33,862**

Cash held at banks earn interest at floating rates (which may at times be negative).

10 Related party transactions

The Investment Manager was appointed by the Board of Directors under a discretionary Investment Management Agreement ("**IMA**") dated 22 May 2015 and the amended IMA dated 22 August 2016. Such agreement sets out the allocation and payment of the management fee.

The management fee is calculated in arrears at a rate of 1.25% per annum on the fair value of Derived Investments and non-fee paying Private Equity Investments held by the Company which do not already pay a management fee and/or an advisory fee to the Investment Manager or Investment Adviser. During the year ended 31 December 2017, management fees of €5.2m (31 December 2016: €5.8m), of which €1.2m (31 December 2016: €1.4m) was accrued at year end, were earned by the Investment Manager. The Investment Manager is also entitled to a performance fee on realised gains when they reach or exceed a benchmark performance. Please refer to note 11 for further details.

The IMA has an initial term of six years and shall automatically continue for a further three additional years unless prior to the fifth anniversary of the start of the initial term or prior to the second anniversary of the start of any additional year thereafter either the Investment Manager or the Company (by a special resolution) serves a written notice electing to terminate the IMA at the expiry of the initial term of the commencement of the next additional year. The Company shall pay the Investment Manager during the notice period all fees and expenses accrued and payable at the date of termination.

The Investment Adviser, has been engaged by the Investment Manager to provide advice on the investment strategy of the Company. An Investment Advisory Agreement ("**IAA**"), dated 22 May 2015 and the amendment dated 22 August 2016, exists between the two parties. Though not legally related to the Company, the Investment Adviser has been determined to be a related party. The Company paid no fees and had no transactions with the Investment Adviser during the year (31 December 2016: €Nil).

The Company has an Administration Agreement with Aztec Financial Services (Guernsey) Limited ("**Aztec**") dated 22 May 2015. Under the terms of the agreement, Aztec has delegated certain accounting and bookkeeping services related to the Company to Apax Partners Fund Services Limited ("**APFS**"), a related party of the Investment Adviser, under a sub-administration agreement dated 22 May 2015. A fee of €0.4m (31 December 2016: €0.4m) was paid by the Company in respect of administration fees and expenses, of which €0.3m (31 December 2016: €0.3m) was paid to APFS.

At 31 December 2017, Tim Breedon held 70,000 shares (0.01%) of the Company, Susie Farnon held 20,000 shares (0.004%), Chris Ambler held 6,553 shares (0.001%) and Sarah Evans held 20,000 shares (0.004%) directly, with her husband holding a further 55,000 shares (0.011%). Sarah Evans retired from both the Board of Directors and the Audit Committee on 3 January 2018.

All related party transactions disclosed above were made on arms-length basis in the ordinary course of business and are in line with prevailing market standards.

11 Performance fee

	31 December 2017 €'000	31 December 2016 €'000
Opening performance fee reserve	11,291	12,968
Performance fee charge to statement of profit or loss and OCI	12,770	427
Performance fee paid	(6,566)	(2,104)
Closing performance fee reserve	**17,495**	**11,291**

A performance fee is payable on an annual basis once realised gains on the Derived Investments and non-fee paying Private Equity Investments exceed the benchmark of an 8% internal rate of return. Performance fees are only payable to the extent they do not dilute the returns below the 8% benchmark and are calculated at 20% on total realised gains. Where there are realised losses these are carried forward and netted against future performance fees that may become payable.

The performance fee is payable to the Investment Manager by way of ordinary shares of the Company. The mechanics of the payment of the performance fee are explained in the prospectus. In accordance with IFRS 2 "**Share-based Payment**", performance fee expenses are charged through the statement of profit or loss and other comprehensive income and allocated to a share-based payment performance fee reserve in equity.

In the year ended 31 December 2017, a performance fee of €6.6m (31 December 2016: €2.1m) was paid in cash to the Investment Manager in relation to performance on investments realised during the year ended 31 December 2016. Certain regulatory constraints have prevented this payment in shares, however, the intention of the Company remains that future awards should be payable in shares. The Company and the Investment Manager have been working to clear and resolve these limitations and expect to pay the fee in shares from 31 December 2018 onwards. As permitted by the IMA, the Company may pay the performance fee in cash if there are restrictions that prevent the Company purchasing shares to be awarded.

At 31 December 2017, management's best estimate of the expected performance fee was calculated on the eligible portfolio on a liquidation basis. Of this, €15.4m (31 December 2016: €6.6m) is related to realised gains earned during the year. Due to a requirement to fund large Private Equity calls, a large number of Derived Investments were sold generating a significant increase in the performance fee reserve realised in the current year. The total performance fee reserve at 31 December 2017 was €17.5m (31 December 2016: €11.3m). The effect of the performance fee on NAV per share is disclosed in note 16.

12 Loan payable and finance costs

Revolving credit facility

The Company entered into a multi-currency revolving credit facility agreement on 22 May 2015 (the "**Loan Agreement**") with Lloyds Bank plc for general corporate purposes. The Company may borrow under the Loan Agreement; including letters of credit subject to a maximum borrowing limit set at €140m. On 4 February 2016, the Board approved an amendment to the terms of the existing Loan Agreement which resulted in an increase in the maximum borrowing limit to €140.0m from €90.0m and an extension of life by three years from this amendment date to 4 February 2019.

The interest rate charged is LIBOR or EURIBOR plus a margin of 210 bps. During the year €0.1m (31 December 2016: €Nil) interest was paid on five drawdowns on the facility. In addition, a charge of €1.3m (31 December 2016: €1.3m) was included in the statement of profit or loss related to a non-utilisation fee on the undrawn facility. Under the Loan Agreement, the Company is required to provide collateral for each utilisation. Collateral can be provided in the form of underlying investments. The loan to value must not exceed 1:5 of the portfolio's NAV. As at 31 December 2017 and 31 December 2016, the facility was unutilised.

