Apax
GLOBAL ALPHA

Annual Report and Accounts 2019

APAX GLOBAL ALPHA ("AGA") OFFERS UNIQUE EXPOSURE TO THE GLOBAL INVESTMENT EXPERTISE OF APAX PARTNERS

OUR PURPOSE

Our objective is to provide shareholders with capital appreciation from our investment portfolio and regular dividends.

WHO WE ARE

We are a closed-ended investment company with a Premium listing and part of the FTSE 250 Index.

Ticker: APAX

WE HAVE DEVELOPED A COMPREHENSIVE SUITE OF COMMUNICATIONS TO KEEP OUR STAKEHOLDERS UP TO DATE.

The role of this report

We believe the role of the annual report is to explain to shareholders how we create long-term sustainable value and set out our position on key topics such as:

- Our priorities
- Our strategy
- Sustainability
- Risk and uncertainties
- Governance
- Our performance and financial position

CORPORATE WEBSITE

The most up-to-date news, views, figures and insights on our business can be found at:

apaxglobalalpha.com

linkedin.com/company/apaxglobalalpha

INVESTOR PRESENTATIONS

We report our financial results on a quarterly basis. The latest presentations can be found at:

apaxglobalalpha.com/investors

CONTENTS

INVESTMENT CASE

WHY INVEST IN AGA?

ACCESS TO THE FULL EXPERTISE AND RESOURCES OF APAX PARTNERS

- A leading, global investment advisory firm with over 40-year track record in Private Equity and ten years' experience in Derived Investments
- AGA benefits from Apax Partners' large investment team, including the senior executives who serve on its Investment Committee

UNIQUE EXPOSURE TO A WELL-DIVERSIFIED PORTFOLIO OF ATTRACTIVE INVESTMENTS

- The Apax Private Equity Funds have consistently outperformed relevant public benchmark indices across cycles
- Derived Investments leverage Private Equity expertise and insights of Apax Partners, applying the same rigour and analysis to the appraisal of debt and listed equity opportunities

ATTRACTIVE TARGET NET RETURNS, OFFERING BOTH CAPITAL APPRECIATION AND REGULAR DIVIDENDS

TARGET TOTAL NET ASSET VALUE ("NAV") RETURN

12-15%

TARGET DIVIDEND YIELD

5%

of NAV per annum

FINANCIAL HIGHLIGHTS

WHAT WE HAVE ACHIEVED THIS YEAR

2019 TOTAL NAV RETURN[1]

22.7%

DIVIDENDS IN RESPECT OF 2019

10.86c/9.54p

ADJUSTED NAV[2]

€1,092m

Adjusted NAV per share €2.22/£1.88

PRIVATE EQUITY TOTAL RETURN[3]

33.9%

Percentage of portfolio 69%

DERIVED DEBT TOTAL RETURN[3]

11.8%

Percentage of portfolio 23%

DERIVED EQUITY TOTAL RETURN[3]

9.1%

Percentage of portfolio 8%

1. Total NAV Return means the movement in the Adjusted NAV per share over the period plus any dividends paid.
2. Adjusted NAV represents NAV of €1,099.0m adjusted for the performance fee reserve of €6.9m at 31 December 2019
3. Total Return reflects the sub-portfolio performance on a stand-alone basis. It excludes items at overall AGA level such as cash, management fees and costs. For details of calculations used please see the glossary on page 91.

CHAIRMAN'S STATEMENT

2019 DELIVERED THE STRONGEST PERFORMANCE SINCE IPO

TOTAL NAV RETURN AT 31 DECEMBER 2019

22.7%

DIVIDEND 5% OF NAV, IN RESPECT OF 2019

9.54

pence per share

BOARD MEMBERS

See pg.42

CHAIRMAN'S INTRODUCTION

See pg.45

BOARD ACTIVITIES

See pg.50

TIM BREEDON CBE
Chairman

I am pleased to report that 2019 was a successful year for your Company.

RESULTS

Total NAV Return for the period was +22.7%, the best annual return we have achieved since our Initial Public Offering in 2015. On a constant currency basis, the return was +20.5%. Adjusted NAV per share increased from €1.90 to €2.22 and the company's total Adjusted NAV grew to over €1bn to stand at €1,092m at year end.

Our Private Equity holdings performed particularly strongly, producing a Total Return of 33.9% (31.7% on a constant currency basis)[1] reflecting the positive operating performance of the underlying portfolio companies where EBITDA was up 15.9% on average. The climate for realisations was also favourable and a material valuation uptick was achieved on exits. Despite the high valuation environment, a number of new investments were made concentrating on sub-sectors where the Investment Advisor has deep industry expertise.

The Derived Debt portfolio delivered a Total Return for the year of 11.8% (9.6% in constant currency)[1]. In response to "late cycle" investment conditions, the portfolio has been further diversified and the risk profile lowered by increasing the share of first lien secured instruments.

The Derived Equity portfolio produced a return of 9.1% (5.5% in constant currency)[1]. Exposure to listed equities has been reduced and now stands at only 8% of the Investment Portfolio.

1. Constant currency returns adjusted to remove the impact of FX
2. Unaffected Valuation is determined as the fair value in the last quarter before exit, when valuation is not affected by the exit process (i.e. because an exit was signed, or an exit was sufficiently close to being signed that the Apax Funds incorporated the expected exit multiple into the quarter end valuation)

INVESTMENT ACTIVITY

At 31 December 2019, AGA was 101% invested with a value of the Investment Portfolio of €1,109m. Asset allocation was weighted towards Private Equity representing 69% of the portfolio at the end of the year, with the remaining 31% invested in Derived Investments. The Company, through its participation in the Apax Funds, deployed €165.9m into Private Equity during 2019. Exits from Private Equity generated proceeds of €182.4m. The majority of these proceeds were realised from seven full exits, which were achieved at an average uplift to Unaffected Valuations[2] of 13.8%. Net capital deployed into Derived Debt totalled €67.2m. At the same time AGA realised a net amount of €60.4m from exits and dividends in Derived Equity.

MARKET ENVIRONMENT

Public equity markets performed strongly during the year. Most of the gains in public markets were however driven by an increase in valuation multiples rather than underlying earnings growth. Valuations in private equity markets followed the development in public markets, with US and European leveraged buy-out transaction valuations remaining at record high levels. The perception of the macroeconomic environment changed during the year. Until the end of the summer, concerns about global growth and trade policies created uncertainty. The US Treasury 10-year/2-year curve even briefly inverted during August. Towards the end of the year, improvements in confidence over the economic outlook, further support from central banks, and more optimism that trade disputes could be resolved supported strong valuation gains. In credit markets, both investment grade and non-investment grade bonds saw strong returns, driven by declining base rates in the US and spread tightening for higher credit quality companies. Against the backdrop of a strong 2019 overall, credit markets differentiated more with pricing and performance of instruments at the lowest quality end weakening.

DIVIDEND

The Company has declared a final dividend of 4.68 pence per share. This brings the full-year dividend to 9.54 pence per share, an increase of 12.9% compared with 2018. AGA's strategic objective remains to pay dividends representing 5% of NAV each year to its shareholders. The final dividend will be paid on 3 April 2020 to shareholders on the register of members on 13 March 2020. The shares will trade ex-dividend on 12 March 2020.

BOARD CHANGES

I am pleased that Stephanie Coxon has agreed to join the Board on 31 March 2020. She is a qualified accountant with more than 15 years of audit and capital markets advisory experience in the asset management industry. She brings to the Board deep technical knowledge and a wealth of experience in the London listed investment fund sector. She will also be joining the Audit Committee.

COMMITMENTS AND FUNDING

On 15 July 2019, AGA announced a commitment of $450m to the Apax X Fund, split 50:50 between the euro and US dollar tranches. This is in line with AGA's strategic objective to invest in new and existing Apax Funds. The Board is pleased that the successful development of the Company has allowed AGA to increase its commitment size to Apax X by close to 30% in comparison with Apax IX and will allow the Company to maintain an attractive overall exposure to Private Equity. Apax X aims to continue the Apax private equity strategy of investing in buyouts globally and across its four core sectors: Tech & Telco, Services, Healthcare and Consumer.

The Company continues to have access to a committed revolving credit facility of €140.0m, with an initial term maturing on 5 November 2021. This facility increases the financial resilience of the Company and provides the Investment Manager with flexibility in managing portfolio exposures and commitments in the short to medium term. As at year end, the facility was undrawn.

FEE AMENDMENTS

The Board has agreed a series of amendments to the Investment Management Agreement relating to management fees. The annual fee of 1.25% of the value of the Derived portfolio and Eligible Private Equity will be reduced to 1% p.a. for Derived Debt and 0.5% p.a. for Derived Equity and Eligible Private Equity.

The performance fee structure has also been adjusted. The performance fee rate has been reduced from 20% to 15% for Derived Debt, with a revised hurdle rate of 6% net of fees (previously: 8% gross). For Derived Equities and Eligible Private Equity, the performance fee rate remains at 20% but the hurdle rate has been increased to 8% net of fees (previously: 8% gross). Performance fees will now be payable on the net annual performance of each portfolio.

The Company has also entered into a new administration agreement with Apax Partners and its affiliate Apax Partners Fund Services Limited ("APFS") in respect of the provision of certain corporate and investor relations services at a fee rate of 0.04% p.a. of the value of the Invested Portfolio.

Overall fees payable by the Company to the Investment Manager and Investment Advisor will be capped at 3% p.a. of Net Asset Value (previously: uncapped). These changes take effect from 1 January 2020. The Board expects a material overall reduction in investment management fees to result from these changes in a substantial majority of cases and believes they produce a better alignment of incentives with the Company's investment objectives. Further details on the revised fee structure are set out on page 90 of the Annual Report.

INVESTMENT STRATEGY

The Company continues to accumulate holdings in a range of Apax Private Equity Funds. The increasing maturity of this portfolio and diversification of the underlying investments has allowed an increase over time in the weighting of Private Equity (at the expense of Derived Equity) whilst adhering to prudent risk limits. Although in practice the asset distribution of the Company's portfolio will be affected by market valuations and the timing of investments and realisations, we expect the greater focus on Private Equity to continue.

OUTLOOK

Public market valuations are pricing in a scenario for 2020 which implies a reduction of recession risk, increase in global manufacturing, and an eventual resolution of global trade conflicts. With valuations already elevated when compared with historical averages, gains from further multiple expansion are unlikely to create similar opportunities in 2020 and beyond. Superior returns are more likely to be achieved by leveraging insight and experience in particular sectors. The Board therefore believes that AGA's investment approach is suited to the current market environment and is confident that the Company is well-positioned to deliver further value generation in future.

TIM BREEDON CBE
Chairman
2 March 2020

BUSINESS MODEL

OUR PURPOSE IS TO PROVIDE SHAREHOLDERS WITH CAPITAL APPRECIATION FROM OUR INVESTMENT PORTFOLIO AND REGULAR DIVIDENDS

In order to achieve the Company's investment objectives as set by its investment policy, the Company is:

1) **a limited partner in funds raised and advised by Apax Partners (the "Apax Funds"); and**

2) **a direct investor in debt and equity instruments which are sourced through leveraging the insight and global reach of Apax Partners.**

The Company refers to these two investment activities as its "Private Equity" investments and "Derived Investments", respectively.

PRIVATE EQUITY INVESTMENTS
The Company gains exposure to portfolios of predominantly unquoted private equity companies by investing in the Apax Funds as a limited partner. These are well-diversified across: i) sectors: the Apax Funds invest in companies across four core sectors (Tech & Telco, Services, Healthcare and Consumer), ii) geography: the Apax Funds invest globally, and iii) transaction size: the investment strategies of the Apax Funds range from targeting buyout to middle-market to growth capital deals.

The Apax Funds are advised by Apax Partners, which acts as the Investment Advisor to the Apax Funds. Apax Partners is a leading global private equity advisory firm which, over its more than 40-year history, has raised and advised funds with aggregate commitments of c.€40bn.

Apax Partners leverages its long-standing sector knowledge, broad geographic footprint and operational capabilities to find transformational opportunities in solid companies within sub-sectors it knows well. Apax Partners advises the Apax Funds to invest in companies with a clear thesis around improvements. They are mostly sourced within the upper-mid market and include carve-outs, founder-owned businesses and public-to-privates. The focus is on retaining discipline around entry multiple and preserving as many of the value creation levers as possible, while at the same time constructing a portfolio with a balanced risk profile and typically lower levels of financial leverage than one might see elsewhere. The value creation levers used to consistently generate alpha are: EBITDA growth, multiple expansion, and cash generation. EBITDA growth can be derived from a combination of top-line growth, tighter management of the cost base, accretive M&A and/or digital acceleration. Multiple expansion can be generated either by buying the business when it is undervalued, for example where Apax Partners has formed a differentiated view of the asset, or the Apax Funds transform the entity under their ownership from a good-to-great business.

As at 31 December 2019, the Company was a limited partner in seven Apax Funds, providing exposure to 61 underlying portfolio companies. This represented 69% of the Company's Invested Portfolio. For the foreseeable future the Board believes that market conditions and the relative attractiveness of investment opportunities in Private Equity will cause the Company to hold the majority of its investments in Private Equity assets.

In 2016, AGA committed to invest $350m into Apax IX, in 2017 a commitment of $50m was approved into the Apax Digital Fund, and in 2019, the Company made a commitment of $450m into the Apax X fund, the successor fund to Apax IX. In assessing the size of any new commitments, the Board, on the advice of the Investment Manager, appraises potential scenarios in relation to the economic environment, the returns achieved by the Apax Funds, their investment pace, and the likely timing and value of realisations. As the Company is typically a sizeable investor in each Apax Fund, it benefits from preferential terms which are available to other similar sized third-party investors. During 2019, the average management fee paid on the Company's commitments to the Apax Funds was 1.3%. Where the Apax Fund is subject to management fee payments, there is no additional fee charged to the Company.

DERIVED INVESTMENTS

Derived Investments are investments in predominantly debt and – to a lesser extent – equity which are derived from the insights gained from Apax Partners' Private Equity activities. Leveraging this exclusive expertise, the Derived Investments portfolio is a highly bespoke collection of assets with a high diligence hurdle and focused liquidity management. The Derived Investments portfolio serves as a liquidity buffer for the Company as well as delivering strong returns and cash yields.

The Board believes there is a strong rationale for complementing the Private Equity portfolio with Derived Investments as it allows the Company to identify attractive investment opportunities and remain fully invested thereby avoiding a cash drag. Additionally, it allows the Company to maintain a strong balance sheet creating robustness throughout economic cycles.

THE INVESTMENT MANAGER

AGA has delegated the management of its investments to Apax Guernsey Managers Limited (the "Investment Manager" or "AGML"). AGML is responsible for the implementation of AGA's investment policy and has overall responsibility for overseeing the investment management services provided to the Company. Further details of the terms of the management agreement, including fees payable to the Investment Manager, are set out on pages 73-74 and 90 of this report.

AGML reports at each quarterly Board meeting regarding the performance of AGA's Investment Portfolio, which provides the Directors with an opportunity to review and discuss the implementation of the investment policy. In addition, during the quarter, the Board attends regular meetings with AGML in order to receive a detailed review of the performance of the underlying investments, any transactions undertaken, and the portfolio outlook. The Investment Manager is managed by a board of experienced directors with backgrounds in private equity and asset management. Biographies of the AGML Board, including details of their relevant experience, are available on page 44 and the Company's website at: www.apaxglobalalpha.com/who-we-are/the-investment-manager

THE INVESTMENT ADVISOR

The Investment Manager draws on the resources and expertise of Apax Partners for investment advice through an investment advisory agreement. The role of the Investment Advisor is to identify, analyse and undertake due diligence on investment opportunities, and to provide recommendations for potential investment and divestment opportunities to the Investment Manager for consideration. Recommendations made to AGML are reviewed by the Investment Advisor's "AGA Investment Committee", which consists of senior partners of Apax Partners, including the Co-CEOs. Biographies of the AGA Investment Committee, including details of their relevant experience, are available on page 43 and the Company's website at: www.apaxglobalalpha.com/who-we-are/the-investment-advisor

As set out above, Apax Partners also acts directly as the Investment Advisor to the Apax Funds.

THE COMPANY SECRETARY

Aztec Financial Services (Guernsey) Limited ("Aztec Group") has been appointed by AGA as its Administrator and Company Secretary. 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 as well as maintaining the Company's accounting and statutory records. The Administrator has delegated certain accounting and bookkeeping services to Apax Partners Fund Services Limited ("APFS"), known as the sub-Administrator which is a related party of the Investment Advisor. Aztec Group is licensed by the Guernsey Financial Services Commission ("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.

THE REGISTRAR

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

INVESTOR RELATIONS AND OTHER SUPPORT SERVICES

In addition to acting as the Investment Advisor to AGML, Apax Partners provides investor relations and other support services to AGA. To support the Company's ongoing dialogue with its shareholders, Apax Partners maintains 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. The Board receives regular reports and updates from the investor relations team regarding market sentiment to help the Board develop a balanced understanding of the issues, concerns and sentiment of the shareholders. In addition to these investor relations services, Apax Partners also provide a range of additional services to AGA, including advice and support in connection with the Company's credit and liquidity arrangements, potential private equity investments, and other ad hoc support to the Company's Board as requested from time to time.

Post year end and effective from 1 January 2020, the Company entered into a new administration agreement for these services with Apax Partners and its affiliate APFS. Fees have been set at 0.04% of the Invested Portfolio p.a. Further details are set out on page 90 of this report.

STRATEGIC OBJECTIVES

DELIVERING ON LONG-TERM AIMS

Our objective is to provide shareholders with capital appreciation from our investment portfolio and regular dividends.

There are five strategic objectives by which AGA measures its progress and performance to help achieve its purpose.

STRATEGIC OBJECTIVE

Target NAV Return of 12–15% over the economic cycle

Target annual 5% of NAV dividend

Remain fully invested

Invest in Apax Funds for long-term growth

Exposure to Private Equity and Derived Investments

WHAT WE ACHIEVED THIS YEAR	FOCUS FOR 2020	RISKS
TOTAL NAV RETURN **+22.7%**	– Maintain focus on Private Equity – Diversified risk approach for investments in Derived Debt	– Correction of valuation multiples or increase in credit spreads can impact investment returns – Underperformance of individual portfolio companies can impact investment performance
DIVIDENDS IN RESPECT OF 2019 **10.86c/9.54p**	– Maintain AGA's dividend policy	– Limited foreseeable risk
INVESTED PORTFOLIO **101%**	– Remain fully or close to fully invested	– Potential timing of exits and new investments in Private Equity – Availability of attractive investment opportunities for Derived Investments
COMMITMENT TO APAX X FUND **$450m**	– Continue to evaluate commitments to the Apax Funds	– No new Apax Funds are forecast to be launched during the year
INCREASED PRIVATE EQUITY EXPOSURE AND REDUCED DERIVED EQUITY INVESTMENTS	– Expect the majority of investments to be in Private Equity – Deploy funds not invested in Private Equity in Derived Investments – Reduce exposure to Derived Equity with focused investments	– Changes in market conditions or availability of investment opportunities may change the portfolio mix

INVESTMENT MANAGER'S REPORT

MARKET REVIEW OF THE INVESTMENT MANAGER

Following a strong 2019, markets are pricing in a benign scenario for 2020

REVIEW OF 2019

2019 ultimately proved a strong year for equity markets, with the S&P increasing by 29%[1] (Fig.1) and the STOXX Europe 600 gaining 23%[1] (Fig.1). The bulk of this gain was driven by valuation multiples, with the S&P forward P/E increasing from 14.6x[1] to 18.2x[1] with relatively weak corporate earnings growth only contributing 2.7%[1]. Despite this strong outcome to the year, perceptions of the macroeconomic environment changed markedly over the course of the year, and these changing perceptions drove markets during 2019. The year started with a strong recovery from the dramatic market falls of 4Q18. By late spring, however, concerns about the prospects for the global economy had come to the fore, with global trade policy risks in particular creating significant uncertainty. Manufacturing Purchasing Manager Indices (PMIs) had continued to deteriorate and reached sub-50 levels, indicating contraction. GDP growth rates in Q2 were generally weak, notably in developed economies such as Germany and the UK, but also in key emerging markets such as China and India. The US Treasury 10-year/2-year curve (Fig.2.2) became inverted for the first time since December 2005, an event which historically has been a reliable early indicator of a recession. Consequently, markets over the summer period were volatile, with significant daily reaction to news or speculation around the US/China trade dispute.

The end of the year saw a fading of these concerns and some improvement in confidence over the economic outlook. Accommodative central bank policy, including three cuts to the Fed Funds rate in the US, reassured markets. There was increased optimism around the prospects for resolution of trade disputes, with the so-called "Phase One" agreement announced on 13 December 2019. In addition, concerns over US/EU automotive tariffs lessened, and prospects for US congressional approval of the USMCA trade agreement appeared increasingly positive. Economic data also showed some improvement in the US, creating the impression that manufacturing PMIs had potentially bottomed and were positioned for recovery into 2020. European data, however, remained generally weak. In the UK, the clear result in the general election provided the markets with increased clarity on Brexit outcome and timing.

Despite the fading concerns at the end of the year, and the rising markets, actual corporate earnings growth delivered in 2019 was low, reflecting the weakening GDP growth seen during the year, and impacted by the trade dispute. By December analysts were projecting US 2019 earnings growth of just 1.3%[2], and EU earnings growth also weak at 3.0%[2].

In private equity markets, 2019 large LBO transaction volume[3] was lower than in the past two years in both US and EU (Fig.3.1). However, average PE buyout multiples reached a record-high level in the US and remained close to the 2018 peak in the EU (Fig.3.2).

Following a weak end to 2018, credit markets in 2019 saw very strong returns across both investment grade and high yield, with particular spread tightening for higher credit quality companies (Fig.4; left & right). Accommodative central bank policy was a key contributor to this performance. Against this backdrop of generally strong 2019 returns, some warning signs of increasing ratings downgrades of leveraged loans and increasing levels of distress became prominent during Q4 at the lowest quality end of the spectrum. As the year came to a close, the markets stabilised. With base rates decreasing throughout 2019, investors moved funds out of loan instruments and into fixed rate high yield. Net inflows into US high yield funds totalled $21bn[4], compared to outflows from US loan funds of $30bn[5].

OUTLOOK FOR 2020

With the strength of equity markets into the end of 2019, markets are pricing in a benign scenario for 2020. Implicit assumptions include (i) a fading risk of recession, (ii) a rebound in global manufacturing, (iii) steady resolution of global trade disputes. Forward P/E multiples entering 2020 are slightly elevated relative to historical averages at 18.2x (Fig.5; left) in the US, but not dramatically so, and are in line with historical averages on a price/free cash flow (Fig.5; centre). Given the starting point, and the fact that current price/earnings growth ratios are higher than historically (Fig.5; right), market appreciation from multiple expansion may be limited in 2020.

Earnings growth is expected to recover from 2019 lows. Analyst top-down estimates are around 3%[6] for the STOXX Europe 600 and 6%[6] for the S&P. It should be noted that bottom-up analyst consensus is meaningfully higher than these top-down numbers, and we expect bottom-up consensus estimates to be brought down over time. With overall top line growth likely to remain muted in 2020, the key question is the outlook for profit margins. On the monetary policy front, beginning year expectations are for stability in policy from the Federal Reserve, while there appears to be resistance to further stimulus measures from the ECB beyond the steps that were taken in September 2019.

External uncertainties we see entering 2020 are (i) the outlook for US/China trade policy resolution (ii) the US election in November 2020 and (iii) the global COVID-19 outbreak. Given that the markets appear to be pricing in a benign outcome to the trade dispute, a material worsening in the prospects for this would create volatility. Perceptions around likely outcome of the presidential election will also drive sentiment in 2020 – the market is currently not pricing in any reversal of the recent corporate tax cuts, or significant regulatory changes in areas such as healthcare. Should these outcomes become viewed as more likely we would expect significant impacts on valuations and expectations for earnings growth in the relevant sectors. The impact of the COVID-19 globally remains uncertain. Whilst in the past, pandemics such as SARS have had a modest and short-term impact on growth patterns, if COVID-19, has a prolonged impact on stock market valuations and economic growth, there is a potential for wider macroeconomic implications.

