Apax GLOBAL ALPHA

Apax Global Alpha Limited
Annual Report and Accounts 2016

Introduction

Welcome to the Apax Global Alpha Annual Report for 2016. This interactive pdf allows you to easily access the information that you require. Use the page icons within the text or the document controls located at the top of each page to navigate through the report.

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Apax GLOBAL ALPHA

Apax Global Alpha Limited
Annual Report and Accounts 2016

Delivering sustainable value in volatile markets

Introduction

Apax Global Alpha Limited is in a unique position to offer its shareholders exclusive exposure to both Apax Partners Private Equity funds and a tailored mix of Derived Investments.

Overview

Apax Global Alpha Limited ("AGA", "Apax Global Alpha" or the "Company") is a closed-ended investment company that invests in a diversified portfolio of private equity funds and Derived Investments identified as a result of the private equity activities of Apax Partners LLP ("Apax Partners" or "Apax"). The Company was admitted to trading on the Main Market of the London Stock Exchange on 15 June 2015.

Objective

The Company's investment objective is to provide shareholders with capital appreciation from its investment portfolio and regular dividends. The Company is targeting an annualised Total NAV Return across economic cycles of 12–15%, net of fees and expenses. The Company aims to pay an annualised dividend yield of 5% of Net Asset Value ("NAV") per annum.

Expertise

The Investment Adviser, Apax Partners LLP, is a leading global private equity advisory firm. It has more than 30 years experience investing in Private Equity. Apax Partners has raised and advised funds that total over €40bn in aggregate as at 31 December 2016. Apax Partners advises on investments globally in companies across four sectors: Tech & Telco, Services, Healthcare and Consumer.

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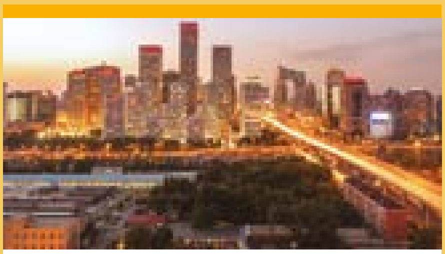

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Our business

Company overview

AGA provides investors with access to the investment expertise of Apax Partners, a leading global private equity advisory firm. It aims to provide long-term, superior returns to shareholders through its diversified portfolio of Private Equity Investments, as well as Derived Investments in debt and equity.

Read more on PG06

"AGA is focused on delivering and sustaining value against a backdrop of volatile markets"

Tim Breedon CBE
Chairman

Our portfolio

AGA's portfolio is balanced across asset types, geographies and sectors. Private Equity represents 55% of the Invested Portfolio and Derived Investments the remaining 45%. AGA invests on a global basis and across Apax Partners' four sectors of expertise. The portfolio is currently overweight in North America and Tech & Telco as this is where the best investment opportunities have arisen for the Company in the past.

Invested Portfolio

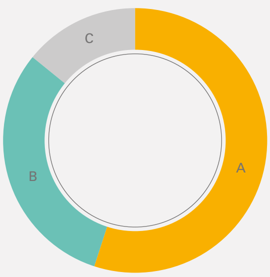
96%

	Invested portfolio	Cash and other net current assets
31 Dec 2016	96%	4%
30 Jun 2016	94%	6%
30 Dec 2015	98%	2%

Invested portfolio
Cash and other net current assets

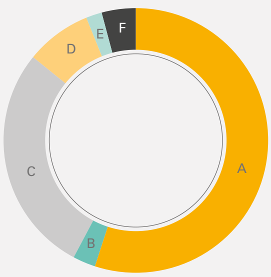
Read more on PG28

Asset type



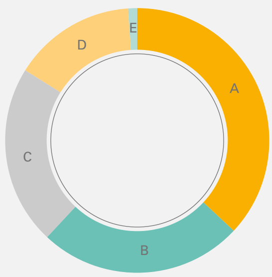
A	Private Equity	55%
B	Debt	31%
C	Equity	14%

Geography



A	North America	55%
B	United Kingdom	3%
C	Rest of Europe	28%
D	India	8%
E	China	2%
F	Rest of World	4%

Sector



A	Tech & Telco	37%
B	Services	25%
C	Healthcare	22%
D	Consumer	15%
E	Other	1%

Highlights 2016

Financial

Read more on PG28

1. Adjusted NAV is calculated by deducting the estimated performance fee reserve from period-end NAV.

2. Total NAV Return for the year means the movement in the Adjusted NAV per share over the period plus any dividends paid.

For details of calculations used please see the glossary on page 96.

Adjusted NAV[1]
at 31 December 2016

€938.7m/£801.2m

Market capitalisation
at 31 December 2016

€804.8m/£686.9m

Adjusted NAV[1] per share
at 31 December 2016

€1.91/£1.63

Total NAV Return[2]
FY 2016

6.6%

Dividends per ordinary share in respect of 2016 (€/£)

9.43c/8.08p

Percentage of funds invested
at 31 December 2016

96%

Our track record

	Total Private Equity and Derived Investments	Total Private Equity (Read more on PG30)	Total Derived Investments (Read more on PG34)		
		Private Equity	Total Derived Investments	Derived Debt Investments	Derived Equity Investments
Value of current investments at 31 December 2016	€911.6m	€498.8m	€412.8m	€284.9m	€127.9m
Adjusted NAV at 31 December 2016	€938.7m **includes €38.4m of cash and net current assets**	€494.1m	€406.2m	€280.1m	€126.1m
Total NAV Return[3]/ **Total Return**[4] since 31 December 2015	6.6%	6.6%	6.0%	6.2%	5.5%
Total proceeds and income for the year ended 31 December 2016	€305.4m	€68.8m	€236.6m	€171.0m	€65.6m

3. **Total NAV Return** for the year, for the Company, means the movement in the Adjusted NAV per share over the period plus any dividends paid.
4. **Total Return** for Private Equity and Derived Investments is calculated by taking the Adjusted NAV for the respective portfolio at the end of the year, adding back disposals, income and realised movements divided by the Adjusted NAV of the respective portfolio at the end of the year together with additions.

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01
Strategic report

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

In this section

Chairman's statement

It is my pleasure to present AGA's 2016 full-year results. Both the Private Equity and Derived Investment portfolios performed more strongly in the second half of the year after performance was held back in the first half by negative fair value movements in a small number of positions. AGA's ability to create value during times of volatility reinforces our belief that it represents an attractive long-term investment for our shareholders.

Tim Breedon CBE
Chairman

This annual report covers AGA's performance in 2016, a year that witnessed a number of tumultuous economic and political events which affected global markets. Performance was largely flat during the first six months; however it improved during H2 2016 resulting in a Total NAV Return of 6.6% (after expenses) for the year as a whole.

The Private Equity and Derived Investment portfolios contributed broadly equally to performance, with annual Total Returns of 6.6% and 6.0% respectively. The Investment Manager's portfolio overview which you can find on page 28 of this report discusses the year's performance in detail, explaining that the majority of the portfolio's positions are delivering robust performance; however, this has been partially offset by negative fair value movements relating to a small number of investments in both Private Equity and Derived Investments. AGA's performance in 2016 also benefited from the portfolio's exposure to investments denominated in US dollars.

During the year, Adjusted NAV per share grew 1.6% to €1.91. In pound sterling terms however, it increased 18.1% from £1.38 to £1.63 over the same period, reflecting the substantial decline in its value against the euro.

Tim Breedon CBE Chairman

AGA made two dividend payments during the year, consistent with one of its strategic objectives, distributing a total of £37.5m or 7.64 pence per share to shareholders during the year.

Impact of recent geo-political events
During 2016 the unexpected outcome of the Brexit referendum led to short-term volatility in equity and debt markets, whilst the pound sterling depreciated sharply against major currencies. It is likely that the prospects for the UK economy have been weakened by Brexit, at least until there is clarity around future trade agreements with the European Union and other countries. AGA has a direct exposure to the UK of around 3% of its Invested Portfolio. It is therefore relatively insulated from any Brexit related volatility affecting sterling or the UK market.

Donald Trump was elected as the 45th President of the United States on 8 November 2016. Given the Republican majority in both houses of Congress, President Trump's agenda, although still not clearly outlined, has a high likelihood of implementation. US fiscal expansion through additional sovereign borrowing coupled with tax cuts and protectionist measures are likely to lead to an increase in real GDP growth accompanied by higher inflation, interest rate hikes and US dollar appreciation.

In the "Investment Manager's market review and outlook" section, the Investment Manager explores the implications of these events in detail.

Funding and commitments
During the first half of 2016, the Company committed approximately $350m to Apax IX ("AIX") the new $9bn private equity fund launched by Apax Partners. This commitment enabled AGA to continue its strategy of providing shareholders with access to private equity investments advised by Apax Partners.

AIX had its final close on 20 December 2016 and has already announced its first two investments.

The Board approved an amendment to the terms of the Company's existing revolving credit facility, resulting in an increase in the maximum borrowing limit from €90m to €140m, and a three-year extension. This was considered prudent in light of the increasing size of AGA's investment portfolio and the commitment to AIX.

For more information on fund commitments, please see page 30.

First lock-up release
On 15 June 2016, the first anniversary of the Company's IPO, approximately 7.5% of AGA's ordinary shares held by Future Fund, former Apax executives and the Apax Foundation were released from lock-up. This first tranche represented around 37m shares or 20% of the shares held by these investors at the time of the IPO. The staggered release of shares is designed to ensure former employees of AGA's Investment Adviser remain committed to the success of AGA over the long term, whilst allowing the free float of AGA shares to increase over time.

AGA and its corporate broker facilitated and offered a process for the market placement of shares to those shareholders coming out of lock-up. Only 2.5m shares were sold by shareholders through this placement process, a clear indication that AGA continues to be regarded as an attractive value proposition by its pre-IPO shareholders.

The Board is considering making a similar mechanism available to its pre-IPO shareholders at future lock-up release dates.

Board and Committee changes
On 1 July 2016, Sarah Evans was appointed as a Non-Executive Director to the Board of AGA, replacing Steve Le Page who resigned from his post as both Non-Executive Director and Chairman of the Audit Committee. Susie Farnon, an existing Director, became Chairman of the Audit Committee on the same date. On 18 November 2016, the Board appointed Susie Farnon a Senior Independent Director ("SID").

For more information on Board and Committee membership and Director profiles, please visit:

www.apaxglobalalpha.com/corporate-governance/the-board/

Dividend
In line with AGA's dividend policy, the Board has approved a final dividend in respect of the financial period to 31 December 2016, of 4.13 pence per share, using the closing exchange rate on 28 February 2017. The dividend is equal to 2.5% of AGA's euro NAV at 31 December 2016, equivalent to 4.84 euro cents. The dividend will be paid on 4 April 2017 to members on the register on 17 March 2017. The shares will be marked ex-dividend on 16 March 2017.

Outlook
Although the macroeconomic backdrop in the US and most of Europe remains sound, the next year is set to witness continued geo-political and economic uncertainty. Asset values remain elevated and, in this market environment, having a broad-based portfolio and access to an investment process which can successfully identify and exploit opportunities through deep sector insight and transformational ownership will be an important factor in enabling the Company to achieve its target 12–15% annualised Total NAV Return across economic cycles.

Tim Breedon CBE
Chairman
6 March 2017

Strategic report
Business model

Our structure

The Company
Apax Global Alpha Limited

The Investment Manager
Apax Guernsey Managers Limited

The Investment Adviser
Apax Partners LLP

About AGA
AGA is a closed-ended investment company that invests in a diversified portfolio of Private Equity Investments and Derived Investments in debt and equities.

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

About Apax Partners
Apax Partners LLP is a leading global private equity advisory firm and acts as Investment Adviser to AGML. It operates globally and has more than 30 years of investing experience. Apax Partners has raised and advised funds that total over €40bn in aggregate at 31 December 2016.

What AGA does
> Set business objectives and investment strategy
> Governance and risk management
> Appointment and oversight of service providers

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

What Apax Partners does
> Identification and due diligence of investment opportunities
> Recommendation of potential investments to AGML for consideration

Our portfolio

55:45

Private Equity
Adjusted NAV
€494.1m

Digital | Operational excellence | Capital markets

Transformational ownership

Read more on PG30

Derived Investments
Adjusted NAV
€406.2m

Ideas derived from Private Equity activity

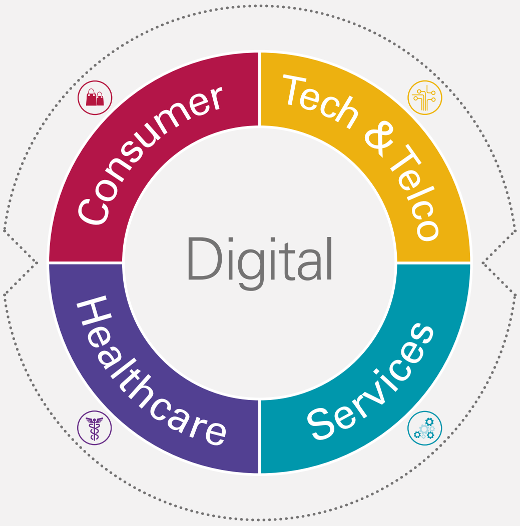
Debt
Investments in public and private debt
69%

Equity
Targeted investments in equity, predominantly listed equities
31%

Read more on PG34

Our expertise

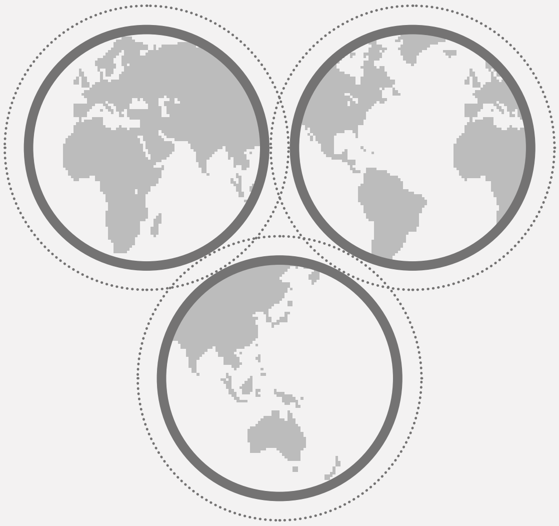
Sector expertise



Apax Partners' sector knowledge allows it to spot emerging global trends early and invest "ahead of the curve".

Read more on PG10

Geographic flexibility



Partners
28

Global offices
8

Value generated

AGA's hybrid portfolio is a differentiator from peers. Shareholders gain access to Apax Funds and a portfolio of Derived Investments, which provides return potential across asset classes and minimises cash drag.

Adjusted NAV per share

	€	£
2016	1.91	1.63
2015	1.88	1.38

Total NAV Return[1]
+6.6%

Dividend paid

	¢	pence
2016	9.35	7.64
2015	0	0

Dividend Yield[2]
5.0%

AGA generated positive value in both Private Equity and Derived Investments in 2016.

Total Return – Private Equity

	%
2016	6.6
2015	20.5

Total Return[1]
+6.6%

Total Return – Derived Investments

	%
2016	6.0
2015	8.9

Total Return[1]
+6.0%

1 Please refer to glossary on page 96 for full details of calculations
2 as a % of weighted NAV at 30 June 2016 and 31 December 2015

Strategic report
Business model in action - selected case studies

Tech & Telco

Private Equity

Duck Creek

Duck Creek is a leading provider of modern software technology to the Property and Casualty ("P&C") insurance carrier market.