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13 Financial risk management

The Company maintains positions in a variety of financial instruments in accordance with its Investment Management strategy. The Company's underlying investment portfolio comprises Private Equity Investments and Derived Investments. The Company's exposure to the portfolio is summarised in the table below:

	31 December 2017	31 December 2016
Private Equity Investments	65%	55%
Derived Investments	35%	45%
Debt	*20%*	*31%*
Equities	*15%*	*14%*
Total	**100%**	**100%**

Investments in debt are dated debt securities. Private Equity Investments have a limited life-cycle given the average legal term of a fund is ten years, unless extended by investor consent. The Company actively manages the equities held and realises investments as opportunities arise.

The Company's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance. Accordingly, investments made by the Company potentially carry a significant level of risk. There can be no assurance that the Company's objectives will be achieved or that there will be a return of capital invested.

The management of financial risks is carried out by the Investment Manager under the policies approved by the Board of Directors. The Investment Manager regularly updates the Board of Directors, at a minimum four times a year, on its activities and any material risk identified.

The Investment Manager manages financial risk against an investment reporting and monitoring framework tailored to the Company. The framework monitors investment strategy, investment limits and restrictions as detailed in the Prospectus along with additional financial metrics deemed to be fundamental in the running and monitoring of the Invested Portfolio. The Invested Portfolio is monitored in real time which enables the Investment Manager to keep a close review on performance and positioning.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk including price risk, foreign currency risk and interest rate risk. The Company is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that mitigates the risk of loss of title of the securities held by the custodian, in the event of failure, the ability of the Company to transfer the securities might be temporarily impaired. At 31 December 2017 and 31 December 2016, the Company's custodians were ING and HSBC, their respective credit ratings were A- and A.

The Company considers that it is not exposed to any significant concentration of risks. The Company has a diversified underlying portfolio of investments in Private Equity Investments and Derived Investments. The underlying investments are further diversified as they are split across a number of sectors and operate in a number of different geographic regions.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. This risk arises principally from the Company's investment in debt, cash and cash equivalents, investment receivables and other receivables.

	31 December 2017 €'000	% of NAV	31 December 2016 €'000	% of NAV
Debt investments	188,429	20%	284,936	30%
Cash and cash equivalents	18,989	2%	33,862	4%
Investment receivables	–	0%	4,400	0%
Other receivables	1,987	0%	2,794	0%
Total	**209,405**	**22%**	**325,992**	**34%**

13 Financial risk management continued

(a) Debt investments

The Investment Manager manages the risk related to debt investments by assessing the credit quality of the issuers and monitoring this through the term of investment, diversifying the portfolio across different industry sectors and actively reviewing the overall portfolio and its underlying risks. The Company has analysed the credit quality of its debt investments which are summarised in the table below:

Rating (S&P)	31 December 2017 €'000	% of Debt investments	% of NAV	31 December 2016 €'000	% of Debt investments	% of NAV
B-	16,314	9%	2%	41,673	15%	4%
CCC+	62,760	33%	7%	132,590	46%	14%
CCC	66,154	35%	7%	89,062	31%	9%
CCC-	10,693	6%	1%	13,948	5%	2%
N/R[1]	32,508	17%	3%	7,663	3%	1%
Total	**188,429**	**100%**	**20%**	**284,936**	**100%**	**30%**

1. Not currently rated by S&P.

The Investment Manager also reviews the debt investments' industry sector concentration. The Company was exposed to concentration risk in the following industry sectors:

	31 December 2017 €'000	% of Debt investments	% of NAV	31 December 2016 €'000	% of Debt investments	% of NAV
Tech & Telco	77,706	41%	8%	94,194	33%	10%
Services	35,702	19%	4%	62,464	22%	6%
Consumer	36,904	20%	4%	55,351	19%	6%
Healthcare	38,117	20%	4%	72,927	26%	8%
Total	**188,429**	**100%**	**20%**	**284,936**	**100%**	**30%**

(b) Cash and cash equivalents

The Company limits its credit risk exposure in cash and cash equivalents by depositing cash with adequately rated institutions. No allowance for impairment is made for cash and cash equivalents.

The exposure to credit risk to cash and cash equivalents is set out below:

	Credit rating	31 December 2017 €'000	31 December 2016 €'000
Cash held in banks	A	16,033	33,817
Cash held in banks	A-	2,869	–
Cash held in banks	BBB+	87	45
Total		**18,989**	**33,862**

The Company's cash is held with JP Morgan Chase, RBS International in Guernsey, HSBC and ING. The Company spreads its cash and cash equivalents across a number of banking groups to diversify credit risk.

(c) Investment receivables and other receivables

The Company monitors the credit risk of investment receivables and other receivables on an ongoing basis. These assets are not considered impaired nor overdue for repayment.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's obligation requirements are met through a combination of liquidity from the sale of investments and the use of cash resources. In accordance with the Company's policy, the Investment Manager monitors the Company's liquidity position on a regular basis; the Board of Directors also reviews it, at a minimum, on a quarterly basis.

The Company invests in two portfolios, Private Equity Investments and Derived Investments. Each portfolio has a different liquidity profile.

Derived Investments in the form of listed securities are considered to be liquid investments that the Company may realise on short notice. These are determined to be readily realisable, as the majority are listed on major global stock exchanges. Derived Investments in the form of debt and unlisted equity have a mixed liquidity profile as some positions may not be readily realisable due to an inactive market or due to other factors such as restricted trading windows during the year. Debt investments held in actively traded bonds are considered to be readily realisable.

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13 Financial risk management continued

The Company's Private Equity Investments are not readily realisable unless in a secondary market, potentially at a discounted price. In addition, the timing and quantum of Private Equity distributions and capital calls on the remaining undrawn commitments are difficult to predict.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2017 based on contractual undiscounted repayment obligations. The contractual maturities of most financial liabilities are less than three months, with the exception of commitments to Private Equity Investments.