1. Source: FactSet
2. Source: FactSet, data as at 6 January 2020
3. Transaction with a purchase price of $/€500m or more in the US and EU respectively
4. Source: Bloomberg
5. Source: LCD
6. Source: Goldman Sachs Portfolio Strategy Research report 24 January 2020

FIG.1: S&P 500 AND STOXX EUROPE 600 INDICES

— S&P 500
— STOXX Europe 600

FIG.2.1: US (NON-) MANUFACTURING PURCHASING MANAGER INDICES

— Manufacturing
— Non-Manufacturing

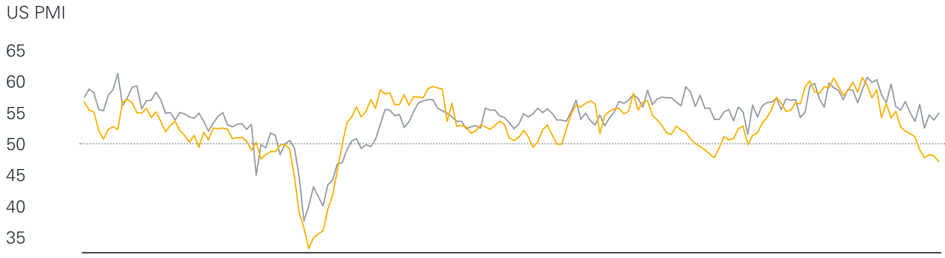


FIG.2.2: US 10-YEAR/2-YEAR TREASURY YIELD SPREAD %

— 10-year/2-year spread

FIG.3.1: LARGE LBO TRANSACTION VOLUMES (NO. OF TRANSACTIONS)

— Europe
— US

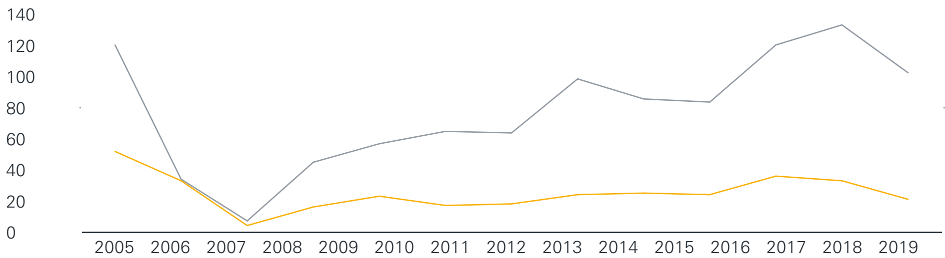


FIG.3.2: AVERAGE PE BUYOUT MULTIPLES

■ Europe, Debt (x)
■ Europe, Equity (x)
■ US, Debt (x)
■ US, Equity (x)

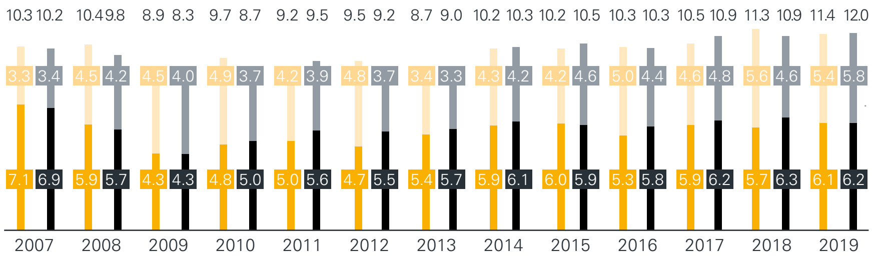


FIG.4: B AND CCC CREDIT SPREADS

— Bond spread CCC (US)
····· CCC avg (US)
— Bond spread B (US)
····· B average (US)
— Bond spread CCC (Europe)
····· CCC avg (Europe)
— Bond spread B (Europe)
····· B average (Europe)

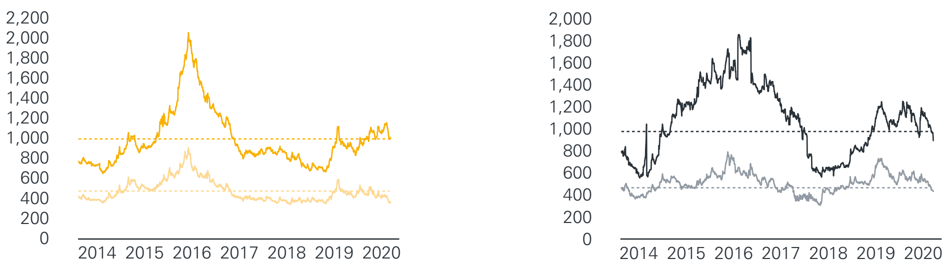
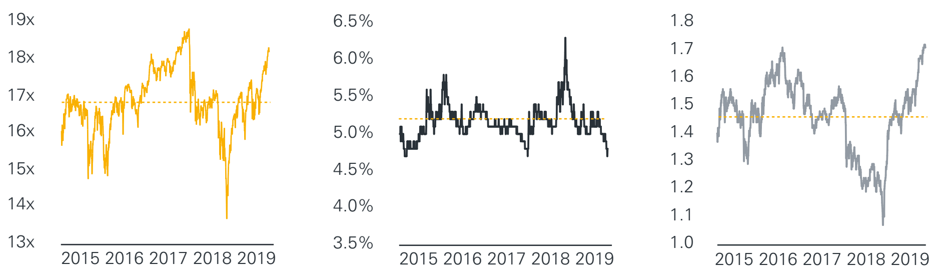


FIG.5: S&P 500 FORWARD P/E MULTIPLES, PRICE/FREE CASH FLOW YIELDS AND PRICE EARNINGS GROWTH RATIOS

— Forward P/E multiple
— Forward FCF yield
— Forward PEG
····· 5year average



INVESTMENT MANAGER'S REPORT: PERFORMANCE REVIEW

INVESTMENT MANAGER'S PERFORMANCE REVIEW

AGA's portfolio delivered record returns for shareholders in 2019.

SUMMARY

TOTAL NAV RETURN[1]

22.7%

ADJUSTED NAV[2]

€1,092m

ADJUSTED NAV PER SHARE

€2.22/£1.88

AGA IN THE FTSE 250 WITH MARKET CAP OF

£847.1m

Strong operational performance of the Private Equity portfolio and a positive contribution from both Derived Debt and Derived Equity.

1 Total NAV Return means the movement in the Adjusted NAV per share over the period plus any dividends paid. Total Return reflects the sub-portfolio performance on a stand-alone basis. It excludes items at overall AGA level such as cash, management fees and costs. Constant currency returns are calculated the same as Total NAV Return adjusted to remove the impact of FX

2 Adjusted NAV represents NAV of €1,099.0m adjusted for the performance fee reserve of €6.9m at 31 December 2019

3 Average Fund valuation uplifts are weighted by the total fair value of the Unaffected Valuations. Represents uplifts on assets fully realised in 2019

4 Unaffected Valuation is determined as the fair value in the last quarter before exit, when valuation is not affected by the exit process (i.e. because an exit was signed, or an exit was sufficiently close to being signed that the Apax Funds incorporated the expected exit multiple into the quarter end valuation)

5 Total Return reflects the sub-portfolio performance on a stand-alone basis. Constant currency returns adjusted to remove the impact of FX

6 Gross IRR and MOIC calculated based on the aggregate euro cash flows since inception for deals fully realised during the year for each respective portfolio

PERFORMANCE HIGHLIGHTS

AGA's strongest results since its IPO in June 2015, coupled with NAV growing to over €1bn for the first time, marked 2019 as a year of significant milestones. Total NAV Return[1] was 22.7% (20.5% constant currency[1]) (Fig.1). Adjusted NAV[2] grew to €1,092m, and dividends to shareholders totalled €49.6m, paid in line with the stated policy to distribute 5% of NAV on an annual basis.

The Private Equity portfolio materially contributed to these strong results. It continued to experience strong operational performance in the underlying portfolio companies as the portfolio continued to diversify. Portfolio company exits also achieved premium valuations with average uplifts[3] of 13.8% from the last Unaffected Valuations[4]. Total Return[5] was 33.9% (31.7% constant currency[5]).

Derived Investments had positive returns from both of its sub-portfolios. Derived Debt returns were strong with a Total Return[5] of 11.8% (9.6% constant currency[5]). After a disappointing first half to the year, Derived Equity delivered a Total Return[5] of 9.1% (5.5% constant currency[5]) though with a high level of volatility throughout the year.

INVESTMENT PORTFOLIO

AGA's Adjusted NAV[2] was €1,092.1m at 31 December 2019 (Fig.2) with an Invested Portfolio of €1,108.5m (Fig.3). Net current liabilities (inclusive of cash) represented -€9.5m, or -1% of Adjusted NAV.

The Private Equity portfolio represented 69% of the Invested Portfolio at 31 December. The largest overall exposures in the portfolio remain through the Apax VIII and Apax IX funds (investment vintages from 2012 onwards). Derived Debt increased from 19% to 23% during the year, in contrast to Derived Equity which fell from 16% to 8% as a share of the entire portfolio.

Just over half of AGA's overall geographic exposure continued to be to North America at 51%, followed by Europe at 24%. This is largely mirrored by the currency exposures of the Fund, with US dollars representing 55% and the euro representing 24% of the portfolio. The main sector exposure was to Tech & Telco at 39%, followed by Services at 26% (Fig.3).

PRIVATE EQUITY HIGHLIGHTS

The Private Equity portfolio delivered very strong performance in the year, largely as a result of continued earnings growth in the underlying portfolio. 2019 was a busy year for investment activity. On a look-through basis, AGA invested €104.0m with 13 new companies added to the portfolio. Distributions in the year were higher than prior year and were mainly driven by three strong exits: AssuredPartners, Exact Software and Acelity. In addition, AGA committed $450m to Apax X, the latest global buyout fund, to support AGA's objective of maintaining an attractive exposure to Private Equity.

DERIVED INVESTMENTS HIGHLIGHTS

New investment activity in Derived Investments saw a shift towards Derived Debt with €115.0m deployed into twelve debt investments. AGA also exited 13 debt positions (seven fully and six partially) during the period, with full exits generating an average Gross IRR[6] of 15.1%. This performance reflects our active management of the portfolio to create a tailor-made set of investments that can be used to manage portfolio liquidity whilst creating attractive returns for AGA. We also continue to be pleased with the overall quality of the underlying portfolio. The portfolio has a Yield to Maturity of 9.3% whilst being diversified across the risk spectrum, with 39% of the Derived Debt portfolio invested in first lien senior secured instruments (up from 16% in December 2018), 51% in second lien (down from 72% in December 2018), and 10% in preferred or unsecured instruments (12% last year).

Within Derived Equity, activity was naturally focused on monitoring the portfolio and exiting those positions that either achieved their original investment objectives, or where we deemed expected incremental returns to be insufficient. Total proceeds of €79.0m were realised across eight positions, generating an average Gross IRR[6] of 15.9%. During the year, only one new investment was added to the Derived Equity portfolio: Airtel Africa. Despite its relatively weak trading following its IPO, we believe the investment was made at an attractive price given the long-term growth outlook and diversification of the business.

At 31 December 2019, Derived Equity accounted for 8% of the Invested Portfolio (compared to 16% in December 2018).

DIVIDENDS

AGA's dividends form an important part of returns to shareholders. With a target to pay out 5% of NAV, the Company has paid and declared €216.3m of dividends since IPO and has been steadily increasing annual dividends in pence per share (Fig.4).

The first dividend for 2019 was 4.86 pence per share. The second semi-annual dividend is expected to be paid on 3 April 2020 at 4.68 pence per share. Total dividends in relation to 2019 will therefore be 10.86 euro cents or 9.54 pence per share.

COMMITMENTS AND FUNDING

At 31 December 2019, outstanding commitments to the Apax Funds (together with recallable distributions) amounted to €496.9m. This includes a commitment of $450m to the new Apax X fund. With this commitment, AGA gained exposure to a seventh Apax fund.

Ahead of its commitment to the Apax X fund, an extensive analysis was performed to help determine the optimal amount of commitment to Apax X, taking in to account existing commitments to the other Apax Funds. Even in more extreme scenarios we have modelled, AGA is expected to have sufficient liquidity to meet its obligations to the Apax Funds. As Fig.5 depicts, AGA has a significant balance sheet of €1,099.0m available and has access to an additional €140.0m from a currently undrawn revolving credit facility expiring in November 2021. The majority of the commitment into Apax X and the other outstanding commitments are expected to be called from AGA over a five-year period.

Apax X will operate a capital call facility to bridge capital calls from its investors. The operation of a capital call facility will provide AGA and other Apax X investors with significant visibility for liquidity planning. Capital call facilities are also operated by the Apax IX, Apax VIII, AMI and Digital funds. None of the Apax Funds in which AGA invests employs long-term or structural gearing.

OUTLOOK

In Private Equity, there's continued focus on transformational, "good-to-great" investment opportunities where sub-sector insights, operating capabilities and access to a global platform can deliver operational value creation. In Derived Investments, quality of underlying exposures is key.

A diversified risk approach in Derived Debt will be maintained and we remain disciplined when considering pricing of debt instruments. Portfolio exposure to Derived Equity is expected at reduced levels with focused investments.

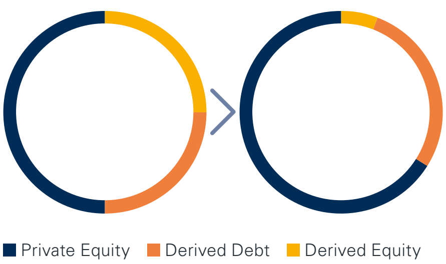
With regards the recent COVID-19 outbreak, we note that only a minority of the Apax Funds portfolio companies have significant global supply chain dependencies. However, if COVID-19 ends up having a marked and prolonged impact on valuations and economic growth there could be an impact, linked to a changed macroeconomic situation.

EVOLUTION OF PORTFOLIO APPROACH

1 Increased exposure to Private Equity

2 Reduced exposure to Derived Equity

3 More diversified risk in Derived Debt



Taking into account feedback from shareholders and extensive discussions with AGA's Board of Directors, we continued to refine our investment process and approach within the parameters of the existing investment strategy throughout 2019. This followed our first review of the portfolio approach during 2016, when we decided to reduce AGA's participation in riskier junior debt related to primary Private Equity portfolio company deals.

We believe that the most attractive opportunity for AGA is to invest in Private Equity. Following the commitment made to Apax X during 2019, shareholders should expect Private Equity Investments to remain the majority of AGA's portfolio for the foreseeable future. We will also seek a portfolio structure with a reduced exposure to Derived Equity. Effectively, more volatile Derived Equity Investments are being replaced with Private Equity investments, which in the past have delivered both higher and steadier returns. To accompany this evolution, we will aim to follow a more diversified risk approach for Derived Debt. This takes into account that we are likely in a late-cycle environment for credit, and the liquidity requirements for Derived Debt are increased with the reduction in exposure to Derived Equity. This implies that AGA will invest more actively across the risk spectrum of debt instruments, rather than only focusing on junior debt instruments, to provide increased liquidity and a more balanced risk profile.

INVESTMENT MANAGER'S REPORT: PERFORMANCE REVIEW CONTINUED

FIG.1: TOTAL NAV RETURN CONTRIBUTIONS (%)

1 Performance fee adjustment accounting for the movement in the performance fee reserve at 31 December 2019

2 Total NAV Return means the movement in the Adjusted NAV per share over the period plus any dividends paid. Total Return reflects the sub-portfolio performance on a stand-alone basis. It excludes items at overall AGA level

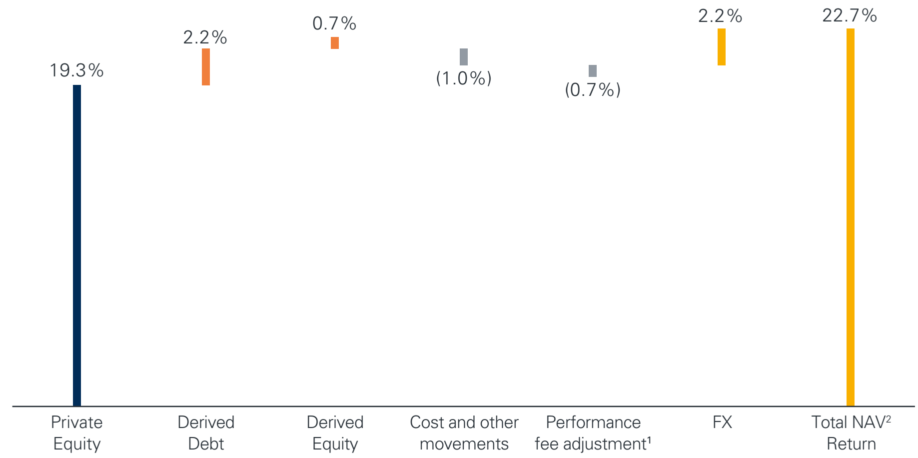


FIG.2: ADJUSTED NAV DEVELOPMENT (€M)

1 Performance fee adjustment accounting for the movement in the performance fee reserve at 31 December 2019

2 Adjusted NAV represents NAV of €1,099.0m adjusted for the performance fee reserve of €6.9m at 31 December 2019

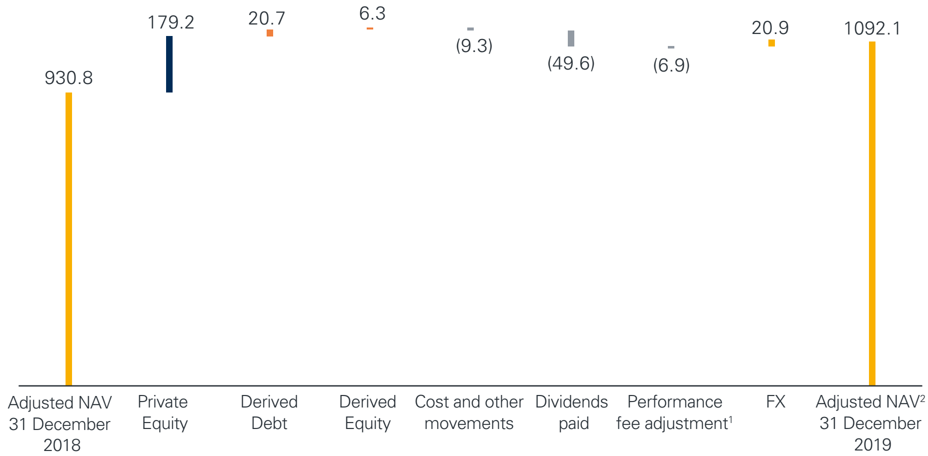


FIG.3: PORTFOLIO OVERVIEW AT 31 DECEMBER 2019

- Private Equity
- Derived Debt
- Derived Equity

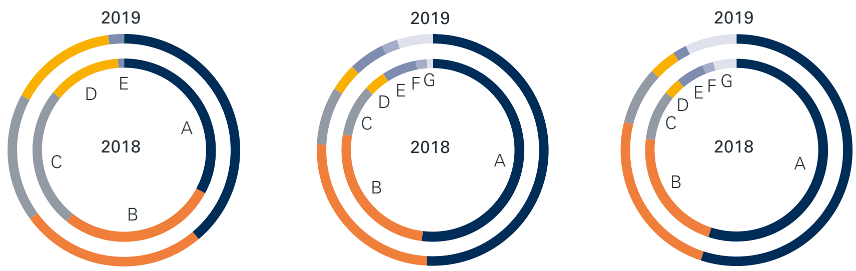
1 Invested Portfolio excludes cash and cash equivalents, revolving credit facility drawn and net current assets, including these the NAV is €1,099.0m and Adjusted NAV is €1,092.1m. The performance fee reserve was €6.9m at 31 December 2019

Portfolio Split by Asset Type

	2018	2019
A Private Equity	65%	69%
B Derived Debt	19%	23%
C Derived Equity	16%	8%

€1,108.5m[1]

101% of total NAV



Portfolio Split by Sector

	2018	2019
A Tech & Telco	33%	39%
B Services	28%	26%
C Healthcare	25%	18%
D Consumer	13%	15%
E Digital	1%	2%

Portfolio Split by Geography

	2018	2019
A North America	52%	51%
B Europe	26%	24%
C United Kingdom	9%	9%
D Israel	4%	4%
E India	6%	5%
F China	2%	2%
G Rest of World	1%	5%

Portfolio Split by Currency

	2018	2019
A USD	55%	55%
B EUR	22%	24%
C GBP	9%	8%
D INR	3%	4%
E HKD	5%	2%
F NOK	2%	0%
G Other	4%	7%

FIG.4: DIVIDEND PAYOUTS

% of NAV pence per share

As AGA is a Guernsey company there is no income test for dividends. AGA must satisfy a cash flow and viability test in order to pay dividends

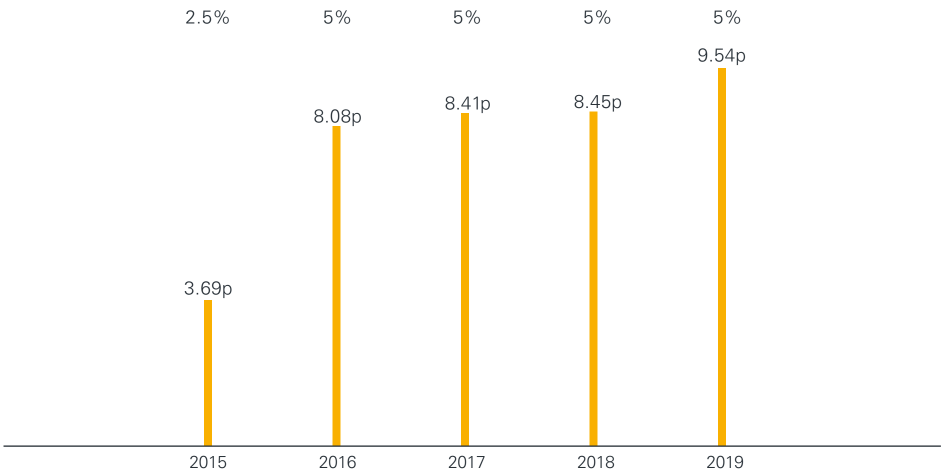
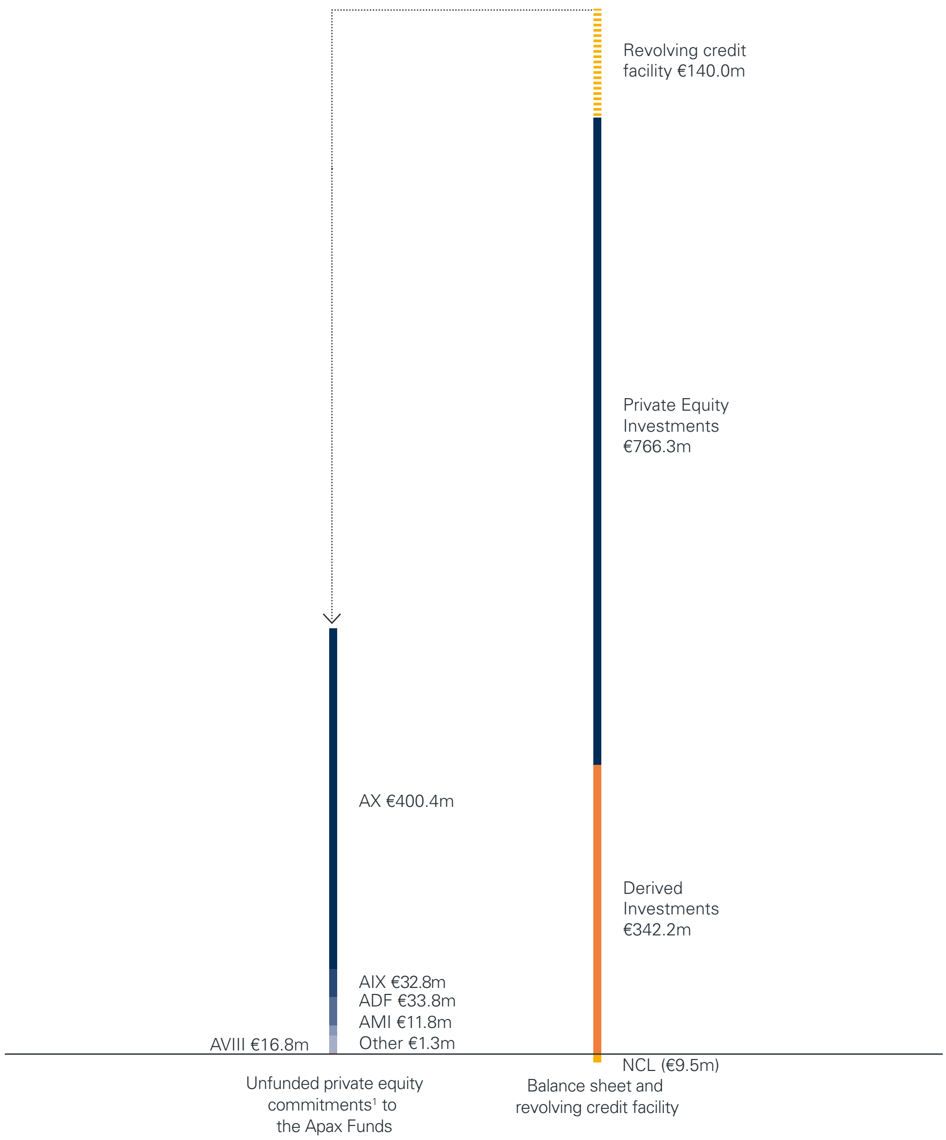


FIG.5: BALANCE SHEET AND UNFUNDED PRIVATE EQUITY COMMITMENTS

At 31 December 2019

1 Includes recallable distributions received from the Apax Funds

NCL: Net current liabilities (inclusive of cash)



€496.9m
Unfunded private equity commitments[1]

€140.0m
Undrawn revolving credit facility

€1,099.0m
Current balance sheet

PRIVATE EQUITY

Strong performance from positive operational momentum in the portfolio companies.

HIGHLIGHTS

PRIVATE EQUITY TOTAL RETURN[1]
33.9%

LTM EBITDA GROWTH
15.9%

% OF NAV
69%

TOTAL INVESTMENT VALUATION
€766.3m

DISTRIBUTIONS FROM APAX FUNDS
€182.4m

PRIVATE EQUITY FULL EXITS GROSS IRR[2]/GROSS MOIC[2]
14.2%/2.0x

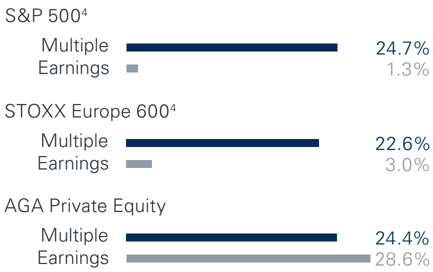
COMMITMENT TO APAX X
$450.0m

1. Total Return reflects the sub-portfolio performance on a stand-alone basis. Constant currency returns adjusted to remove the impact of FX
2. Gross IRR and Gross MOIC on full exits calculated based on the aggregate cash flows in euro across all funds for the deals realised in 2019; AssuredPartners closed in May 2019, Exact Software closed in May 2019, Electro Stocks closed in September 2019, One Call in October 2019, Acelity and Neobpo closed in November 2019, whilst Sophos signed in December 2019. Gross IRR represents concurrent Gross IRR
3. Within AGA's Private Equity Investments, changes in valuation multiples only contributed 24.4% to returns during the year, whilst improvements in the underlying valuation metric contributed 28.6% of overall returns
4. Source: FactSet. Market indices multiple growth calculated based on Forward Price-to-Earnings ratios between 31 December 2018 and 31 December 2019; market indices for earnings growth calculated based on 2019 Earnings Per Share growth (%)
5. Unaffected Valuation is determined as the fair value in the last quarter before exit, when valuation is not affected by the exit process (i.e. because an exit was signed, or an exit was sufficiently close to being signed that the Apax Funds incorporated the expected exit multiple into the quarter end valuation)

CONTINUED STRONG EARNINGS GROWTH IN THE PORTFOLIO DELIVERING EXCELLENT NAV PERFORMANCE

The Private Equity portfolio delivered very strong performance in the year with a Total Return[1] of 33.9%. FX contributed marginally; on a constant currency basis the Total Return[1] was 31.7%. The biggest driver of value creation was earnings growth in the underlying portfolio[3]. This demonstrates how the operational performance of AGA's Private Equity portfolio substantially drove value creation during the year. Compared to public markets, the bulk of the gains in the S&P and STOXX EUROPE 600 was from multiple expansion: 24.7%[4] and 22.6%[4], rather than earnings growth.