Apax VIII acquired a 60% stake in Duck Creek in August 2016 forming a joint venture with Accenture. The transaction was valued at a discount to competitors. Duck Creek was carved out of Accenture, where it was considered to be a non-core asset whilst the Investment Adviser believed that the historic ownership structure was constraining growth of Duck Creek.

P&C insurance software is in the midst of a transition from legacy solutions to modern systems, and is a business critical administration system. The market penetration of modern systems is currently less than 30%, therefore Duck Creek has significant room to increase its already high revenue growth. With an independent management team the company will be able to accelerate growth through a software focused go-to-market strategy and accretive M&A.

Since investment, Apax VIII has supported Duck Creek in merging with Agencyport, a leader in digital insurance agent portals, and acquiring Yodil, a leading provider in insurance data management and business intelligence. The Fund has also recruited key additions to the board and management team and helped expand the system integrator network. The Investment Adviser's Operational Excellence Practice ("OEP") was key in successfully completing the carve-out process.

Investment details

Date of investment	**August 2016**
Fund	**Apax VIII**
Region	**North America**
Status	**Unrealised**
Contribution to AGA NAV	**€14.2m**

Derived Investments

Vertafore

Vertafore is a leading provider of software to P&C insurance brokers (Brokerage Management Systems), offering a full range of products across all market segments.

The Investment Adviser has acquired a deep understanding of the Brokerage Management Systems space through Apax Europe VII's investment in Hub International and Apax VIII's investment in Assured Partners. Additionally, the Investment Adviser had in the past completed prior due diligence of Vertafore and other players in this space, as potential investments for the Apax Funds.

The Investment Adviser viewed Vertafore as a stable, recession-resistant asset with a number of key attractions as a debt investment. The business delivers a mission critical product that represents a small part of the customers' cost base, affording Vertafore considerable pricing power. Vertafore has also maintained strong recurring revenue and retention rates amongst its customer base, with low customer concentration. These translate into a business with a strong cash flow profile.

Investment details

Date of investment	**July 2016**
Instrument	**Debt, second lien loan**
Region	**North America**
Status	**Unrealised**
Contribution to AGA NAV	**€9.7m**

Services

Private Equity

Boats Group

Investment details	
Date of investment	**August 2016**
Fund	**AIX**
Region	**North America**
Status	**Unrealised**
Contribution to AGA NAV	**€7.5m**

Boats Group operates a prominent digital classifieds marketplace for recreational marine vehicles and provides marketing software solutions to its broker and dealer customers. Core websites include BoatTrader.com, YachtWorld.com and Boats.com.

Boats Group is a market leader in a winner-takes-most environment, with its marketplaces estimated to drive over 30% of recreational marine dealership leads. It also provides operationally critical products to dealerships: multiple listing service, customer relationship management, inventory management tools; and a transactional database. In addition, its digital business model results in high cash conversion.

Boats Group is the Apax Funds' sixth investment in the digital classifieds sub-sector, and as such the Adviser is well placed to help create significant near-term value by implementing industry best practices. The OEP has identified multiple operational levers to drive mid to long-term growth by delivering increased consumer usage and greater yield from brokers, dealers; and OEMs.

AIX, with the OEP's guidance, successfully supported key management recruitment and identified strategic initiatives to be implemented to drive both short and long term growth.

Derived Investments

Cholamandalam

Investment details	
Date of investment	**March 2014**
Instrument	**Listed equity**
Region	**India**
Status	**Partially realised at December 2016, fully realised at January 2017**
Fully exited returns to AGA	**80% IRR[1]**

Cholamandalam ("Chola") is a top Indian non-bank financial company, focused on the commercial vehicle ("CV"), loan against property and SME financing segments.

AGA invested €3.9m in early 2014. Later that year, the Investment Adviser was invited to evaluate a primary equity raise into Chola, which due to its size and structure, met the investment objectives of the Apax Funds. Apax VIII invested €79.4m into Chola.

At entry, the CV market had declined for c.20 months, however, the Investment Adviser recognised that the market was set to recover. Chola maintained asset quality despite market declines, expanded its branch network, and diversified into new product categories. It also had multiple levers to improve profitability, realise operating efficiencies, improve cost of funds, and increase securitisation.

This investment thesis played out: the CV market had a strong recovery, Chola continued to venture into new products; and expanded net interest margin and return on assets. As a result, the company's valuation re-rated from c.2.0x at entry to 3.0x price to book. Incremental returns reduced, making an exit for AGA attractive. AGA (together with AVIII on a pro rata basis) sold c.65% of its stake in 2016 and remainder in January 2017.

1 Solely represents return to AGA from its Derived Equity Investment, and excludes returns from AGA's exposure via its commitment to Apax VIII

Strategic report
Business model in action

Healthcare

Private Equity
Invent Neuraxpharm

Invent-Neuraxpharm ("Invent Neurax") is a major specialty generic pharmaceutical company focused on treatments for central nervous system ("CNS") disorders.

Invent Neurax was formed from the merger of Invent Farma and Neuraxpharm, both acquired by Apax VIII in August 2016. Invent Farma has a top CNS products sales force in Spain and Neuraxpharm is the leading German CNS-focused generics company.

The generic/off-patent pharmaceutical market has strong tailwinds in Western Europe, driven by an ageing population, increasing demand for healthcare, and cost saving efforts switching from higher-priced originator products. Invent Neurax also benefits from strong brand recognition and the general desire among CNS doctors and patients to avoid brand switching during the typically long treatment duration.

Apax VIII acquired Invent Farma and Neuraxpharm at attractive valuations, and their combination creates the opportunity to realise substantial synergies and develop a platform to build a pan-European leader. Since entry, the OEP has worked with management to implement the integration and cost savings plans. The Investment Adviser has supported the evaluation of potential M&A targets.

Investment details	
Date of investment	**August 2016**
Fund	**Apax VIII**
Region	**Europe**
Status	**Unrealised**
Contribution to AGA NAV	**€19.1m**

Derived Investments
Physiotherapy Associates

Physiotherapy Associates ("Physio") is a physical therapy provider with clinics across the US and a diversified payer mix. The US represents a highly fragmented, large and growing market. The sub-sector has strong tailwinds, including an ageing and active population, a stable regulatory environment, and physical therapy seen as a cost effective alternative to surgery.

The Investment Adviser gained insight into the sector through the Apax Funds' due diligence of other opportunities in the space and related sub-sectors (e.g. workers' compensation). During 2013, Physio went through pre-packaged bankruptcy after revenue recognition irregularities were identified. The Investment Adviser accurately assessed the quality of the business due to its sub-sector expertise, familiarity with the business model and experience of the new management's integrity (the Investment Adviser knew the new CFO).

AGA participated in the original syndication in 2015 investing €8.8m. In 2016, a strategic player acquired Physio, triggering a repayment due to change of control.

Investment details	
Date of investment	**June 2015**
Instrument	**Debt, second lien loan**
Region	**North America**
Status	**Realised**
Fully exited returns to AGA	**15% IRR**

Consumer

Private Equity

Idealista

Investment details	
Date of investment	**September 2015**
Fund	**Apax VIII**
Region	**Europe**
Status	**Unrealised**
Contribution to AGA NAV	**€20.0m**

Idealista is the operator of idealista.com, the key online real estate classifieds advertising marketplace in Spain. Idealista also operates challenger real estate classified marketplaces in Italy, launched in 2007, and in Portugal, launched in 2014.

Idealista has proven itself to be a highly resilient business, as it has grown revenue and profitability during the recent Spanish real estate crisis. The business has strong brand awareness and maintains high-quality traffic to its sites.

Apax VIII acquired Idealista at a compelling forward entry multiple given its high growth. At the time of investment, the Investment Adviser expected the Spanish real estate market to rebound, which would allow Idealista to grow revenues and capture increased agency spend. In addition, the Investment Adviser, with the assistance of the OEP and Ed Williams (founder of Rightmove, Chairman at Auto Trader and now non-executive director at Idealista) is supporting Idealista to incorporate international best practices in pricing sophistication and value messaging, driving average revenue per account growth further. Idealista is the Apax Funds' fifth digital classifieds investment.

Since entry Apax Funds have led various operational improvement initiatives, most significantly a detailed review of pricing architecture and value messaging. In addition it has provided M&A support to evaluate strategic acquisitions.

Derived Investments

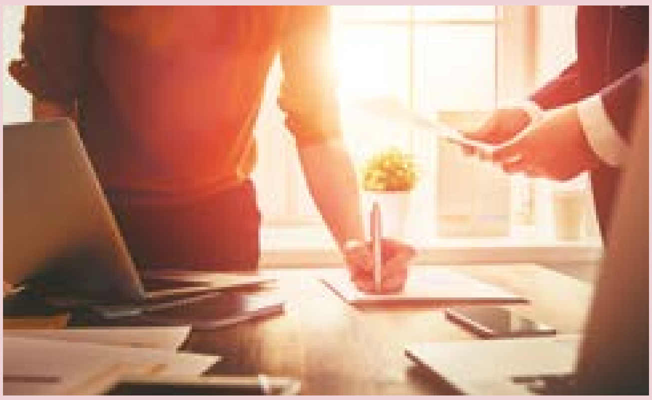
Advantage Sales & Marketing

Investment details	
Date of investment	**July 2014**
Instrument	**Debt, second lien loan**
Region	**North America**
Status	**Unrealised**
Contribution to AGA NAV	**€18.7m**

Advantage Sales & Marketing ("ASM") is a significant sales and marketing agency ("SMA") in the US, providing outsourced sales and marketing services to manufacturers, suppliers and producers of consumer packaged goods.

ASM was previously an Apax Europe VII portfolio company. Leveraging the experience from this investment and prior market due diligence, the Investment Adviser identified the SMA industry as an attractive sub-sector that operates as a stable duopoly with limited cyclicality and consistent secular growth.

The Apax Funds sold ASM to funds advised by Leonard Green and CVC in July 2014. When the debt was syndicated in the market, the Investment Adviser assessed the opportunity from a debt perspective and identified the second lien debt as providing an attractive risk return profile due to high cash flow generation and favourable sub-sector trends. AGA invested during the original syndication and later in the secondary market at a similar price following strong operational performance.



Our strategic objectives

AGA typically invests in Apax Partners' four core industry sectors – Tech & Telco, Services, Healthcare and Consumer – and utilises Apax Partners' global footprint. The Investment Manager leverages Apax Partners' extensive investment expertise gained through its core private equity business.

Objectives

1. Target annual 5% of NAV dividend
2. Over-the-cycle net target Total NAV Returns of 12–15% in euro
3. Continue investing in Apax Funds
4. Balanced exposure to Private Equity and Derived Investments
5. Remain fully invested

Progress 2016	Outlook 2017	Risks
Dividends paid: 2.5% on 31 December 2015 NAV; 2.5% on 30 June 2016 NAV	> Target dividend strategy viable on current projections	> Limited foreseeable risk
Total NAV Return: 6.6%	> Retain price discipline and focus on early value creation in an elevated valuation environment	> Robust portfolio performance dragged by a small number of underperforming investments, both in the Private Equity and Derived Investments portfolio > Increasing geo-political uncertainty could translate into macro-economic headwinds
AIX commitment: c.$350m	> The Board will continue to evaluate potential commitments to future Apax Funds	> New Apax Funds not available
Portfolio balance: 55% Private Equity; 45% Derived Investments	> Expect Private Equity to remain slightly overweight	> Apax Funds capital drawdown and distribution rate > Liquidity profile of Derived Investments
Invested Portfolio: 96% % of NAV	> Remain fully or close to fully invested	> Dependent on wider market conditions that may favour portfolio divestments over new investments > Elevated pricing environment in debt and equity markets

Risk management framework and principal risks

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

The risk governance framework is designed to identify, evaluate and mitigate the risks identified by the Board as being of significant relevance to the Company in view of its risk profile and the risk appetite. The underlying process aims to understand and mitigate, rather than eliminate, the 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 based within three core categories: financial risks, strategic and business risks, and operating risks.

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

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

The Board undertakes an annual review of its risk appetite, considering recommendations from the Audit Committee and key service providers responsible for implementing the controls related to certain risks identified by the Board, as noted above.

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 the 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 decision-making, review and challenge.

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

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

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

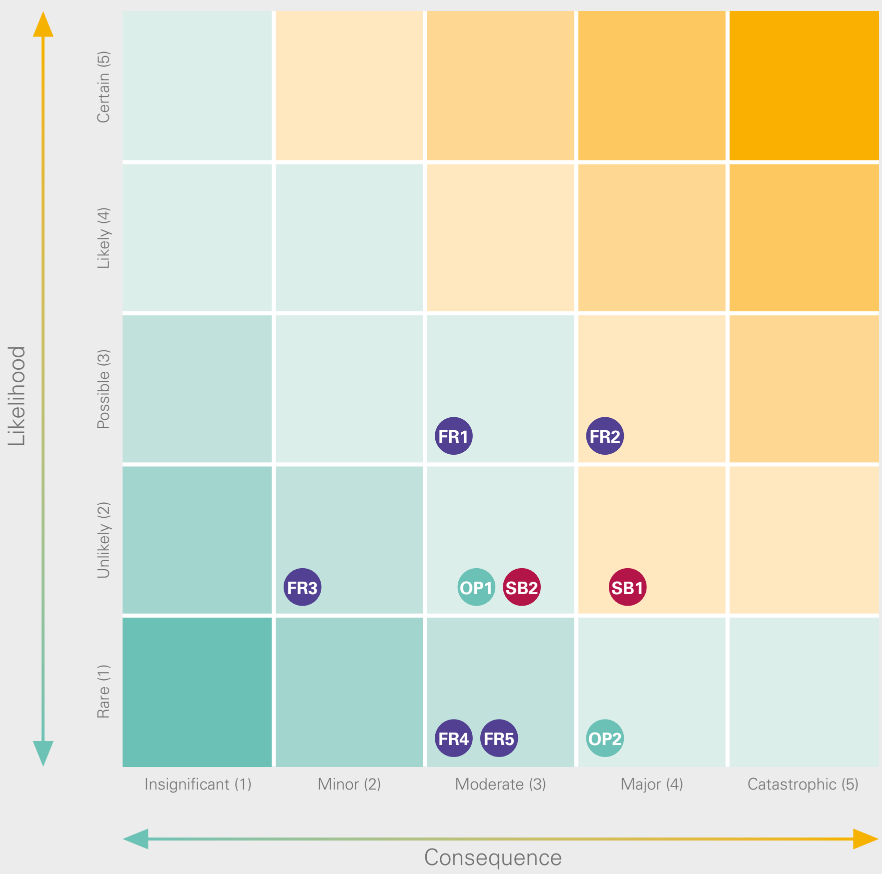
Individual risks are assessed based on the likelihood of occurrence and their consequential impact. For avoidance of doubt, likelihood and consequence are assessed after taking into account the mitigating effect of the control framework. Risks are then ranked in order of residual risk rating likelihood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

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

Principal risks

The Board has overall accountability that risk is effectively managed within the Company. The Audit Committee has undertaken an exercise to identify, assess and manage the risk within the Company. The principal risks identified have been assessed based on residual likelihood and consequence and are summarised on the heat map below:

Identifying risk



Key to risk rating

- Low risk
- Medium risk
- High risk
- Critical risk

Financial risks

- **FR1:** Currency risk
- **FR2:** Liquidity risk
- **FR3:** Interest rate risk
- **FR4:** Portfolio risk
- **FR5:** Borrowing limits

Strategic and business risk

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

Operating risk

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

Strategic report

Risk management framework and principal risks continued

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

Item	Risk	Current year assessment
	Financial risk	
FR1	**Currency risk** Adverse movements in the euro/pound sterling exchange rate may create a perceived reduction in comparable dividend yield and/or negatively impact targeted 12–15% return over the long term to shareholders	Uncertainty in relation to Brexit has resulted in large fluctuations in exchange rates during the year. Please refer to the market overview and outlook statements on pages 24 to 27 for further details. In addition, 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.
FR2	**Liquidity risk** Decreases in the value of investments due to market weakness may impact pace and the value of realisations, leading to reduced liquidity	The Board has assessed liquidity in stressed conditions as part of its assessment to continue as a going concern. Please see the viability statement on page 57 for further details. In addition, please refer to note 13 on liquidity risk in the financial statements.
FR3	**Interest rate risk** Changes in the interest rates may negatively impact NAV of the invested debt portfolio	As noted in the financial statements note 13 on page 81, the majority of the Company's Derived Debt Investments are in floating rate notes which are relatively insulated from changes in interest rate movements. The Company's investments in fixed rate notes may decrease in value if interest rates increase. The Company had no exposure to borrowing interest rate risk in the current year as it did not draw on its revolving credit facility. Please see note 12 for further details.
FR4	**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	The current portfolio remains well-diversified and fairly evenly split between Private Equity and Derived Investments, in line with the investment strategy. A summary of the top ten assets for the Private Equity portfolio and Derived Investments portfolio is given on pages 38 and 39 respectively.
FR5	**Borrowing limits** 25% gross asset value limit on borrowing or bank covenants may be breached without prior knowledge, resulting in difficulty to manage breach of investment policy and/or bank covenants	As per note 12 on page 77 of the financial statements, the Company did not draw on its revolving credit facility in the current year and no bank covenants were breached during the year.