These commitments in the next 12 months are based on the estimated aggregate amounts these funds are expected to call within a financial year. At 31 December 2017, the Company had undrawn commitments and recallable distributions of €268.0m (31 December 2016: €376.1m), of which €78.7m (31 December 2016: €84.0m) is expected to be drawn within 12 months. In line with the investment strategy of the Company, the Derived Investment portfolio is expected to be invested in equities, predominantly listed equity, and debt. These asset classes provide additional liquidity management options as many of them are readily realisable. As per note 12, the Company also has access to a short-term revolving credit facility upon which it can draw up to €140.0m. The Company may utilise this facility in the short term to bridge Private Equity calls and ensure that it can realise the Derived Investments at the best price available.

The Company does not manage liquidity risk on the basis of contractual maturity, instead the Company manages liquidity risk based on expected cash flows.

31 December 2017

Contractual maturity	Up to 3 months €'000	3–12 months €'000	1–5 years €'000	Total €'000
Accrued expenses	1,729	–	–	1,729
Private Equity Investments outstanding commitments and recallable distributions	–	78,714	187,517	266,231
Total	**1,729**	**78,714**	**187,517**	**267,960**

31 December 2016

Contractual maturity	Up to 3 months €'000	3–12 months €'000	1–5 years €'000	Total €'000
Investment payables	488	–	–	488
Accrued expenses	2,113	–	–	2,113
Private Equity Investments outstanding commitments and recallable distributions[1]	–	83,966	292,746	376,712
Total	**2,601**	**83,966**	**292,746**	**379,313**

1. The prior year comparative for Private Equity Investments has been amended to include recallable distributions of €30.6m.

The Company has outstanding commitments and recallable distributions to Private Equity Investments as summarised below:

	31 December 2017 €'000	31 December 2016 €'000
Apax Europe VI	225	225
Apax Europe VII	1,030	1,187
Apax VIII	48,892	29,524
AMI Opportunities	12,887	24,921
Apax IX	161,548	320,855
Apax Digital Fund	41,649	–
Total	**266,231**	**376,712**

At year end, the Company's investments are recorded at fair value and the remaining assets and liabilities, being of a short-term nature indicate that fair values approximate carrying values.

Market risk
Market risk is the risk that changes in market prices such as foreign currency exchange rates, interest rates and equity prices will affect the Company's income or the value of its investments. The Company aims to manage this risk within acceptable parameters while optimising the return.

(a) Price risk
The Company is exposed to price risk on its Private Equity Investments and Derived Investments. These consist of investments in private equity, listed equities, unlisted equities, bonds, first lien and second lien term loans. All positions within the portfolio involve a degree of risk and there are a wide variety of risks that affect how each individual investments price will perform. The key price risks in the Company's portfolio include, but are not limited to; investment liquidity – where a significant imbalance between buyers and sellers can cause significant increases or decreases in prices; the risk that a company who has issued a bond or a loan has its credit rating changed, this can lead to significant pricing risk; and general investment market direction, where various factors such as the state of the global economy or global political developments can impact prices.

13 Financial risk management continued

For the year ended 31 December 2017, the main price risks for the Company's portfolio were economic and political uncertainty in Europe and the US together with uncertainty regarding fiscal policy. The Investment Manager actively manages and monitors price risk. The table below reflects the sensitivity of price risk of the Invested Portfolio and the impact on NAV:

31 December 2017	Base case €'000	Bull case (+20%) €'000	Bear case (-20%) €'000
Investments	910,669	1,092,803	728,535
Change in NAV and profit		**182,134**	**(182,134)**
Change in NAV (%)		**20%**	**-20%**
Change in total income		**420%**	**-420%**
Change in profit for the year		**888%**	**-888%**

31 December 2016	Base case €'000	Bull case (+20%) €'000	Bear case (-20%) €'000
Investments	911,554	1,093,865	729,243
Change in NAV and profit		**182,311**	**(182,311)**
Change in NAV (%)		**19%**	**-19%**
Change in total income		**252%**	**-252%**
Change in profit for the year		**299%**	**-299%**

(b) Currency risk

The Company is exposed to currency risk on those investments, cash, interest receivable and other non-current assets which are denominated in a currency other than the Company's functional currency, which is the euro. The Company does not hedge the currency exposure related to its investments. The Company regards its exposure to exchange rate changes on the underlying investments as part of its overall investment return and does not seek to mitigate that risk through the use of financial derivatives. The Company is also exposed to currency risk on fees which are denominated in a currency other than the Company's functional currency.

The Company's exposure to currency risk from investments on a fair value basis is as follows:

At 31 December 2017	EUR €'000	USD €'000	GBP €'000	INR €'000	HKD €'000	NOK €'000	Total €'000
Investments at FVTPL	340,323	481,420	26,270	36,416	22,222	4,018	910,669
Cash and cash equivalents	2,009	625	319	16,032	4	–	18,989
Investment receivables	–	–	–	–	–	–	–
Interest receivable	118	1,828	41	–	–	–	1,987
Accrued expenses	(1,431)	(60)	(238)	–	–	–	(1,729)
Total net foreign currency exposure	**341,019**	**483,813**	**26,392**	**52,448**	**22,226**	**4,018**	**929,916**

At 31 December 2016	EUR €'000	USD €'000	GBP €'000	INR €'000	HKD €'000	Total €'000
Investments at FVTPL	302,523	530,315	26,572	41,492	10,653	911,554
Cash and cash equivalents	2,077	23,299	3,079	5,407	–	33,862
Investment receivables	–	–	–	4,400	–	4,400
Interest receivable	–	2,755	–	–	–	2,755
Other receivables	1	–	38	–	–	39
Investment payables	–	(488)	–	–	–	(488)
Accrued expenses	(1,667)	(2)	(444)	–	–	(2,113)
Total net foreign currency exposure	**302,934**	**555,879**	**29,245**	**51,299**	**10,653**	**950,009**