VALUE DRIVERS



Adjusted NAV grew by €167.9m from €591.5m to €759.4m. Fair value unrealised gains were €179.2m, mainly from the strong performance of Apax IX ("AIX") and Apax VIII ("AVIII"). It was a busy year for exits with AGA receiving €182.4m of distributions, principally the result of exit proceeds from AssuredPartners, Exact Software and Acelity, balanced with calls of €165.9m, mainly from AIX as this Fund nears full investment.

Several portfolio companies outperformed during the year, the three largest being ThoughtWorks, Acelity and Cole Haan. ThoughtWorks continues to perform strongly, with revenue growth based on the company's differentiated tech capabilities, investment in innovation, and best-in-class team. Continuing margin improvement and increases in profitability are expected going forward. Meanwhile, the valuation increase in Acelity reflected its exit valuation, which was at a premium to its prior Unaffected Value[5]. Cole Haan continues to deliver strong operational performance following management's repositioning of the business into a global, lifestyle brand. Investment in product innovation and digital marketing capabilities are bringing new customers to the brand, resulting in robust momentum across categories, channels and geographies. The Company recently announced that it has publicly filed a Form S-1 with the SEC relating to a proposed initial public offering of its common stock.

The largest valuation declines in the portfolio were from Vyaire Medical, Shriram City Union Finance ("SCUF") and One Call. Vyaire Medical underperformed due to customer losses from operational challenges relating to the carve-out from Becton Dickinson. These issues have largely been worked through and the company is now focused on several new product launches expected to drive future sales. A new CEO was recently appointed with extensive experience in driving innovation in the medical device industry.

FIG.1: 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. Mainly dilutions from the management incentive plan as a result of growth in the portfolio's value
4. Performance fee adjustment accounting for the movement in the performance fee reserve at 31 December 2019

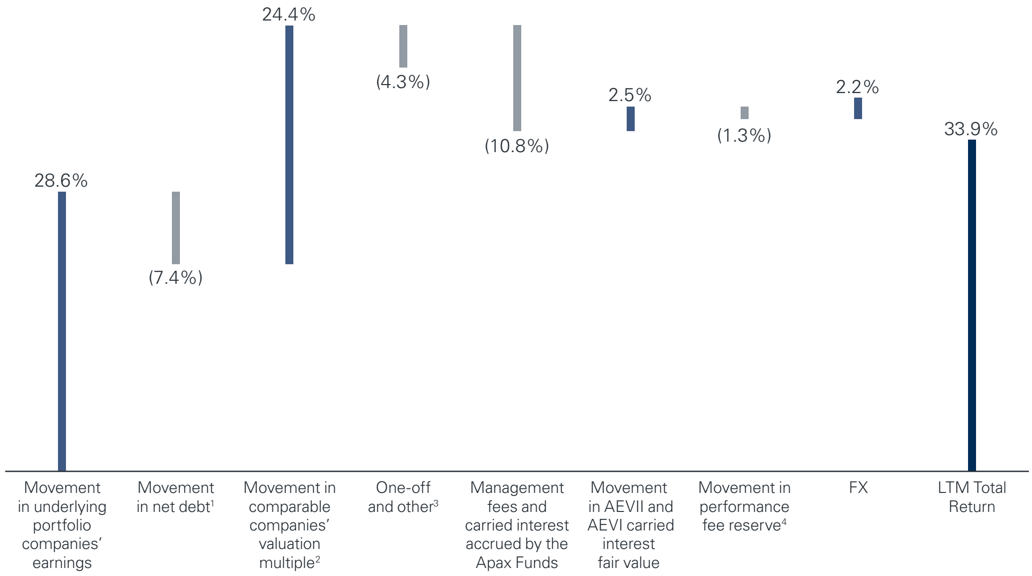


FIG.2: PRIVATE EQUITY ADJUSTED NAV DEVELOPMENT (€M)

1. Performance fee adjustment accounting for the movement in the performance fee reserve at 31 December 2019
2. Includes AGA's exposure to carried interest holdings in AEVII and AEVI which were respectively valued at €38.7m and €4.7m at 31 December 2019

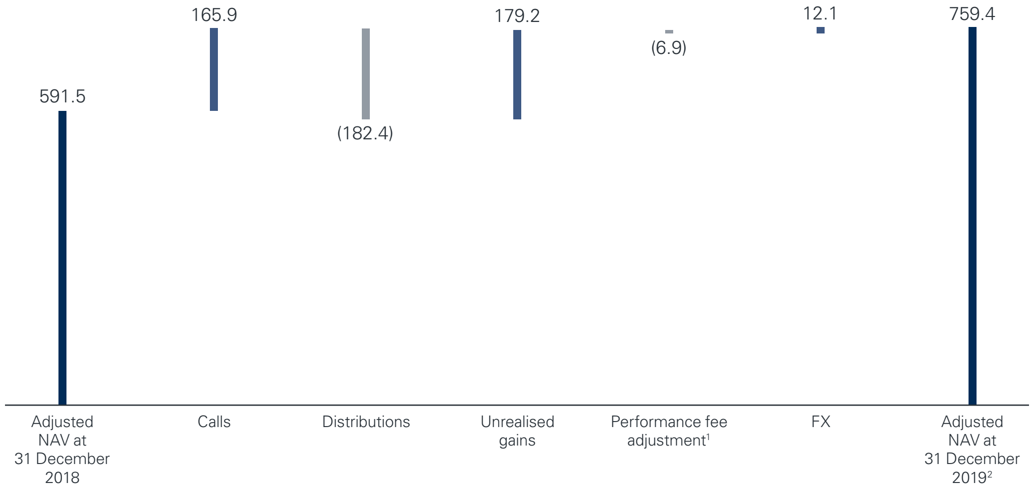
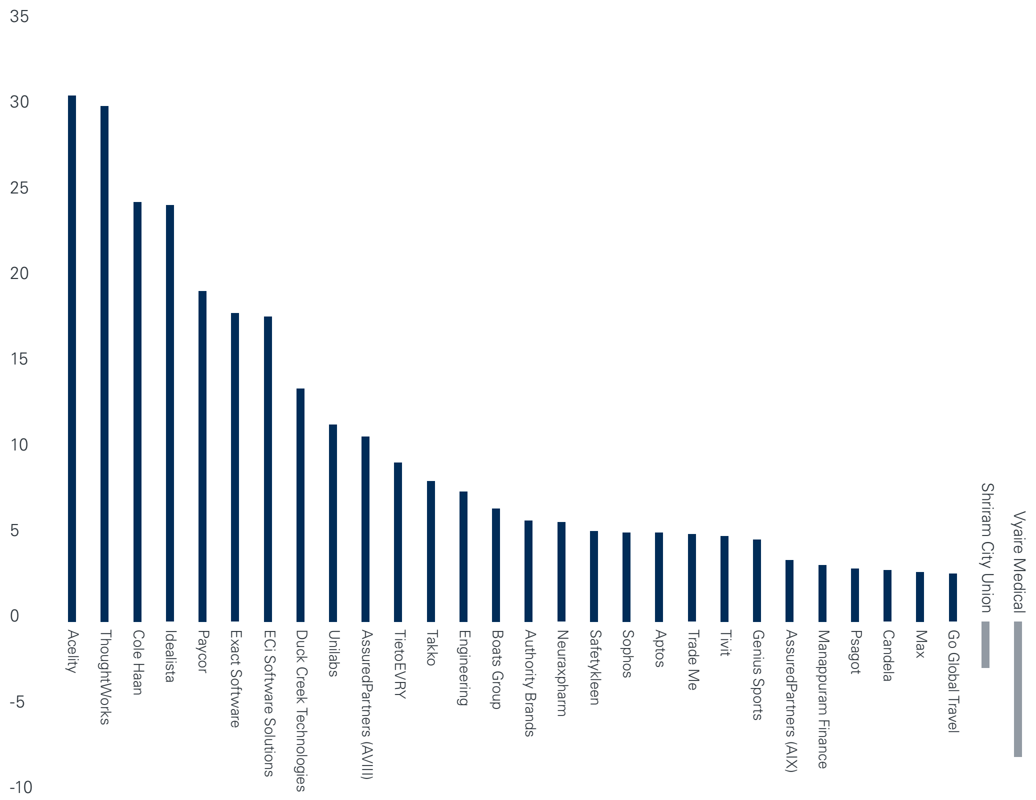


FIG.3: PRIVATE EQUITY TOP 30 FAIR VALUE MOVEMENTS[1] (€M)

1. Represents the largest fair value movements in the underlying Private Equity portfolio over the period adjusted for purchases and sales. The fair value movement uplift related to the discount on the purchase of carried interest holdings in both AEVI and AEVII has been excluded from the graph



INVESTMENT MANAGER'S REPORT: PRIVATE EQUITY CONTINUED

Listed on the National Stock Exchange of India, SCUF is delivering solid operational performance. However, its share price has been volatile due to a challenging macroenvironment with tight liquidity for Non-Bank Finance Companies and reports of a potential restructuring at the group level which would simplify the group structure. One Call continued to perform below expectations and was realised in October 2019. The Apax Funds exited their shareholding as part of the restructuring.

Overall, the Private Equity portfolio continues to perform strongly: LTM EBITDA growth was 15.9%. Operational momentum is expected to continue into 2020, assuming the macroenvironment does not deteriorate significantly.

A BUSY YEAR FOR NEW INVESTMENT

The pace of investment in 2019 was higher than that of 2018. On a look-through basis, AGA invested €104.0m in Private Equity deals which closed during 2019.

For AIX, this represents nine new companies being added to the portfolio, bringing the total to 25 closed investments. In addition to the new AIX investments highlighted in the 2019 Interim Report, four new deals closed in 2H19. These were: ADCO Group, the global market leader in mobile sanitary solutions; GamaLife, a new European life and wealth consolidation platform; Lexitas, a technology-enabled litigation services provider; and Inmarsat, a world leader in mobile satellite communications.

As a reminder, the Investment Advisor has a long-standing sector focus. Within each of its four core sectors (Tech & Telco, Services, Healthcare, Consumer), Apax Partners identifies certain sub-sectors which it believes have attractive characteristics (such as secular growth) and can deliver strong returns. Through repeatedly investing in proven sub-sectors over time and across geographies, the Apax Funds reduce their investment risk while at the same time benefiting from the value creation "play book" to drive outperformance.

The new AIX deals in the year illustrate this strategy in action: 93% of invested or committed capital was deployed in a sub-sector where the Apax Funds have generated historical returns of >3x. This includes Fractal Analytics and Lexitas (Tech-enabled Services), Trade Me and Baltic Classifieds Group (Digital Marketplaces), ADCO Group (Density-based Businesses), AssuredPartners (Outsourced Sales & Marketing Services) and Inmarsat (Cable and Satellite).

AN ACTIVE PERIOD FOR REALISATIONS, WITH STRONG EXITS STRENGTHENING THE PERFORMANCE OF THE FUNDS

AGA received distributions of €182.4m in 2019 from its Private Equity portfolio, an amount higher than in 2018. The largest exits were AssuredPartners, Exact Software and Acelity, all of which delivered strong returns:

- AssuredPartners (AVIII) delivered a 2.9x Gross MOIC[2] and a 36.2% Gross IRR[2] with a 14.0% uplift on exit to the last Unaffected Valuation[5]. The company more than doubled revenue and EBITDA during AVIII's ownership thanks to a successful M&A strategy and strong organic growth;

- Exact Software (AVIII) delivered a 4.0x Gross MOIC[2] and a 39.2% Gross IRR[2] with a 34.4% uplift on exit to the last Unaffected Valuation[5]. During AVIII's ownership, the company delivered rapid growth to extend its market leadership position in the Benelux markets, having improved its strategic presence and growth profile through a range of organic growth and M&A initiatives; and

- Acelity (Apax Europe VII: "AEVII") delivered a 3.1x Gross MOIC[2] and a 16.7% Gross IRR[2] with a 0.9% uplift on exit to the last Unaffected Valuation[5]. Under the Apax Funds' ownership the business was transformed through strategic M&A (targeted acquisitions as well as disposals of non-core assets) and investment in R&D, sales force and management.

In addition to these full exits, several portfolio companies, such as ThoughtWorks, Idealista, Moda Operandi, ECi Software, Cole Haan and Quality Distribution, were refinanced to optimise capital structures and/or fund dividends.

APAX FUNDS UPDATE

In line with its investment policy to invest in new private equity funds advised by Apax Partners, AGA committed $450m to Apax X ("AX"), the latest global buyout fund advised by Apax Partners, in July 2019. While the Fund has yet to hold a final close, it has commenced investing having signed three deals to date. In December 2019, AX agreed to invest in Verint Systems, Inc., a global leader in software solutions to the customer engagement and cyber-security markets and Coalfire, a provider of cyber-security advisory and assessment services. The Verint Systems, Inc investment will be used to support the company's separation plans whereby its two divisions will be split into separate standalone businesses; the Customer Engagement business (in which AX's investment will sit) and the Cyber Intelligence business. In February 2020, AX agreed to acquire Cadence Education, a leading provider of early childhood education in North America.

AIX is performing very strongly and delivering value creation in many companies. The AIX portfolio now stands at 25 closed investments and is close to full investment.

AVIII also delivered strong performance during 2019 driven by two significant full exits (AssuredPartners and Exact Software), a number of partial realisations (such as the refinancing of Idealista and proceeds from EVRY's merger with Tieto), and strong operational momentum across the portfolio. After underperforming for many years as a result of lower than forecasted volumes and higher than expected costs, One Call's remaining value at 31 December 2018 was small for AGA (NAV of €2.5m). The investment was fully written-off during the first half of 2019, and AVIII and AEVII realised their positions later in the year.

AEVII and Apax Europe VI ("AEVI") continue to actively evaluate exit opportunities and monetise their portfolios. In October 2019, Sophos announced it had reached agreement on the terms of a cash offer for the business. On completion, which is expected in Q1 2020, the transaction will deliver an average 3.8x Gross MOIC[2] and a 24.3% Gross IRR[2] across the AEVII and AEVI funds. The exit valuation also represents an uplift of 46.1% for both AEVII and AEVI. During the Apax Funds' ownership, management was strengthened, a strategic M&A programme was executed to expand into the high-growth network security segment, and product innovation was prioritised. The result of these initiatives delivered significant revenue growth.

Post year end, the Apax Funds agreed the sale of Aptos. Originally the retail solutions division of Epicor, an Apax Funds portfolio company, Aptos was spun-out as a separate company in 2015 to capitalise on the market transition to omni-channel retailing. Through a culture of innovation and strategic M&A, which strengthened the company's geographic footprint and product capabilities, the business more than doubled customer numbers. The transaction, which is expected to close in Q1 2020, will deliver a 6.7x Gross MOIC[2] and a 31.3% Gross IRR[2] with a 22% uplift on last Unaffected Valuation for both AEVII and AEVI.

In addition, AEVII has commenced carried interest payments, with AGA benefiting from its position as a carry holder following stake acquisitions in 2015 and 2018. AGA is also a carried interest partner in AEVI, which commenced its carried interest payments in 2016.

The Apax Mid-Market Israel Opportunities Fund ("AMI") and the Apax Digital Fund ("ADF") continue to deploy capital and remain focused on value creation in their portfolios. ADF added a few new portfolio companies in the year. ClassPass, a leading global fitness and wellness digital marketplace; Signavio, a process management software platform; and MetaMetrics, a leading provider of universal measurement scales for K-12 reading and math. Post year end, ADF announced an investment in Accurate Background, a leading background screening provider. Meanwhile, AMI invested in S.R. Accord, a leading publicly traded provider of non-bank credit solutions for businesses in Israel.

OPERATIONAL METRICS

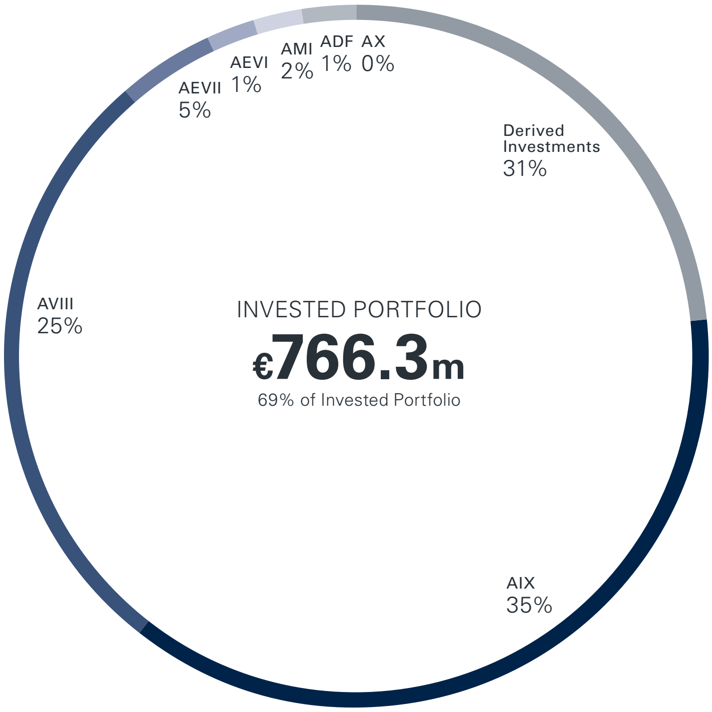
LTM revenue and EBITDA growth were 20.9% and 15.9%, respectively. This follows LTM revenue and EBITDA growth[6] of 13.9% and 17.7% at December 2018. Excluding significant M&A, growth was 9.7% and 9.5% LTM to December 2019 for revenue and EBITDA respectively.

The weighted average valuation multiple[6] in AGA's portfolio increased from 13.9x at December 2018 to 17.2x LTM EBITDA in December 2019. This reflects an uplift in valuation multiples used to value the portfolio driven by the strong performance of public markets in the year. In addition, portfolio companies in higher-growth Tech & Telco and Digital sectors have increased their relevance in the Apax Funds portfolio (42% of the portfolio up from 37% at 31 December 2018).

The weighted average leverage[6] of portfolio companies decreased slightly from 4.0x to 3.7x LTM EBITDA at December 2019. This is a result of EBITDA growth outpacing changes in absolute levels in net debt.

6. Gross Asset Value weighted average of the respective metric across the portfolio. At December 2018 and December 2019, 12 and 20 investments were respectively excluded as these are financial services companies often valued on book value or for which earnings financials are not available e.g. complex carve-outs or growth investments. For EV/EBITDA and Net Debt/EBITDA figures exclude MatchesFashion and Vyaire Medical due to low EBITDA from opex investments and short term fluctuations in EBITDA, respectively. The December 2018 comparative for LTM revenue growth and LTM EBITDA growth initially excluded MatchesFashion and Vyaire Medical, as these have been included in the December 19 metrics the comparative has been amended for their inclusion accordingly
7. Represents all distributions received by AGA since 15 June 2015

PRIVATE EQUITY PORTFOLIO AT 31 DECEMBER 2019



Apax X ("AX")

AGA NAV:	(€2.6m)
Distributions[7]:	€0.0m
% of AGA PE portfolio:	0%
Vintage:	2020
Commitment:	€199.8m+ $225.0m
Invested and committed:	0%
Fund Size:	TBC

Apax IX ("AIX")

AGA NAV:	€396.8
Distributions[7]:	€13.7m
% of AGA PE portfolio:	50%
Vintage:	2016
Commitment:	€154.5m+ $175.0m
Invested and committed:	89%
Fund Size:	$9.5bn

Apax VIII ("AVIII")

AGA NAV:	€274.5m
Distributions[7]:	€333.1m
% of AGA PE portfolio:	37%
Vintage:	2012
Commitment:	€159.5m+ $218.3m
Invested and committed:	105%
Fund Size:	$7.5bn

Apax Europe VII ("AEVII")

AGA NAV:	€53.1m
Distributions[7]:	€67.5m
% of AGA PE portfolio:	6%
Vintage:	2007
Commitment:	€86.5m
Invested and committed:	108%
Fund Size:	€11.2bn

Apax Europe VI ("AEVI")

AGA NAV:	€6.8m
Distributions[7]:	€7.1m
% of AGA PE portfolio:	1%
Vintage:	2005
Commitment:	€10.6m
Invested and committed:	107%
Fund Size:	€4.3bn

AMI Opportunities Fund ("AMI")

AGA NAV:	€25.5m
Distributions[7]:	€2.5m
% of AGA PE portfolio:	3%
Vintage:	2015
Commitment:	$30.0m
Invested and committed:	58%
Fund Size:	$0.5bn

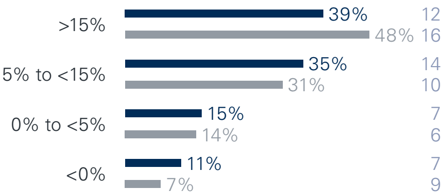
Apax Digital Fund ("ADF")

AGA NAV:	€12.2m
Distributions[7]:	€0.0m
% of AGA PE portfolio:	3%
Vintage:	2017
Commitment:	$50.0m
Invested and committed:	43%
Fund Size:	$1.1bn

INVESTMENT MANAGER'S REPORT: PRIVATE EQUITY CONTINUED

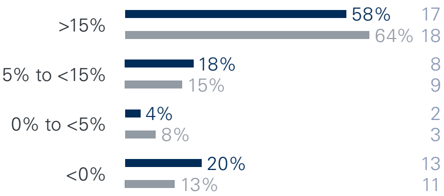
PORTFOLIO YEAR-OVER-YEAR LTM REVENUE GROWTH:

December 2019: 20.9% vs
December 2018: 13.9%



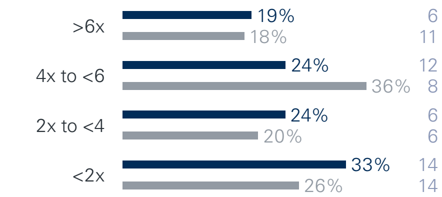
PORTFOLIO YEAR-OVER-YEAR LTM EBITDA GROWTH:

December 2019: 15.9% vs
December 2018: 17.7%



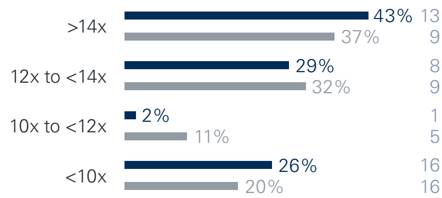
NET DEBT/ EBITDA MULTIPLE:

December 2019: 3.7x vs
December 2018: 4.0x



ENTERPRISE VALUE/EBITDA VALUATION MULTIPLE:

December 2019: 17.2x vs
December 2018: 13.9x



■ December 2019
■ December 2018
■ Number of investments within the associated band

Note: These operational metrics represent a snapshot of the portfolio as at period end, hence they do not capture the performance of exited investments in the reporting period

PRIVATE EQUITY 2019 INVESTMENT ACTIVITY

Acquisitions

CLOSED[1]	COST[2]
ADCO Global market leader in mobile, connection-free sanitary solutions (AIX, Europe, Services)	**€7.3m**
AssuredPartners Insurance brokerage firm that distributes P&C, personal lines, and healthcare insurance (AIX, North America, Services)	**€20.2m**
Baltic Classifieds Group Operator of leading online classifieds platforms for automotive, real estate, jobs, and general merchandise in the Baltics (AIX, Europe, Consumer)	**€7.1m**
ClassPass Global marketplace for fitness and wellness activities (ADF, North America, Digital)	**€3.1m**
Fractal Provider of advanced analytics services to Fortune 500 enterprises (AIX, India, Tech & Telco)	**€6.6m**
Gama Life European life insurance consolidation platform (AIX, Europe, Services)	**€3.1m**
Huayue Education Provider of Chinese language learning and teaching solutions (AIX, China, Consumer)	**€3.1m**
Inmarsat Global satellite operator (AIX, United Kingdom, Tech & Telco)	**€17.4m**
Lexitas Leading technology-enabled litigation services provider (AIX, North America, Services)	**€6.0m**
Meta Metrics Leading provider of universal measurement scales for K-12 reading and math (ADF, North America, Digital)	**€3.6m**
Signavio Next-gen business process management software platform (ADF, Europe, Digital)	**€3.4m**
S.R. Accord Leading publicly traded provider of non-bank credit solutions for businesses in Israel (AMI, Israel, Services)	**€0.9m**
Trade Me Largest internet auction website in New Zealand (AIX, Rest of World, Services)	**€22.2m**

Divestments

FULLY EXITED	GROSS MOIC[3]	GROSS IRR[3]
Acelity Provider of therapies and products for the advanced wound care, tissue regeneration and therapeutic support system markets (AEVII, North America, Healthcare)	**3.1x**	**16.7%**
AssuredPartners Insurance brokerage firm that distributes P&C, personal lines, and healthcare insurance (AVIII, North America, Services)	**2.9x**	**36.2%**
Exact Provider of cloud-based and on-premise business software and services for SMB's (AVIII, Europe, Tech & Telco)	**4.0x**	**39.2%**
Grupo Electro Stocks Spanish electrical component distributor, selling a wide range of products mainly to installers (AEVII, Europe, Other)	**0.3x**	**nm[4]**
Neobpo Leading Brazilian Business Process Management voice services provider (AEVI & AEVII, Rest of the World, Tech & Telco)	**0.2x**	**nm[4]**
One Call Provider of medical cost-containment solutions to US workers' compensation payors (AEVII, North America, Healthcare)	**0.0x**	**nm[4]**
Sophos Leading provider of security software solutions for mid-market enterprises (AEVI & AEVII, Europe, Tech & Telco) (signed not closed)	**3.8x**	**24.3%**

1. Fractal Analytics closed in Feb 2019, Trade Me and AssuredPartners closed in May 2019, Huayue Education closed in June 2019, Baltics Classifieds Group closed in July 2019, Signavio and MetaMetrics closed in September 2019, ADCO, GamaLife and S.R. Accord closed in October 2019, Lexitas closed in November 2019, ClassPass and Inmarsat closed in December 2019
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
3. Performance as at 31 December 2019, including unrealised value and total realised proceeds. Gross MOICs and Gross IRRs represent return to the fund which invested the most across all the Apax Funds into the deal. AVIII and AIX performances represent the euro tranche returns
4. NM = not meaningful

TOP 30 PRIVATE EQUITY INVESTMENTS – AGA'S INDIRECT EXPOSURE

	FUND	INITIAL PURCHASE YEAR	GEOGRAPHY	VALUATION €M	% OF NAV
ThoughtWorks	AIX	2017	North America	64.5	6%
Idealista	AVIII	2015	Europe	55.1	5%
Cole Haan	AVIII	2013	North America	55.1	5%
Unilabs	AEVI & AIX	2007	Europe	41.0	4%
Duck Creek Technologies	AVIII	2016	North America	39.7	4%
Engineering	AVIII	2016	Europe	38.7	4%
Paycor*	AIX	2018	North America	38.0	3%
Neuraxpharm	AVIII	2016	Europe	32.5	3%
ECi Software Solutions*	AIX	2017	North America	29.9	3%
Vyaire Medical*	AVIII	2016	North America	29.9	3%
TietoEVRY*	AVIII	2015	Europe	28.1	3%
Trade Me*	AIX	2019	Rest of world	27.4	2%
AssuredPartners	AIX	2019	North America	23.8	2%
Safetykleen*	AIX	2017	United Kingdom	23.8	2%
Candela	AIX	2017	North America	22.6	2%
Wehkamp	AVIII	2015	Europe	21.3	2%
Authority Brands	AIX	2018	North America	20.2	2%
Inmarsat	AIX	2019	United Kingdom	17.3	2%
MATCHESFASHION.COM	AIX	2017	United Kingdom	16.5	1%
Quality Distribution*	AVIII	2015	North America	16.4	1%
Tosca Services	AIX	2017	North America	15.3	1%
Boats Group*	AIX	2016	North America	14.3	1%
Genius Sports	AIX	2018	United Kingdom	13.9	1%
Tivit	AEVI & AEVII	2010	Rest of world	12.5	1%
Takko	AEVI	2011	Europe	9.6	1%
Aptos	AEVI & AEVII	2011	North America	9.6	1%
Psagot	AEVII	2010	Israel	9.4	1%
Go Global Travel	AMI	2017	Israel	9.4	1%
Shriram City Union	AVIII	2015	India	9.2	1%
Baltic Classifieds Group	AIX	2019	Europe	8.8	1%
Other Investments				133.0	11%
Total gross investments				**886.8**	**80%**
Carried interest				(43.4)	(4%)
Capital call facilities				(77.1)	(7%)
Total Private Equity				**766.3**	**69%**

* AGA also invests in these companies in the Derived Investments portfolio

INVESTMENT MANAGER'S REPORT: PRIVATE EQUITY CASE STUDY

TRANSFORMATION OF THE COMPANY'S STRATEGIC PRESENCE AND GROWTH PROFILE

DATE OF INVESTMENT: February 2015

FUND: AVIII

SECTOR: Tech & Telco

REGION: Europe

STATUS: Realised

Exact Software is a leading provider of business and accounting software in the Benelux region. Headquartered in Delft, The Netherlands, Exact employs 1,400 people and its solutions help accountants manage the finances of over 400,000 small and medium-sized businesses in the cloud.