Strategic report 01
Governance report 02
Financial statements 03

Mitigating measures	Risk status
• 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 the portfolio exposures relative to the investment framework	
• Diversification of the investment portfolio provides multiple avenues for liquidity • Cash flow modelling prepared and tested under various stress test scenarios • Revolving credit facility available in the event of substantial liquidity issues	
• Invested interest rate risk is mostly linked to quarterly fixed floating rate bonds/loans, any upward changes in interest rates will have a positive impact on income from floating rate notes, while drawn exposure to the borrowing facility would have a negative impact • Cash flow projections, modelled under various stress test scenarios	
• Regular detailed reporting from the Investment Manager, including at quarterly board meetings, keeps the Board appraised of the composition of the investment portfolio	
• A very substantial decrease in the NAV would need to occur to impact bank covenants • The Investment Manager constantly monitors the investment portfolio, which includes comparatives against bank covenants	

Increase No change Decrease

Strategic report

Risk management framework and principal risks continued

Item	Risk	Current year assessment
	Strategic and business 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	The Company paid an interim dividend in September 2016 of 2.5% of 30 June 2016 NAV and the Board has approved a further final dividend of 2.5% of 31 December 2016 NAV in line with its stated dividend policy. Total NAV Return for 2016 was 6.6% – please refer to the portfolio review section from page 28 for further details.
SB2	**Regulatory, tax and legislative risk** Regulatory, tax or legislative changes may impact the Company	No significant changes in regulation or legislation have occurred that materially impacted the Company.
	Operating risk	
OP1	**Continuity risk** Business continuity, including service providers, may be impacted by natural disaster, cyber-attack, infrastructure damage or other "outside" factors	There were no threats to business continuity registered by any of the service providers.
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	There were no material issues identified as part of the formal review conducted by the Board.

Mitigating measures	Risk status
• Investment performance is monitored by the Investment Manager • Performance, positioning and investment restrictions are monitored constantly	
• Service providers have controls in place to monitor and review changes that may impact the Company • Professional advisers are engaged through primary service providers, if required	
• All key service providers have in place adequate business continuity procedures which are tested on a regular basis and subject to minimum regulatory standards in their jurisdictions	
• 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	

Increase No change Decrease

How the Investment Adviser thinks about corporate social responsibility ("CSR")

Why the Investment Adviser is committed to delivering value sustainably
The Investment Adviser ("IA") believes that a focus on sustainable investing can lower risk and enhance financial returns for the funds that it advises, while creating a net benefit for society. Sustainable investing is an integral part of the IA's approach and is fully embedded in their investment process. But the IA also considers CSR to be more than just the investment approach and separately considers how CSR impacts the manner in which it operates and how it impacts its core values. This embedded approach drives a culture that continually assesses the impact of CSR within its work.

From a practical perspective the ability of the IA to assess and influence CSR matters in portfolio investments differs between Private Equity Investments and Derived Investments. This is because Private Equity Investments are characterised by longer hold periods and, often, controlling stakes, whereas Derived Investments tend to be shorter hold periods and non-control positions. Whilst this can limit the ability of the IA to influence CSR initiatives within the Derived Investments, the IA remains focused on CSR and considers this as part of the overall investment thesis and does not turn a blind eye to matters that are evident at the time of assessing the investment. Private Equity Investments allow the IA greater time and ability to influence an investment in order to create value via CSR initiatives (details of the approach are outlined below). In addition, Derived Investments in an existing Private Equity Fund investment also benefit from this approach.

Sustainable investing framework
Since the adoption of the Principles for Responsible Investment ("PRI") in 2011 the IA has developed a robust set of processes culminating in a comprehensive sustainability programme which is embedded in the life cycle of a business in which the Apax Funds invest. A distinctive feature of the IA's sustainability programme is the annual collection of approximately 100 Environmental, Social and Governance (ESG) related KPIs from the Apax Private Equity Funds' underlying portfolio companies. These KPIs are an invaluable tool in driving measurable progress in the overall ESG footprint of these Funds and also in creating value through dedicated ESG programmes at the individual portfolio company level. In recognition of its ESG leadership the IA was selected as the winner of the BVCA 2015 Responsible Investment Awards both for its ESG framework and for its engagement on ESG matters with private equity portfolio companies.

Modern slavery
Given the nature of its advisory business, the IA believes there is a very low risk of slavery or human trafficking in connection with its activities or those of its portfolio companies. It is 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 the IA looks to ensure that its global team receives training to understand the risks of modern slavery and it will include anti-slavery and human trafficking measures in its Global Business Standards. For further details, please see full statement on the IA's website at:

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

Integration of the sustainability framework into the investment process

Active ownership	Pre-investment	Post-investment
• The IA has a well-defined CSR policy which is guided by its fundamental values (integrity, stewardship, community, people and relationships) • The IA coordinates its sustainability efforts through a Sustainability Committee which meet on a monthly basis • It focuses on being active owners and incorporate ESG issues into ownership policies and practices of the Apax Funds portfolio companies	• The IA's teams undertake standard ESG due diligence for each new investment made by the Apax Funds • The outcome of the ESG due diligence review is presented to and reviewed by the IA's Investment Committee prior to each new commitment • The objective is to create a high degree of awareness upfront with regards to potential ESG issues which can contribute to value creation at a very early stage	• Pre-investment due diligence is backed up post investment by an annual ESG KPI collection cycle • The IA is able to capture the ESG footprint of the Apax Funds portfolio companies and establish possible areas of materiality where the IA's teams can create value • The key goal for the IA is to get a better understanding of the materiality of certain ESG KPI's to the overall operations of a portfolio company

For further details and the IA's latest Sustainability report, please refer to:
http://www.apax.com/media/630397/Sustainablilty-Report-4th-Edition.pdf

Environmental impact of the Apax Funds portfolio
Across the Apax Funds portfolio, there are a number of initiatives in place that reduce complexity, waste and energy consumption. These initiatives range from reducing electricity usage via replacing traditional light bulbs to LED, reducing paper usage by setting default double-sided printing in all of the offices; and reducing water usage by investing in low flow fixtures, auto shut off faucets and other water reducing features.
A few examples are set out across:

Social impact of the Apax Funds portfolio
The Apax Funds portfolio companies have put in place many initiatives to make an impact on their workforce by conducting regular employee surveys, implementing improved training programmes and putting in place career development practices.
In addition, the portfolio companies make an impact on the communities in which they operate through their community engagement. A few examples of each are set out across:

Governance impact of the Apax Funds portfolio
Governance is a key area of focus for the Apax Funds portfolio companies and they are encouraged to focus on continuous improvement of their governance practices from the start of the Apax Funds investment with a particular emphasis on anti-corruption practices and establishing robust codes of conduct.
Likewise, supply chain improvements are a key focus area for portfolio companies with exposure to supply chain risk.
A number of examples of improvements are outlined across:

Sustainable investing in action[1]:

Energy

Full Beauty Brands has reduced total electricity consumption by 37% since 2008 and has a large number of initiatives lined up in order to achieve further energy reductions. In 2016 the company installed conveyer sleep mode in their Indianapolis distribution centre. In 2017 the company will replace 34 400-watt parking lot pole lights with 150-watt LED's in their El Paso customer care centre and they will add stock floor HVAC units to their energy management systems in the Indianapolis distribution centre.

Paper

Cole Haan continue to recycle all cardboard coming into their Greenland facility and in the last five months of 2015 recycled 378 tons of cardboard out of Greenland. The company has been working with a new vendor to roll out comingled recycling in the Greenland distribution centre since the summer 2016.

Employee engagement and talent management

Exact set out on a journey to better facilitate talent management in 2015. Managers have participated in talent review sessions focused on identifying talent, building the talent pipeline and assessing bench strength for leadership roles.

These discussions are based on a methodical approach and will continue in the years to come to ensure that the identification, growth and retention of talent become engrained in the organisational and leadership culture. Talent reviews will enable the company to better understand specific development needs and target development initiatives. The appetite for development continued in 2015, 468 employees participated in a total of 62 skills training sessions. The number of completed skills training sessions increased by 30% compared to 2014. Exact Insight, the Exact onboarding programme, was attended by 308 new joiners globally, 70 of which joined the company in Kuala Lumpur, 37 in the US and 201 in Europe. The total number of completed training courses was 8,304, with 3,189 obtained certificates. Compared to 2014 this means an increase of 33% and 16% respectively.

Community

Acelity supports local San Antonio organisations like Inspire U, the San Antonio Children's Hospital and local veteran service organisations like Wish for our Heroes. Nationally, the company is focused on making a greater impact in the lives of families facing serious health issues, the military and their families, and those affected by disaster. Acelity supports the American Diabetes Association and breast cancer awareness organisations to help patients and families navigating through serious health challenges. Due to its strong relationships across the continuum of care, Acelity quickly responded with product donations and customer support to help restore the lives of people impacted by global tragic disasters in areas like San Bernardino, Paris and Brussels. Acelity also provides its V.A.C. Therapy free of charge to more than 8,000 uninsured, low income patients each year as part of the Acelity Charity Care Programme.

Corporate governance improvements

EVRY works actively to combat all forms of corruption. E-learning programmes and training courses are organised to ensure employees are trained to act in accordance with the Group's guidelines on accepting gifts, travel and other benefits or activities, with training also provided on how to distance oneself from all forms of bribery and corruption. Employees in doubt about whether a particular situation or gift is permissible are also able to seek guidance from the company's compliance unit. EVRY has well-established 'whistle-blower' arrangements as well as procedures for dealing with suspected corruption at its businesses.

Supply chain improvements

Cole Haan has become a member of Social Accountability International ("SAI") and is working with SAI to transition their programme to one that works with their supply chain partners to continuously improve the supply chain. The company is also working with SAI to re-position its Code of Conduct and develop their own audit standards.

1 All information based on responses from Apax Funds portfolio companies for the year ended 31 December 2015

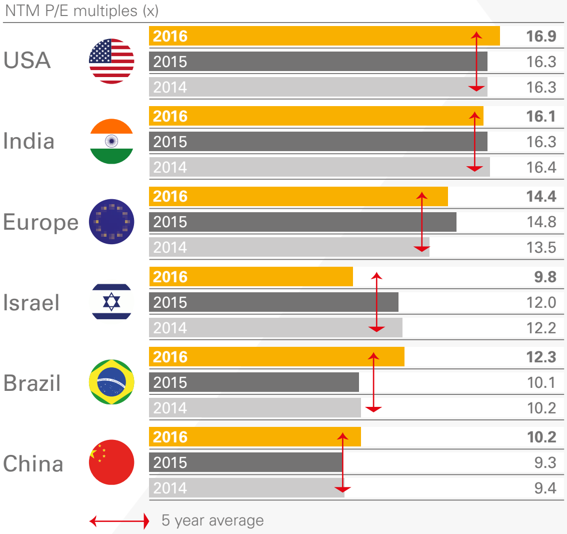
Investment Manager's market review and outlook

The global market environment has changed substantially during the year. Over the next four pages, the Investment Manager reviews the key drivers such as the outcome of the US presidential election, UK's Brexit referendum, rebounding commodity prices and emerging market economies facing depressed currencies.

2016 market review

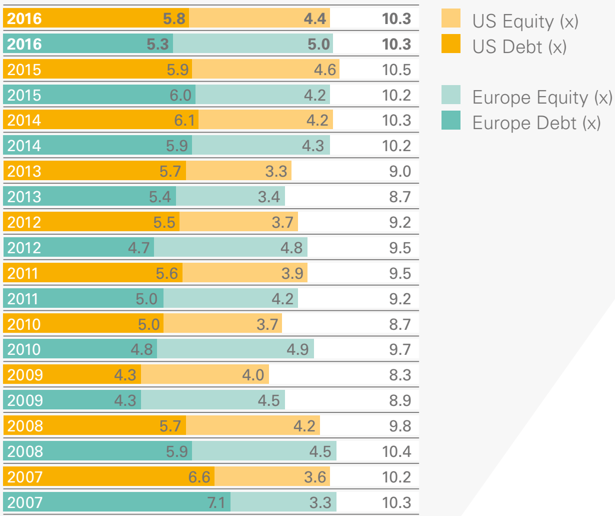
What a year! The beginning saw the extension of the stressed market conditions for both equities and debt that dominated the latter part of 2015. The early months of 2016 were driven by ongoing fears related to China and commodity prices, weighing many equity markets down. Similarly, junior debt markets froze in North America – new issues subsided and pricing levels of debt suffered. This however allowed AGA to take advantage of depressed valuations, making a number of acquisitions in its Derived Investments portfolio. Towards the end of Q1 and into Q2, markets rebounded and reached new heights before the Brexit referendum. Its outcome was confounding, causing the pound sterling to nose-dive 11% at one point. Once the initial shock was digested, equity markets regained lost ground quickly and have performed strongly since. This course was unaltered by the second major unexpected political event of 2016. In the US presidential elections the candidate deemed the "outsider" by financial markets won.

Fig 1 Public market valuations



Source: FactSet

Fig 2 Average PE buyout multiples (EV/LTM EBITDA)



Source: S&P Capital IQ. Includes fees and expenses

Immediately after the result became apparent, Asian stock markets dropped pronouncedly but only for a few hours. Pretty quickly – just as after Brexit – global markets took a different view. The President-elect's likely policies of fiscal expansion through tax cuts and public investment programmes were well received by investors and a year-end rally led to new record highs in the US and strong performance in Europe (see Fig. 1).

Private equity market valuations have benefited from these strong public equity markets, and are currently close to at all-time high valuation multiples for buyouts in the developed world (see Fig. 2).

Whilst valuation levels are high and now exceed those of the 2006/2007 period, leverage levels and interest rates in 2016 were lower. Both result in generally lower interest burdens to private equity companies today than a decade ago. Clearly this picture will change when rates rise again – as they have started to more recently in the US.