The Company's sensitivity to changes in foreign exchange movements on net assets is summarised below:

31 December 2017	Base case €'000	Bull case (+15%) €'000	Bear case (-15%) €'000
USD	483,813	556,385	411,241
GBP	26,392	30,352	22,434
INR	52,448	60,315	44,581
HKD	22,226	25,560	18,892
NOK	4,018	4,621	3,415
Change in NAV and profit		**88,335**	**(88,335)**
Change in NAV (%)		**9%**	**-9%**
Change in total income		**204%**	**-204%**
Change in profit for the year		**431%**	**-431%**

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13 Financial risk management continued

31 December 2016	Base case €'000	Bull case (+15%) €'000	Bear case (-15%) €'000
USD	555,879	639,261	472,497
GBP	29,245	33,632	24,858
INR	51,299	58,994	43,604
HKD	10,653	12,251	9,055
Change in NAV and profit		**97,061**	**(97,061)**
Change in NAV (%)		**10%**	**-10%**
Change in total income		**134%**	**-134%**
Change in profit for the year		**159%**	**-159%**

(c) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on financial assets and liabilities and future cash flows. The Company holds debt investments, loans payable and cash and cash equivalents that expose the Company to cash flow interest rate risk. The Company's policy makes provision for the Investment Manager to manage this risk and to report to the Board of Directors as appropriate.

The Company's exposure to interest rate risk was €205.5m (31 December 2016: €318.8m). The analysis assumes that the price remains constant for both bull and bear case. The impact of interest rate floors on the debt portfolio have been included in the bear case and fixed rate debt positions have been excluded from the below:

31 December 2017	Base case €'000	Bull case (+500bps) €'000	Bear case (-500bps) €'000
Cash and cash equivalents	18,989	19,938	18,040
Debt	186,481	195,805	186,481
Change in NAV and profit		**10,274**	**(949)**
Change in NAV (%)		**1%**	**0%**
Change in total income		**24%**	**-2%**
Change in profit for the year		**50%**	**-5%**

31 December 2016	Base case €'000	Bull case (+500bps) €'000	Bear case (-500bps) €'000
Cash and cash equivalents	33,862	35,555	32,169
Debt	284,936	299,183	284,936
Change in NAV and profit		**15,940**	**(1,693)**
Change in NAV (%)		**2%**	**0%**
Change in total income		**22%**	**-2%**
Change in profit for the year		**26%**	**-3%**

(d) Concentration risk

The Investment Manager also reviews the concentration risk of the invested portfolio. See summary of portfolio spread across its four key sectors:

	% of Private Equity 31 December 2017	% of Debt investments 31 December 2017	% of Equity investments 31 December 2017	% of Private Equity 31 December 2016	% of Debt investments 31 December 2016	% of Equity investments 31 December 2016
Tech & Telco	32%	41%	28%	38%	33%	40%
Services	32%	19%	24%	28%	22%	23%
Consumer	15%	20%	12%	14%	19%	5%
Healthcare	20%	20%	36%	19%	26%	29%
Other	1%	0%	0%	1%	0%	3%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Capital management

The Company's capital management objectives are to maintain a strong capital base to ensure it will continue as a going concern, maximise capital appreciation and provide regular dividends to its shareholders. The Company's capital comprises of non-redeemable ordinary shares and retained earnings.

The ordinary shares are listed on the London Stock Exchange. The Board receives regular reporting from its corporate broker which provides insight into shareholder sentiment and movements in the NAV per share discount. The Board monitors and assesses the requirement for discount management strategies.

14 Fair value estimation

(a) Investments measured at fair value
The Company classifies for disclosure purposes fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at 31 December 2017:

Assets	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Private Equity Investments	–	–	590,185	590,185
Derived Investments	121,339	–	199,145	320,484
Debt	*–*	*–*	*188,428*	*188,428*
Equities	*121,339*	*–*	*10,717*	*132,056*
Total	**121,339**	–	**789,330**	**910,669**

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at 31 December 2016:

Assets	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Private Equity Investments	–	–	498,750	498,750
Derived Investments	124,590	65,292	222,922	412,804
Debt	*–*	*62,014*	*222,922*	*284,936*
Equities	*124,590*	*3,278*	*–*	*127,868*
Total	**124,590**	**65,292**	**721,672**	**911,554**

Investments whose values are based on quoted market prices in active markets are classified as level 1 investments. At 31 December 2017, the Company holds €121.3m (31 December 2016: €124.6m) as level 1. There were no transfers to or from level 1 during the year.

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14 Fair value estimation continued

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. At 31 December 2017, the Company holds €Nil (31 December 2016: €65.3m) classified as level 2 investments. One equity position transferred at its opening value of €3.2m, from level 2 to level 3 during the year due to the limited availability of observable pricing data. Instead it was valued based on comparable company multiples.

Level 3 instruments include Private Equity Investments and Derived Investments in both debt and equity. As they trade infrequently, observable prices are not available for these investments, instead the Company has used valuation techniques to derive the fair value. The Company values its holding in Private Equity Investments based on the NAV statements it receives from the respective underlying fund. The main input into the valuation models used to determine NAV of the underlying level 3 investments within the private equity funds comprises earnings multiples (based on the budgeted earnings or historical earnings of the investee and earnings multiples of comparable listed companies). The Company also considers original transaction price, recent transactions in the same or similar instruments and completed third-party transactions in comparable instruments and adjusts the model as deemed necessary. The Company values debt based upon models that take into account factors relevant to each investment and uses third party market data and broker quotes where available. The Company values unlisted equities based on models that utilise comparable company earnings multiples, budgeted and historical earnings and recent transactions. At 31 December 2017, the Company holds €789.3m (31 December 2016: €721.7m) of level 3 assets.