The Apax Funds acquired Exact in February 2015, delisting the business from the Euronext Amsterdam exchange. As a result of Apax's deep experience in enterprise resource planning software, the team recognised Exact was an early pioneer in the cloud and well-positioned to benefit as the market transitioned further to the cloud.

GROSS MOIC/GROSS IRR[1] OF:

4.0x

39.2%

1 Gross IRR and Gross MOIC calculated based on the aggregate cash flows in euro at Apax Fund level

During the Apax Funds' ownership, Exact focused on organic growth through the acceleration of its software to the cloud, an expansion of its product suite, and the optimisation of processes, including operating efficiencies. The company also acquired five complementary businesses to strengthen its offering in specific niches and exited its non-core US Specialized Solutions division. The result of all these initiatives delivered rapid growth for Exact and extended its market leadership position within its core Benelux market.

The Apax Funds sold Exact Software to KKR in May 2019.

INVESTMENT MANAGER'S REPORT: PRIVATE EQUITY CASE STUDY

LEVERAGING PRIOR SOFTWARE EXPERTISE TO BACK A DIFFERENTIATED ASSET

Paycor

DATE OF INVESTMENT: November 2018

FUND: AIX

SECTOR: Tech & Telco

REGION: North America

STATUS: Unrealised

Paycor is a leading provider of payroll and HR-related software to over 38,000 small and medium-sized businesses in the United States.

Headquartered in Cincinnati, Ohio, the company's product offering includes recruitment and onboarding, benefits administration, and time and attendance tracking services to help ensure key HR processes run smoothly. The Apax Funds acquired Paycor in November 2018, having engaged with the company and its investors ahead of a sale process.

Apax has significant experience in the software sub-sector with Paycor representing the eighth Apax Funds investment in the space since 2008. Leveraging insights gained from prior investments, the team identified the payroll and human capital management software market as attractive due to its size, growth rate, fragmentation, and increasing adoption of cloud-based solutions replacing legacy and/or in-house offerings.

CONTRIBUTION TO AGA NAV:

€38.0m

Paycor was an attractive opportunity because of the breadth of its product offering, track record of organic growth, and customer-centric approach. The investment thesis here is to back a differentiated business with a strong customer offering and to expand it further through investment in product development as it looks to capture market share in a large, growing market with attractive competitive dynamics.

Since acquisition, the business has performed very strongly. The Investment Advisor has been engaged with the company on several key initiatives. These have included: i) building out key leadership positions (e.g. the CEO/Founder transitioned to Chairman and a new CEO was recruited); ii) a focus on improving sales productivity; and iii) leveraging the skills of Apax's Operational Excellence Practice to support the company upgrade of its CRM platform and software architecture, as well as accelerate its digital marketing efforts.

INVESTMENT MANAGER'S REPORT: DERIVED INVESTMENTS

DERIVED INVESTMENTS

HIGHLIGHTS

DERIVED INVESTMENTS TOTAL RETURN[1]

10.8%

DERIVED DEBT TOTAL RETURN[1]

11.8%

DERIVED EQUITY TOTAL RETURN[1]

9.1%

% OF NAV

31%

TOTAL INVESTMENT VALUATION

€342.2m

TOTAL INVESTED

€133.7m

DERIVED DEBT FULL EXITS

GROSS IRR[2]/GROSS MOIC[2]

15.1%/1.2x

DERIVED EQUITY FULL EXITS

GROSS IRR[2]/GROSS MOIC[2]

15.9%/1.2x

Strong performance predominately driven by a portfolio of solid debt investments.

POSITIVE PERFORMANCE AND GROWING NAV

Our evolving investment approach led to more steady and consistent results during 2019. Derived Investments overall produced a Total Return[1] of 10.8% in 2019 (8.2% constant currency[1]) (Fig.1). We are pleased with the stability in returns demonstrated during 2019. Adjusted NAV increased by €21.6m from €320.6m to €342.2m (Fig.2). Investments of €133.7m, consisting of twelve debt positions and three equity positions, more than offset the divestments of €126.8m, consisting of 13 debt positions and nine equity positions.

DERIVED DEBT HIGHLIGHTS

Total Return[1] for Derived Debt was strong and in line with expectations at 11.8% in 2019 (9.6% constant currency[1]). During the year AGA has diversified the risk exposure of the Derived Debt portfolio, adding seven positions in first lien, senior secured instruments to the portfolio. At year end, AGA's Derived Debt portfolio consisted of 39% in first lien instruments, 51% of second lien loans, and 10% of debt structured as preferred equity. The Derived Debt portfolio continues to generate an attractive overall yield to maturity of 9.3%.

Overall value of Derived Debt increased from €178.3m to €252.5m during the year. We deployed €67.2m of net capital into Derived Debt. A total of twelve positions were added to the Derived Debt portfolio, whilst seven positions were fully exited from the portfolio. As at year-end, Derived Debt comprised 74% of Derived Investments, compared to 56% at the same time last year.

When selecting new Derived Debt positions for the portfolio, we continued to focus on high-quality credit derived from Apax Partners activities across their core sectors. During 2019, we deployed capital in opportunities in the Services, Tech & Telco and Healthcare sectors. Geographically, North America remained the main geography for us to invest. One example of how we deploy capital in Derived Debt is our investment in AmeriLife, which is a wholesale and retail insurance distributor based in the US. AGA invested €13.5m in the first lien and €4.4m in the second lien debt after it was identified by the Apax team during their due diligence work on the company's competitor.

Realisations of €47.8m were mainly from the divestment of 13 positions (seven full and six partial), with the full exits achieving an average Gross MOIC[2] of 1.2x and Gross IRR[2] of 15.1%. Derived Debt positions were realised for a number of reasons, including situations where AGA was repaid by the company, our original investment thesis was realised, or where we became more cautious on the prospects of the company. A full list of acquisitions and divestments can be found on page 30. Overall the Derived Debt portfolio has performed well, with strong operational performance from underlying portfolio companies the key driver, as demonstrated by the LTM EBITDA growth of the Derived Debt portfolio, which grew materially from 7.9% to 14.6% in the last twelve months.

1. Total Return reflects the sub-portfolio performance on a stand-alone basis. Constant currency returns adjusted to remove the impact of FX
2. Gross IRR and Gross MOIC calculated based on the aggregate euro cash flows since inception for investments fully realised during the year

FIG.1: DERIVED INVESTMENTS PERFORMANCE (%)

1. Performance fee adjustment accounting for the movement in the performance fee reserve at 31 December 2019

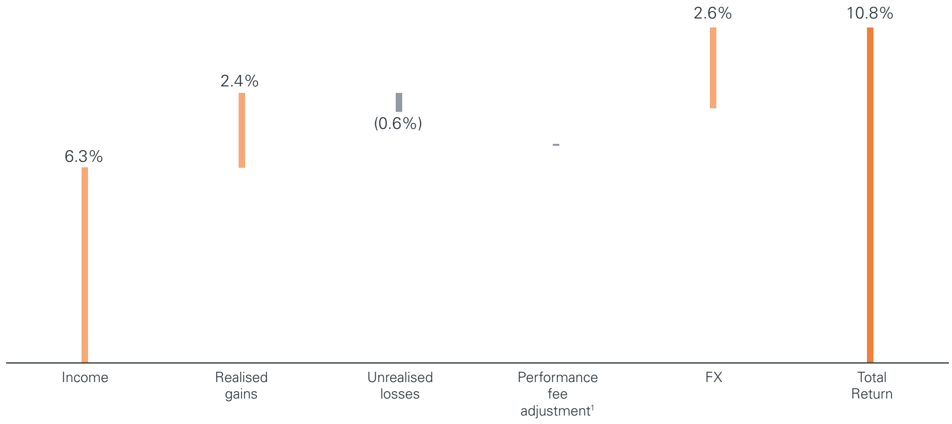


FIG.2: DERIVED INVESTMENTS ADJUSTED NAV DEVELOPMENT (€M)

1. Performance fee adjustment accounting for the movement in the performance fee reserve at 31 December 2019. There was no movement in the period as reserve remained at nil for Derived Investments

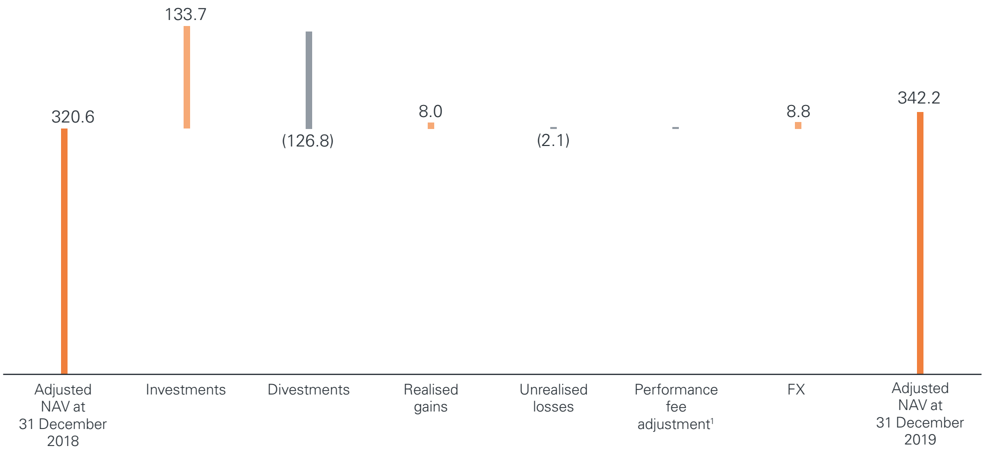
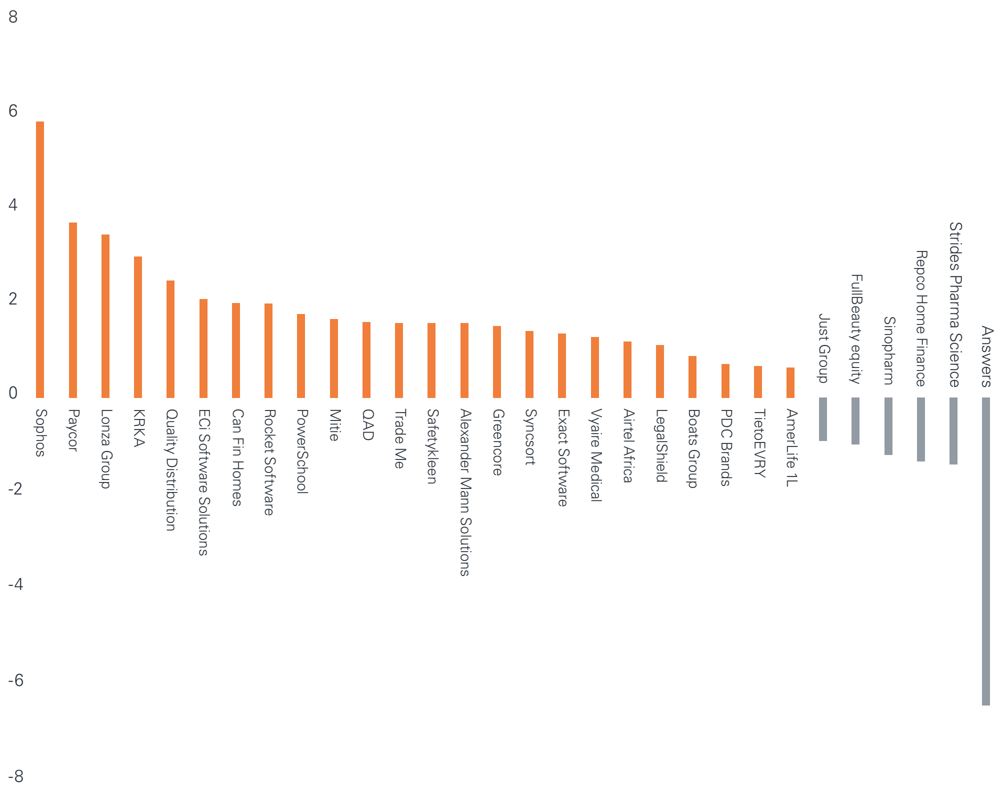


FIG.3: DERIVED INVESTMENTS TOP 30 FAIR VALUE MOVEMENTS[1] (€M)

1. Fair value movements include realised movements, unrealised movements, FX movements and income earned for each respective position during the year ended 31 December 2019



INVESTMENT MANAGER'S REPORT: DERIVED INVESTMENTS CONTINUED

In this late stage cycle environment, AGA will more actively invest across the risk spectrum of debt instruments

DERIVED EQUITY HIGHLIGHTS

Derived Equity performance was volatile, but following a strong end to the year, Total Return[1] for Derived Equity was 9.1% (5.5% constant currency[1]).

The average exposure to Derived Equity reduced from 44% of Derived Investments at the end of 2018 to 26% in December 2019. This focus on realisations during the year resulted in €60.4m of net capital divested.

During 2019 we only made one new equity investment, Airtel Africa and added to one position QAD. In contrast, seven[3] positions were fully exited delivering an average Gross IRR[2] of 15.9%. In addition, EVRY, one of AGA's Derived Equity Investments, merged with Tieto to become TietoEVRY.

Within the remaining Derived Equity portfolio, the majority of positions showed good recovery from prior year-end lows. The greatest valuation gains in the portfolio were from Sophos, Lonza and KRKA. Sophos share price reflects the public to private transaction announced during October. We are pleased to report that our thesis for the investment in Lonza continues to work out. KRKA was realised in Q4.

The largest negative valuation movements came from Repco Home Finance, Strides Pharma Science and the residual stake in Answers. Repco and Strides valuations were impacted by low valuation multiples and company-specific concerns. AGA remains a small shareholder in Answers following the restructuring of the company's capital structure in 2017.

OPERATIONAL METRICS

Derived Debt

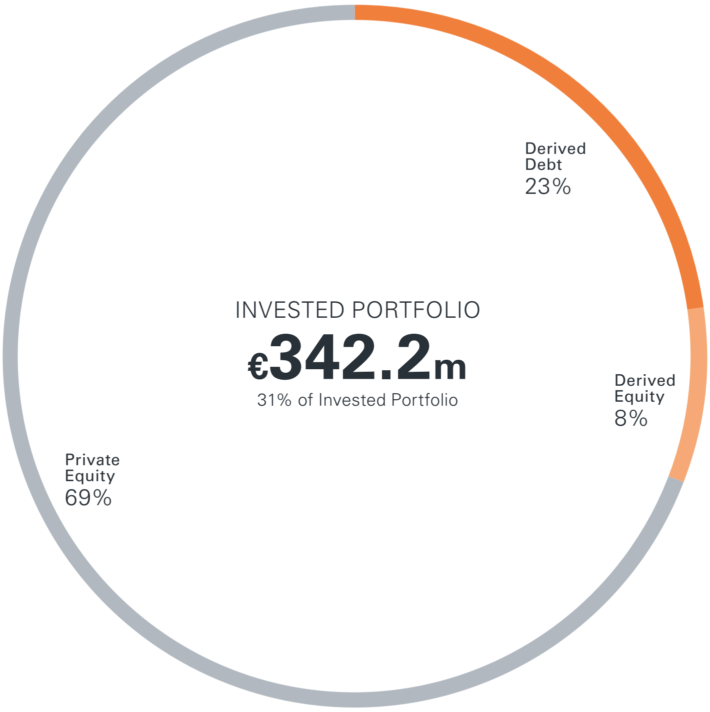
Operational performance in the Derived Debt portfolio, measured by LTM EBITDA growth[4], grew materially from 7.9% to 14.6% in the last twelve months. Debt average yield to maturity[4] decreased to 9.3%, mainly due to the change in the portfolio mix. AGA increased its holdings in first lien debt from 16% to 39% whilst reducing second lien positions. 43% of Derived Debt value was yielding 10% or higher.

Derived Equity

Average LTM earnings growth[5] in the Derived Equity portfolio increased from 19.2% to 24.8%. The average price-to-earnings multiple[4] for the Derived Equity portfolio grew to 20.7x mainly reflecting the higher growth profile of the portfolio and due to buoyant global equity markets.

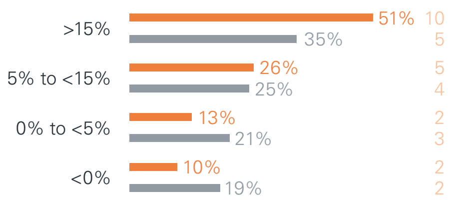
3. Excludes EVRY which merged with Tieto to create TietoEVRY during the year. Shares in EVRY were realised and a new investment in TietoEVRY was booked at the time

FIG.4: DERIVED INVESTMENTS PORTFOLIO AT 31 DECEMBER 2019



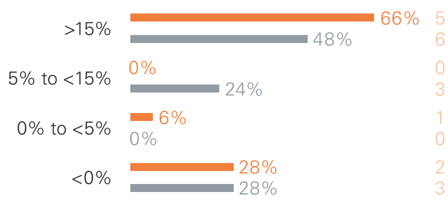
DEBT YEAR-OVER-YEAR LTM EBITDA GROWTH[4]:

December 2019: 14.6% vs December 2018: 7.9%



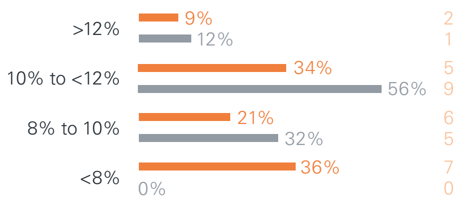
EQUITY YEAR-OVER-YEAR LTM EARNINGS GROWTH[5]:

December 2019: 24.8% vs December 2018: 19.2%



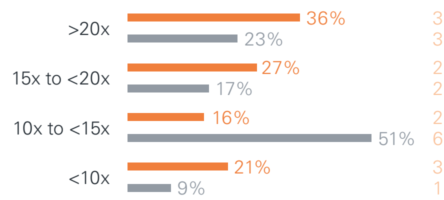
DEBT YTM[4]:

December 2019: 9.3% vs December 2018: 10.8%



EQUITY P/E RATIO[4]:

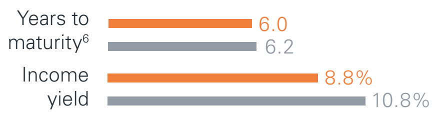
December 2019: 20.7x vs December 2018: 18.5x



Note: These operational metrics represent a snapshot of the portfolio as at period end, hence they do not capture the performance of exited investments in the reporting period.

ADDITIONAL DEBT STATISTICS:

Average across the portfolio



December 2019
December 2018
Number of investments within the associated band

4. Gross Asset Value weighted average of the respective metric across the Derived Debt portfolio. (Paycor was excluded from LTM EBITDA growth)
5. Gross Asset Value weighted average of the respective metric across the Derived Equity portfolio. (Answers, Airtel Africa and Cengage were excluded from both LTM earnings growth and P/E ratio)
6. Gross Asset Value weighted average of the current full year income (annual coupon/clean price as at the respective date) for each debt position in the Derived Debt portfolio as at the respective date

INVESTMENT MANAGER'S REPORT: DERIVED INVESTMENTS CONTINUED

DERIVED DEBT 2019 INVESTMENT ACTIVITY

Acquisitions[7]

	COST
AccentCare Provider of post-acute healthcare services in the US (North America, Healthcare, first lien)	€13.3m
AmeriLife Wholesale and retail insurance distributor focusing on health, annuity and life insurance products in the US seniors market (North America, Services, first lien)	€13.5m
AmeriLife (North America, Services, second lien)	€4.4m
Domestic & General Household appliances insurer (UK, Services, senior secured note)	€4.4m
ECi Software Solutions Leading provider of ERP software for SME clients (North America, Tech & Telco, second lien) add-on position	€9.0m
EverCommerce Service commerce platform (North America, Tech & Telco, first lien)	€10.9m
Exact Business Software Provider of cloud-based and on-premise business software and services for SMB's (Europe, Tech & Telco, second lien)	€19.7m
Navicure Provides mission critical software to US healthcare providers (North America, Healthcare, first lien)	€9.1m
ServPro Franchisor of fire and water cleanup and restoration (North America, Services, first lien)	€3.5m
Trade Me Largest internet auction website in New Zealand (Rest of World, Services, second lien)	€12.3m
WCG Sponsor of clinical trials (North America, Healthcare, first lien)	€13.4m

Divestments[7]

FULLY EXITED	GROSS MOIC[2]	GROSS IRR[2]
Domestic & General Household appliances insurer (UK, Services, senior secured note))	1.1x	35.6%
ERM Global consultant on environmental, health, safety, risk, social and sustainability related services (UK, Services, second lien)	1.2x	16.4%
Goodpack Container leasing and logistics company (North America, Services, second lien)	1.0x	3.4%
Legal Shield Provider of subscription-based legal insurance plans and identity theft protection plans to individuals (North America, Services, second lien)	1.2x	16.1%
PDC Brands Beauty and personal care company (North America, Consumer, second lien)	1.3x	15.2%
ServPro Franchisor of fire and water cleanup and restoration (North America, Services, first lien)	1.1x	13.4%

DERIVED EQUITY 2019 INVESTMENT ACTIVITY

Acquisitions[8]

	COST
QAD Provider of ERP software to manufacturing companies (North America, Tech & Telco, listed equity) add-on position	€1.5m
Airtel Provider of telecommunications and mobile money services (Rest of World, Services, listed equity)	€13.3m

Divestments[8]

FULLY EXITED	GROSS MOIC[8]	GROSS IRR[8]
CanFin Homes House financing company (India, Services)	0.9x	(6.1%)
Civitas Solutions Provider of health and human services to patients with intellectual disabilities (North America, Healthcare)	1.3x	30.9%
Greencore International producer of convenience foods (Europe, Consumer)	1.5x	64.4%
KRKA Slovenian generic pharmaceutical company (Europe, Healthcare)	1.2x	9.1%
Mitie Facilities management company (United Kingdom, Services)	1.1x	10.2%
QAD Provider of ERP software to manufacturing companies (North America, Tech & Telco, listed equity) add-on position	1.2x	18.3%
Solara Indian Active Pharmaceutical Ingredient manufacturer (India, Healthcare)	1.0x	4.3%

7. Excludes restructuring of FullBeauty second lien debt. In February 2019, FullBeauty restructured and AGA received new second lien debt, equity and warrants in lieu of the original second lien debt it held.
8. Excludes restructuring of FullBeauty where AGA received equity and warrants in lieu of the original second lien debt it held. These have been excluded from the above. Additionally, the Company's investment in EVRY merged with Tieto to create TietoEVRY, this has been excluded from the above.