In contrast, emerging equity markets performance in 2016 was mixed. Stock exchange indices have generally suffered from President Trump's protectionist rhetoric and some capital flight effects in connection with that have taken their toll. The US dollar has gained ground relative to most currencies and likely future rate rises suggest that there is more to come. This may further fuel "hot money" flows from the emerging markets towards the developed parts of the world.

2017 outlook

Brexit and the outcome of the US presidential election will distinctly change the investment landscape going forward. Therefore, it is worthwhile discussing the possible implications of these events in a little more detail.

Brexit

We touched upon Brexit's implications in our interim report but an update on our views is merited here. The UK government has become clearer on what strategies it wants to pursue, and we believe that what is generally called a "hard Brexit" is now the base case scenario. First, the UK's stated political priorities of controlling immigration and exiting the supervision of the European Court system are recognised as incompatible with Single Market participation. Second, the Brexit process is designed in such a way that a "hard Brexit" becomes the default should an alternative agreement not be reached within a very short time frame (formally two years but in practice much less). The requirement for a negotiated exit to be approved is very demanding, especially as unanimity is required within the remaining 27 EU member states and the process also involves EU institutions such as the EU Commission and the EU Parliament.

In our view, Single Market participation has had significant advantages for the UK in the past and present. Losing these advantages will have negative economic impacts both in the EU and in the UK, but in our view the UK will pay the (far) higher price. A "hard Brexit" is likely to require significant and costly adjustments in a variety of UK sectors (most notably in banking and auto). The macroeconomic consequences could be significant, and the political reaction to them will likely be "throwing money at the problem", in turn causing budgetary and FX issues. In our view, UK equity and FX markets are not yet fully pricing in these consequences, opening up a scenario of a market correction in the next 12–18 months. Before such a correction happens, our approach to investment opportunities in the UK remains cautious, focusing on opportunities that already provide clear value opportunities today.

US under a Trump administration

On 8 November 2016, Donald Trump was elected as the 45th President of the United States. As already mentioned, despite the outcome coming as a surprise to many, US and European equity markets have rallied since the announcement and the US fixed income market has lost ground. Capital markets in the emerging world have been hit with corrections in FX, equities and debt.

While not all elements of President Trump's agenda are yet clear, and the odds are that there will be quite a few surprises, the fact that the Senate and the House of Representatives remain in Republican hands suggests that whatever agenda materialises, it will have a strong likelihood of being implemented. What are we expecting?

First, there will be a shift from a monetary to a fiscal dominated economic strategy, including tax cuts and infrastructure spending programmes. Such policies will likely lead to a short to mid-term stimulus and an increase in the budget deficit. An initial real GDP boost is to be expected, but then so is an increase in inflation. Additional sovereign borrowing will put further pressure on rates and an appreciation of the US dollar due to "hot money" flows, in particular from emerging markets. Second, more domestic oriented policies are likely. On the one hand, this could mean increases in tariffs and focus on domestic production in (core) industries, on the other hand it will put more limits on immigration. Limiting cheap imports and the labour supply will add to inflation, and a stronger US dollar will mean trouble for export oriented US businesses.

What implications does this have for private equity investing? The likely economic policies under a Trump administration have both positive and negative effects. Obviously, a short-term boost to real GDP is a good thing for existing portfolio companies in the US (and elsewhere). The attraction of aggressive fiscal policy, from a politician's view, is that the benefits come quickly, but that costs from increased government borrowing will be borne by someone in the future. In the same vein, from a private equity fund's perspective, the cost of inflation is limited but the benefits to headline returns are obvious and the current portfolio and future investments will benefit from lower corporate tax rates. The longer-term cost of inflation and increased sovereign debt are a few years out. Similarly, while mercantilist policies may appeal to parts of the current electorate, the long-term costs of trade restrictions are significant and are likely to be felt by the actors in a post-President Trump world.

There are some less obvious effects of fiscal expansion as well. For example, a lower corporate tax rate actually decreases the beneficial effect of interest deductibility. Consequently, in bidding for assets against strategic acquirers, private equity funds may actually experience a relative reduction in competitiveness. An increase in interest rates is also more of an issue for highly levered entities. Cash flow headroom of future buyouts are likely to decline, increasing the level of financial risk. After years of low interest rates when the margin for error was large, the future will require more diligence in determining the optimal financial structure.

Strategic report
Investment Manager's review and outlook continued

Overall, we believe that US policies in the coming years will favour cyclical and domestically-oriented businesses. On the flip side, companies from Europe and the emerging markets selling into the US could suffer from a protectionist US administration.

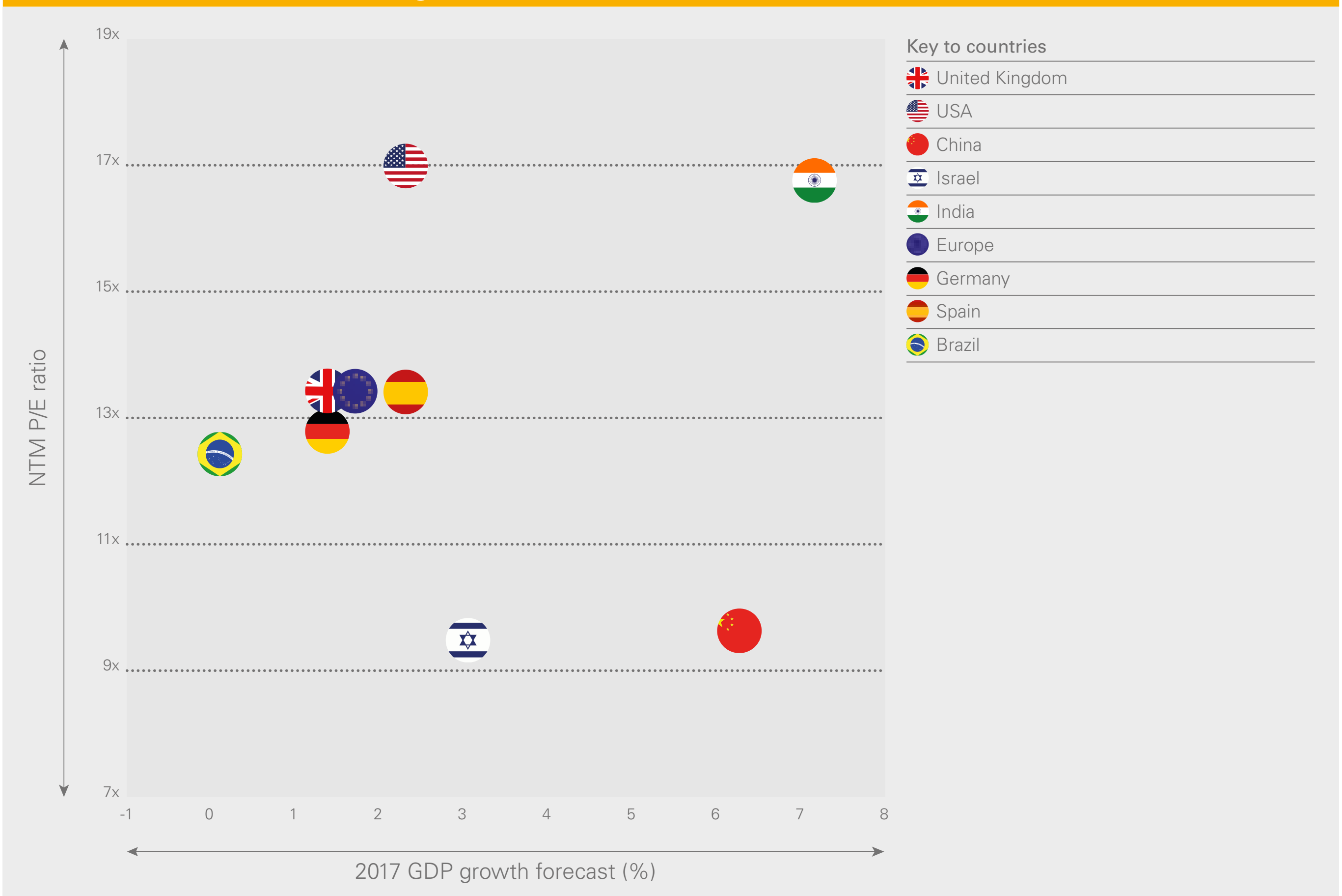
Investment approach in the current market environment
Starting with the geographic dimension, the following chart shows key geographies where the Investment Adviser usually evaluates equity investment opportunities in which the Apax Funds invest. The country's valuation multiple is compared to GDP growth. Clearly, abstracting from all other dimensions, the further to the right and down a country is positioned, the better value one should find there.

As discussed in previous reports, the Investment Adviser believes that there is good value in Israel, and the Apax Funds are currently looking at a number of attractive opportunities there. So far in 2017, AMI's acquisition of Ten Petroleum, Israel's largest discount gas station operator, has been announced. The Apax Funds expect to be able to complete additional Israeli investments, both for AIX and AMI, throughout the year.

China also stands out from the chart below with high growth rates and low valuation levels however, caution is in order. First, the low public equity valuations are driven by many state-owned enterprises (SOEs) whose growth and debt levels may be less attractive than the macro view suggests. Second, the statistical methodologies behind the growth rates can be misleading. Third, Chinese growth has been and still is fuelled by ever increasing public and private debt levels. A reversal of debt trends will eventually have to happen and may cause friction that leads to market and macro corrections. Fourth, uncertainties surrounding President Trump's policy towards China represents economic risks which we believe are larger to China than to the US. Consequently, we are more cautious about China than the chart below may suggest. At the same time, we also note that the digital economy in China is booming and that companies in the sector are sometimes valued at discounts to similar businesses in the western markets, despite higher sector growth. AGA will continue to exploit these valuation differences through exposure to carefully selected Derived Equity Investments.

Staying in the emerging markets, the diagram shows that India and Brazil are very much at the opposite ends of the spectrum of growth-valuation combinations. Both appear, in our view, investable albeit with very different hypotheses. India, on the one hand, is the economy with the highest growth expectations but also with high valuation levels. Consequently, we believe that temporary valuation troughs and niches could offer interesting acquisition opportunities. Brazil, on the other hand, has just gone through its most pronounced recession in recent history.

NTM P/E ratio versus 2017 GDP growth forecast



NTM P/E ratio source: FactSet
GDP growth forecast source: IMF World Economic Outlook

While it has not re-emerged from contraction yet, we believe that there are some rays of light here at the end of the tunnel (and we hope it is not another oncoming train). Our belief is driven by positive political developments and also observations in the Apax Funds portfolio which are suggesting an improvement in economic activity.

Turning to the western economies and tackling North America first: while we have argued, for some time now, that fears of deflation were overblown and that the health of the US economy was better than its reputation, we believe that under a Trump administration even a small risk of a recession in the short and medium term has diminished. The expected fiscal stimulus is likely to be effective at least for a while and real and nominal GDP growth are likely to accelerate, with the latter accelerating more than the former. New public equity market peaks in the US clearly reflect this view and obvious value opportunities remain hard to find. The Apax Funds strategy in the US remains focused on micro-situations where value creation can be achieved through company transformation whilst retaining price discipline. In Europe the landscape is more heterogeneous. Germany and Central Europe, Spain and the Nordics all have positive macro trends and valuation levels are not unduly elevated. The Apax Funds have taken advantage of this: three out of six acquisitions announced in 2016 were made in these regions. In our view, the problem-child in Europe from an economic perspective could become the UK in the wake of Brexit. As laid out earlier, odds for a "hard Brexit" are high, and the implications for the UK's economy are not good. In addition, there are some political risks ahead in Europe such as the Dutch, French and German elections in 2017, which could create market and economic risks.

Asset classes

From an asset class perspective, we believe that the most notable changes going forward will affect debt. The outcome of the US presidential election has already had a pronounced effect on US fixed rate debt, beginning with sovereign and investment grade. The Federal Reserve has begun with rate increases and they are likely to continue. Fixed income securities with high ratings are likely to remain under pressure in the near future.

The effects have not yet been felt in the more junior market yet – in fact, high yield and junior loan markets in the US strengthened towards the end of 2016, as a fiscal impulse is likely to keep default rates low. However, going forward increasing rates and rising inflation are likely to affect valuation levels in high yield. Floating rate (junior) credit appears the most attractive debt segment in our view, and margins may actually continue to compress further – the proposition of loans relative to high yield remains attractive. On the other side of the pond, monetary policy in the Eurozone will likely continue to remain supportive, and if in doubt, we prefer US to European credit. AGA has so far not invested in emerging markets debt and we do not expect to change that in the foreseeable future.

We believe that equity investments on the margin appear more attractive than investments in debt, and loan investments remain more attractive than public debt investments, both because of more attractive margins and their protection against rate rises. A fiscal stimulus in the US, with lower corporate tax rates should support rising corporate profits. While this impulse should also be good for exporters in Europe and the emerging markets, there will likely be negative implications due to protectionist trade policies of a Trump administration. We continue to believe that India offers a broader range of attractive investment opportunities than China.

Sectors

In a world of fiscal stimulus, more cyclical assets could be a better choice than the more resilient and stable classes. For AGA's and the Apax Funds' focus sectors of Tech & Telco, Services, Healthcare and Consumer, this suggests the following:

- In Tech & Telco, the systems, software and IT services segments are likely to benefit more than infrastructure-like areas such as telecoms operators
- In Services, financial and industrial services appear more attractive to companies with non-cyclical, recurring revenue business models
- In Healthcare, depressed valuation levels in segments such as pharmaceuticals could allow for interesting opportunities; and
- In Consumer, we may eventually see a rebound in some apparel segments (apparel being one of the most troubled spaces in the past decade).

The accelerated trend towards digitisation and migration to online, by consumers and businesses, are an overarching theme layered over the above sector themes. While valuations generally reflect this trend and are high in this space, there are always niches of value if one can be agnostic between geographies – an important feature of AGA.

Most of the market themes discussed above are policy and macro-oriented. However, the investment strategy followed by AGA and the Apax Funds that AGA invests in are micro-oriented. AGA and the Apax Funds invest in businesses following an approach to:

- focus on early value creation by identifying and improving under-managed businesses, consolidating fragmented markets or digitally transforming businesses/markets;
- relentlessly look for attractive entry multiple and "buying right" opportunities, consciously avoiding the temptation of cheap and high levels of debt; and
- act on the belief that a geographically flexible investment strategy leads to better risk-adjusted returns in particular in an era of substantial political change globally.

Thus, while the macro perspective is important as a backdrop to any transaction, we believe that the changes in any political agenda are likely to be less important for AGA's investment strategy than for others.

Portfolio overview and performance

Adjusted NAV in 2016 grew from €923.6m to €938.7m, a Total NAV Return of 6.6% including dividends paid. Over the next twelve pages, the Investment Manager reviews AGA's portfolio and performance.

Portfolio overview
AGA's strategy is to invest around half its portfolio in Private Equity through primary and secondary commitments in Apax Funds and the other half in Derived Investments. Derived Investments are typically identified as a result of the core private equity research carried out by Apax Partners – our Investment Adviser. Derived Investments are primarily investments in debt and listed equities which do not fit the mandate or investment criteria of the Apax Funds, yet represent an attractive investment opportunity. AGA therefore is in a unique position to offer its shareholders exclusive exposure to both Apax Partners Private Equity Funds and a tailored mix of Derived Investments. The investments are expected to continue to be approximately equally split between Private Equity and Derived Investments over time, although this mix will fluctuate due to market conditions and other factors.

At 31 December 2016, the portfolio was slightly overweight in Private Equity. This represented 55% of the Invested Portfolio and Derived Investments represented 45%. Of the 32 companies in the Derived Investments portfolio, 15 (47%) are also portfolio companies of the Apax Funds.