Fair value measurements using significant unobservable inputs (Level 3):

	Year ended 31 December 2017			Year ended 31 December 2016		
	Private Equity Investments €'000	Derived Investments €'000	Total €'000	Private Equity Investments €'000	Derived Investments €'000	Total €'000
Opening fair value	498,750	222,922	721,672	473,567	328,632	802,199
Additions	154,422	157,692	312,114	59,527	30,221	89,748
Disposals and repayments	(78,497)	(182,436)	(260,933)	(26,351)	(120,630)	(146,981)
Realised (losses)/gains	–	(29,214)	(29,214)	–	2,240	2,240
Unrealised gains/(losses)	15,510	26,904	42,414	(7,993)	(17,541)	(25,534)
Transfers into level 3	–	3,277	3,277	–	–	–
Closing fair value	**590,185**	**199,145**	**789,330**	**498,750**	**222,922**	**721,672**

The unrealised losses attributable to only assets held at 31 December 2017 were €6.8m (31 December 2016: €25.5m loss).

14 Fair value estimation continued

(b) Significant unobservable inputs used in measuring fair value
The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as level 3 in the fair value hierarchy:

Description	Valuation technique	Significant unobservable inputs	Sensitivity to changes in significant unobservable inputs	31 December 2017 Valuation €'000	31 December 2016 Valuation €'000
Private Equity Investments	NAV adjusted for carried interest and discounted cashflow model	NAV; Discount rate applied	The Company does not apply further discount or liquidity premiums to the valuations as these are already captured in the underlying valuation. This NAV is subject to changes in the valuations of the underlying portfolio companies. These can be exposed to a number of risks, including liquidity risk, price risk, credit risk, currency risk and interest rate risk. A movement of 10% in the value of Private Equity Investments would move the NAV at the year end by 6.1% (31 December 2016: 5.0%). The Company's investment in AEVII carried interest is valued based on a discounted cashflow model. A movement of 10% in the discount rate applied would move the NAV at year end by 0.1% (31 December 2016: 0.1%).	590,185	498,750
Debt	Debt is valued by market prices if available and relevant in size and date. Illiquid debt positions are valued via debt valuation models. These models consider, where appropriate, broker quotes, credit computations, market yield movements, risk premiums, the credit quality of the borrower and expected repayment dates	Credit quality adjustment	The Company held 15 debt positions (31 December 2016: 16), of which 13 positions (31 December 2016: 14) had a credit quality adjustment applied. The average credit quality adjustment applied was 0.1% (31 December 2016: 0.9%). A movement of 10% in the risk premium would result in a movement of 0.0% on NAV at year end (31 December 2016: 0.1%).	188,428	222,922
Equities	Where market prices are unavailable, the Company uses comparable company earnings multiples and precedent transaction analysis	Comparable company multiples	The Company held 4 equity positions (31 December 2016: Nil) of which 2 positions were valued using comparable company multiples. The average multiple was 9.6x. A movement of 10% in the multiple applied would move the NAV at year end by 0.1% (31 December 2016: N/A).	10,717	–

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15 Shareholders' capital

At 31 December 2017, the Company had 491,100,768 ordinary shares fully paid with no par value in issue (31 December 2016: 491,100,768 shares). All ordinary shares rank pari passu with each other, including voting rights and there has been no change since 31 December 2016.

The Company has one share class; however a number of investors are subject to lock-up periods between five and ten years, which restricts them from disposing of ordinary shares issued at admission. For investors with five-year lock-up periods, 20% of ordinary shares are released from lock-up each year from the first anniversary of admission, 15 June 2016. As at 31 December 2017, 40% of these shares have been released following the second anniversary on the 15 June 2017. For investors with ten-year lock-up periods, 20% of ordinary shares are released from lock-up each year from the sixth anniversary of admission, 15 June 2021.

16 Earnings and NAV per share

Earnings	31 December 2017	31 December 2016
Profit or loss for the year attributable to equity shareholders: €'000	20,505	60,953
Weighted average number of shares in issue		
Ordinary shares at end of year	491,100,768	491,100,768
Shares issued in respect of performance fee	–	–
Total weighted ordinary shares	**491,100,768**	**491,100,768**
Dilutive adjustments	–	–
Total diluted weighted ordinary shares	**491,100,768**	**491,100,768**
Effect of performance fee adjustment on ordinary shares		
Performance shares to be awarded based on a liquidation basis[1]	10,445,035	6,883,933
Adjusted shares[2]	**501,545,803**	**497,984,701**
Earnings per share (cents)		
Basic	4.18	12.41
Diluted	4.18	12.41
Adjusted	4.09	12.24

1. The number of performance shares is calculated inclusive of deemed realised performance shares that would be issued utilising the theoretical performance fee payable calculated on a liquidation basis. However, as described in note 11, the recent performance fee was paid in cash due to regulatory restrictions and is also expected to be paid in cash in 2018. If these were excluded, the revised performance fee shares to be awarded would have been 1,272,267 (31 December 2016: 2,885,408) and the revised Adjusted Shares would have been 492,373,036 (31 December 2016: 493,986,176).
2. The calculation of Adjusted Shares above assumes that new shares were issued by the Company to the Investment Manager in lieu of the performance fee. As per the Prospectus, the Company may also purchase shares from the market if the Company is trading at a discount to its NAV per share. In such a case, the Adjusted NAV per share would be calculated by taking the NAV at the year adjusted for the performance fee reserve and then divided by the current number of ordinary shares in issue. At 31 December 2017, the Adjusted NAV per share for both methodologies resulted in an Adjusted NAV per share of €1.85 and €1.86 respectively.

At 31 December 2017, there were no items that would cause a dilutive effect on earnings per share. The adjusted earnings per share has been calculated based on the profit attributable to shareholders adjusted for the total accrued performance fee at year end over the weighted average number of ordinary shares. This has been calculated on a full liquidation basis inclusive of performance fee attributable to realised investments. Performance shares to be issued are calculated based on the trading price of shares and foreign exchange rate at close of business on 31 December 2017.