TOP 30 DERIVED INVESTMENTS

	INSTRUMENT	GEOGRAPHY	SECTOR	VALUATION €M[7]	% OF NAV
Paycor*	Preferred shares	North America	Services	25.3	2%
ECi Software Solutions*	2L term loan	North America	Tech & Telco	22.1	2%
Syncsort	2L term loan	North America	Tech & Telco	20.7	2%
Exact Software	2L term loan	Europe	Tech & Telco	20.2	2%
Quality Distribution*	2L term loan	North America	Services	17.8	2%
Rocket Software	2L term loan	North America	Tech & Telco	17.1	2%
Vyaire Medical*	1L term loan	North America	Healthcare	16.6	1%
Sophos*	Listed equity	United Kingdom	Tech & Telco	15.6	1%
Airtel Africa	Listed equity	Rest of world	Tech & Telco	14.1	1%
PowerSchool	2L term loan	North America	Tech & Telco	13.5	1%
AccentCare	1L term loan	North America	Healthcare	13.5	1%
WCG	1L term loan	North America	Healthcare	13.4	1%
Alexander Mann Solutions	1L term loan	United Kingdom	Services	12.9	1%
Trade Me*	2L term loan	Rest of world	Services	12.7	1%
Sinopharm	Listed equity	China	Healthcare	11.6	1%
Lonza	Listed equity	Europe	Healthcare	10.9	1%
EverCommerce	1L term loan	North America	Tech & Telco	10.8	1%
AmeriLife	1L term loan	North America	Services	10.5	1%
Development Credit Bank	Listed equity	India	Services	10.0	1%
Just Group	Listed equity	United Kingdom	Services	9.7	1%
Navicure	1L term loan	North America	Healthcare	9.0	1%
Boats Group*	2L term loan	North America	Services	6.0	1%
Strides Pharma Science	Listed equity	India	Healthcare	5.9	1%
Repco Home Finance	Listed equity	India	Services	5.3	1%
AmeriLife	2L term loan	North America	Services	4.5	1%
Veritext	2L term loan	North America	Services	4.4	0%
TietoEVRY*	Listed equity	Europe	Tech & Telco	4.0	0%
Cengage Learning*	OTC equity	North America	Other	1.6	0%
FullBeauty*	2L term loan	North America	Consumer	1.0	0%
Answers	Equity	North America	Services	1.0	0%
Total top 30				**341.7**	**31%**
Other investments				0.5	0%
Total Derived Investments				**342.2**	**31%**

* Investments also held by Apax Funds
1L first lien
2L second lien

INVESTMENT MANAGER'S REPORT: DERIVED INVESTMENTS CASE STUDY

STRONG RETURNS FROM A UNIQUE CONSUMER BUSINESS

pdc brands

DATE OF INVESTMENT:
July 2017

INSTRUMENT:
Debt, second lien loan

SECTOR: Consumer

REGION: North America

STATUS: Realised

PDC Brands is a beauty and personal care platform with a portfolio of leading mass channel brands in niche categories. PDC sell products such as bath salts, cosmetics and beauty products.

The company has grown very rapidly, with its business model supporting significant cash conversion, and a very defensive market positioning. PDC had been closely followed by Apax's consumer team for many years. In July 2017, AGA invested €8.5m into the second lien loan.

Following AGA's investment the company performed well and AGA sold its position to realise a good return during the year.

GROSS MOIC/GROSS IRR[1] OF:

1.3x

15.2%

1 Gross IRR and Gross MOIC calculated based on the aggregate cash flows in euro

INVESTMENT MANAGER'S REPORT: DERIVED INVESTMENTS CASE STUDY

DEMOGRAPHIC TRENDS PROVIDING STABILITY FOR INVESTMENT

AMERILIFE

DATE OF INVESTMENT:
June 2019

INSTRUMENT:
Debt, first and second lien loan

SECTOR: Services

REGION: North America

STATUS: Unrealised

AmeriLife is an independent wholesale and retail insurance distributor focusing on health, annuity and life insurance products in the US retirement market.

Earlier in the year, the Apax Funds considered one of AmeriLife's competitors as a possible investment and learned about the attractive characteristics of this market.

The thesis behind AGA's debt investment in AmeriLife is primarily framed around demographic trends providing for stability and growth: with the US population ageing, there will be an increasing demand for the health and retirement products AmeriLife distributes.

AGA benefited from the derived insight gained by the Investment Advisor's prior due diligence of the market. The Investment Advisor also had relevant insights into market dynamics, as the Apax Funds are investors in AssuredPartners, a insurance broker specialising in property, casualty, and employee benefits.

CONTRIBUTION TO AGA NAV:

€10.5m

AND

€5.3m

RESPONSIBLE INVESTING

COMMITTED TO DELIVERING SUSTAINABLE RETURNS

DELIVERING SUSTAINABLE RETURNS

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

Apax recognises the ever-increasing importance for underlying investors in the Apax Funds to know that their assets are responsibly invested and are delivering sustainable returns. Apax aims to provide that assurance through its fully embedded responsible investment programme. Apax has been implementing and fine-tuning this programme since 2009. Across Apax and the portfolios, there is an enduring commitment to integrating environmental, social and governance ("ESG") considerations into business processes. This has been recognised by many external stakeholders who endorse the Apax approach as industry-leading. For example, the annual assessment by the Principles for Responsible Investment ("UNPRI") rates the Apax ESG programme as A+. It enables the wider Apax team to concentrate their attention on core areas of societal impact.

From a practical perspective, the ability to assess and influence corporate social responsibility ("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 be held for a shorter time and usually involve non-controlling positions. Whilst this can limit any influence on CSR initiatives within Derived Investments, Apax remains focused on CSR issues and consider these as part of the overall investment thesis.

DEDICATED OPERATIONAL EXPERTISE

Integral to the success of the Apax responsible investment programme is the work done by Apax's Operational Excellence Practice ("OEP").

The OEP comprises a team of operational and functional experts who work on specific areas within the Apax Funds' portfolio to target step-change results. The OEP helps the Apax Funds identify value creation opportunities during due diligence and generate operational impact during ownership by the Apax Funds. Over the past period, there are numerous examples of where the involvement of the OEP, in portfolio efficiency programmes, has helped deliver a positive impact on climate change namely through the reduction of CO_2 emissions in a number of underlying portfolio companies.

DRIVING DIVERSITY AND INCLUSION

An important project launched in the past year focuses on the diversity of the workplace throughout the Apax Funds' portfolio. Apax believes that a broadly diverse work environment leads to better performance both within Apax as well as within the Apax Fund's portfolio. The best decision-making and highest quality governance requires the broadest diversity of perspectives, including gender, ethnicity, and sexual orientation.

Apax has been proactive in driving diversity and equal opportunity throughout its Firm for a number of years. In 2018 Apax expanded its focus to include the Apax Fund's portfolio companies. The OEP has developed a detailed project plan and is providing portfolio companies and deal teams with the toolkit to support them in creating diverse workplaces free of harassment.

MODERN SLAVERY[1]

Given the nature of Apax's advisory business, there is a very low risk of slavery or human trafficking in connection with their activities. Their key suppliers are professional services firms who provide operational, commercial and financial advice for the review of investments made by the Apax Funds. Apax expect all those in its supply chain and its contractors to comply with its values.

Apax are committed to implementing and enforcing effective systems and controls to safeguard against slavery and human trafficking taking place in its business or supply chains. Specifically, they look to ensure that its global team receives training to understand the risks of modern slavery and it includes anti-slavery and human trafficking measures in its Global Business Standards.

THE APAX VALUES

Driving the right behaviours to deliver superior returns.

Apax has a distinct culture with four values that guide decision-making and support its goal of delivering strong returns to investors. This approach underpins Apax's responsible investment programme.

These values help Apax make the right choices by seeking to:
– act without compromising on principles, recognising that enduring relationships are built on trust, honesty and transparency;
– make the most of its global platform by acting as one global team to harness the best talent for situations, wherever they arise;
– empower its people to be entrepreneurial and creative; and
– create an environment in which continuous improvement and introspection are highly valued and in which team members feel an "obligation to dissent" when necessary.

The Apax values inform investors, management teams, employees and other stakeholders what Apax stands for, and explain some of its longevity as an institution.

1 www.apax.com/media/620781/UK-Modern-Slavery-and-HumanTrafficking-Statement-approved-.pdf

WE CHOOSE RIGHT OVER EASY
A duty to all stakeholders to treat them with respect and to "do the right thing"

WE HAVE IMPACT THROUGH INSIGHT AND TENACITY
An entrepreneurial spirit to seek out differentiated opportunities and perspectives

WE SUCCEED AS ONE GLOBAL TEAM
Working collaboratively across teams and geographies to achieve optimal results

WE LEARN, ADAPT AND GROW
Seeking out and learning from diverse perspectives to improve continuously

INTEGRATION OF THE SUSTAINABILITY FRAMEWORK INTO THE INVESTMENT PROCESS

Active ownership
- Apax has a well-defined responsible investment policy
- Apax coordinates its sustainability efforts through a Sustainability Committee which meets 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
- Apax's Sustainability Committee reviews the findings of the ESG due diligence process and incorporates these 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 where Apax's teams together with the OEP can create value
- The key goal of the data collection for Apax is to develop 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/771543/001501_Sustainability-Report_FINAL.pdf

RISK MANAGEMENT FRAMEWORK

IDENTIFY, EVALUATE AND MITIGATE

The Board has established 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 Company's principal risks on a quarterly basis and a detailed review is undertaken at least annually.

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's business model and to reflect its risk profile and risk appetite. The underlying process aims to assist the Board to understand and where possible mitigate, rather than eliminate, these risks 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 in three core categories: strategic and business risks, operational risk and financial and portfolio risks.

OWNERSHIP AND GOVERNANCE

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 for reviewing them on a regular basis, the Board 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.

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 risks identified by the Board, as noted above. The Board considers strategic and business risk at each quarterly Board meeting and more frequently if necessary.

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 investment 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 (the "residual risk rating") of individual inherent risks. The Board does not consider political risk in isolation but incorporates it within its consideration of other principal risks. The Board is not, practically, in a position to consider every risk. However, where possible, it does seek to identify and assess remote and emerging risks which might have a significant consequence or might 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 takes account of the nature, scale and complexity of the Company, its investment objectives and strategy, and the role of the key service providers.

The wider control environment of the Company includes the policies and procedures adopted by the key service providers. The Board considers these policies and procedures in its assessment of individual risks and emerging risks. The Board seeks periodic assurance from its main service providers on the robustness of their control environments and, based on such assurances, will assess the suitability, adequacy and relevance of those policies and procedures.

Individual risks are assessed based on the likelihood of occurrence and consequential impact. For the 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.

Emerging risks are identified and assessed as part of the quarterly review undertaken by the Board and Audit Committee. These are risks that may have a material effect on the Company if they occur. Where possible, mitigating measures are considered by the Board but due to the unknown nature of future events the impact of these risks may not materialise.

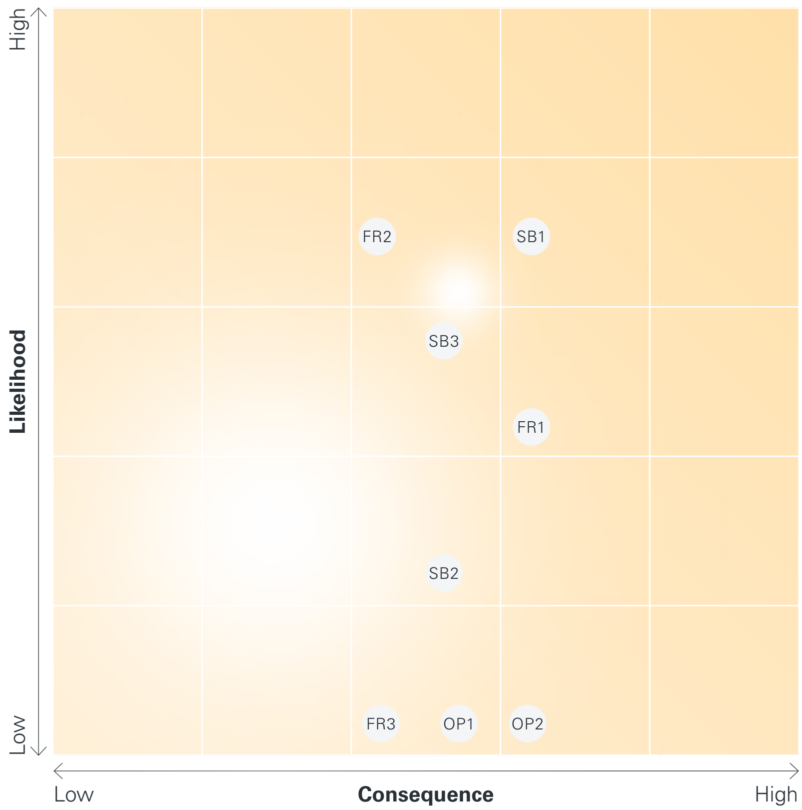
The Board recognises that it has limited control over many of the risks it faces, such as macroeconomic events and changes in the regulatory environment, and it periodically reviews the potential impact of such ongoing risks on the business and actively considers them in its decision-making.

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



STRATEGIC AND BUSINESS	OPERATIONAL	FINANCIAL AND PORTFOLIO
SB1: Company performance	OP1: Continuity risk	FR1: Liquidity risk
SB2: Regulatory, tax and legislative risk	OP2: Service provider risk	FR2: Currency risk
SB3: Discount to NAV		FR3: Portfolio risk

RISK MANAGEMENT FRAMEWORK CONTINUED

THE COMPANY'S PRINCIPAL RISKS ARE SPLIT BETWEEN THREE MAIN RISK CATEGORIES:

SB STRATEGIC AND BUSINESS RISKS
OP OPERATIONAL RISKS
FR FINANCIAL AND PORTFOLIO RISKS

Assessment of the main principal risks has been summarised in the adjacent table.

ITEM	RISK	
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.	›
SB3	**DISCOUNT TO NAV** Persistent high discount to NAV may create dissatisfaction amongst shareholders.	›
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.	›
FR1	**LIQUIDITY RISK** Decreases in the value of investments due to market weakness may affect the pace and 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.	›

Increase No change Decrease

CURRENT YEAR ASSESSMENT	MITIGATING MEASURES	RISK STATUS
The Company paid an interim dividend in September 2019 of 2.5% of 30 June 2019 NAV and the Board has approved a further final dividend of 2.5% of 31 December 2019 NAV in line with its stated dividend policy. Total NAV Return for 2019 was 22.7% – please refer to the portfolio review section from page 12 for further details.	– Investment performance is monitored by the Board – Performance, positioning and investment restrictions are monitored constantly by the Investment Manager	
There were no significant changes in regulation or legislation that materially impacted the Company.	– Service providers have controls in place to monitor and review changes that may impact the Company – Professional advisors are engaged through primary service providers, if required	
The Company's shares traded at an average discount of 15.3% to NAV during the year. The extent of the discount was closely monitored by the Board during the year and it was deemed that a share repurchase scheme was not required. The Board will continue to actively monitor the discount in future periods.	– The Board receives regular reports from its corporate broker and the Investment Advisor's investor relations team on a quarterly basis – These reports provide insight into shareholder sentiment, movements in the NAV and share price discount and an assessment of discount management strategies if required	
There were no threats to business continuity registered by any of the service providers.	– All key service providers have in place business continuity procedures which are tested on a regular basis and subject to minimum regulatory standards in their jurisdictions	
Control failures at key service providers 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	
The Board has assessed liquidity in stressed conditions as part of its assessment to continue as a going concern. The viability statement on page 57 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 is prepared and tested under various stress test scenarios – Revolving credit facility was renewed in November 2018 for a further three years and is available in the event of substantial liquidity issues	
Foreign exchange markets remained volatile in 2019, in particular GBP against the euro. However, as the Company's main exposure was to the US dollar, the impact of currency movements on the Company's returns were immaterial during the year. 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 – Transparency allows investors to hedge their own exposure as desired	
The current portfolio remains well diversified 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 21 and 31, respectively.	– Regular detailed reporting from the Investment Manager, including at quarterly Board meetings, keeps the Board appraised of the composition of the investment portfolio	

AGA BOARD OF DIRECTORS[1]

TIM BREEDON CBE
Chairman

Tenure
4 years, 8 months

Skills and experience
Tim Breedon joined the AGA Board on 28 April 2015. He 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.

Current appointments
Non-executive director of Barclays plc.

Qualifications
A graduate of Oxford University and an MSc in Business Administration from the London Business School.

SUSIE FARNON
Non-Executive Director

Tenure
4 years, 5 months

Skills and experience
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. 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 in the Channel Islands from 1999 until 2001.

Current appointments
Non-executive director of:
– HICL Infrastructure PLC;
– Breedon Group plc;
– Real Estate Credit Investments Ltd;
– BH Global Limited; and
– Bailiwick Investments Limited;
Board member of The Association of Investment Companies.

Qualifications
Fellow of the Institute of Chartered Accountants of England and Wales.

CHRIS AMBLER
Non-Executive Director

Tenure
4 years, 8 months

Skills and experience
Chris Ambler joined the AGA Board on 28 April 2015. 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.

Current appointments
Chief executive of Jersey Electricity Plc; and non-executive director of Foresight Solar Fund Limited.

Qualifications
First class honours degree from Queens' College, Cambridge and an MBA from INSEAD. Chartered Director, Chartered Engineer and a Member of the Institution of Mechanical Engineers.

MIKE BANE
Non-Executive Director

Tenure
1 year, 5 months

Skills and experience
Mike Bane joined the AGA Board on 3 July 2018. He has had over 35 years of audit and advisory experience in the asset management industry and has been a Guernsey resident for over 20 years. He retired as an EY partner in June 2018 where he was a member of EY's EMEIA Wealth and Asset Management Board. Prior to EY, Mike worked for PwC in London and Guernsey.

Current appointments
Non-executive director of HICL Infrastructure PLC.

Qualifications
A graduate of Oxford University and a Chartered Accountant.

1. Stephanie Coxon is expected to join the Board and the Audit Committee on 31 March 2020. Biographies of the Board of Directors, including details of their relevant experience are available on the Company's website at: www.apaxglobalalpha.com/who-we-are/board-of-directors

INVESTMENT MANAGER BOARD

PAUL MEADER
Director

Tenure
4 years, 8 months

Skills and experience
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 over 30 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).

Current appointments
Paul Meader is also a non-executive director of a number of other companies in fund management and insurance.

Qualifications
MA (Hons) in Geography from Oxford University and a Chartered Fellow of the Chartered Institute of Securities and Investment.

MARTIN HALUSA
Director

Tenure
4 years, 8 months

Skills and experience
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.

Martin 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.

Current appointments
No other appointments.

Qualifications
A graduate of Georgetown University, an MBA from the Harvard Business School and a PhD in Economics from the Leopold-Franzens University in Innsbruck.

ANDREW GUILLE
Director

Tenure
4 years, 8 months

Skills and experience
Andrew Guille 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.

Current appointments
Director of Apax Partners Guernsey Limited.

Qualifications
Institute of Directors' Diploma in Company Direction, a Chartered Fellow of the Chartered Institute for Securities and Investment and a qualified banker (ACIB).

MARK DESPRES
Director

Tenure
3 years, 9 months

Skills and experience
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.

Current appointments
No other appointments.

Qualifications
First class honours degree in Mathematics from Royal Holloway University of London and a Member of the Chartered Institute for Securities and Investment.

AGA INVESTMENT COMMITTEE[1]

ANDREW SILLITOE
Co-CEO\Apax Partners
Chairman of the AGA Investment Committee

Tenure
4 years, 8 months

Skills and experience
Andrew Sillitoe joined Apax Partners 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.

Current appointments
Co-CEO of Apax Partners and a partner in its Tech & Telco team. Member of the Apax Partners' Executive and Investment Committees.

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

MITCH TRUWIT
Co-CEO\Apax Partners

Tenure
4 years, 8 months

Skills and experience
Mitch Truwit joined Apax Partners in 2006 and has been involved in a number of transactions including HUB International, Advantage Sales and Marketing, Bankrate, Dealer.com, Trader Canada, Garda and Answers.

Current appointments
Co-CEO of Apax Partners and a partner in its Services team. Member of the Apax Partners Executive and Investment Committees and a Trustee of the Apax Foundation.

Qualifications
BA in Political Science from Vassar College and an MBA from Harvard Business School.

SALIM NATHOO
Partner\Apax Partners

Tenure
11 months

Skills and experience
Salim Nathoo joined Apax Partners in 1999 specialising in the Tech & Telecom space. He has both led and participated in a number of key deals including ThoughtWorks, Candela, EVRY, GlobalLogic, Sophos and Inmarsat.

Current appointments
Partner at Apax Partners and a partner in its Tech & Telco team. Member of the Apax Partners Investment Committee.

Qualifications
Salim holds an MBA from INSEAD and an MA in Mathematics from the University of Cambridge.

RALF GRUSS
COO\Apax Partners

Tenure
4 years, 8 months

Skills and experience
Ralf Gruss joined Apax Partners in 2000 and 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.

Current appointments
Chief Operating Officer of Apax Partners and a partner at Apax.

Qualifications
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.

ROY MACKENZIE
Partner\Apax Partners

Tenure
1 year, 7 months

Skills and experience
Roy Mackenzie joined Apax Partners in 2003. He led the investments in Sophos and Exact and was responsible for Apax's investment in King Digital Entertainment. In addition, Roy worked on the investments in Epicor, NXP and Duck Creek.

Current appointments
Partner at Apax Partners and a partner in its Tech & Telco team. Member of the Apax Partners Investment Committee.

Qualifications
M.Eng in Electrical Engineering from Imperial College, London and an MBA from Stanford Graduate School of Business.

1. The AGA Investment Committee is a committee of the Investment Advisor which makes recommendations to the Investment Manager. It is not a committee of AGA or the Investment Manager

CHAIRMAN'S INTRODUCTION

TIM BREEDON CBE
Chairman

LONG-TERM SUCCESS

The Board aims to promote the Company's long-term success and accountability to shareholders through the highest standards of corporate governance.

The Directors recognise the importance of sound corporate governance and 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 website at: www.theaic.co.uk.

CORPORATE GOVERNANCE STATEMENT

Compliance with the AIC Code and UK Code
Following changes to the UK Corporate Governance Code, the Board noted that a revision to the AIC Code was published in the first quarter of 2019. In common with the latest UK Corporate Governance Code, changes to the AIC Code were effective for accounting periods commencing on or after 1 January 2019. The Board undertook a review of the applicability of these changes to the Company and updated its governance framework accordingly.

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.

Explanation of 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. This position is reassessed 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 Remuneration 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. Please refer to the Remuneration Report on page 54 for further details. 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 implemented a Board management policy (referred to throughout this section) which includes consideration of relevant issues relating to diversity.

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 opinion 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 is comprised entirely of independent Non-Executive Directors.

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 and this was confirmed by the external evaluation of the Board and its committees conducted in 2019.

CHAIRMAN'S INTRODUCTION CONTINUED

OUR BOARD OF DIRECTORS

The Company has a strong, independent Board of experienced Non-Executive Directors. The Directors, all of whom are non-executive and considered to be 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. Biographies of the Board of Directors, including details of their relevant experience, are available on page 42 and the Company's website at: www.apaxglobalalpha.com/who-we-are/board-of-directors

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. At 31 December 2019, the Board was composed of 75% male and 25% female Directors. However, following the appointment of a new Non-Executive Director, Stephanie Coxon on 31 March 2020, the proportion of female Directors will increase to 40%, in line with current recommendations from Hampton-Alexander.

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 85 and the Company's website at: www.apaxglobalalpha.com/contact-us

DISCLOSURE OF DIVIDEND INFORMATION

The Company targets the payment of a dividend equal to 5% of NAV per annum. This dividend policy 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.

THE INVESTMENT MANAGER

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

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 review the performance of the underlying investments and portfolio outlook.

The Board reviewed and evaluated the performance of AGML during the year to 31 December 2019 and has determined that it is in the interests of the shareholders to continue with its appointment as Investment Manager.

THE INVESTMENT ADVISOR AND AGA INVESTMENT COMMITTEE

AGML 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 43 and the Company's website at: www.apaxglobalalpha.com/who-we-are/the-investment-advisor

MODERN SLAVERY ACT STATEMENT

As an externally managed investment company, the Company relies on the adequacy of controls of the Investment Manager (and, in turn, the Investment Advisor) 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 Advisor on page 36.

EU ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD")

Please refer to page 87 for further information in respect of the AIFMD.

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/documents-administration

AGM

Finally, my Board colleagues and I look forward to meeting shareholders at our fourth AGM to be held on 29 April 2020 at 10:00am (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/investors/shareholder-services/

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
2 March 2020

BOARD COMPOSITION

In 2019, 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 tenure of Board members and the Chairman is limited to a maximum of 9 years from the date of appointment and is subject to annual election or re-election.

The Board ensures that director recruitment and appointment is conducted in a manner that is transparent, engaged and open. In particular they encourage a healthy debate on the identity, skill and experience of a board candidate. 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.

CHAIR OF THE AUDIT COMMITTEE

Susie Farnon fulfils the role of Chair 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/documents-administration

The Chair of the Audit Committee is appointed by the Board of Directors. The role and responsibility of the Chair 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:

- overseeing the selection process for the external auditor, considering and making recommendations to the Board on the appointment, reappointment and removal of the external auditor and the remuneration of the external auditor;
- reviewing and making recommendations to the Board on the terms of engagement of the external auditor;
- reviewing 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 or left unresolved, the 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;
- reviewing the scope, plan and result of the external audit and the external audit fee, keeping under consideration professional and regulatory requirements;
- assessing the independence and objectivity of the external auditor on at least an annual basis, taking into consideration the level of non-audit services;
- reviewing and considering, as appropriate, the rotation of the external audit engagement partner and tender of the external audit firm;
- 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;
- ensuring that all key service providers have whistleblowing policies in place; and
- reviewing procedures and controls for the detection and reporting of 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

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 as to the extent to which the proposed commitment may create a conflict with their time commitment to the Company or involve;

- a direct competitor of the Company, the Investment Manager or the Investment Advisor;
- 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.