AGA primarily invests in the Investment Adviser's four key sectors: Tech & Telco, Services, Healthcare and Consumer. Tech & Telco currently has the largest portfolio weight, accounting for 37% of the Invested Portfolio.

AGA also follows a global strategy; however to date it is most heavily weighted in North American investments. These are currently 55% of the Invested Portfolio at year end. This is a reflection of where the most attractive investment opportunities for the Company have been identified in the past. Over time, we expect the portfolio to be more balanced between North America and Europe. To this end, Europe's share of the Invested Portfolio has increased slightly to 31% over the year.

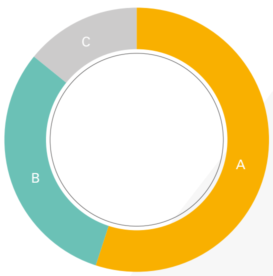
Investments in India represented 8% of the Invested Portfolio at 31 December 2016, down from 9% at the end of 2015. This decrease is due to exits in both the Private Equity and Derived Investment portfolios. China's share of the Invested Portfolio decreased slightly to 2%.

Only 3% of AGA's portfolio is directly invested in the UK. Whilst the exposure to UK based companies is limited, we have started to take advantage of value opportunities by adding two new positions to the UK portfolio bringing the total number up to five.

NAV development and performance
At the end of 2016, Adjusted NAV, which includes a pro forma performance fee reserve calculated on a liquidation basis (see note 11 in the notes to the financial statements), was €938.7m, up from €923.6m at 31 December 2015. As shown in the chart to the right AGA paid out a total of €45.9m through two semi-annual dividends, representing 2.5% of 31 December 2015 and 30 June 2016 euro NAV respectively. This is in line with its key objective to return value to shareholders in the form of regular dividends.

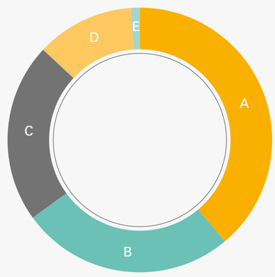
Across the Invested Portfolio, investments with positive fair value movements contributed total value gains of €101.9m offset by total value losses of €32.0m (€4.7m in Private Equity and €27.3m in Derived Investments).

Portfolio split by asset type



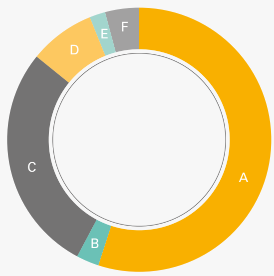
A Private debt	55%
B Debt	31%
C Equity	14%

Portfolio split by sector



A Tech & Telco	37%
B Services	25%
C Healthcare	22%
D Consumer	15%
E Other	1%

Portfolio split by geography



A North America	55%
B United Kingdom	3%
C Rest of Europe	28%
D India	8%
E China	2%
F Rest of World	4%

In the Private Equity portfolio GlobalLogic, Azelis and Assured Partners were the three best performing portfolio companies. GlobalLogic's valuation has increased primarily due to continued and rapid expansion, both through M&A and organic growth. Azelis's valuation benefited from higher valuation multiples in the public markets for its sector as well as growth in both revenue and EBITDA. Assured Partners completed a number of M&A transactions during the year.

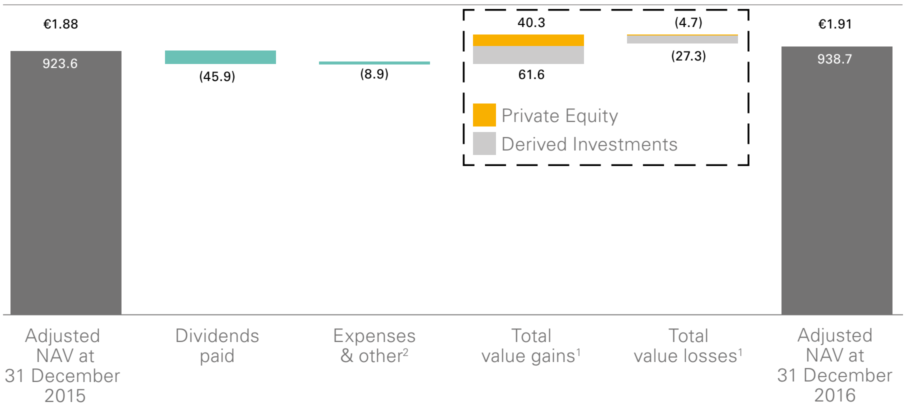
Turning to the Derived Investments portfolio, 69% of positions (by number), across both Derived Debt and Listed Equity, saw gains during the year, adding €61.6m to AGA's Adjusted NAV. The top three contributors were investments in Chola, Ellucian and Acelity. Chola's share price rose after continued end-market recovery and increased profitability. The price of Ellucian's senior unsecured notes increased significantly on the back of strong operational performance. Acelity's second lien notes traded up after the company announced in December that it was selling its Lifecell business unit, indicating that the notes would be repaid.

Unrealised losses in the Private Equity portfolio were limited to €4.7m whilst the Derived Investment portfolio saw negative valuation movements of €19.9m in Derived Debt and €7.4m in Derived Equity during the year. AGA's direct and indirect investments in Answers, Full Beauty and Rue21 made the largest negative contribution to performance in 2016 affecting both Private Equity and Derived Investments.

The investment in Answers was impaired due to the Answers.com division losing significant share in the social content market. The US apparel retail market, in which Full Beauty and Rue21 operate, has seen continued weakness throughout 2016 and these conditions had a negative impact on the valuation of AGA's positions in these businesses.

On a per share basis, Adjusted NAV was €1.91 at 31 December 2016, increasing from €1.88 at 31 December 2015. On a pound sterling basis, Adjusted NAV per share rose from £1.38 to £1.63 in the same time frame. Total NAV Return since December 2015 was 6.6%, in euro terms, driven by strong performance during the second half of the year of 7.2%.

NAV development and performance (€m/€)



1 Total value movement calculated by taking unrealised and realised movements, FX and income earned during the year. Total value gains shows the positive contributors and total value losses shows the negative contributors.

2 Expenses and other consists of expenses of €10.9m, increase in performance fee of €0.4m offset by FX gains earned on cash of €2.4m.

Top six value performers

Investment	Business description	Valuation[3]	Value drivers
GlobalLogic	Global outsourced product development services	€51.3m	Rapid growth through M&A and organically
Azelis	Global specialty chemical distributer	€60.6m	Public market valuation multiples rerated
AssuredPartners	US middle market insurance brokerage firm	€55.7m	Accretive M&A
Chola	Indian non-bank financial company	€13.3m	Continued end-market recovery and increased profitably
ellucian	US software provider to the education sector	€31.1m	Strong operational performance resulted in higher market price
Acelity	Global medical technology company	€49.9m	Notes acquired in 2016 traded up after news that they would be repaid

Bottom three value performers

Investment	Business description	Valuation[3]	Value drivers
Answers	Q&A website and cloud based software platform	€7.7m	Sub-division impacted by structural market changes
FULLBEAUTY BRANDS	Retailer of plus sized clothing	€42.7m	Continued US apparel weakness
rue21	Specialty teen apparel retailer	€10.0m	Continued weak market for US teen retailers

3 Represents the aggregate valuation of AGA's exposure through its Private Equity and Derived Investments at year end, excluding realisations.

Portfolio composition: Private Equity

Through its commitments to the Apax Funds, AGA has exposure to Private Equity Investments in a range of companies. These portfolio company participations represented a total NAV of €498.8m at 31 December 2016.

Although the investments have been made over a decade, due to AGA's large exposure to Apax VIII ("AVIII"), over half of the portfolio stems from post 2014 vintages. The majority of these investments are yet to complete their value creation phase and therefore continue to have NAV expansion potential. At 31 December 2016, AGA had made investments in, and commitments to, five Apax Funds.

Apax Europe VI ("AEVI") and Apax Europe VII ("AEVII") are fully invested and are focused on realising the remaining investments, either through the public market or in private transactions.

AVIII is a dual currency fund consisting of a euro and a US dollar tranche, in both of which AGA has invested. At the reporting date, AVIII is close to being fully invested, with the fund's total investments to date representing c.96% of its committed capital. AVIII will likely reserve the remaining investable capital for future follow-on investments into the existing portfolio. The fund has already started to realise early winners in its portfolio and remains focused on continued value generation across the unrealised investments.

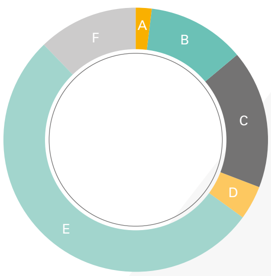
AIX and AMI Opportunities Fund ("AMI") are both in their investment period. AIX, which held a final close in December 2016, completed its first investment and announced another before the end of the year, which once finalised, will bring total investments to 8% of committed capital. AMI closed two investments at 31 December 2016 and announced a third in January 2017. Once the fund completes the third investment, total investments will equal 19% of the committed capital.

Commitments to Apax Funds

Fund Name	Currency	Vintage	Commitment amount (m)	Invested and committed	NAV at 31 December 2016 (€m)
Apax IX	USD	2016	$175.0	2%	(1.7)
	EUR	2016	€154.5	2%	(1.6)
AMI Opportunities Fund	USD	2014	$30.0	11%	4.2
Apax VIII	USD	2012	$218.3	96%	235.3
	EUR	2012	€159.5	96%	197.3
Apax Europe VII[1]	EUR	2007	€86.5	107%	63.3
Apax Europe VI	EUR	2005	€10.6	106%	2.0
Total					**498.8**

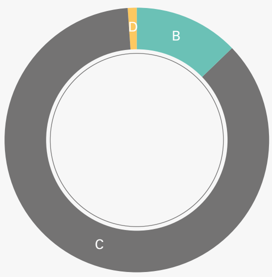
1 Includes AGA's exposure to AEVII as a limited partner, valued at €43.7m, and through its carried interest holdings, valued at €19.6m. The carried interest holdings were acquired through a €10.5m investment in 2015.

Portfolio split by Private Equity vintage



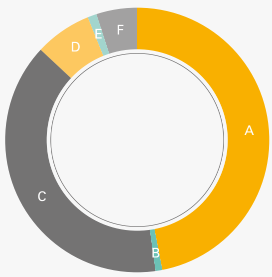
A 2005–2009	2%
B 2010–2012	12%
C 2013	17%
D 2014	4%
E 2015	53%
F 2016	12%

Portfolio split by fund exposure



A AEVI	0%
B AEVII	13%
C AVIII	87%
D AMI	1%
E AIX	-1%

Portfolio split by geography



A North America	47%
B United Kingdom	1%
C Rest of Europe	39%
D India	7%
E China	1%
F Rest of World	5%

AIX has not yet made a capital call on its limited partners, including AGA. Investments made by AIX have so far been bridge-financed through its capital call facility however it is expected that AIX will call capital from its limited partners during the first half of 2017.

NAV development

During 2016, NAV attributable to the Private Equity portfolio increased from €473.6m to €498.8m, up 5.3%; whereas Adjusted NAV increased from €469.4m to €494.1m. The Apax Funds drew €58.4m from AGA, of which €15.2m were prior distributions recalled, and returned €68.8m. Unrealised gains were €26.3m, whilst FX gains were €9.3m in the year.

Investment performance

The Private Equity portfolio produced a return of 6.6% during 2016. Currency exposure had a positive impact of 1.7% on this like-for-like performance. Twelve portfolio companies were fully or partially exited and there were three successfully completed recapitalisations. This resulted in AGA receiving €68.8m as distributions from AVIII, AMI, AEVII, and AEVI. In 2016, eight full exits were realised at a cost weighted average Multiple of Invested Capital ("MOIC") of 4.7x to the Apax Funds. Including the performance of the four partially exited investments, the cost weighted average MOIC was 3.7x to the Apax Funds.

Operating performance

The Apax Funds' underlying portfolio companies demonstrated robust operational performance during 2016. This is demonstrated by the Last Twelve Months ("LTM") EBITDA growth[1] of 9.8% on average, which compares to year-over-year 9.0% LTM EBITDA growth[1] at 31 December 2015. Therefore, portfolio operational growth is marginally accelerating on the LTM EBITDA[1] level. Approximately 30% of the underlying portfolio companies saw negative LTM EBITDA growth[1] over the year. In these cases, the Investment Adviser is actively involved in supporting and identifying improvement opportunities.

Average portfolio revenue growth was 6.1% during the year. This was lower than last year as it was significantly affected in the short term by the addition of new portfolio companies. The value creation strategies of these new additions will materialise over time.

Valuation multiples at which the portfolio companies are held in the Apax Funds increased from 12.4x LTM EBITDA[1] to 12.9x LTM EBITDA[1] between 31 December 2015 and 31 December 2016, reflecting largely increasing public market multiples used to value the Private Equity portfolio.

The average leverage level of portfolio companies in the Private Equity portfolio was 4.4x LTM EBITDA[1] at 31 December 2016, down from 4.6x LTM EBITDA[1] at 31 December 2015. This change reflects successful deleveraging by portfolio companies, but also includes the change due to exits and additions to the underlying portfolio. It is noteworthy however, that the portfolio has been able to de-lever to this extent given that a number of portfolio companies made use of additional leverage to finance M&A activity during the period. We consider the leverage level of the portfolio companies in the Private Equity portfolio to be appropriate.

Private Equity performance drivers (€m)

At 31 December 2016	
Adjusted NAV at 31 December 2015	469.4
+ Calls	58.4
- Distributions	(68.8)
Unrealised gains on investments	26.3
+/- Performance fee reserve	(0.5)
+/- FX gains	9.3
Adjusted NAV at 31 December 2016	**494.1**

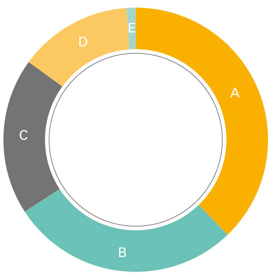
Private Equity operating metrics

	31 December 2015	**31 December 2016**
Portfolio year-over-year LTM revenue growth[1]	7.8%	**6.1%**
Portfolio year-over-year LTM EBITDA growth[1]	9.0%	**9.8%**
Average EV/EBITDA multiple[1]	12.4x	**12.9x**
Average net debt/EBITDA[1]	4.6x	**4.4x**
Number of new investments[2]	13	**5**
Number of full exits[2]	10	**12**

1 Represents the weighted average of the respective metrics across the underlying portfolio companies, current per the indicated date, using latest available information.

2 Represents investments and full and partial exits during the year ending at the indicated date.

Portfolio split by sector



A Tech & Telco	38%
B Services	28%
C Healthcare	19%
D Consumer	14%
E Other	1%

Strategic report

Portfolio composition: Private Equity continued

Investment activity: Private Equity

New investments in 2016
The Apax Funds in which AGA is invested, closed five new investments during 2016.