The Company had a NAV per share of €1.89 at 31 December 2017 (31 December 2016: €1.93). This was calculated based on the NAV of the portfolio divided by the weighted average number of ordinary shares. The Adjusted NAV per share of €1.86 (31 December 2016: €1.91) was adjusted to account for the accrued performance fee shares as described earlier.

	31 December 2017	31 December 2016
NAV €'000		
NAV at end of year	929,916	950,009
NAV per share (€)		
NAV per share	1.89	1.93
Adjusted NAV per share	1.86	1.91

17 Dividends

Dividends paid to shareholders	Year ended 31 December 2017 €'000	Year ended 31 December 2017 £'000	Year ended 31 December 2016 €'000	Year ended 31 December 2016 £'000
Final dividend paid - 4.13 pence per share (31 December 2016: 3.69 pence per share)	23,769	20,283	23,395	18,122
Interim dividend paid – 4.24 pence per share (31 December 2016: 3.95 pence per share)	23,033	20,823	22,401	19,398
Total	**46,802**	**41,106**	**45,796**	**37,520**

Dividends proposed	Year ended 31 December 2017 €	Year ended 31 December 2017 £	Year ended 31 December 2016 €	Year ended 31 December 2016 £
Final dividend per share	4.73c	4.17p	4.84c	4.13p

On 6 March 2017, the Board approved the final dividend for 2016, 4.13 pence per share (4.84 cents euro equivalent). This represents 2.5% of the Company's euro NAV at 31 December 2016 and was paid on 4 April 2017.

On 16 August 2017, the Board approved an interim dividend for the six months ended 30 June 2017 of 4.24 pence per ordinary share (4.69 cents euro equivalent). This represents 2.5% of the Company's euro NAV at 30 June 2017 and was paid on 15 September 2017.

18 Subsequent events

On 3 January 2018, Sarah Evans retired from both the Board of Directors and the Audit Committee.

On 5 March 2018, the Board approved the final dividend for 2017, 4.17 pence per share (4.73 cents euro equivalent). This represents 2.5% of the Company's euro NAV at 31 December 2017 and has an expected payment date of 4 April 2018.

Shareholder information

04 SHAREHOLDER INFORMATION

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Financial statements

Shareholder information | Administration

Directors (all Non-Executive)
Tim Breedon CBE, (Chairman)
Susie Farnon (Chairman of the Audit Committee)
Chris Ambler

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Independent Auditor
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Glategny Court
St Peter Port
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Association of Investment Companies – AIC
The AIC is the trade body for closed-ended investment companies. It helps its member companies deliver better returns for their investors through lobbying, media engagement, technical advice, training, and events.

www.theaic.co.uk

Dividend timetable

Announcement:	6 March 2018
Ex-dividend date:	15 March 2018
Record date:	16 March 2018
Payment date:	4 April 2018

Stock symbol
London Stock Exchange: APAX

Enquiries
Any enquiries relating to shareholdings on the share register (for example, transfers of shares, changes of name or address, lost share certificates or dividend cheques) should be sent to the Registrars at the address given above. The Registrars offer an online facility at www.signalshares.com which enables shareholders to manage their shareholding electronically.

Investor Relations
Enquiries relating to AGA's strategy or results may be directed to:
Sarah Wojcik
IR Manager – AGA
Apax Partners LLP
33 Jermyn street
London
SW1Y 6DN
United Kingdom
Tel: +44 (0) 207 872 6300
investor.relations@apaxglobalalpha.com

Shareholder information | Investment policy

The Company's investment policy is to make (i) Private Equity Investments, which are primary and secondary commitments to, and investments in, existing and future Apax Funds and (ii) Derived Investments, which Apax will typically identify as a result of the process that Apax Partners undertakes in its private equity activities and which will comprise direct or indirect investments other than Private Equity Investments, including primarily investments in public and private debt, as well as limited investments in equity, primarily in listed companies. Once fully invested, the Company expects to be invested in approximately equal proportion between Private Equity Investments and Derived Investments, though the investment mix will fluctuate over time due to market conditions and other factors, including calls for and distributions from Private Equity Investments, the timing of making and exiting Derived Investments and the Company's ability to invest in future Apax Funds. The actual allocation may therefore fluctuate according to market conditions, investment opportunities and their relative attractiveness, the cash flow requirements of the Company, its dividend policy and other factors.

Private Equity Investments
The Company expects that it will seek to invest in any new Apax Funds that are raised in the future. Private Equity Investments may be made into Apax Funds with any target sectors and geographic focus and may be made directly or indirectly. The Company will not invest in third-party managed funds.

Derived Investments
The Company will typically follow the Apax Group's core sector and geographical focus in making Derived Investments, which may be made globally. Derived Investments may include among others, (i) direct and indirect investments in equity and debt instruments, including equity in private and public companies, as well as in private and public debt which may include sub-investment grade and unrated debt instruments, (ii) co-investments with Apax Funds or third-parties, (iii) investments in the same or different types of equity or debt instruments in portfolio companies as the Apax Funds and may potentially include (iv) acquisitions of Derived Investments from Apax Funds or third-parties, (v) investments in restructurings; and (vi) controlling stakes in companies.

Investment restrictions
The following specific investment restrictions apply to the Company's investment policy:

- no investment or commitment to invest shall be made in any Apax Fund which would cause the total amounts invested by the Company in, together with all amounts committed by the Company to, such Apax Fund to exceed, at the time of investment or commitment, 25 per cent of the Gross Asset Value; this restriction does not apply to any investments in or commitments to invest made to any Apax Fund that has investment restrictions restricting it from investing or committing to invest more than 25 per cent of its total commitments in any one underlying portfolio company;
- not more than 15 per cent of the Gross Asset Value may be invested in any one portfolio company of an Apax Fund on a look-through basis;
- not more than 15 per cent of the Gross Asset Value may be invested in any one Derived Investment; and
- in aggregate, not more than 20 per cent of the Gross Asset Value is intended to be invested in Derived Investments in equity securities of publicly listed companies. However, such aggregate exposure will always be subject to an absolute maximum of 25 per cent of the Gross Asset Value.