Stephanie Coxon is expected to join the Board and the Audit Committee post year end on 31 March 2020. A qualified accountant with more than 15 years of audit and advisory experience in the investment management industry, she brings to the Board a wealth of knowledge in relation to asset management.

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;
– meeting 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;
– taking responsibility for the orderly succession process for the Chairman, as appropriate; and
– maintaining Board and Company stability during times of crisis and conflict.

GOVERNANCE SYSTEMS

The Board has considered the current 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/investors/results-reports-presentations and; www.apaxglobalalpha.com/governance/documents-administration

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;
  – 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.

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 ("Link") 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.

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 were 1.6% in the year ended 31 December 2019 (31 December 2018: 1.6%). 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. Further details of the calculation are set out on page 92.

MANAGEMENT AND PERFORMANCE FEES

Management fees to 31 December 2019 represented 1.4% of NAV (31 December 2018: 1.4%) and performance fees were 0.6% of NAV (31 December 2018: 0.0%). Management fees represent fees paid to both the Investment Manager and the Apax Funds, whilst performance fees are those paid only to the Investment Manager.

On 2 March 2020, post year end, the Board approved an amendment to the Company's fee structure with an effective date from 1 January 2020. The revised fee structure is expected to result, in most circumstances, in lower management and performance fees being paid to the Investment Manager. Please refer to page 90 for further details.

FOURTH 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. In the case of shares subject to a five-year lock-up period, on 15 June 2019, a further 20% were released resulting in a total of 80% of five-year lock-up shares being released since IPO.

KEY INFORMATION DOCUMENT

In accordance with the EU Packaged Retail and Insurance-based Investment Products Directive on 1 January 2018, a Key Information Document is available on the Company's website at: www.apaxglobalalpha.com/investors/key-information-document

REVOLVING CREDIT FACILITY

As announced to the market in November 2018, the Board secured a multi-currency revolving credit facility with Credit Suisse AG, London Branch. This agreement replaced the facility held with Lloyds Bank plc which was due to expire on 3 February 2019.

The funds available for drawdown remain at €140m, with an initial term of three years maturing on 5 November 2021. The margin has remained the same as for the prior facility at 210bps (over EURIBOR or LIBOR depending on the currency drawn). Further details are available on page 74.

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 2019 to 31 December 2019.

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 seven times in the year from 1 January 2019 to 31 December 2019.

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	6 (6)	N/A[2]	N/A
Susie Farnon	6 (6)	7 (7)	1 (1)
Chris Ambler	5 (6)	7 (7)	1 (1)
Mike Bane	6 (6)	7 (7)	1 (1)

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

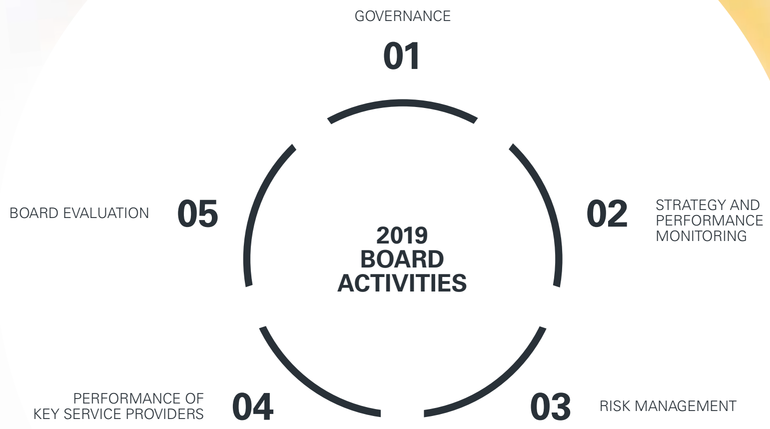
ELECTION AND RE-ELECTION OF DIRECTORS AT THE AGM

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 or election at the 2020 AGM.

Post year end, a new Non-Executive Director, Stephanie Coxon, will be appointed on 31 March 2020. Stephanie has 15 years of experience of audit and advisory with PwC in the asset management sector, specialising in listed investment funds in a multitude of asset classes. Over the past 9 years, Stephanie led the PwC capital markets team responsible for advising on the listing process for UK, Guernsey and Jersey investment funds. Stephanie has a wealth of knowledge in this area having advised numerous investment managers throughout the UK, US and Europe on initial public offerings and secondary offerings.

It is proposed to shareholders that each of Tim Breedon, Susie Farnon, Chris Ambler and Mike Bane be re-elected and Stephanie Coxon be elected at the 2020 AGM.

BOARD ACTIVITIES



01
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 document. This includes updates to reflect evolving industry practice with respect to disclosure of diversity arrangements, viability statements and dividend policy, practice and disclosure procedures.

02
STRATEGY AND PERFORMANCE MONITORING
The strategy of the Company is reviewed annually by the Board. There was no alteration to strategy in 2019, and the discretionary investment management arrangements operated through AGML continued unchanged.

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

In addition, Board members receive regular telephone briefings, generally monthly, from the Investment Manager and Investment Advisor, on the Company's performance and has the opportunity to discuss movements in the portfolio.

03
RISK MANAGEMENT
The Board and Audit Committee monitors and reviews the Company's principal risks on a regular basis throughout the year. As part of its current year reviews, it considered whether there were any new or emerging risks, assessed the consequence and likelihood of the current risks and reviewed whether current mitigating factors remained applicable.

04
PERFORMANCE OF KEY SERVICE PROVIDERS
The Board conducted an annual review of key service providers, being the Investment Manager, Administrator/Company Secretary, Registrar and the Corporate Broker to the Company. The Board is pleased to report that this review, which has included an assessment of internal control systems, was positive and the Board will continue its engagement with the existing key service providers.

05
BOARD EVALUATION
In accordance with the Board management policy, the Board conducted an internal Board evaluation exercise having commissioned an external review the prior year. The evaluation was managed by the Chairman and the Company Secretary.

AUDIT COMMITTEE REPORT

SUSIE FARNON
Audit Committee Chair

INTEGRITY AND OBJECTIVITY

I am pleased to present the Audit Committee report for 2019 detailing the activities undertaken this year to fulfil its responsibilities.

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;
- meeting with the external auditor, 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;
- keeping under review the policy on the supply of non-audit services by the external auditor, 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 coordination of the external audit function with the activities of the Company, any appropriate internal controls, the suitability and independence of the external auditor;
- keeping under review the risk review and control framework with the assistance of the Investment Manager and the Company Secretary; 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.

The scope of the Committee with respect to internal control does not include all controls relating to risk arising from the Company's investment portfolio or controls relating to strategic and business risks. 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.

MEMBERSHIP AND ATTENDANCE

The Audit Committee membership currently consists of Susie Farnon, Chris Ambler and Mike Bane. A summary of meetings held during the year and attendance at those meetings is available on page 49.

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

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/investors/results-reports-presentations and; www.apaxglobalalpha.com/governance/documents-administration

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 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 give rise to valuations that differ from amounts 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. Further details are set out 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.

Discussions were also held with the Investment Manager, Investment Advisor and the external auditor (in respect of the interim and year end valuations 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 valuations of the Derived Debt Investments and Private Equity have been reviewed by the external auditor who has 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 Company's prospectus, and is summarised in the notes to the financial statements. Although this fee may not always be material to the financial performance or position of the Company, its calculation is complex and payable to the Investment Manager, and therefore the Audit Committee consider it important by nature.

AUDIT COMMITTEE REPORT CONTINUED

The Audit Committee generally commissions a specific report on the calculation of the fee prior to payment. In the current and prior year, the performance hurdle was not met and no fee was payable. However, KPMG were engaged to complete a factual findings report on the last two years of the performance fee calculation.

On 2 March 2020, an amendment to the Company's performance fee structure, with an effective date from 1 January 2020, was approved. To transition from the performance fee structure applicable until 31 December 2019 to the revised, the Company's Eligible Portfolio will be assumed to be realised and re-acquired for cash as at 31 December 2019. The unrealised performance fee accrued of €6.9m will now become payable to the Investment Manager. This amount was also within scope of KPMG's factual findings report. Further details on the fee amendment are detailed on page 90 of this report.

EXTERNAL AUDIT

KPMG has been the Company's external auditor since the incorporation and IPO of the Company in 2015. The Company anticipates a tender process for the external audit in 2024 in respect of the year ended 31 December 2025.

During the year, and up to the date of this report, the Audit Committee has met formally with KPMG on four occasions and, in addition, the Chair of the Audit Committee has met them informally on four further occasions. These informal meetings have been held to ensure the Chair 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 auditor in their review of the Company's report for the period to 30 June 2019 and in their audit for the year ended 31 December 2019. 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.

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 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 KPMG 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 reappointment 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 them. In the first instance, all non-audit services require pre-approval of the Chair of the Audit Committee and/or the Chairman of the Board. Full consideration of the financial and other implications on the independence of the auditor arising from any such engagement are considered before proceeding. Note 6 of the financial statements includes a summary of fees paid to KPMG.

ADJUSTED AND UNADJUSTED DIFFERENCES IN THE FINANCIAL STATEMENTS

During the course of the audit, KPMG has not reported any material differences to the Audit Committee.

RISK MANAGEMENT, INTERNAL CONTROLS AND CORPORATE RISKS

An outline of the risk management framework and principal risks is provided on pages 38 to 41.

The Audit Committee has kept, and continues to keep, under review operational risks, financial and portfolio risks, and emerging risks, which includes reviewing and obtaining assurances from key service providers in respect of the controls for which they are 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.

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 58.

SUSIE FARNON
Audit Committee Chair
2 March 2020

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 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.

The Board recognises and supports the investor relations activities, which include close engagement with shareholders. The Board receives regular reports and updates from the investor relations team and the corporate broker. Shareholder views and feedback are communicated to the Board to help develop a balanced understanding of the issues and concerns of the shareholders.

On a quarterly basis, the Company provides a performance update presentation and holds a conference call and webcast for analysts and investors. Details of these events are published on the London Stock Exchange and the Company's website. Publications 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 at: www.apaxglobalalpha.com/investors/results-reports-presentations.

To give all shareholders access to AGA'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.

REMUNERATION REPORT

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.

The Company has no Executive Directors, employees or internal operations as its day-to-day management and administrative functions are outsourced to third parties. It has therefore not reported further in respect of these provisions and it deemed the maintenance of a separate Remuneration Committee as unnecessary. Instead the role was assumed by the Board.

DIRECTORS' REMUNERATION POLICY

Directors' remuneration reflects the duties and responsibilities of the Directors and the value of their time. No element of the Directors' remuneration is performance related.

The remuneration of the Directors is determined within the limits set out in article 23.2 the Company's Articles of Incorporation, which limits the aggregate fees paid to £315,000 per financial year.

DIRECTORS' FEES AND EXPENSES

The Directors who served in the period from 1 January 2019 to 31 December 2019 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.

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 Jersey Electricity PLC, 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.

Shareholders will be given the opportunity to approve the remuneration report in the next AGM. Any views expressed by shareholders at the Company's AGM will be considered in formulating the Directors' Remuneration Policy.

DIRECTORS' FEES AND EXPENSES

	31 DECEMBER 2019		31 DECEMBER 2018[1]	
DIRECTOR	FEES (EUR)	EXPENSES (EUR)	FEES (EUR)	EXPENSES (EUR)
Tim Breedon	143,198	681	140,965	1,539
Susie Farnon	63,007	1,130	62,025	50
Chris Ambler	51,551	2,299	50,747	1,448
Mike Bane	51,551	–	25,150	38
Total (EUR)	**309,307**	**4,110**	**278,887**	**3,075**
Total (GBP)	**270,000**	**2,378**	**247,500**	**2,721**

1. Comparative excludes fees of €422 and expenses of €12 paid to Sarah Evans who retired 3 January 2018

DIRECTORS' HOLDINGS AT 31 DECEMBER 2019

			VOTING RIGHTS		% OF VOTING RIGHTS	
DIRECTOR	CLASS OF SHARE	SHARES HELD	DIRECT	INDIRECT	DIRECT	INDIRECT
Tim Breedon	Ordinary shares of NPV	70,000	70,000	–	0.014%	0.000%
Susie Farnon	Ordinary shares of NPV	20,000	20,000	–	0.004%	0.000%
Chris Ambler	Ordinary shares of NPV	18,008	18,008	–	0.004%	0.000%
Mike Bane	Ordinary shares of NPV	–	–	–	0.000%	0.000%

DIRECTORS' REPORT

The Directors submit their annual report together with the audited financial statements of the Company for the year ended 31 December 2019. 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 4.68 pence per share as a final dividend in respect of the financial period ended 31 December 2019 (2018: 4.12 pence). An interim dividend of 4.86 pence was paid on 13 September 2019 (2018: 4.33 pence).

BOARD OF DIRECTORS
Biographies of the Board of Directors, including details of their relevant experience, are available on the Company's website at: www.apaxglobalalpha.com/who-we-are/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, which can be found in full on the Company's website at: www.apaxglobalalpha.com/investors/results-reports-presentations and; www.apaxglobalalpha.com/governance/documents-administration

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.

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 2019 detailed in the table on page 56.

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 under terms of engagement letter for Corporate Broking Services; and
- KPMG as appointed external auditor under terms of their latest engagement letter.

DIRECTORS' REPORT CONTINUED

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 three post-balance sheet events:

– on 14 February 2020, it was announced that Stephanie Coxon will join the Board and Audit Committee effective from 31 March 2020;
– on 2 March 2020, the Board approved a dividend of 4.68 pence per share in respect of the financial period ended 31 December 2019; and
– additionally, on 2 March 2020, the Board approved an amendment to the current fee structure, with an effective date from 1 January 2020.

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 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.

REAPPOINTMENT OF AUDITOR

Resolutions for the reappointment 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

The next AGM will be held on 29 April 2020 at 10:00am (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/investors/shareholder-services/

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

The Directors' report has been approved by the Board and is signed on its behalf by:

TIM BREEDON CBE
Chairman
2 March 2020

TABLE OF SHAREHOLDERS OVER 5% AT 31 DECEMBER 2019[1]

			VOTING RIGHTS		% OF VOTING RIGHTS		
SHAREHOLDER	CLASS OF SHARE	SHARES HELD	DIRECT	INDIRECT	DIRECT	INDIRECT	THRESHOLD
Future Fund Board of Guardians	Ordinary shares of NPV[2]	32,701,581	32,701,581	–	6.7%	0.0%	5%
Witan Investment Trust	Ordinary shares of NPV[2]	30,000,000	30,000,000	–	6.1%	0.0%	5%
Martin Halusa	Ordinary shares of NPV[2]	28,778,552	2,869,735	25,908,817	0.6%	5.3%	5%

1. 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
2. No par value

VIABILITY STATEMENT

As stated on page 8 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. The principal risks are set out on pages 40 and 41. 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 2022. 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, commitments to new Apax Funds (inclusive of the new Apax X commitment of $450m) in addition to the 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 11 times during the year, with an average drawdown period of 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 2021. The Articles require that the Directors put a discontinuation resolution to the AGM every three years, with the next resolution being put forward at the 2022 AGM. Following the result of the 2018 resolution, where 99% of votes cast supported a continuation, the Directors have reasonable grounds to believe that it is unlikely that the extraordinary resolution would be passed and 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 66.

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 financial statements that show a true and fair view. The Directors have chosen to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU to meet the requirements of applicable law and regulations.

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, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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, that are sufficient to show and explain the Company's transactions and 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 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 annual report and financial statements are the responsibility of, and have been approved by the Directors who 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 Advisor, the Company Secretary and Administrator, and the Directors confirm that:

- the 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; 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
2 March 2020

Signed on behalf of the Audit Committee

SUSIE FARNON
Audit Committee Chair
2 March 2020

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 2019, 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 accompanying financial statements:
- give a true and fair view of the financial position of the Company as at 31 December 2019, and of the Company's financial performance and 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 judgement, 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 2018):

	The risk	Our response
Valuation of Investments held at fair value through profit or loss ("Investments") €1,108,477,000; (2018: €912,048,000) Refer to page 51 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).	***Basis:*** As at 31 December 2019, the Company had invested the equivalent of 101% of its net assets in private equity funds advised by the Company's 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 69% 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 (representing 8% 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 23% 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. ***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 judgements that may be involved in the determination of fair value.	*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. ***Challenging managements' assumptions and inputs including use of KPMG valuation specialists:*** For Private Entity 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 policies applied; and whether the audit opinion was modified. 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.

INDEPENDENT AUDITOR'S REPORT CONTINUED

OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT
Materiality for the financial statements as a whole was set at €20,600,000, determined with reference to a benchmark of net assets of €1,098,969,000, of which it represents approximately 2%.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding €1,000,000, 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. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DISCLOSURES OF EMERGING AND 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 (page 57) that they have carried out a robust assessment of the emerging and 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 (page 57) 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 provisions of the 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 58, 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.

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
For and on behalf of KPMG Channel Islands Limited

Chartered Accountants and Recognised Auditors
Glategny Court
St Peter Port
Guernsey GY1 1WR
Channel Islands
2 March 2020

STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	NOTES	31 DECEMBER 2019 €'000	31 DECEMBER 2018 €'000
Assets			
Non-current assets			
Investments held at fair value through profit or loss ("FVTPL")	8(a)	1,108,477	912,048
Total non-current assets		**1,108,477**	**912,048**
Current assets			
Cash and cash equivalents	9	3,277	17,306
Investment receivables		129	2,125
Other receivables		2,143	1,454
Total current assets		**5,549**	**20,885**
Total assets		**1,114,026**	**932,933**
Liabilities			
Current liabilities			
Investment payables		13,352	–
Accrued expenses		1,705	2,162
Total current liabilities		**15,057**	**2,162**
Total liabilities		**15,057**	**2,162**
Capital and reserves			
Shareholders' capital	15	873,804	873,804
Share-based payment performance fee reserve	11	6,893	–
Retained earnings		218,272	56,967
Total equity		**1,098,969**	**930,771**
Total shareholders' equity and liabilities		**1,114,026**	**932,933**

On behalf of the Board of Directors

TIM BREEDON
Chairman
2 March 2020

SUSIE FARNON
Chair of the Audit Committee
2 March 2020

	31 DECEMBER 2019 €	31 DECEMBER 2019 £ EQUIVALENT[1]	31 DECEMBER 2018 €	31 DECEMBER 2018 £ EQUIVALENT[1]
Net Asset Value ("NAV") ('000)	1,098,969	929,651	930,771	836,717
Adjusted NAV ('000)[2]	1,092,076	923,820	930,771	836,717
NAV per share	2.24	1.89	1.90	1.70
Adjusted NAV per share[2]	2.22	1.88	1.90	1.70

	31 DECEMBER 2019 %	31 DECEMBER 2018 %
Total NAV Return[3]	**22.7%**	**7.1%**

1. The sterling equivalent has been calculated based on the GBP/EUR exchange rate at 31 December 2019 and 31 December 2018, 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
3. Total NAV Return for the year means the return on the movement in the Adjusted NAV per share at the end of the year together with all the dividends paid during the year, to the Adjusted NAV per share at the beginning of the year. Adjusted NAV per share used in the calculation is rounded to 5 decimal places

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	NOTES	YEAR ENDED 31 DECEMBER 2019 €'000	YEAR ENDED 31 DECEMBER 2018 €'000
Income			
Investment income		20,852	19,442
Net changes in investments at FVTPL	8(b)	206,026	56,739
Realised foreign currency losses		(479)	(2,766)
Net unrealised foreign currency gains		762	116
Total income		**227,161**	**73,531**
Operating and other expenses			
Performance fee	11	(6,893)	2,123
Management fee	10	(5,013)	(4,610)
Administration and other operating expenses	6	(2,051)	(3,107)
Total operating expenses		**(13,957)**	**(5,594)**
Total income less operating expenses		**213,204**	**67,937**
Finance costs	12	(1,860)	(2,729)
Profit before tax		**211,344**	**65,208**
Tax charge	7	(412)	(261)
Profit after tax for the year		**210,932**	**64,947**
Other comprehensive income		–	–
Total comprehensive income attributable to shareholders		**210,932**	**64,947**
Earnings per share (cents)	16		
Basic and diluted		42.95	13.22
Adjusted[1]		42.66	13.22

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 2019 and 31 December 2018 respectively as per note 16 and the weighted average number of ordinary shares

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

FOR THE YEAR ENDED 31 DECEMBER 2019	NOTES	SHAREHOLDERS' CAPITAL €'000	RETAINED EARNINGS €'000	SHARE-BASED PAYMENT PERFORMANCE FEE RESERVE €'000	TOTAL €'000
Balance at 1 January 2019		**873,804**	**56,967**	**–**	**930,771**
Total comprehensive income attributable to shareholders		–	210,932	–	210,932
Share-based payment performance fee reserve movement	11	–	–	6,893	6,893
Dividends paid	17	–	(49,627)	–	(49,627)
Balance at 31 December 2019		**873,804**	**218,272**	**6,893**	**1,098,969**

FOR THE YEAR ENDED 31 DECEMBER 2018	NOTES	SHAREHOLDERS' CAPITAL €'000	RETAINED EARNINGS €'000	SHARE-BASED PAYMENT PERFORMANCE FEE RESERVE €'000	TOTAL €'000
Balance at 1 January 2018		**873,804**	**38,617**	**17,495**	**929,916**
Total comprehensive income attributable to shareholders		–	64,947	–	64,947
Share-based payment performance fee reserve movement	11	–	–	(17,495)	(17,495)
Dividends paid	17	–	(46,597)	–	(46,597)
Balance at 31 December 2018		**873,804**	**56,967**	**–**	**930,771**

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	NOTES	YEAR ENDED 31 DECEMBER 2019 €'000	YEAR ENDED 31 DECEMBER 2018 €'000
Cash flows from operating activities			
Interest received		16,963	17,896
Interest paid		(200)	(43)
Dividends received		2,807	1,718
Performance fee paid		–	(15,372)
Operating expenses paid		(7,285)	(6,490)
Tax paid		(52)	(132)
Purchase of Private Equity Investments		–	(11,126)
Capital calls paid to Private Equity Investments		(165,904)	(30,812)
Capital distributions received from Private Equity Investments		182,324	133,362
Purchase of Derived Investments		(114,792)	(212,988)
Sale of Derived Investments		123,370	172,811
Net cash from operating activities		**37,231**	**48,824**
Cash flows used in financing activities			
Financing costs paid		(1,710)	(3,309)
Dividends paid		(50,312)	(47,314)
Revolving credit facility drawn		88,824	94,248
Revolving credit facility repaid		(88,824)	(94,248)
Net cash used in financing activities		**(52,022)**	**(50,623)**
Cash and cash equivalents at the beginning of the year		**17,306**	**18,989**
Net decrease in cash and cash equivalents		(14,791)	(1,799)
Effect of foreign currency fluctuations on cash and cash equivalents		762	116
Cash and cash equivalents at the end of the year	9	**3,277**	**17,306**

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 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 Advisor").

2 BASIS OF PREPARATION

Statement of compliance

The financial statements, which give a true and fair view, have been prepared in compliance with the Companies (Guernsey) Law, 2008 and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). They are for the year from 1 January 2019 to 31 December 2019 and were authorised for issue by the Board of Directors of the Company on 2 March 2020.

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

The 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 2 March 2020, the authorisation date of these financial statements), including the statement of financial position, future projections, cash flows, net current liabilities position and the longer-term strategy of the Company.

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.

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.

The Company uses alternative valuation techniques, taking into account the International Private Equity and Venture Capital Valuation ("IPEV") guidelines, in the absence of an active market. 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, 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 Advisor. Derived Investments comprise 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.

3 ACCOUNTING POLICIES CONTINUED

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.

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

The fair value of investments traded in an active market is determined by taking into account the latest market bid price available, or the 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 IFRS 9 "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. Further details are given in note 11.

Operating segments

The criteria for identifying an operating segment in accordance with IFRS 8 "Operating Segments" are 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 information from the Company's management accounts. The segmental 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.

Interest income

Interest income comprises interest income on cash and cash equivalents and interest earned on financial assets on the effective interest rate basis.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 ACCOUNTING POLICIES CONTINUED

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 €2.8m (31 December 2018: €1.6m) 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. Distributions received from Private Equity Investments 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 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.

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 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 amount for a secondary investment are recognised as realised gains in the statement of profit or loss and other comprehensive income.

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 is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for 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 net changes in investments at FVTPL.

3 ACCOUNTING POLICIES CONTINUED

Taxation

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. Where applicable, tax accruals are raised by the Company based on an investments expected hold period.

Shareholders' capital and reserves

Shareholders' capital

Shareholders' capital issued by the Company is recognised as the proceeds or fair value received. Incremental costs directly attributable to the issue there of, net of tax effects, are recognised as a deduction from equity.

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

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.

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.

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.

Accounting standards and interpretations not yet adopted

The Company has applied all new and amended standards with an effective date from 1 January 2019. Additionally, it has reviewed and assessed changes to current accounting standards issued by the IASB with an effective date from 1 January 2020; none of these have had or are expected to have a material impact on the Company's financial statements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the Company makes judgements and estimates that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates. Estimates and judgements are continually evaluated and are based on the Board of Directors and Investment Managers' experience and their expectations of future events. 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 FVTPL 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 other than those traded in an active market.

The Investment Manager is responsible for the preparation of the Company's valuations and meets quarterly to discuss and approve the key valuation assumptions. The meetings are open to the Board of Directors, the Investment Advisor and the external auditor to enable them to challenge the valuation assumptions and the proposed valuation estimates. On a quarterly basis, the Board of Directors review and approve the final NAV calculation before it is announced to the market.

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 SEGMENTAL ANALYSIS

The segmental analysis of the Company's results and financial position, which is prepared using the accounting policies in note 3, is set out below. There have been no changes to segments in the current or prior year.