- Take-private by AVIII of **Engineering**, a leading Italian IT services provider. The company has a strong footprint in public administration and healthcare, utilities and finance sectors. It was acquired at an attractive entry valuation with the investment thesis based on assisting the company to expand into new products and services as well as internationally, to optimise the company's balance sheet and improve its operations. AGA's indirect NAV exposure to Engineering is €19.7m.
- Carve-out by AVIII of Becton Dickinson's Respiratory Solutions Business, a market leading global respiratory medical device company, to form a 50:50 joint venture, known as **Vyaire Medical** between the Apax Funds and Becton Dickinson with Apax Funds control. The investment thesis was based on multiple value drivers: margin expansion under a new and independent management team, opportunities to further internationalise the business, and accretive M&A. AGA's indirect NAV exposure to Vyaire Medical is €14.5m.
- Carve-out by AVIII of **Duck Creek**, a leading provider of insurance software to the property and casualty market primarily for policy claims, billing and rating. The Apax Funds acquired a 60% stake in a joint venture with Accenture. The investment thesis sees the company benefiting from independent management focusing on growth through M&A and improving the sales and marketing strategy. AGA's indirect NAV exposure to Duck Creek is €14.2m.
- In a step towards consolidation of the European generic space, AVIII combined two assets being **Invent Farma**, a leading Spanish generics pharmaceutical player, and **Neuraxpharm**, a prominent German generics business. AGA's indirect NAV exposure to Invent-Neurax is €19.1m.
- Carve-out by AIX of **Boats Group**, which operates leading digital classified marketplaces for recreational marine vehicles. This is the Apax Funds' sixth investment in the digital classified sector. The investment thesis is based on implementing global best practices in product/user experience, traffic generation, as well as capitalising on an expected digital transformation in the recreational marine industry. AGA's indirect NAV exposure to Boats Group is €7.5m.

In addition, AIX announced the acquisition of a majority position, due to close in 2017, in **Unilabs**, a leading pan-European medical diagnostics company. AEVI will retain its existing minority stake initially acquired in 2007. The Apax Funds will continue to support the incumbent management team to take advantage of a strong market outlook, and the new ownership structure allows Unilabs to actively pursue its M&A strategy.

Full and partial exits in 2016
During 2016 the following portfolio companies were fully or partially sold by the Apax Funds or they completed successful refinancings. The returns to the Apax Funds are quoted with the relevant Apax Fund and initial investment year shown in parentheses below:

- **King** (AEVI, 2005), a global interactive entertainment company focused on mobile consumers, was sold to a strategic acquirer for a return of 93.0x MOIC (including prior dividends) and 57% IRR. Value was created by supporting the business' unprecedented growth, with noted guidance from the Investment Adviser's Operational Excellence Practice, especially ahead of its IPO.
- **Rhiag** (AVIII and AEVII, 2013) a leading distributor of auto parts in Italy and in Central and Eastern Europe, was sold to a strategic acquirer for a return of 3.2x MOIC and 71% IRR. These returns were achieved by strong EBITDA growth, accretive M&A and multiple expansion.
- **Auto Trader** (AEVII, 2007), a leading online auto classifieds portal was fully exited via the public markets following a successful IPO in 2015. Return, including prior recapitalisations and secondary sales via the public markets, amounted to 4.6x MOIC and 26% IRR. The key driver of investment performance was the transformation of Auto Trader from a print publisher into an online business with a significant presence on mobile devices, which enabled the company to grow rapidly and achieve a valuation multiple re-rating.
- **Tommy Hilfiger China** (AEVI, 2011), a former joint venture operator of the Tommy Hilfiger brand in China, was sold to a strategic acquirer for a total MOIC of 169.4x and 67% IRR. Key to achieving these returns was recruiting a high-calibre management team who were supported by the Investment Adviser to develop one of the fastest growing fashion brands in China.
- **Sisal** (AEVI, 2006), an Italian gaming and payments operator, was sold to a financial acquirer for a total MOIC of 0.1x. Under the ownership of Apax Funds and other co-investors, Sisal was transformed from a lottery player into a retail conglomerate diversified across payment services, online, sport betting and lotteries. Over this period, profitability more than doubled and the company successfully increased market share in its key markets. However returns were reduced by significant multiple contraction over the hold period due to geo-political factors and changes in the regulatory environment.
- **Plantasjen** (AEVII, 2007), the largest garden superstore chain in the Nordic region, was sold to a financial acquirer. During 2008 the investment was marked at nil as a consequence of the global financial crisis and poor Scandinavian retailing market conditions. A strategic review by the Investment Adviser, led to management changes, store re-formatting and streamlining the product offering, enabling an exit valuation of 0.7x MOIC to be achieved.

- **Trader Corporation** (AEVII and AEVI, 2011), a Canadian digital automotive marketplace and software solutions provider, was sold to a financial acquirer for a total MOIC of 3.2x and 26% IRR. Key to these returns were the repositioning and strengthening of its consumer brand and marketing approach, and the introduction of new marketplace products and marketing software solutions.

- **Epicor** (AEVII and AEVI, 2011), a provider of business software to mid-market companies, was sold to a financial acquirer for a total MOIC of 4.4x and 43% IRR (including prior realisations). The investment thesis was to combine two businesses: Epicor Software and Activant Solutions. By purchasing both at attractive valuations, the opportunity was created for margin improvement and consolidation in a fragmented market. A series of value creating initiatives including accretive acquisitions were executed, margins improved, and investments in next generation products were carried out by Epicor.

- **Chola** (AVIII, 2014), a leading non-bank financial company focused on the Commercial Vehicle (CV) financing and Loan Against Property segments, was partially exited via the public markets during 2016. In early 2017 the investment was fully exited. Shares were sold on a pro rata basis between the Apax Funds and AGA, which also held a direct stake in Chola as a Derived Equity Investment. Approximately 65% of the shares were sold during 2016 with the remaining 35% sold in early 2017. Returns were driven by a combination of recovery in the CV cycle, foray into new lending products, benign rate cycle and strong execution. Total realised return is 2.7x MOIC, 54.3% IRR including the January 2017 realisation.

- **Ascential** (AEVII, 2008), an international business-to-business media company, was successfully listed in London in February 2016. The issue price corresponded to a return of 1.1x on total invested capital. The Investment Adviser put in place a number of transformative initiatives prior to the IPO. The OEP provided considerable support to the business. During the year, the Apax Funds were able to sell c.70% of their holdings, retaining c.15% ownership of the company at 31 December 2016.

- **Capio** (AEVI, 2006), a pan-European hospital and healthcare services operator, was partially exited via the public markets during March and September 2016 following a listing in Sweden in 2015. The Apax Funds fully exited the remaining 8% stake they held at 31 December 2016, in February 2017 generating MOIC of 1.6x and 6% IRR.

- **Garda** (AVIII, 2012), a provider of cash logistics services in North America and physical security services globally, was partially realised through the sale of a minority stake to a financial acquirer. Including prior realisations, at 31 December 2016 Garda's valuation represented a MOIC of 2.4x and 31% IRR.

- **GlobalLogic** (AVIII, 2013), a pure-play outsourced product development provider, completed the refinancing of its capital structure, returning a dividend to AVIII. In early 2017, AVIII announced the partial sale of a minority position in GlobalLogic to a financial acquirer. GlobalLogic has been transformed under AVIII's ownership through a high quality management team, investment in sales and marketing, a focus on large customers and digital transformation. At 31 December 2016, the Apax Funds' investment was valued at a MOIC of 5.1x (including proceeds from the recapitalisation).

- **Evry** (AVIII, 2015), a Scandinavian provider of IT services, completed a refinancing of its capital structure during the year, which resulted in a distribution of a dividend to the Apax Funds returning c.0.5x of invested capital.

- **Ideal Protein** (AVIII, 2015), a comprehensive weight loss solutions provider targeting the clinic market in the US and Canada, executed a refinancing in 2016 on the back of strong organic performance with proceeds used to fund a dividend to the Apax Funds returning c.0.8x of invested capital.

Portfolio composition: Derived Investments

At 31 December 2016, the Derived Investments portfolio valuation was €412.8m with €127.9m held in 15 listed equity investments and €284.9m in 18 debt positions across 17 companies. 15 of these companies are also represented in the Apax Funds, hence AGA also has an exposure to these on the Private Equity side of the portfolio. Equities comprised 31% and debt investments 69% of the Derived Investments portfolio. All except €3.3m is invested in the Investment Adviser's four focus sectors with the Tech & Telco sector representing the highest portfolio weight, accounting for 35% of the Derived Investments portfolio.

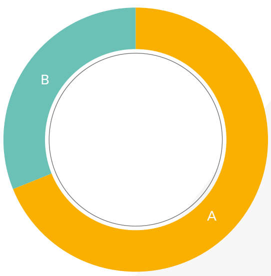
Derived Debt Investments
At year end, 86% of AGA's Derived Debt Investments were made in US dollar denominated instruments. Over the past two years, due to diverging central bank policies, North American debt markets have offered more attractive opportunities on an absolute and relative basis compared to Europe. This continues to be reflected in the current portfolio composition. Maturities of Derived Debt Investments vary between 2020 and 2024 with 71% being of a floating rate nature, allowing interest rate sensitivity of the longer-dated maturities to be largely mitigated.

Derived Equity Investments
At 31 December 2016, €54.7m (or 13% of the Derived Investments) was invested in emerging markets listed equities (China and India). Equity in emerging markets offers an attractive opportunity for AGA as the Investment Adviser's insight can help identify opportunities where companies receive less analyst coverage either due to size or competitive positioning. Chinese exposure in Derived Investments is c.3% of the Derived Investments portfolio, reflecting less attractive macroeconomic considerations. The remaining part of the Derived Equity portfolio is invested in the United States, UK and the Rest of Europe.

NAV development
The Derived Investments portfolio had an Adjusted NAV of €406.2m at 31 December 2016, down from €432.4m , a reduction of 6.1%. In the year, €83.5m was invested in Derived Debt and €90.5m was invested in Derived Equity. Realisations were €139.9m for Derived Debt Investments and €64.2m for Derived Equity Investments. Derived Debt Investments generated an unrealised loss of €21.0m (or -4.9% of Derived Investment NAV since 31 December 2015) as a result of six positions with negative like-for-like performance off-setting positive performance from the remainder of the Derived Debt portfolio. Unrealised gains in Derived Equities were €3.4m in the year, and FX gains across both Derived Debt and Derived Equity resulted in an increase of €12.7m to the Derived Investments NAV during 2016.

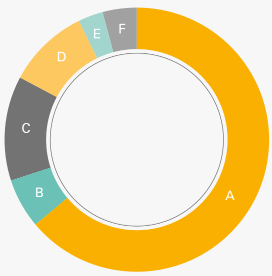
Investment performance
The Derived Investments portfolio had a like-for-like positive performance of 6.0% in the year ended 31 December 2016 with unrealised losses in the Derived Debt offset by strong interest income totalling €31.1m. The underperforming Derived Debt Investments either have oil and gas exposure (one position) or operate in the digital, tech, and retail space (five positions). Eight Derived Equity positions were fully realised generating a total gross IRR of 10.0%. Eight Derived Debt positions were either repaid or sold during the same year: collectively these positions generated a gross IRR of 15.4%. The majority of Derived Debt Investments are denominated in US dollars.

Derived Investments by portfolio composition



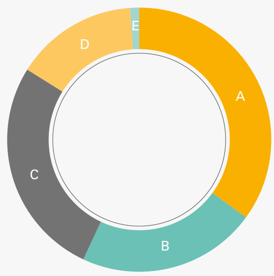
A Debt	69%
B Equity	31%

Derived Investments by geography



A North America	64%
B United Kingdom	6%
C Rest of Europe	13%
D India	10%
E China	3%
F Rest of the World	4%

Derived Investments by sector



A Tech & Telco	35%
B Services	22%
C Healthcare	27%
D Consumer	15%
E Others	1%

Over the year, currency exposure had a positive impact on total performance of 2.1%. Derived Investments, most importantly investments in Derived Debt, continue to be a significant component of the ongoing investment income. At 31 December 2016, the average interest income yield on Derived Debt Investments was 9.6%.

Operating performance
Average LTM EBITDA growth at 31 December 2016 was 2.7% for Derived Debt Investments due to seven portfolio companies showing a negative LTM EBITDA trajectory in 2016. The remaining ten portfolio companies grew their EBITDA at levels between 2.0% and 28.8%. Average LTM earnings growth of the Derived Equity Investments portfolio strengthened to 32.0% thanks to new additions, the largest being Palo Alto. One portfolio company out of 15 equity investments showed a negative LTM earnings growth trend with the remaining 14 growing their earnings at levels between 5.4% and 108.8%. The Investment Manager is monitoring those companies where current operating performance is lagging expectations. Where a Derived Debt Investment is made in a portfolio company in the Apax Funds, the Investment Adviser (via its mandate in relation to Apax Funds) is also actively involved in supporting and identifying improvement opportunities.

Derived Investments performance drivers (€m)

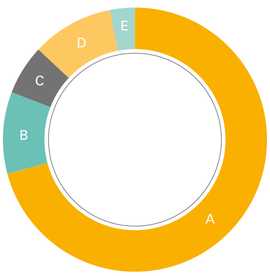
At 31 December 2016	Debt	Equity	Total
Adjusted NAV at 31 December 2015	341.2	91.2	432.4
+ Investments	83.5	90.5	174.0
- Divestments	(139.9)	(64.2)	(204.1)
+/- Unrealised gains/(losses) on investments	(21.0)	3.4	(17.6)
+/- Realised gains/(losses) on investments	4.5	2.1	6.6
+/- FX gains	11.1	1.6	12.7
+/- Performance fee reserve	0.7	1.5	2.2
Adjusted NAV at 31 December 2016	**280.1**	**126.1**	**406.2**

Derived Investments operating metrics

	31 December 2015	**31 December 2016**
Yield to maturity of debt investments[1]	11.5%	**12.0%**
Average years to maturity for debt investments (in years)	6.1	**5.7**
Average income yield of debt investments[2]	9.6%	**9.6%**
Year-over-year LTM EBITDA growth of debt investments[3]	5.0%	**2.7%**
Year-over-year LTM earnings growth of equity investments[4]	14.8%	**32.0%**
Average P/E multiple of equity investments[5]	20.0x	**23.5x**
Number of new investments fully closed	16	**11**
Number of full exits	8	**17**

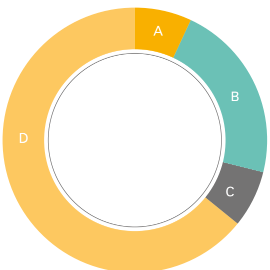
1 GAV weighted average yield to maturity ("YTM") of the Derived Debt Investments
2 GAV weighted average of the current full year income (annual/clean price at date indicated) for each position in Derived Debt Investments
3 GAV weighted average of the latest available year-over-year LTM EBITDA growth of Derived Debt Investments
4 GAV weighted average of the latest available year-over-year LTM earnings growth of Derived Equity Investments
5 GAV weighted average price earnings multiples of Derived Equity Investments

Derived Investments by currency



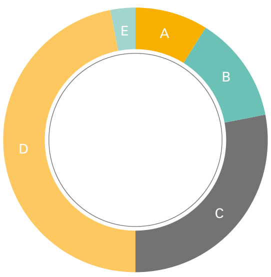
A USD	71%
B EUR	10%
C GBP	6%
D INR	10%
E HKD	3%

Derived Debt Investments by category



A EUR Fixed	7%
B USD Fixed	22%
C EUR Floating	7%
D USD Floating	64%

Derived Debt Investments by maturity



A 2020	9%
B 2021	13%
C 2022	28%
D 2023	47%
E 2024	3%

Strategic report

Portfolio composition: Derived Investments continued

Investment activity: Derived Investments

New investments in 2016
In a volatile investment environment, the Investment Manager continued to seek attractive investment opportunities, and AGA completed the following new Investments:

- An investment of €0.2m in **Edelweiss**, a listed Indian Financial Services company. The company had significantly transformed its business model over the last three years into a higher quality segment but the share price had not yet reflected this. As the Investment Manager was not able to build a meaningful position at an attractive price, the position was sold shortly after the initial investment in July 2016.