The aforementioned restrictions apply as at the date of the relevant transaction or commitment to invest. Hence, the Company would not be required to effect changes in its investments owing to appreciations or depreciations in value, distributions or calls from existing commitments to Apax Funds, redemptions or the receipt of, or subscription for, any rights, bonuses or benefits in the nature of capital or of any acquisition or merger or scheme of arrangement for amalgamation, reconstruction, conversion or exchange or any redemption, but regard shall be had to these restrictions when considering changes or additions to the Company's investments (other than where these investments are due to commitments made by the Company earlier).

The Company may borrow in aggregate up to 25 per cent of Gross Asset Value at the time of borrowing to be used for financing or refinancing (directly or indirectly) its general corporate purposes (including without limitation, any general liquidity requirements as permitted under its Articles of Incorporation), which may include financing short-term investments and/or buybacks of ordinary shares. The Company does not intend to introduce long-term structural gearing.

Financial statements

Shareholder information | AIFMD

Alternative Investment Fund Managers Directive ('AIFMD')

Status and legal form
The Company is a non-EU Alternative Investment Fund ('AIF'), being a closed ended investment company incorporated in Guernsey and listed on the London Stock Exchange. The Company's registered office is PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3PP.

Remuneration disclosure
This disclosure contains general information about the basic characteristics of AGML's ("the AIFM") remuneration policies and practices as well as some detailed information regarding the remuneration policies and practices for board directors whose professional activities have a material impact on the risk profile of Apax Global Alpha Limited ("the AIF").

This disclosure is intended to provide the information contemplated by Section XIII of the ESMA Guidelines on sound remuneration policies under the AIFMD and paragraph 8 of the Commission Recommendation (2009/384/EC of 30 April 2009 on remuneration policies in the financial services sector) taking into account the nature, scale and complexity of the AIFM and the AIFs it manages. The AIFM is a non-EU manager and the AIF is a non-EU closed ended investment company incorporated in Guernsey and listed on the London Stock Exchange.

The AIF is externally managed[1] by the AIFM. The AIFM does not have any employees, however it does have a board of directors comprising four people, two of whom are employees of Apax Partners Guernsey Limited ("APG") and two of whom are non-executive directors. No other persons are remunerated directly from the AIFM for work in relation to the AIFM or the AIF. The directors of the AIFM fall within the Directive definitions as senior management and risk takers as detailed below:

- "senior management" means the relevant persons responsible for the supervision of the AIFM and for the assessment and periodical review of the adequacy and effectiveness of the risk management process and policies of the AIFM
- "risk takers" means all staff whose actions have material impact on the AIFM's risk profile or the risk profile of the AIF and, given size of the AIFM's operations, includes all staff of the AIFM who are involved directly or indirectly in the management of the AIF

General description of policy
The board of the AIFM has adopted a remuneration policy which applies to the directors. The overarching aim of the policy is twofold: (i) to ensure that there is no encouragement for risk-taking at the level of the AIF which is inconsistent with the risk profile and investment strategy of the AIF and (ii) to encourage proper governance, risk management and the use of sound control processes. All directors are responsible for ensuring the AIF acts in accordance with its investment policy and managing the AIFM's risks effectively. The policy recognises that two of the directors are non-executive directors and two directors are Apax employees (the 'Apax directors').

Remuneration (which excludes carried interest) paid to the directors is not based on, or linked to, the overall performance of the AIF. There is no variable component in the remuneration paid to any of the directors for their services on the board and thus the policy does not seek to identify quantitative and qualitative criteria by which the directors' performance can be assessed for the purposes of adjusting a variable component of remuneration. Remuneration paid to the directors is therefore not based on, or linked to, the overall performance of the AIF.

General description of remuneration governance
The remuneration process is overseen by the AIFM directors. The board of the AIFM review the remuneration policy annually. The board of the AIFM ensures that the policy is transparent and easy to understand.

Remuneration framework – objectives
The remuneration of directors is described in the table below:

Type of Remuneration	Purpose
Non-executive directors of the AIFM x2 persons	• a contractual arrangement is in place with each person for their services; • receive a set amount of remuneration each quarter; • the remuneration of these directors is detailed in the disclosed remuneration value.
APG employees as directors of the AIFM x2 persons	• receive no direct remuneration resulting from the performance of the AIFM or the AIF; • the services provided by these directors is included within the total fee payable for services provided by the administrator to the AIFM and the performance of these services forms part of the employees duties.
Variable remuneration (annual bonus)	• no such remuneration is paid.

Quantitative disclosures
The table below shows the breakdown of remuneration for the fiscal year ended 31 December 2017, for the directors:

Total	The total amount of fixed remuneration for the reporting period paid by the AIFM to its directors	£155,000
Carried Interest	Not applicable to the AIF[2]	

1. From the Directive – "Depending on their legal form, it should be possible for AIFs to be either externally or internally managed. An AIF should be deemed externally managed when an external legal person has been appointed as manager by or on behalf of the AIF, which through such appointment is responsible for managing the AIF."

2. The AIF will not pay carried interest, which can be confirmed in its prospectus.

Material changes
There have been no material changes to the information disclosed under Article 23 of the AIFMD in the prospectus of the Company.

Shareholder information | Glossary

Adjusted NAV calculated by adjusting the NAV at reporting periods, by the estimated performance fee reserves.

Adjusted NAV per share calculated by dividing the Adjusted NAV by the number of shares in issue.

AEVI means the limited partnerships that constitute the Apax Europe VI Private Equity fund.

AEVII means the limited partnerships that constitute the Apax Europe VII Private Equity fund.

AGML or Investment Manager means Apax Guernsey Managers Limited.