The investment segments follow different investment strategies as approved by the Chief Operating Decision Maker, the Board of Directors, who 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 2019	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	CENTRAL FUNCTIONS[1] €'000	TOTAL €'000
Investment income	–	21,051	(199)	20,852
Net changes in investments at FVTPL	191,269	14,757	–	206,026
Realised foreign exchange gains/(losses)	–	14	(493)	(479)
Net unrealised foreign currency gains	–	–	762	762
Total income	**191,269**	**35,822**	**70**	**227,161**
Performance fees[2]	(6,893)	–	–	(6,893)
Management fees	(809)	(4,204)	–	(5,013)
Administration and other operating expenses	–	(438)	(1,613)	(2,051)
Total operating expenses	**(7,702)**	**(4,642)**	**(1,613)**	**(13,957)**
Finance costs	–	–	(1,860)	(1,860)
Profit/(loss) before tax	**183,567**	**31,180**	**(3,403)**	**211,344**
Tax charge	–	(412)	–	(412)
Total comprehensive income attributable to shareholders	**183,567**	**30,768**	**(3,403)**	**210,932**

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	CASH AND OTHER NCAS[3] €'000	TOTAL €'000
Total assets	766,278	344,443	3,305	1,114,026
Total liabilities	–	(13,352)	(1,705)	(15,057)
NAV	**766,278**	**331,091**	**1,600**	**1,098,969**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	CENTRAL FUNCTIONS[1] €'000	TOTAL €'000
Investment income	–	19,416	26	19,442
Net changes in investments at FVTPL	92,667	(35,928)	–	56,739
Realised foreign exchange losses	–	(1,550)	(1,216)	(2,766)
Net unrealised foreign currency gains	–	–	116	116
Total income	**92,667**	**(18,062)**	**(1,074)**	**73,531**
Performance fees[2]	4,104	(1,981)	–	2,123
Management fees	(705)	(3,905)	–	(4,610)
Administration and other operating expenses	–	(1,131)	(1,976)	(3,107)
Total operating expenses	**3,399**	**(7,017)**	**(1,976)**	**(5,594)**
Finance costs	–	–	(2,729)	(2,729)
Profit/(loss) before tax	**96,066**	**(25,079)**	**(5,779)**	**65,208**
Tax charge	–	(261)	–	(261)
Total comprehensive income attributable to shareholders	**96,066**	**(25,340)**	**(5,779)**	**64,947**

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	CASH AND OTHER NCAS[3] €'000	TOTAL €'000
Total assets	591,458	324,125	17,350	932,933
Total liabilities	(239)	(1,024)	(899)	(2,162)
NAV	**591,219**	**323,101**	**16,451**	**930,771**

1. Central functions represents interest income earned on cash balances and general administration and finance costs that cannot be allocated to investment segments
2. Represents the movement in each respective portfolio's overall performance fee reserve (realised and unrealised). At 31 December 2019, there was no performance fee payable on the realised portfolio and the maximum performance fee payable on the unrealised portfolio was €6.9m. In the Strategic Report, this has all been allocated to Private Equity and nil to Derived Investments, in accordance with the calculation methodology in the Investment Management Agreement ("IMA")
3. NCAs refers to net current assets of the Company

5 SEGMENTAL ANALYSIS CONTINUED
Geographic information

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019	NORTH AMERICA €'000	EUROPE €'000	BRIC* €'000	REST OF WORLD €'000	TOTAL €'000
Investment income	14,539	4,136	636	1,541	20,852
Net changes in investments at FVTPL	87,672	113,419	(1,871)	6,806	206,026
Realised foreign exchange losses	(41)	(387)	(50)	(1)	(479)
Net unrealised foreign currency gains	–	762	–	–	762
Total income	**102,170**	**117,930**	**(1,285)**	**8,346**	**227,161**
Performance fee	–	(6,893)	–	–	(6,893)
Management fee	(2,367)	(1,904)	(520)	(221)	(5,013)
Administration and other operating expenses	–	(2,051)	–	–	(2,051)
Total operating expenses	**(2,367)**	**(10,848)**	**(520)**	**(221)**	**(13,957)**
Finance costs	–	(1,860)	–	–	(1,860)
Profit/(loss) before tax	**99,803**	**105,222**	**(1,805)**	**8,125**	**211,344**
Tax charge	–	(373)	(39)	–	(412)
Total comprehensive income attributable to shareholders	**99,803**	**104,849**	**(1,844)**	**8,125**	**210,932**

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019	NORTH AMERICA €'000	EUROPE €'000	BRIC* €'000	REST OF WORLD €'000	TOTAL €'000
Total assets	570,477	458,286	32,737	52,526	1,114,026
Total liabilities	(13,352)	(1,705)	–	–	(15,057)
NAV	**557,125**	**456,581**	**32,737**	**52,526**	**1,098,969**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018	NORTH AMERICA €'000	EUROPE €'000	BRIC* €'000	REST OF WORLD €'000	TOTAL €'000
Investment income	16,325	2,717	400	–	19,442
Net changes in investments at FVTPL	43,022	28,973	(18,300)	3,044	56,739
Realised foreign exchange losses	(1,448)	(1,225)	(93)	–	(2,766)
Net unrealised foreign currency gains	–	116	–	–	116
Total income	**57,899**	**30,581**	**(17,993)**	**3,044**	**73,531**
Performance fee	4,104	(1,981)	–	–	2,123
Management fee	(2,123)	(1,823)	(664)	–	(4,610)
Administration and other operating expenses	–	(3,107)	–	–	(3,107)
Total operating expenses	**1,981**	**(6,911)**	**(664)**	**–**	**(5,594)**
Finance costs	–	(2,729)	–	–	(2,729)
Profit/(loss) before tax	**59,880**	**20,941**	**(18,657)**	**3,044**	**65,208**
Tax charge	–	(162)	(99)	–	(261)
Total comprehensive income attributable to shareholders	**59,880**	**20,779**	**(18,756)**	**3,044**	**64,947**

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018	NORTH AMERICA €'000	EUROPE €'000	BRIC* €'000	REST OF WORLD €'000	TOTAL €'000
Total assets	460,371	408,154	43,850	20,558	932,933
Total liabilities	(12)	(2,149)	(1)	–	(2,162)
NAV	**460,359**	**406,005**	**43,849**	**20,558**	**930,771**

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 ADMINISTRATION AND OTHER OPERATING EXPENSES

	YEAR ENDED 31 DECEMBER 2019 €'000	YEAR ENDED 31 DECEMBER 2018 €'000
Directors' fees	309	279
Administration and other fees	606	586
Deal transaction, custody and research costs	438	1,131
General expenses	511	927
Auditors' remuneration		
Statutory audit	121	111
Other assurance services – interim review	48	46
Other assurance services – agreed upon procedures	18	–
Tax services	–	27
Total administration and other operating expenses	**2,051**	**3,107**

The decrease of €0.7m in deal transaction, custody and research costs was mainly due to lower broker fees being incurred in the current year. The Company has no employees and there were no pension or staff cost liabilities incurred during the period.

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 2018: £1,200).

The Company may be required, at times, to pay tax in other jurisdictions as a result of specific trades in its investment portfolio. During the year ended 31 December 2019, the Company had a net tax expense of €0.4m (31 December 2018: €0.3m), mainly related to the sale of listed equities in India and tax incurred on debt interest in the United Kingdom. No deferred income taxes were recorded as there are no timing differences.

8 INVESTMENTS

(a) Investments held at FVTPL

	YEAR ENDED 31 DECEMBER 2019 €'000	YEAR ENDED 31 DECEMBER 2018 €'000
Opening fair value	**912,048**	**910,669**
Calls	165,904	32,540
Distributions	(182,353)	(135,060)
Purchases[1]	133,658	223,636
Sales	(126,806)	(176,476)
Net change in fair value	206,026	56,739
Closing fair value	**1,108,477**	**912,048**
Private Equity Investments	766,278	591,458
Derived Investments	342,199	320,590
Debt	*252,543*	*178,272*
Equities	*89,656*	*142,318*
Closing fair value	**1,108,477**	**912,048**

1. Included in purchases of the prior year is €11.1m related to Private Equity as two carried interest holdings were purchased in the secondary market in April 2018

(b) Net changes in investments at FVTPL

	YEAR ENDED 31 DECEMBER 2019 €'000	YEAR ENDED 31 DECEMBER 2018 €'000
Private Equity Investments		
Gross unrealised gains	234,196	125,199
Gross unrealised losses	(42,928)	(32,532)
Total net unrealised gains on Private Equity Investments	**191,268**	**92,667**
Derived Investments		
Gross unrealised gains	51,258	22,528
Gross unrealised losses	(21,241)	(38,132)
Net unrealised gains/(losses) on Derived Investments	**30,017**	**(15,604)**
Gross realised gains	14,034	12,781
Gross realised losses	(29,293)	(33,105)
Net realised losses on Derived Investments	**(15,259)**	**(20,324)**
Total net gains/(losses) on Derived Investments	**14,758**	**(35,928)**
Net changes in investments at FVTPL	**206,026**	**56,739**

8 INVESTMENTS CONTINUED

(c) Involvement with unconsolidated structured entities

The Company's investments in Private Equity funds are considered to be unconsolidated structured entities. Their nature and purpose is to invest capital on behalf of their limited partners. The funds pursue sector-focused strategies, 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. Note 13 summarises current outstanding commitments and recallable distributions to the seven underlying Private Equity Investments held. The fair value of these was €766.3m at 31 December 2019 (31 December 2018: €591.5m), whereas total value of the Private Equity funds was €17.4bn (31 December 2018: €13.4bn). During the year, the Company did not provide financial support and has no intention of providing financial or other support to these unconsolidated structured entities.

9 CASH AND CASH EQUIVALENTS

	31 DECEMBER 2019 €'000	31 DECEMBER 2018 €'000
Cash held at banks	3,277	17,306
Total	**3,277**	**17,306**

10 RELATED PARTY TRANSACTIONS

The Investment Manager was appointed by the Board of Directors under a discretionary IMA dated 22 May 2015 and an amendment dated 22 August 2016, which sets out the basis for 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 which do not already pay a management fee and/or an advisory fee to the Investment Manager or Investment Advisor. During the year ended 31 December 2019, management fees of €5.0m (31 December 2018: €4.6m), of which €1.2m (31 December 2018: €1.2m) 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, as explained in note 11.

The IMA has an initial term of six years and automatically continues for a further three additional years unless prior to the fifth anniversary the Investment Manager or the Company (by a special resolution) serves written notice to terminate the IMA. The Company is required to pay the Investment Manager all fees and expenses accrued and payable for the notice period through to the termination date.

The Investment Advisor 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 an amendment dated 22 August 2016, exists between the two parties. Though not legally related to the Company, the Investment Advisor has been determined to be a related party. The Company paid no fees and had no transactions with the Investment Advisor during the year (31 December 2018: €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 some of the Company's accounting and bookkeeping to Apax Partners Fund Services Limited ("APFS"), a related party of the Investment Advisor, under a sub-administration agreement dated 22 May 2015. A fee of €0.5m (31 December 2018: €0.4m) was paid by the Company in respect of administration fees and expenses, of which €0.3m (31 December 2018: €0.3m) was paid to APFS.

On 2 March 2020, the Board approved an amendment to the Company's fee structure with an effective date from 1 January 2020. Additionally, the Company entered into a new service agreement with Apax Partners LLP and its affiliate, APFS, with a fee calculated as 0.04% of the Invested Portfolio per annum in lieu of corporate and investor services. Further details of these amendments have been outlined on page 90.

The table below summarises shares held by Directors:

	31 DECEMBER 2019	% OF TOTAL SHARES IN ISSUE	31 DECEMBER 2018	% OF TOTAL SHARES IN ISSUE
Tim Breedon	70,000	0.014%	70,000	0.014%
Susie Farnon	20,000	0.004%	20,000	0.004%
Chris Ambler	18,008	0.004%	18,008	0.004%
Mike Bane	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11 PERFORMANCE FEE

	31 DECEMBER 2019 €'000	31 DECEMBER 2018 €'000
Opening performance fee reserve	–	17,495
Performance fee charged/(released) to statement of profit or loss and other comprehensive income	6,893	(2,123)
Performance fee paid	–	(15,372)
Closing performance fee reserve	**6,893**	**–**

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 net 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 2019, no performance fee was paid to the Investment Manager (31 December 2018: €15.4m) as the performance fee hurdle was not met on assets realised for cash in the prior year.

At 31 December 2019, management's best estimate of the expected performance fee was calculated on the eligible portfolio on a liquidation basis. The closing performance fee reserve represented the unrealised portfolio only, as the portfolio realised for cash during the year did not meet the required benchmark return of 8%.

Subsequent to year end, on 2 March 2020, the Board approved an amendment to the Company's fee structure. The revised performance fee for periods from 1 January 2020 will be calculated based on overall gains or losses net of management fees and Direct Deal costs for each financial year. The fee revision retains the concept of a fee payable above a hurdle threshold. Details of the changes can be found on page 90. To transition to the revised fee, the Company's Eligible Portfolio will be assumed to be realised and re-acquired for cash as at 31 December 2019 and the unrealised performance fee accrued of €6.9m will become payable to the Investment Manager. In line with the Prospectus, this is expected to be paid by way of ordinary shares.

12 REVOLVING CREDIT FACILITY AND FINANCE COSTS

The Company entered into a multi-currency revolving credit facility on 6 November 2018 (the "Loan Agreement") with Credit Suisse AG, London Branch ("Credit Suisse") for general corporate purposes. It subsequently ended its revolving credit facility with Lloyds Bank plc on 9 November 2018. The Company may borrow under the Loan Agreement; including letters of credit subject to a maximum borrowing limit set at €140.0m. The facility has an initial term of three years and is due to expire on 5 November 2021.

The interest rate charged is LIBOR or EURIBOR plus a margin of 210 bps and there is a non-utilisation fee on the undrawn facility. Summary of finance costs are detailed below:

	YEAR ENDED 31 DECEMBER 2019 €'000	YEAR ENDED 31 DECEMBER 2018 €'000
Interest paid	258	372
Non-utilisation fee	1,602	1,307
Commitment fee	–	1,050
Total finance costs	**1,860**	**2,729**

Under the Loan Agreement, the Company is required to provide Private Equity Investments as collateral for each utilisation. The loan-to-value must not exceed 35% of the eligible Private Equity NAV. As at 31 December 2019 and 31 December 2018, the facility was unutilised.

13 FINANCIAL RISK MANAGEMENT

The Company holds a variety of financial instruments in accordance with its Investment Management strategy. The investment portfolio comprises Private Equity Investments and Derived Investments as shown in the table below:

	31 DECEMBER 2019	31 DECEMBER 2018
Private Equity Investments	69%	65%
Derived Investments	31%	35%
Debt	*23%*	*19%*
Equities	*8%*	*16%*
Total	**100%**	**100%**

Private Equity Investments have a limited life-cycle as the average legal term of a fund is ten years, unless extended by investor consent. The Company actively manages Derived Investments and realises these 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. 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, 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 impaired. At 31 December 2019 and 31 December 2018, 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 FINANCIAL RISK MANAGEMENT CONTINUED

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 2019 €'000	% OF NAV	31 DECEMBER 2018 €'000	% OF NAV
Debt investments	252,543	23%	178,272	19%
Cash and cash equivalents	3,277	0%	17,306	2%
Investment receivables	129	0%	2,125	0%
Other receivables	2,143	0%	1,454	0%
Total	**258,092**	**23%**	**199,157**	**21%**

(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. The credit quality of the Company's debt investments is summarised in the table below:

RATING (S&P)	31 DECEMBER 2019 €'000	% OF DEBT INVESTMENTS	% OF NAV	31 DECEMBER 2018 €'000	% OF DEBT INVESTMENTS	% OF NAV
B	28,439	11%	4%	25,709	14%	3%
B-	39,619	16%	3%	–	–	–
CCC+	34,558	14%	3%	34,616	19%	4%
CCC	60,603	25%	5%	64,923	37%	7%
CCC-	–	–	–	–	–	–
D	–	–	–	2,529	1%	0%
N/R[1]	89,324	34%	8%	50,495	29%	5%
Total	**252,543**	**100%**	**23%**	**178,272**	**100%**	**19%**

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 2019 €'000	% OF DEBT INVESTMENTS	% OF NAV	31 DECEMBER 2018 €'000	% OF DEBT INVESTMENTS	% OF NAV
Tech & Telco	104,417	41%	10%	64,696	37%	7%
Services	94,607	37%	9%	85,879	48%	9%
Healthcare	52,486	21%	4%	16,469	9%	2%
Consumer	1,033	1%	0%	11,228	6%	1%
Total	**252,543**	**100%**	**23%**	**178,272**	**100%**	**19%**

(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 2019 €'000	31 DECEMBER 2018 €'000
Cash held in banks	A	21	368
Cash held in banks	A-	14	9,303
Cash held in banks	BBB+	3,242	448
Cash held in money market funds	AAA	–	7,187
Total		**3,277**	**17,306**

The Company's cash is held with RBS International, HSBC, ING and JP Morgan money market funds.

(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.

13 FINANCIAL RISK MANAGEMENT CONTINUED

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.

The Company's Private Equity Investments are not readily realisable although, in some circumstances, they could be sold in the 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 2019 based on contractual undiscounted repayment obligations. The contractual maturities of most financial liabilities are less than three months, with the exception of the revolving credit facility and commitments to Private Equity Investments, where their expected cash flow dates are summarised in the tables below.

At 31 December 2019, the Company had undrawn commitments and recallable distributions of €496.9m (31 December 2018: €251.8m), of which €36.5m (31 December 2018: €78.8m) is expected to be drawn within 12 months. The increase was mainly due to a new commitment of c.$450.0m to Apax X in July 2019.

The Company 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. At 31 December 2019, the facility remained undrawn (31 December 2018: €Nil).

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 2019

	UP TO 3 MONTHS €'000	3–12 MONTHS €'000	1–5 YEARS €'000	TOTAL €'000
Investment payables	13,352	–	–	13,352
Accrued expenses	1,705	–	–	1,705
Private Equity Investments outstanding commitments and recallable distributions	7,374	28,580	460,917	496,871
Total	**22,431**	**28,580**	**460,917**	**511,928**

31 December 2018

	UP TO 3 MONTHS €'000	3–12 MONTHS €'000	1–5 YEARS €'000	TOTAL €'000
Accrued expenses	2,162	–	–	2,162
Private Equity Investments outstanding commitments and recallable distributions	–	78,820	172,930	251,750
Total	**2,162**	**78,820**	**172,930**	**253,912**

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

	31 DECEMBER 2019 €'000	31 DECEMBER 2018 €'000
Apax Europe VI	225	225
Apax Europe VII	1,030	1,030
Apax VIII	16,781	26,584
Apax IX	32,757	173,872
Apax X	400,438	–
AMI Opportunities	11,808	10,701
Apax Digital Fund	33,832	39,338
Total	**496,871**	**251,750**

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 FINANCIAL RISK MANAGEMENT CONTINUED

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. All positions within the portfolio involve a degree of risk and there are a wide variety of risks that affect how the price of each individual investments 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 which has issued a bond or a loan has its credit rating changed, which 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.

For the year ended 31 December 2019, 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 2019	BASE CASE €'000	BULL CASE (+20%) €'000	BEAR CASE (-20%) €'000
Investments	1,108,477	1,330,172	886,782
Change in NAV and profit		**221,695**	**(221,695)**
Change in NAV (%)		**20%**	**-20%**
Change in total income		**98%**	**-98%**
Change in profit for the year		**105%**	**-105%**

31 DECEMBER 2018	BASE CASE €'000	BULL CASE (+20%) €'000	BEAR CASE (-20%) €'000
Investments	912,048	1,094,458	729,638
Change in NAV and profit		**182,410**	**(182,410)**
Change in NAV (%)		**20%**	**-20%**
Change in total income		**248%**	**-248%**
Change in profit for the year		**281%**	**-281%**

(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 on net assets is as follows:

AT 31 DECEMBER 2019	EUR €'000	USD €'000	GBP €'000	INR €'000	HKD €'000	NZD €'000	CHF €'000	TOTAL €'000
Investments at FVTPL	405,525	606,627	40,029	21,149	11,566	12,682	10,899	1,108,477
Cash and cash equivalents	2,885	279	92	21	–	–	–	3,277
Investment receivables	–	129	–	–	–	–	–	129
Interest receivable	–	1,819	–	–	–	314	–	2,133
Other receivables	10	–	–	–	–	–	–	10
Investment payables	–	(13,352)	–	–	–	–	–	(13,352)
Accrued expenses	(1,449)	(111)	(145)	–	–	–	–	(1,705)
Total net foreign currency exposure	**406,971**	**595,391**	**39,976**	**21,170**	**11,566**	**12,996**	**10,899**	**1,098,969**

AT 31 DECEMBER 2018	EUR €'000	USD €'000	GBP €'000	INR €'000	HKD €'000	NOK €'000	CHF €'000	TOTAL €'000
Investments at FVTPL	320,277	491,727	45,116	30,476	13,006	3,865	7,581	912,048
Cash and cash equivalents	14,263	2,478	197	368	–	–	–	17,306
Investment receivables	–	2,125	–	–	–	–	–	2,125
Interest receivable	–	1,242	168	–	–	–	–	1,410
Other receivables	–	–	44	–	–	–	–	44
Accrued expenses	(1,540)	(40)	(582)	–	–	–	–	(2,162)
Total net foreign currency exposure	**333,000**	**497,532**	**44,943**	**30,844**	**13,006**	**3,865**	**7,581**	**930,771**

13 FINANCIAL RISK MANAGEMENT CONTINUED

(b) Currency risk (continued)

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

31 DECEMBER 2019	BASE CASE €'000	BULL CASE (+15%) €'000	BEAR CASE (-15%) €'000
USD	595,391	684,700	506,082
GBP	39,976	45,972	33,980
INR	21,170	24,346	17,995
HKD	11,566	13,301	9,831
NZD	12,996	14,945	11,047
CHF	10,899	12,534	9,264
Change in NAV and profit		**103,800**	**(103,800)**
Change in NAV (%)		**9%**	**-9%**
Change in total income		**46%**	**-46%**
Change in profit for the year		**49%**	**-49%**

31 DECEMBER 2018	BASE CASE €'000	BULL CASE (+15%) €'000	BEAR CASE (-15%) €'000
USD	497,532	572,162	422,902
GBP	44,943	51,684	38,202
INR	30,844	35,471	26,217
HKD	13,006	14,957	11,055
NOK	3,865	4,445	3,285
CHF	7,581	8,718	6,444
Change in NAV and profit		**89,666**	**(89,666)**
Change in NAV (%)		**10%**	**-10%**
Change in total income		**122%**	**-122%**
Change in profit for the year		**138%**	**-138%**

(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 €255.8m (31 December 2018: €195.6m). The analysis below 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 2019	BASE CASE €'000	BULL CASE (+500BPS) €'000	BEAR CASE (-500BPS) €'000
Cash and cash equivalents	3,277	3,441	3,113
Debt	252,543	265,171	252,543
Change in NAV and profit		**12,792**	**(164)**
Change in NAV (%)		**1%**	**0%**
Change in total income		**6%**	**0%**
Change in profit for the year		**6%**	**0%**

31 DECEMBER 2018	BASE CASE €'000	BULL CASE (+500BPS) €'000	BEAR CASE (-500BPS) €'000
Cash and cash equivalents	17,306	18,171	16,441
Debt	178,272	187,186	178,272
Change in NAV and profit		**9,779**	**(865)**
Change in NAV (%)		**1%**	**0%**
Change in total income		**13%**	**-1%**
Change in profit for the year		**15%**	**-1%**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 FINANCIAL RISK MANAGEMENT CONTINUED

(d) Concentration risk

The Investment Manager also reviews the concentration risk of the Invested Portfolio. The spread of the portfolio across the four key sectors is set out below:

	% OF PRIVATE EQUITY 31 DECEMBER 2019	% OF DEBT INVESTMENTS 31 DECEMBER 2019	% OF EQUITY INVESTMENTS 31 DECEMBER 2019	% OF PRIVATE EQUITY 31 DECEMBER 2018	% OF DEBT INVESTMENTS 31 DECEMBER 2018	% OF EQUITY INVESTMENTS 31 DECEMBER 2018
Tech & Telco	39%	41%	37%	36%	36%	15%
Services	22%	38%	29%	24%	48%	31%
Healthcare	16%	21%	32%	23%	9%	45%
Consumer	20%	0%	0%	16%	7%	8%
Digital	3%	0%	0%	0%	0%	0%
Other	0%	0%	2%	1%	0%	1%
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

IFRS 13 "**Fair Value Measurement**" ("IFRS13") requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used to make those measurements. The fair value hierarchy has the following levels:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

– Valuation techniques based on observable 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). This category includes instruments valued using: quoted market prices in active markets for similar but not identical instruments; quoted prices for identical instruments in markets that are not considered to be active; and, other valuation techniques where all the significant inputs are directly or indirectly observable from market data (level 2).

– Valuation techniques 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 Company also determines if there is a transfer between each respective level at the end of each reporting period based on the valuation information available.

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at 31 December 2019:

ASSETS	LEVEL 1 €'000	LEVEL 2 €'000	LEVEL 3 €'000	TOTAL €'000
Private Equity Investments	–	–	766,278	766,278
Derived Investments	87,102	252,543	2,554	342,199
Debt	*–*	*252,543*	*–*	*252,543*
Equities	*87,102*	*–*	*2,554*	*89,656*
Total	**87,102**	**252,543**	**768,832**	**1,108,477**

14 FAIR VALUE ESTIMATION CONTINUED

(a) Investments measured at fair value continued

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at 31 December 2018[1]:

ASSETS	LEVEL 1 €'000	LEVEL 2 €'000	LEVEL 3 €'000	TOTAL €'000
Private Equity Investments	–	–	591,458	591,458
Derived Investments	133,104	168,805	18,681	320,590
Debt	*–*	*168,805*	*9,467*	*178,272*
Equities	*133,104*	*–*	*9,214*	*142,318*
Total	**133,104**	**168,805**	**610,139**	**912,048**

1. At 30 June 2019, €168.8m of debt investments classified as level 3 for the year ended 31 December 2018 have been reclassified into level 2, due to a change in management's judgement over what constitutes "observable"

IFRS13 requires the Company to describe movements in and transfers between levels of the fair value hierarchy. The Company determines if there is a transfer between each respective level at the end of each reporting period based on the valuation information available.