- A debt investment of €26.5m in **Ellucian**, a US software company in the education sector. The Investment Adviser was familiar with the sub-sector Ellucian is operating in. As the debt traded off, the Investment Manager felt that the investment offered an attractive relative value compared with peers.

- As part of a market sell-off during Q1 2016, the cybersecurity segment was trading at a significant discount to its underlying growth profile. As a result, AGA deployed €11.7m in **Sophos**, €5.3m in **Fortinet** and €12.3m in **Palo Alto** listed equity stakes.

- A debt investment of €0.8m in **Cole Haan**, an American designer and retailer of premium men's and women's footwear, apparel and accessories. Cole Haan is also a current private equity investment of Apax VIII. The debt investment's purchase price offered attractive risk adjusted returns.

- A €9.1m investment in **Take Solutions**, a listed Indian software and services provider predominantly to Life Sciences companies. The Investment Manager believed the business to be at an inflection point, as it is refocusing on managing data in the attractive clinical trial process space.

- A debt investment of €9.0m in **Vertafore**, a US provider of software to P&C insurance brokers, a sub-sector that the Investment Adviser is familiar with.

- AGA had invested in **Acelity** second lien notes in 2015, which were repaid during the year as part of a refinancing. AGA invested €26.7m in the syndication of new notes that were issued.

- AGA's subsidiary PCV Group invested in **Unilabs** PIK notes in 2013, which were repaid during the year, following strong underlying performance of the business. AGA invested €20.5m in newly issued PIK notes together with other investors.

- AGA acquired €4.9m of shares in **Geometric**, an engineering services business. In April 2016, HCL Technologies, an Indian IT Services provider, announced the acquisition of a portion of Geometric, that would result in shareholders of Geometric receiving shares in HCL Technologies as consideration once complete. The price at which AGA acquired Geometric shares, implied a discount to HCL Technologies' traded price, which at the time was at a discount to historical multiples. The Investment Adviser is well acquainted with the Indian IT Services sector.

Exits in 2016
During 2016, the following Derived Investments were fully realised. The initial investment date is shown in parentheses:

- The first lien investment in **Exact** (2015), a Netherlands based ERP software company. The first lien loan has traded up to levels from which the incremental return was below AGA's target return. With this divestment, AGA realised an IRR of 5.9%.

- The equity position in **Greene King**, a listed UK pub company. AGA's subsidiary PCV Group originally invested in Spirit (2014) at what the Investment Manager believed to be an attractive entry multiple compared to peers and operational upside. After AGA's investment, the company was acquired by Greene King via a share-for-share exchange. AGA sold its position when the Investment Manager believed the synergies of the merger as well as expected future growth were fully priced in. The investment generated an IRR of 49.1%.

- The equity investment in **Karur Vysara Bank** (2014), one of India's oldest private banks, was sold in H1 2016 generating an 8.6% IRR.

- The second lien debt investment in **Physiotherapy Associates** (2015), a US network of physiotherapists, was repaid as a result of the sale of the company. The investment generated an IRR of 14.9%.

- The equity investment in **Sinopharm** (2015), a Chinese medical distribution network and retailer, as the original trade thesis of multiple expansion had played out . The investment generated a 20.8% IRR.

- The equity investment in **Zhaopin** (2014), a Chinese career platform as the discount to peers had traded away. The investment generated an IRR of 35.8%.

- The equity investment in **LIC** (2014), one of India's largest housing finance companies. AGA sold its entire position once the Investment Manager viewed the incremental returns as unattractive, generating an IRR of 29.8%.

- The equity investment in **Alkem Laboratories** (2015), an Indian domestic market pharmaceutical company. AGA invested in the December 2015 IPO and the stock performed well post IPO. AGA sold its entire position once the Investment Manager viewed the expected incremental return as unattractive, generating an IRR of 57.9%.

- Digital whiteboards supplier **Smart Technologies** (2011), an investment by AGA's predecessor PCV. At the time of AGA's IPO, the stake had already been written down to €2.4m. The market in which the business operated was significantly disrupted by more modern technologies such as tablets in recent years, impacting valuations. The stake held by AGA was sold at a loss of €1.2m compared to the valuation at the time of the AGA IPO, as part of a strategic take-over of Smart. The investment generated an IRR of -33.7% since inception.

- The equity investment in **Hinduja Global Solutions** ("HGS", 2015), an Indian provider of business process management services. It became apparent that it would be very difficult for HGS to achieve its original investment thesis, and the Investment Manager took the decision to crystallise the loss on this position. The investment generated an IRR of -31.7%.

- The second lien debt investment in **Berlin Packaging** (2014), a distributor of rigid packaging in North America serving customers globally, was sold after the notes traded up to levels where the incremental return to be generated from holding them appeared less attractive. The investment generated an IRR of 21.7%.

- The second lien debt investment in **Peak10** (2014), a provider of cloud solutions, data centre space and network services. As this industry carries the risk of being disrupted by large cloud players, the Investment Manager took the decision to exit from the position. The investment generated an IRR of 14.8%.

- The first lien notes investment in **Hema** (2014), a Dutch discount general merchandise retailer. New management started to implement a turnaround in the business causing the bonds to trade up. The investment generated an IRR of 9.2%.

- The second lien term loan investment in **Compuware** (2014), an IT Operations Management software provider. Following successful realisation of projected cost savings and continued stable cash generation, the price traded up. However the Investment Manager viewed the businesses' future outlook more cautiously and decided to exit. The investment generated an IRR of 21.1%.

- **Chola** (2014), a leading non-bank financial company focused on the Commercial Vehicle (CV) financing and Loan Against Property (LAP) segments, was partially exited via the public markets during 2016 and in early 2017 was fully exited generating an IRR of 80.4% for AGA. Shares were sold on a pro rata basis between AGA and the Apax Funds, which also held a direct stake in Chola as a Private Equity Investment. Approximately 65% of the shares were sold during 2016 with the remaining 35% sold in early 2017.

Top ten Private Equity Investments

AGA's indirect exposure at 31 December 2016

Top 10 Private Equity	Fund	Sector	Valuation €m	% of NAV	% of Invested Portfolio
GlobalLogic	AVIII	Tech & Telco	51.3	5%	6%
EVRY	AVIII	Tech & Telco	51.3	5%	6%
azelis	AVIII	Services	40.2	4%	4%
AssuredPartners	AVIII	Services	36.5	4%	4%
exact	AVIII	Tech & Telco	34.1	4%	4%
onecallcare	AEVII and AVIII	Healthcare	22.2	2%	2%
wehkamp	AVIII	Consumer	21.3	2%	2%
idealista	AVIII	Consumer	20.0	2%	2%
ENGINEERING	AVIII	Tech & Telco	19.7	2%	2%
Invent Farma NEURAXPHARM	AVIII	Healthcare	19.1	2%	2%
Other			183.1	20%	21%
Total Private Equity			**498.8**	**52%**	**55%**

Top ten Derived Investments

At 31 December 2016

Top 10 Derived Investments	Instrument	Valuation €m	% of NAV	% of Invested Portfolio
ellucian	Senior unsecured	31.1	3%	3%
Acelity	Second lien senior secured	30.9	3%	3%
FULLBEAUTY BRANDS	Second lien term loan	26.3	3%	3%
Unilabs	Second lien PIK	21.0	2%	2%
genex	Second lien term loan	21.0	2%	2%
Listed equity investment[1]	Listed equity	20.7	2%	2%
azelis	Second lien term loan	20.4	2%	2%
AssuredPartners	Second lien term loan	19.2	2%	2%
ADVANTAGE	Second lien term loan	18.7	2%	2%
RentPath	Second lien term loan	18.5	2%	2%
Other		185.0	21%	22%
Total Derived Investments		**412.8**	**44%**	**45%**

1 AGA is actively looking to increase its exposure to this recently acquired position.

02
Governance report

AGA meets the requirements of the AIC Code, against which the Board reports. More information on the Company's governance can be found in this section.

In this section

Governance report

Chairman's governance overview

AGA embraces the governance requirements of a public company and recognises the importance of sound corporate governance.

Tim Breedon CBE
Chairman

Overview

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

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

www.theaic.co.uk

Tim Breedon CBE Chairman

Corporate Governance Statement

Compliance with the AIC Code and UK Code

The Board considers that by reporting under the principles and recommendations of the AIC Code, and by reference to the AIC Guide, it provides better and more relevant information to its shareholders.

Compliance with the principles and recommendations of the AIC Code enables the Directors to satisfy in full the requirement to comply with the UK Corporate Governance Code ("UK Code").

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

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

Statement of independence

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

In addition to this provision, a majority of the board of directors should be independent of the Investment Manager.

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

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

The AIC Code also recommends that the Chairman of the Board of Directors should meet certain independence criteria as set out in the AIC Code on appointment. This requirement has also been met.

I am pleased to confirm that I was independent on appointment, and remain so to date following the first evaluation of the Board and its Committees conducted in 2016, further information of which is available on page 47.

Read more on PG47

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

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

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

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

Biographies of the Board of Directors, including details of their relevant experience, are available on page 44 and the Company's website at:

https://www.apaxglobalalpha.com/corporate-governance/the-board/

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

AGML is responsible for the implementation of the investment policy of the Company and has overall responsibility for overseeing the investment management services provided to the Company.

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

The AGA Board has reviewed and evaluated the performance of AGML during the year to 31 December 2016 and has determined that it is in the interests of the shareholders to continue with their appointment as Investment Manager.

Biographies of the Directors of AGML are available on page 46 and the Company's website at:

www.apaxglobalalpha.com/corporate-governance/the-manager

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

Biographies of the members of the AGA Investment Committee are available on page 45 and the Company's website at:

www.apaxglobalalpha.com/corporate-governance/the-investment-adviser/

Culture and approach
The Board is committed to a culture of openness, dialogue and accountability to shareholders and will not only report regularly but also ensure that they are available for effective engagement, whether at the AGM, or other investor relations activities. 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 86.

Read more on PG86

AGM
Finally, my Board colleagues and I look forward to meeting shareholders at our second AGM to be held on Tuesday, 18 April 2017 at 11:00 (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 have been circulated to shareholders, will be made available on the UK National Storage Mechanism and are available on the Company's website at:

www.apaxglobalalpha.com/corporate-governance/annual-general-meeting/

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
6 March 2017

Governance report
Leadership and effectiveness

AGA Board of Directors

Tim Breedon CBE
Chairman

Tim Breedon is a Non-Executive Director of Barclays plc. Tim worked for the Legal & General Group plc for 25 years, most recently as Group Chief Executive between 2006 and 2012.

He was a Director of the Association of British Insurers "ABI", and also served as its Chairman between 2010 and 2012. He served as Chairman of the UK government's non-bank lending task-force, an industry-led task-force that looked at the structural and behavioural barriers to the development of alternative debt markets in the UK. He was previously lead Non-Executive Director of the Ministry of Justice between 2012 and 2015.

Tim was formerly a Director of the Financial Reporting Council and was on the Board of the Investment Management Association. He has over 25 years of experience in financial services and has extensive knowledge and experience of regulatory and government relationships. He brings to the Board experience in asset management and knowledge of leading a major financial services company.

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

Tim joined the AGA Board on 28 April 2015.

Susie Farnon
Non-Executive Director

Susie Farnon is a Chartered Accountant. Susie was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and was Head of Audit at KPMG Channel Islands from 1999 until 2001. 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 is currently a Non-Executive Director of Ravenscroft Limited, HICL Infrastructure Fund, Standard Life Investments Property & Income Trust Limited, Breedon Group plc and Threadneedle UK Select Trust Limited.

On 1 July 2016, Susie was appointed as Chairman of the Audit Committee and on 18 November 2016 was appointed as Senior Independent Director of the Board.

Susie joined the AGA Board on 22 July 2015.

Chris Ambler
Non-Executive Director

Chris Ambler has been the Chief Executive of Jersey Electricity plc since 1 October 2008.

He has experience in a number of senior positions in the global industrial, energy and materials sectors working for major corporations including ICI/Zeneca, The BOC Group and Centrica/British Gas, as well as in strategic consulting roles.

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

Chris is a Chartered Director, Chartered Engineer and a Member of the Institution of Mechanical Engineers. He holds a First Class Honours Degree from Queens' College, Cambridge and an MBA from INSEAD.

Chris joined the AGA Board on 28 April 2015.

Sarah Evans
Non-Executive Director

Sarah Evans is a Non-Executive Director of Real Estate Credit Investments PCC Limited, NB Distressed Debt Investment Fund Limited, Ruffer Investment Company Limited, HICL Infrastructure Company Limited and Crystal Amber Fund Limited. She is also a member of the Institute of Directors and a Director of the UK Investment Companies' trade body, The Association of Investment Companies.

Sarah spent over six years with the Barclays Bank plc group from 1994 to 2001. During that time she was a Treasury Director and, from 1996 to 1998, she was Finance Director of Barclays Mercantile. Prior to joining Barclays, Sarah ran her own consultancy business advising financial institutions on all aspects of securitisation. From 1982 to 1988 she was with Kleinwort Benson, latterly as head of group finance.

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

On 1 July 2016, Steve Le Page stepped down and Sarah Evans was appointed as a Non-Executive Director to the Board of AGA.

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for overseeing the performance of the Investment Manager and the Company's activities.

The Directors, all of whom are non-executive and considered independent for the purposes of Chapter 15 of the Listing Rules, are listed above.

AGA Investment Committee

Andrew Sillitoe
Co-CEO\Apax Partners

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

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

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

Mitch Truwit
Co-CEO\Apax Partners

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

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

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

Nico Hansen
CIO\Apax Partners

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

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

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

Ralf Gruss
COO\Apax Partners

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

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

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

John Megrue
Chairman\Apax Partners US

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

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

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

Governance report

Leadership and effectiveness continued

Investment Manager Board of Directors

Paul Meader
Director

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

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

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

Martin Halusa
Director

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

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

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

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

Andrew Guille
Director

Andrew Guille is a director of Apax Partners Guernsey Limited.

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

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

Mark Despres
Director

Mark Despres is a Director of Apax Guernsey Managers Limited.

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

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

Board composition and roles

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

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

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

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

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

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

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

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

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

www.apaxglobalalpha.com/corporate-governance/documents

Overall responsibility for the Company's risk management and control systems lies with the Board.

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

- external audit, audit planning and review;
- preparation, review and integrity of financial information;
- internal control and financial risk management systems;
- whistleblowing;
- compliance; and
- fraud.

The Audit Committee does not fulfil the role of a risk committee with regard to investment risk management systems.

Non-Executive Directors
Tim Breedon, Sarah Evans, Susie Farnon and Chris Ambler each fulfil the roles and responsibilities of Non-Executive Directors, as set out in their appointment letters.

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.

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.

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. They also serve as a sounding board for the Chairman.

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

Governance framework

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

www.apaxglobalalpha.com/corporate-governance/documents

In summary, these principally include:

- a schedule of matters reserved for the Board, which includes but is not limited to:
  - Strategy and management;
  - Structure and capital;
  - Financial reporting and controls;
  - Internal 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
  - Director induction and training; and
  - Board evaluation.
- a conflicts of interests policy;
- a disclosure panel policy;
- an anti-bribery and corruption policy;
- a share dealing code;
- an insider dealing and market abuse policy; and
- a policy on the provision of non-audit services.

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

The Board is pleased to report that composition of the Board as to male and female Directors is equally proportioned.