Apax Global Alpha or Company or AGA means Apax Global Alpha Limited.

AIX means the limited partnerships that constitute the Apax IX Private Equity fund.

AMI means the limited partnerships that constitute the AMI Opportunities Fund focused on investing in Israel.

ADF means the limited partnerships that constitute the Apax Digital Fund Private Equity fund.

Apax Group means Apax Partners LLP and its affiliated entities, including its sub-advisers, and their predecessors, as the context may require.

Apax Partners or Apax or Investment Adviser means Apax Partners LLP.

Apax Private Equity Funds or Apax Funds means Private Equity funds managed, advised and/or operated by Apax Partners.

APG means Apax Partners Guernsey Limited.

AVIII means the limited partnerships that constitute the Apax VIII Private Equity fund.

B2B means business to business

Brexit refers to the upcoming exit of the UK from the EU following the invocation of Article 50 of the Treaty on the European Union on 29 March 2017.

Capital Markets Practice or CMP Consists of a dedicated team of specialists within the Apax Partners Group having in depth experience of the leverage finance debt markets, including market conditions, participants and opportunities. The CMP was initially set up to support the investment advisory teams within the Apax Group in structuring the debt component of a private equity transaction. The CMP has over the years expanded its mandate to working alongside the investment advisory teams to advise on debt Derived Investments.

CEE central and eastern Europe.

Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian.

Derived Investments comprise investments other than Private Equity Investments, including primary investments in public and private debt, with limited investments in equity, primarily in listed companies. In each case, these are typically identified by Apax Partners as part of its private equity activities.

Derived Debt Investments comprise debt investments held within the Derived Investments portfolio.

Derived Equity Investments comprise equity investments held within the Derived Investments portfolio.

EBITDA earnings before interest, tax, depreciation and amortisation.

ERP enterprise resource planning.

EV enterprise value.

FVTPL means fair value through profit or loss

Gross Asset Value or GAV means the Net Asset Value of the Company plus all liabilities of the Company (current and non-current).

Gross IRR or Internal Rate of Return means an aggregate, annual, compound, internal rate of return calculated on the basis of cash receipts and payments together with the valuation of unrealised investments at the measurement date. Foreign currency cash flows have been converted at the exchange rates applicable at the date of receipt or payment. For Private Equity Investments, IRR is net of all amounts paid to the underlying Investment Manager and/or general partner of the relevant fund, including costs, fees and carried interests. For Derived Investments, IRR does not reflect expenses to be borne by the relevant investment vehicle or its investors including, without limitation, performance fees, management fees, taxes and organisational, partnership or transaction expenses.

Invested Portfolio means the part of AGA's portfolio which is invested in Private Equity and Derived Investments, however excluding any other investments such as legacy hedge funds and cash.

Investor relations team such investor relations services as are currently provided to AGA by the Investment Adviser.

IPO Initial public offering.

KPI Key performance indicator.

LSE London Stock Exchange.

LTM Last twelve months.

Market capitalisation is calculated by taking the share price at the reporting period date multiplied by the number of shares in issue. The euro equivalent is translated using the exchange rate at the reporting period date.

MOIC Multiple of invested capital.

NBFC Non-bank financial company

NTM Next twelve months.

Net Asset Value or NAV means the value of the assets of the Company less its liabilities as calculated in accordance with the Company's valuation policy. NAV has no adjustments related to the IPO proceeds or performance fee reserves.

Operational Excellence Practice or OEP Professionals who support the Apax Funds' investment strategy by providing assistance to portfolio companies in specific areas such as devising strategies, testing sales effectiveness and cutting costs.

OCI Other comprehensive income.

OTC Over-the-counter.

PCV means PCV Lux S.C.A.

PCV Group means PCV Lux SCA and its subsidiaries. PCV Group was established in August 2008. Irrespective of whether the text refers to AGA or PCV Group, references to trading or performance prior to the IPO on 15 June 2015 refer to trading as PCV Group.

P/E Price-to-earnings.

Performance fee reserve is the estimated performance fee reserve which commenced accruing on 1 January 2015 in line with the Investment Management Agreements of the PCV Group and AGA.

Private Equity Investments or Private Equity means primary commitments to, secondary purchases of commitments in, and investments in, existing and future Apax Funds.

Reporting period means the period from 1 January 2017 to 31 December 2017.

SME Small and mid-sized enterprises.

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Total NAV Return for a year/period means the return on the movement in the Adjusted NAV per share at the end of the period together with all the dividends paid during the period, to the Adjusted NAV per share at the beginning of the period/year. Adjusted NAV per share used in the calculation is rounded to 5 decimal points.

Total Return under the Total Return calculation, sub-portfolio performance in a given period can be evaluated by taking total net gains in the period and dividing them by the sum of the Adjusted NAV at the beginning of the period as well as the investments made during the period. However, in situations where realised proceeds are reinvested within the same period, performance under this calculation is, via the denominator, impacted by the re-investment. Therefore, starting from 2017 the Investment Manager will evaluate sub-portfolio performance using an amended methodology. The revised methodology takes total gains or losses and divides them by the sum of Adjusted NAV at the beginning of the period and the time weighted net invested capital. The time weighted net invested capital is the sum of investments made during the period less realised proceeds received during the period, both weighted by the number of days the capital was at work in the portfolio. This should provide a more reflective view of actual performance.

FY16 Total Return has been restated on page 3 of the Annual Report – see summary below of the restated return, previous return disclosed and difference:

FY16	Total Return (restated) %	Total Return (previous methodology) %	Difference
Private Equity	6.4%	6.6%	(0.2%)
Derived Investments	8.7%	6.0%	2.7%
Debt	8.0%	6.2%	1.8%
Equity	11.3%	5.5%	5.8%

Total Shareholder Return or TSR for the period means the net share price change together with all dividends paid during the period.

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Apax
GLOBAL ALPHA

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