There were no transfers to or from level 1 during the period. Two debt investments transferred out of level 3 to level 2 when a significant input used in the fair value measurement became observable.

Movements in level 3 investments are summarised in the table below:

	YEAR ENDED 31 DECEMBER 2019			YEAR ENDED 31 DECEMBER 2018		
	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	TOTAL €'000	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	TOTAL €'000
Opening fair value	591,458	18,681	610,139	590,185	21,410	611,595
Additions	165,904	492	166,396	43,666	6,662	50,328
Disposals and repayments	(182,353)	–	(182,353)	(135,060)	(2,653)	(137,713)
Realised losses	–	–	–	–	(2,440)	(2,440)
Unrealised gains	191,269	(7,154)	184,115	92,667	(4,229)	88,368
Transfers into level 2	–	(9,465)	(9,465)	–	–	–
Closing fair value	**766,278**	**2,554**	**768,832**	**591,458**	**18,681**	**610,139**

The unrealised gains attributable to only assets held at 31 December 2019 were €184.1m (31 December 2018: €88.4m).

(b) Significant unobservable inputs used in measuring fair value

The Company values debt instruments in the Derived Portfolio using third-party market data and broker quotes where available. Where such information is not available the Company uses models that take account of factors that are relevant to each investment and that prioritise the use of observable inputs.

The Company values unquoted equities in the Derived Portfolio using recent transaction data where applicable or models that utilise comparable company multiples applied to budgeted and historical earnings.

The Company values its holdings in Private Equity based on the NAV statements it receives from the respective underlying fund. The main inputs into the valuation models used to value the underlying level 3 investments within the Private Equity Funds are earnings multiples (based on the earnings multiples of comparable listed companies). These are applied to the budgeted or historical earnings of each investment. In addition, original transaction price, recent transactions in the same or similar instruments and completed third-party transactions in comparable instruments are also considered.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 FAIR VALUE ESTIMATION CONTINUED

(b) Significant unobservable inputs used in measuring fair value continued

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 2019 VALUATION €'000	31 DECEMBER 2018[1] VALUATION €'000
Private Equity Investments	NAV adjusted for carried interest	NAV	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 7.0% (31 December 2018: 6.0%).	766,278	559,408
Private Equity Investments	Discounted cash flow model	Discount rate applied	The Company's investment in AEVII carried interest changed methodology to a NAV method (and has been included above). In the prior year, the Company's investment was valued based on a discounted cash flow model. A movement of 10% in the discount rate applied would move the NAV at 31 December 2018 by 0.1%.	–	32,050
Debt	Discounted cash flow model	Credit quality adjustment	The Company had no debt positions where an unobservable credit quality adjustment was applied (31 December 2018: 2). In the prior year a movement of 10% in the risk premium resulted in a movement of 0.0% on NAV at 31 December 2018.	–	9,467
Equities	Comparable company earnings multiples and/or precedent transaction analysis	Comparable company multiples	The Company held 4 equity positions (31 December 2018: 3) of which 3 positions (31 December 2018: 2) were valued using comparable company multiples. The average multiple was 9.0x (31 December 2018: 4.4x). A movement of 10% in the multiple applied would move the NAV at year end by 0.1% (31 December 2018: 0.2%).	2,554	9,214

1. At 30 June 2019, €168.8m of debt investments classified as level 3 for the year ended 31 December 2018 have been reclassified into level 2, due to a change in management's judgement over what constitutes "observable"

15 SHAREHOLDERS' CAPITAL

At 31 December 2019, the Company had 491,100,768 ordinary shares fully paid with no par value in issue (31 December 2018: 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 2018.

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 2019, 80% of these shares have been released following the fourth anniversary on the 15 June 2018. 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	YEAR ENDED 31 DECEMBER 2019	YEAR ENDED 31 DECEMBER 2018
Profit or loss for the year attributable to equity shareholders: €'000	210,932	64,947
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]	3,380,271	–
Adjusted shares[2]	**494,481,039**	**491,100,768**
Earnings per share (cents)		
Basic	42.95	13.22
Diluted	42.95	13.22
Adjusted	42.66	13.22

	31 DECEMBER 2019	31 DECEMBER 2018
NAV €'000		
NAV at end of year	1,098,969	930,771
NAV per share (€)		
NAV per share	2.24	1.90
Adjusted NAV per share	2.22	1.90

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
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 2019, the Adjusted NAV per share for both methodologies resulted in an Adjusted NAV per share of €2.22 (31 December 2018: €1.90) respectively.

At 31 December 2019, 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 2019.

17 DIVIDENDS

	YEAR ENDED 31 DECEMBER 2019		YEAR ENDED 31 DECEMBER 2018	
DIVIDENDS PAID TO SHAREHOLDERS	€'000	£'000	€'000	£'000
Final dividend paid – 4.12 pence per share (31 December 2018: 4.17 pence per share)	23,747	20,233	22,928	20,478
Interim dividend paid – 4.86 pence per share (31 December 2018: 4.33 pence per share)	25,880	23,867	23,669	21,265
Total	**49,627**	**44,100**	**46,597**	**41,743**

	YEAR ENDED 31 DECEMBER 2019		YEAR ENDED 31 DECEMBER 2018	
DIVIDENDS PROPOSED	€	£	€	£
Final dividend per share	5.59c	4.68p	4.74c	4.12p

On 2 March 2020, the Board approved the final dividend for 2019, 4.68 pence per share (5.59 cents euro equivalent). This represents 2.5% of the Company's euro NAV at 31 December 2019 and will be paid on 3 April 2020.

On 13 August 2019, the Board approved an interim dividend for the six months ended 30 June 2019 of 4.86 pence per ordinary share (5.27 cents euro equivalent). This represents 2.5% of the Company's euro NAV at 30 June 2019 and was paid on 13 September 2019.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 SUBSEQUENT EVENTS

On 14 February 2020, it was announced that Stephanie Coxon will join the Board and Audit Committee effective from 31 March 2020. Stephanie has 15 years of experience of audit and advisory with PwC in the asset management sector, specialising in listed investment funds in a multitude of asset classes and is a fellow of the Institute of Chartered Accountants of England and Wales.

On 2 March 2020, the Board approved the final dividend for 2019, 4.68 pence per share (5.59 cents euro equivalent). This represents 2.5% of the Company's euro NAV at 31 December 2019 and has an expected payment date of 3 April 2020.

Additionally, on 2 March 2020, the Board approved an amendment to the Company's fees as described in more detail on page 90 of the appendix. The Board expects a material overall reduction in investment management fees, including the effect of the new administration fee to result from these changes in a substantial majority of cases and believes they produce a better alignment of incentives with the Company's investment objectives.

ADMINISTRATION

DIRECTORS (ALL NON-EXECUTIVE)
Tim Breedon CBE (Chairman)
Susie Farnon (Chair of the Audit Committee)
Chris Ambler
Mike Bane

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Channel Islands

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:	3 March 2020
Ex-dividend date:	12 March 2020
Record date:	13 March 2020
Payment date:	3 April 2020

EARNINGS RELEASES
Earnings releases are expected to be issued on or around 30 April and 4 November 2020. The interim results for the six months to 30 June 2020 are expected to be issued around 12 August 2020.

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 and results or if you would like to arrange a meeting, please contact:
Sarah Page
IR Manager – AGA
Apax Partners LLP
33 Jermyn Street
London
SW1Y 6DN
United Kingdom
Tel: +44 (0) 207 872 6300
investor.relations@apaxglobalalpha.com

TAX NOTIFICATION FOR GERMAN INVESTORS
Pursuant to changes in the German Investment Tax Act ("GITA"), with effect from 1 January 2018, AGA became subject to the tax regime of GITA. This is likely to have certain tax compliance and reporting implications for German tax resident investors in AGA. In particular, German tax resident investors that held shares in AGA on 31 December 2017 will be deemed to have disposed of and immediately reacquired their interests on that date and any resultant deemed gain or loss will be released (in whole or in part) on subsequent disposals.

INVESTORS WHO ARE TAX RESIDENT IN GERMANY SHOULD CONTACT THEIR OWN PERSONAL TAX ADVISOR TO CONSIDER THE IMPACT ON THEIR OWN PERSONAL CIRCUMSTANCES OF AGA BECOMING SUBJECT TO THE GITA TAX REGIME.

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. For the foreseeable future, the Board believes that market conditions and the relative attractiveness of investment opportunities in Private Equity will cause the Company to hold the majority of its investments in Private Equity assets. 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% 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% of its total commitments in any one underlying portfolio company;
- not more than 15% 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% of the Gross Asset Value may be invested in any one Derived Investment; and
- in aggregate, not more than 20% 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% 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% 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.

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 2019, 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.

QUARTERLY RETURNS SINCE 1Q16

	TOTAL RETURN[1] (EURO)			RETURN ATTRIBUTION					
	PRIVATE EQUITY	DERIVED DEBT	DERIVED EQUITY	PRIVATE EQUITY	DERIVED DEBT	DERIVED EQUITY	PERFORMANCE FEE	OTHER[2]	TOTAL NAV RETURN
1Q16	(0.5%)	(1.5%)	(5.4%)	(0.3%)	(0.7%)	(0.5%)	0.5%	(0.8%)	**(1.8%)**
2Q16	1.6%	(0.4%)	5.8%	0.9%	(0.1%)	0.4%	(0.3%)	0.3%	**1.2%**
3Q16	(0.3%)	5.0%	11.1%	(0.2%)	1.7%	1.1%	(0.1%)	(0.5%)	**2.0%**
4Q16	7.5%	5.9%	(0.3%)	3.4%	2.0%	(0.0%)	(0.4%)	0.5%	**5.5%**
1Q17	1.6%	0.5%	4.7%	0.7%	0.2%	0.6%	(0.3%)	0.2%	**1.4%**
2Q17	(2.7%)	(7.7%)	11.4%	(1.9%)	(2.4%)	2.9%	(0.6%)	(0.2%)	**(2.1%)**
3Q17	1.0%	(1.4%)	0.2%	0.8%	(0.3%)	0.2%	(0.2%)	(0.9%)	**(0.3%)**
4Q17	3.4%	5.2%	3.4%	1.8%	1.0%	1.0%	(0.4%)	0.2%	**3.5%**
1Q18	0.0%	(1.7%)	(0.2%)	(0.3%)	0.0%	(0.1%)	0.2%	(0.4%)	**(0.7%)**
2Q18	11.0%	2.5%	(1.8%)	6.9%	0.7%	(0.2%)	(0.3%)	(0.1%)	**6.9%**
3Q18	5.4%	1.5%	(10.4%)	3.5%	0.2%	(1.8%)	0.1%	(0.2%)	**1.8%**
4Q18	(0.0%)	2.3%	(3.9%)	(0.0%)	0.2%	(0.7%)	(0.2%)	0.1%	**(0.7%)**
1Q19	12.3%	4.8%	1.2%	7.9%	0.9%	0.1%	0.0%	(0.2%)	**8.7%**
2Q19	7.1%	0.9%	(0.4%)	4.8%	0.2%	0.0%	(0.3%)	(0.2%)	**4.4%**
3Q19	6.9%	6.0%	(3.5%)	4.3%	1.4%	(0.4%)	(0.2%)	(0.2%)	**4.9%**
4Q19	3.0%	1.8%	14.9%	2.5%	0.1%	1.3%	(0.5%)	0.0%	**3.4%**
2016	**8.0%**	**8.0%**	**11.3%**	**3.8%**	**2.7%**	**0.9%**	**(0.0%)**	**(0.9%)**	**6.6%**
2017	**3.3%**	**(2.0%)**	**24.2%**	**1.6%**	**(0.7%)**	**4.3%**	**(1.4%)**	**(1.7%)**	**2.2%**
2018	**17.4%**	**4.5%**	**(17.6%)**	**10.1%**	**1.2%**	**(3.0%)**	**0.2%**	**(1.4%)**	**7.1%**
2019	**33.9%**	**11.8%**	**9.1%**	**20.2%**	**2.7%**	**1.1%**	**(1.0%)**	**(0.3%)**	**22.7%**

	TOTAL RETURN[1] (CONSTANT CURRENCY)			RETURN ATTRIBUTION						
	PRIVATE EQUITY	DERIVED DEBT	DERIVED EQUITY	PRIVATE EQUITY	DERIVED DEBT	DERIVED EQUITY	PERFORMANCE FEE	OTHER[2]	FX[3]	TOTAL NAV RETURN
1Q16	1.8%	2.5%	(0.8%)	0.7%	0.4%	(0.2%)	0.8%	(0.4%)	(3.1%)	**(1.8%)**
2Q16	(0.1%)	(2.5%)	5.4%	0.3%	(0.9%)	0.5%	(0.4%)	0.0%	1.6%	**1.2%**
3Q16	0.1%	6.0%	11.5%	(0.1%)	2.1%	1.2%	(0.1%)	(0.6%)	(0.5%)	**2.0%**
4Q16	4.1%	(0.0%)	(4.5%)	2.0%	0.3%	(0.5%)	(0.4%)	0.1%	4.0%	**5.5%**
1Q17	2.0%	1.7%	4.5%	1.1%	0.7%	0.7%	(0.3%)	(0.2%)	(0.6%)	**1.4%**
2Q17	1.5%	(1.5%)	17.9%	0.7%	(0.3%)	3.3%	(0.5%)	(0.6%)	(4.8%)	**(2.1%)**
3Q17	2.5%	1.7%	1.1%	1.3%	0.5%	0.5%	(0.1%)	(0.2%)	(2.3%)	**(0.3%)**
4Q17	4.5%	6.6%	3.9%	2.7%	1.4%	1.2%	(0.4%)	(0.2%)	(1.1%)	**3.5%**
1Q18	1.3%	0.6%	2.4%	0.4%	0.4%	0.2%	0.3%	(0.3%)	(1.7%)	**(0.7%)**
2Q18	8.9%	(2.6%)	(3.9%)	5.8%	(0.2%)	(0.6%)	(0.3%)	(0.5%)	2.7%	**6.9%**
3Q18	5.5%	1.0%	(9.5%)	3.5%	0.1%	(1.7%)	0.2%	(0.2%)	(0.1%)	**1.8%**
4Q18	(0.3%)	1.3%	(4.9%)	(0.2%)	0.1%	(0.8%)	(0.3%)	0.0%	0.5%	**(0.7%)**
1Q19	10.0%	2.5%	(1.5%)	6.4%	0.5%	(0.2%)	0.0%	(0.2%)	2.2%	**8.7%**
2Q19	8.0%	2.3%	0.8%	5.3%	0.5%	0.1%	(0.3%)	(0.2%)	(1.0%)	**4.4%**
3Q19	4.8%	2.5%	(5.1%)	3.1%	0.6%	(0.6%)	(0.2%)	(0.3%)	2.3%	**4.9%**
4Q19	4.1%	3.7%	15.2%	3.2%	0.6%	1.3%	(0.5%)	0.0%	(1.2%)	**3.4%**
2016	**5.9%**	**5.6%**	**12.0%**	**2.8%**	**2.0%**	**0.9%**	**(0.0%)**	**(0.9%)**	**1.8%**	**6.6%**
2017	**10.0%**	**9.8%**	**35.7%**	**4.9%**	**2.1%**	**5.5%**	**(1.3%)**	**(1.0%)**	**(8.0%)**	**2.2%**
2018	**15.9%**	**0.3%**	**(17.4%)**	**9.2%**	**0.4%**	**(2.9%)**	**0.2%**	**(1.5%)**	**1.7%**	**7.1%**
2019	**31.7%**	**9.6%**	**5.5%**	**19.3%**	**2.2%**	**0.7%**	**(0.7%)**	**(1.0%)**	**(2.2%)**	**22.7%**

NOTE: All quarterly information included in the tables above is unaudited

1. Total Return for each respective sub-portfolio has been calculated by taking total gains or losses and dividing 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
2. Includes management fees and other general costs. It also includes FX on the euro returns table only
3. Includes the impact of FX movements on investments and FX on cash held during each respective period

PORTFOLIO ALLOCATION SINCE 1Q16

	PORTFOLIO ALLOCATION[1]				PORTFOLIO NAV (EURO)				NAV (EURO)	
	PRIVATE EQUITY	DERIVED DEBT	DERIVED EQUITY	NET CASH AND NCAs	PRIVATE EQUITY	DERIVED DEBT	DERIVED EQUITY	NET CASH AND NCAs	TOTAL NAV	TOTAL ADJUSTED NAV
1Q16	50%	36%	9%	5%	444.5	320.1	82.1	40.3	**887.1**	**883.6**
2Q16	49%	35%	10%	6%	440.3	314.5	93.3	53.0	**901.1**	**894.4**
3Q16	47%	36%	10%	7%	421.0	319.2	90.4	66.6	**897.2**	**889.6**
4Q16	52%	30%	13%	4%	498.8	284.9	127.9	38.5	**950.0**	**938.7**
1Q17	52%	30%	16%	2%	489.5	282.4	147.5	16.6	**935.9**	**928.0**
2Q17	50%	21%	13%	16%	457.6	195.3	119.5	148.0	**920.4**	**908.1**
3Q17	58%	21%	19%	1%	522.8	189.1	170.8	12.7	**895.5**	**881.9**
4Q17	63%	20%	14%	2%	590.2	188.4	132.1	19.2	**929.9**	**912.4**
1Q18	65%	15%	17%	3%	572.5	136.2	152.6	22.1	**883.3**	**883.3**
2Q18	67%	19%	17%	(4%)	638.8	184.3	160.6	(35.8)	**947.8**	**943.9**
3Q18	68%	17%	17%	(2%)	638.9	158.1	159.0	(16.3)	**939.7**	**937.3**
4Q18	64%	19%	15%	2%	591.5	178.3	142.3	18.7	**930.8**	**930.8**
1Q19	68%	18%	11%	3%	669.5	178.9	112	28.1	**988.5**	**988.2**
2Q19	56%	22%	12%	9%	582.9	232.1	123.3	96.2	**1,034.5**	**1,031.9**
3Q19	61%	24%	11%	4%	648.1	257.4	116.0	38.9	**1,060.4**	**1,055.8**
4Q19	70%	23%	8%	(1%)	766.3	252.5	89.7	(9.5)	**1,099.0**	**1,092.1**
2016	**50%**	**34%**	**11%**	**5%**	**451.1**	**309.7**	**98.4**	**49.6**	**908.9**	**901.6**
2017	**56%**	**23%**	**16%**	**5%**	**515.0**	**213.8**	**142.5**	**49.1**	**920.4**	**907.6**
2018	**66%**	**18%**	**16%**	**0%**	**610.4**	**164.2**	**153.6**	**(2.8)**	**925.4**	**923.8**
2019	**64%**	**22%**	**11%**	**4%**	**666.7**	**230.3**	**110.2**	**38.4**	**1,045.6**	**1,042.0**

1. For annual periods the average weighting over four quarters used

SUMMARY OF FEE AMENDMENTS

The Board approved a revised fee structure on 2 March 2020, with an effective date from 1 January 2020. A summary of the changes are detailed below:

MANAGEMENT FEES

The Board has negotiated lower management fee rates, as shown in the table below:

	UNTIL 31 DECEMBER 2019	FROM 1 JANUARY 2020
Derived Debt	1.25%	1.0%
Derived Equity	1.25%	0.5%
Eligible Private Equity	1.25%	0.5%

The fee will continue to be calculated and paid quarterly in arrears to AGML.

PERFORMANCE FEES

The Board has approved a change in the rates and the methodology of how the performance fee is calculated. The current performance fee is calculated based on investments realised for cash in each financial year. When the Gross IRR hurdle of 8% is met, a fee of 20% of realised gains is paid to the Investment Manager. The IRR calculation does not take management fees and Direct Deal costs into account.

The revised performance fee is calculated based on the overall gains or losses[1] net of management fees and Direct Deal costs in each financial year. When the Portfolio Total Return hurdle is met a performance fee is payable as per the below:

	UNTIL 31 DECEMBER 2019		FROM 1 JANUARY 2020	
	GROSS IRR HURDLE	PERFORMANCE FEE RATE	NET PORTFOLIO TOTAL RETURN HURDLE	PERFORMANCE FEE RATE
Derived Debt	8%	20%	6%	15%
Derived Equity	8%	20%	8%	20%
Eligible Private Equity	8%	20%	8%	20%

The performance fee will continue to be calculated and paid annually. performance fee payments are expected to be made in shares and remain subject to the terms as disclosed in the Prospectus.

ADMINISTRATION FEES

The Company pays Aztec administration fees of £400,000 per annum, of which £250,000 is payable to APFS, the sub-administrator.

In addition to the above, the Board approved a new service agreement with Apax Partners and its affiliate, APFS, with a fee of 0.04% of Invested Portfolio per annum for providing certain corporate and investor relations services.

CAP ON FEES

The Board has negotiated a cap on overall direct fees payable to the Investment Manager and the Investment Advisor. From 1 January 2020, overall fees payable will be capped at 3% of the Net Asset Value of the Company[2]. Prior to 31 December 2019, fees payable to the Investment Manager and Investment Advisor were uncapped.

KEY TERMS

Eligible Portfolio means the Derived Debt, Derived Equity and Eligible Private Equity portfolios.

Eligible Private Equity means the Private Equity portfolio eligible for management fees and performance fee. It represents interests in Private Equity Investments held that do not pay fees at the Apax Fund level.

Portfolio Total Return means the sub-portfolio performance in a given period, is calculated by taking total gains or losses and dividing them by the sum of GAV 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. Portfolio Total Return is gross of performance fees but net of management fees and relevant Direct Deal costs.

Direct Deal costs means costs directly attributable to the due diligence and execution of deals completed by the Company (such as broker fees and deal research costs). For avoidance of doubt it excludes taxes payables and general fund and administration costs.

EXPECTED CHANGES FROM REVISED FEE AGREEMENTS

The Board expects that fee payments to the Investment Manager and the Investment Advisor will, in a substantial majority of circumstances, reduce significantly following these amendments.

The Board also believes that the change in calculation methodology for the performance fee will better align incentives of the Investment Manager with those of the Company and shareholders.

To transition to the new fee applicable from 1 January 2020, the Company's Investment portfolio is assumed to be realised and re-acquired for cash as at 31 December 2019. The performance fee accrual of €6.9m (all attributable to Eligible Private Equity) will become payable to the Investment Manager as a consequence.

1. Overall gains or losses for each portfolio includes realised and unrealised fair value movements, income and foreign exchange movements
2. Cap relates only to fees paid directly by Apax Global Alpha Limited, i.e. it excludes fees at the Apax Fund level such as management fees and carried interest paid

GLOSSARY

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

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.

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.

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

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

Apax Partners or Apax or Investment Advisor means Apax Partners LLP.

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

APFS means Apax Partners Fund Services Limited.

APG means Apax Partners Guernsey Limited.

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

AX means the limited partnerships that constitute the Apax X Private Equity fund.

Aztec means Aztec Financial Services (Guernsey) Limited

B2B means business to business.

Brexit refers to the 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 Derived Debt Investments.

CEE Central and eastern Europe.

CSR Corporate social responsibility.

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

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

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

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.

Direct Deal costs means costs directly attributable to the due diligence and execution of deals completed by the Company (such as broker fees and deal research costs). For avoidance of doubt it excludes taxes payables and general fund and administration costs.

EBITDA Earnings before interest, tax, depreciation and amortisation.

Eligible Portfolio means the Derived Debt, Derived Equity and Eligible Private Equity portfolios.

Eligible Private Equity means the Private Equity portfolio eligible for management fees and performance fee. It represents interests in Private Equity investments held that do not pay fees at the Apax Fund level.

ERP Enterprise resource planning.

ESG Environmental, social and governance.

EV Enterprise value.

FVTPL means fair value through profit or loss.

FX means foreign exchange.

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 means such investor relations services as are currently provided to AGA by the Investment Advisor.

IPO Initial public offering.

GTJA means Guotai Junan Securities.

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.

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.

NTM Next twelve months.

GLOSSARY CONTINUED

Ongoing charges are the Company's ongoing charges which 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. A reconciliation between costs per the financial statements and those used in the ongoing charges are set out below:

OPERATING COSTS	TOTAL PER STATEMENT OF PROFIT OR LOSS STATEMENTS AND OCI	EXCLUDED FROM AIC ONGOING CHARGES	INCLUDED IN AIC ONGOING CHARGES
Performance fee	6,893	6,893	–
Management fee	5,013	–	5,013
Admin and other expenses	2,051	438	1,613
Other admin and operating expenses	*1,613*	–	*1613*
Deal transaction, custody and research costs	*438*	*438*	–
Total	**13,957**	**7,331**	**6,626**
Finance costs	1,860	1,860	–
Total costs	**15,817**	**9,191**	**6,626**
Look-through management fees[1]			9,842
Total Ongoing charges			**16,468**
Average NAV[2]			1,022,107
% of Average NAV			**1.6%**

1. Represents management fees to the Apax Funds
2. Represents the average of 5 quarter end reported NAV's from 31 December 2018 to 31 December 2019

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 S.C.A. 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.

Portfolio Total Return means the sub-portfolio performance in a given period, is calculated by taking total gains or losses and dividing them by the sum of GAV 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. Portfolio Total Return is gross of performance fees but net of management fees and relevant Direct Deal costs.

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 2019 to 31 December 2019.

SMEs Small and mid-sized enterprises.

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 five 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 reinvestment. 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.

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

Unaffected Valuation is determined as the fair value in the last quarter before exit, when valuation is not affected by the exit process (i.e. because an exit was signed, or an exit was sufficiently close to being signed that the Apax Funds incorporated the expected exit multiple into the quarter end valuation).

Apax GLOBAL ALPHA

Annual Report and
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