The Board aims to ensure that director recruitment and appointment is conducted in a manner which is transparent, engaged and open. In particular, the Board will encourage healthy debate on the identity, skills and experience of a Board candidate. In summary, the Board's policy on recruitment includes, but is not limited to:

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

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

The Administrator is responsible for the Company's general administrative requirements such as the calculation of the Net Asset Value and Net Asset Value per share and maintenance of the Company's accounting and statutory records.

The Administrator may delegate certain accounting and bookkeeping services to Apax Partners Fund Services Limited or other such parties and/or group entities, as directed by the Company. The Administrator is licensed by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law to act as ''designated administrator'' under that law and provide administrative services to closed-ended investment funds.

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

Registrar
Capita Registrars (Guernsey) Limited 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.

Frequency and attendance at Board and Committee meetings
The Board aims to meet formally at least four times a year and has met seven times in the year from 1 January 2016 to 31 December 2016.

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 has met eight times in the year from 1 January 2016 to 31 December 2016.

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.

Board focus – what the Board has done

Maintaining sound governance
The Board has maintained under review the ever-changing regulatory and corporate governance environment and, in particular, has conducted an annual review of the Company's key policy documents as to insider dealing and market abuse, in light of the introduction of the EU Market Abuse Regulations effective 3 July 2016.

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]
Chris Ambler	7 (7)	8 (8)	0 (1)
Tim Breedon[2]	6 (7)	5 (0)	0 (1)
Sarah Evans[3]	2 (2)	3 (3)	1 (1)
Susie Farnon	7 (7)	8 (8)	0 (1)
Steve Le Page[4]	4 (5)	5 (5)	0 (1)

1. Other Committees refer to those committees of the Board appointed on an ad hoc basis to consider specific matters.
2. Tim Breedon has attended five Audit Committee meetings at the invitation of the Chairman of the Audit Committee. For the avoidance of doubt, Tim Breedon is not a member of the Audit Committee and attended such meetings exclusive of the quorum or right to vote at such meetings.
3. Sarah Evans was appointed as a Director and a member of the Audit Committee on 1 July 2016, from which time she was eligible to attend two Board meeting and three Audit Committee meetings.
4. Steve Le Page resigned as a Director and Chairman of the Audit Committee on 1 July 2016, up to which time he was eligible to attend five Board meetings and five Audit Committee meetings.

The Board has kept under review the implementation of the EU Packaged Retail and Insurance-based Investment Products directive and will seek to comply as appropriate, including making available a Key Information Document available to shareholders on the Company's website, following its implementation, which has been indicated to be after 1 January 2018.

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

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

Strategy and performance monitoring

The Board has been pursuing the investment strategy of the Company during the year through the discretionary management arrangements with AGML as reflected in the Investment Manager's report on page 24.

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

Apax Fund IX investment and revolving credit facility

As announced to the market in February 2016, the Board is pleased to have completed a commitment of approximately $350m to the Apax IX private equity fund, split equally between the euro and US dollar tranches of the fund. Further details of this investment are available on page 30.

The Board is also pleased to have secured an amended and restated agreement to the revolving credit facility with Lloyds Bank plc increasing the funds available for drawdown from €90m to €140m, with an extension to the maturity date to three years from 4 February 2016. The margin has also increased from 200 bps to 210 bps (over Euribor or Libor depending on the currency drawn). Further details of the terms of the revolving credit facility are available on page 77.

First 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 2016 20% of those shares were released from the lock-up arrangements.

The Board was engaged with the corporate broker through the process of facilitating a placing of the Company's shares for those locked-up shareholders who wished to sell their shares following the first release from lock-up on 15 June 2016.

Board calendar and focus for 2017 – what the Board plans to do

In order to position AGA to enable it to deliver on its objectives, the Board has set out the key activities that need to be achieved through 2017. An annual plan and budget has been agreed that includes enhancements to financial reporting and the Company website. These will be monitored during the year and appropriate action taken to drive these initiatives forward.

Board evaluation and re-election of Directors

In accordance with the Board management policy, the Board is pleased to report completion of its first evaluation exercise for the year ended 31 December 2016, conducted internally through a process managed between the Chairman and the Company Secretary.

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

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

Election and re-election of Directors at the 2017 AGM

Sarah Evans was appointed to the Board of Directors and as a member of the Audit Committee on 1 July 2016.

Neither an external search consultancy nor open advertising was used. Sarah was appointed from a short list of suitably-qualified candidates through an interview process involving both the Chairman and each of the Directors of the Board.

Sarah was appointed to add to the breadth of experience and skills of the Board, in addition to filling a vacancy following the resignation of Steve Le Page on 1 July 2016.

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 election or re-election at the 2017 AGM.

Following the successful evaluation of the Board as noted above, it is proposed to shareholders that each of Tim Breedon, Susie Farnon, Chris Ambler and Sarah Evans are re-elected as Non-Executive Directors at the 2017 AGM.

Audit Committee report

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

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

- developing and implementing a policy on the supply of non-audit services by the external auditors, which has taken into account ethical guidance, and keeping that policy under review;
- conducting an annual review of the performance of the external auditor, which has included a general review of the co-ordination of the external audit function with the activities of the Company, any appropriate internal controls, the suitability and independence of the external auditor;
- 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;
- taking the lead on reviewing, developing and implementing a revised control framework with the assistance of the Investment Manager and the Company Secretary;
- meeting with the external auditors, KPMG Channel Islands Limited ("KPMG"), to review and discuss their independence, objectivity and proposed scope of work for their review of the interim report and their audit of this annual report and accounts;
- 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; and
- reviewing in detail the content of this annual report, the work of the service providers in producing it and the results of the external audit.

Susie Farnon
Audit Committee Chairman
6 March 2017

Membership and attendance

The Audit Committee membership currently consists of Susie Farnon, Chris Ambler and Sarah Evans.

A summary of meetings held during the year and attendance at those meetings is available on page 49.

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/corporate-governance/documents

Review of areas for judgement or estimation

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

Valuation of investments

The valuation of investments is a significant area of judgement in the preparation of the financial statements and performance reporting and represents a particular focus for the Audit Committee.

The majority of Derived Equity Investments held by the Company, and certain of the investments underlying the Company's Private Equity positions are quoted, leaving the focus on the other Private Equity and Derived Debt Investments.

At each quarterly valuation point, and particularly at the year end, members of the Audit Committee have reviewed the detailed valuation schedules prepared by the Investment Manager for the unquoted investments underlying the Private Equity positions. Discussions were also held with the Investment Manager and the external auditors (in respect of the year end valuation only). The aim of these reviews and discussions was to ensure as far as possible, that the valuations were prepared in line with the valuation process and methodology set out in the Company's accounting policies. No material discrepancies were identified.

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

The valuation of the Company's investment portfolio remains a significant area of judgement and of estimation, but the Audit Committee is satisfied that it is reasonable overall and has been prepared in accordance with the Company's 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 in amount to the financial performance or position of the Company, its calculation is complex, and because it is due to the Investment Manager, the Audit Committee consider it to be material by nature.

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

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

Read more on PG60

The formal meetings included detailed reviews of the proposed scope of the work to be performed by the auditors in their review of the Company's report for the period to 30 June 2016 and in their audit for the year ended 31 December 2016. 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 which 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 of the underlying Apax Funds, and the level of non-audit services provided by them. In addition the Audit Committee assessed the effectiveness of KPMG.

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

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

Risk management, internal controls and corporate risks
An outline of the risk management framework and principal risks is provided on page 16.

Read more on PG16

During the year, the Audit Committee has taken the lead on reviewing, developing and implementing a revised risk control framework with the assistance of the Investment Manager and the Company Secretary, which was subsequently reviewed and approved by the Board.

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

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

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

Whistle-blowing
The Company does not have any employees. Each of the service providers has whistle-blowing 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 56.

Read more on PG56

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 distributed to shareholders and to other parties who have an interest in the Company's performance.

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

www.apaxglobalalpha.com

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

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

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

www.apaxglobalalpha.com/shareholder-information/results-and-publications

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

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

www.apaxglobalalpha.com/shareholder-information/announcements

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

The AGM
Following feedback from shareholders after the first AGM held on 8 April 2016 the Board has included, as a standard resolution for each annual general meeting, an ordinary resolution to approve the Company's dividend policy as set out on page 12 of the Company's prospectus dated 22 May 2015.

Details of the next AGM are available on page 89.

Remuneration report

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

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

Remuneration report
The Directors who served in the period from 1 January 2016 to 31 December 2016 (with the exception of Sarah Evans who was appointed on 1 July 2016 and Steve Le Page who resigned on that same date) received the fees detailed in the table below.

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

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

Directors' fees and expenses

Director	Fees (EUR)	Expenses (EUR)
Tim Breedon	150,036	1,428
Susie Farnon	59,829	646
Chris Ambler	54,013	418
Sarah Evans[1]	26,170	360
Steve Le Page[2]	34,209	–
Total (EUR)	**324,257**	**2,852**
Total (GBP)	**270,150**	**2,447**

1. Sarah Evans' directorship fees relate to the period from appointment (1 July 2016) to 31 December 2016.
2. Steve Le Page's directorship fees relate to the period from 1 January 2016 to the date of resignation (1 July 2016).

Directors' holdings at 31 December 2016

			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	0.014%	0.000%
Susie Farnon	Ordinary shares of NPV	20,000	20,000	0	0.004%	0.000%
Sarah Evans[1]	Ordinary shares of NPV	20,000	0	0	0.000%	0.000%

1. Sarah Evans' husband, Huw Evans, a person closely associated to Sarah as defined under the EU Market Abuse Regulations, holds 20,000 shares in the Company.

Governance report

Directors' report

Directors' report
The Directors submit their annual report together with the audited financial statements of the Company for the year ended 31 December 2016.

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 4.13p as a final dividend in respect of the financial period ended 31 December 2016. An interim dividend of 3.95p was paid on 14 September 2016 (2015: 3.69p).

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

https://www.apaxglobalalpha.com/corporate-governance/the-board/

The Non-Executive Directors do not have service agreements.

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

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

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

Employees
The Company does not have any direct employees.

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

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

In accordance with the Disclosure and Transparency Rules, Board members and certain employees of the Company's service providers are required to seek approval to deal in the Company's shares.

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

www.apaxglobalalpha.com/corporate-governance/documents

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

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

- if any call or other sum currently payable to the Company in respect of that share remains unpaid; or
- having been duly served with a notice requiring the disclosure of a member's interests and 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 page 53.

Read more on PG53

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 2016 detailed in the table opposite.

Significant agreements
The following agreements are considered to be 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;
- Capita as Registrar under the Registration Agreement;
- Jefferies International as corporate broker; and
- KPMG as appointed external auditors.

Compensation for loss of office
There are no agreements between the Company and its Directors providing for compensation for loss of office that occurs as a result of 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 was one post-balance sheet event:

- on 7 March 2016, the Board of Directors approved a dividend of 4.13p per share in respect of the financial period ended 31 December 2016.

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.

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

AGM
Details of the next AGM are available on page 89.

Read more on PG89

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

Tim Breedon CBE
Chairman
6 March 2017

Table of shareholders over 5% at 31 December 2016

Shareholder	Class of share	Shares held	Voting rights Direct	Voting rights Indirect	% of voting rights Direct	% of voting rights Indirect	Threshold
NorTrust Nominees Limited	Ordinary shares of NPV[1]	32,701,581	32,701,581	0	6.7%	0.0%	5%
Investec Wealth & Investment Limited	Ordinary shares of NPV	32,140,135	32,140,135	0	6.5%	0.0%	5%
Apax Guernsey (Holdco) PCC Ltd[2]	Ordinary shares of NPV	27,709,711	27,709,711	0	5.6%	0.0%	5%
Martin Halusa	Ordinary shares of NPV	28,778,552	2,869,735	25,908,817	0.6%	5.3%	5%

1. No par value
2. Held by the PCV cell within this protected cell company

Statement of Directors' responsibilities

Annual report and financial statements
The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008 (as amended). They 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 confirm that they have complied with the above requirements in preparing the financial statements and that to the best of their knowledge and belief. During the course of this assessment, the Directors have received input from the Audit Committee, the Investment Manager, the Investment Adviser, the Company Secretary and Administrator that:

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

Signed on behalf of the Board of Directors

Tim Breedon CBE
Chairman
6 March 2017

Signed on behalf of the Audit Committee

Susie Farnon
Chairman of the Audit Committee
6 March 2017

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.

Viability statement

As stated on page 14, the investment objective of the Company is to provide shareholders with capital appreciation from its investment portfolio and regular dividends. The Company's investment performance depends upon the performance of its portfolio of Private Equity and Derived Investments. The Directors, in assessing the viability of the Company, have paid particular attention to the risks faced by the Company in seeking to achieve its stated objectives, which are set out on page 16. 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.

Read more on PG16

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 2019. These models have also been stress tested to reflect the impact on the portfolio of some plausible but severe scenarios similar to those experienced by investment markets in the past. The projections consider cash balances, covenants, limits, the split of the investment portfolio in addition to investment policy. The stress testing examines the potential impact of the principal risks occurring individually and together.

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

The Company also has access to a significant credit facility to enable it to manage cash demands without resorting to urgent sales of its less liquid portfolio assets; currently the Company has not drawn on this facility. Diversification of the portfolio, split between Private Equity and Derived Investments, also helps the Company withstand risks it is most likely to meet.

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

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

For more information on how AGA is satisfied with its ability to operate as a going concern, see page 55.

Read more on PG55

03
Financial statements

AGA prepares its financial statements in accordance with International Financial Reporting Standards and applicable law, on a going concern basis.

In this section

Financial statements

Independent auditor's report to the members of Apax Global Alpha Limited

Opinions on the financial statements
We have audited the financial statements of Apax Global Alpha Limited (the "**Company**") for the year ended 31 December 2016 which comprise the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union ("**EU**").

In our opinion, the financial statements:
- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its total comprehensive income for the year ended 31 December 2016;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- comply with the Companies (Guernsey) Law, 2008.

Our assessment of risks of material misstatement
The risks of material misstatement detailed in this section of this report are those risks that we have deemed, in our professional judgement, to have had the greatest effect on: the overall audit strategy; the allocation of resources in our audit; and directing the efforts of the engagement team. Our audit procedures relating to these risks were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of these risks, and we do not express an opinion on these individual risks. In arriving at our audit opinion above on the financial statements, the risk of material misstatement that had the greatest effect on our audit was as follows:

Valuation of investments (€911,554,082)
Refer to page 50 of the Audit Committee Report, note 2 (Use of estimates and judgements), note 3 (Subsequent measurement of financial instruments), note 4 (Critical accounting estimates and judgements), note 8c (Investments held at fair value through profit or loss) and note 14 (Fair value estimation).

The risk – As at 31 December 2016 the Company had invested 96% of its net assets in Derived Investments (debt and listed equities) and investments in Private Equity funds. As described in the Audit Committee Report on page 50, the valuation of the Company's investments, given that it represents the majority of the Company's net assets, is a significant area of our audit. The Company's holdings in unquoted debt investments (representing 23% of net assets) and quoted debt investments (representing 7% of net assets) are valued based upon models that take into account the factors relevant to each investment and use relevant third party market data where available.

The Company will utilise the resources of Apax Guernsey Managers Limited (the "Investment Manager") and Apax Partners LLP (the "Investment Advisor"), to augment its own fair value analysis of investments in debt instruments to determine the most appropriate fair value for such assets. The Company's holdings in listed equity investments (representing 13% of net assets) are valued based upon market bid prices as at 31 December 2016 or such last traded price depending upon the convention of the exchange on which the investment is quoted. The Company's holdings in Private Equity Investments (representing 53% of net assets) are valued as at the Company's attributable portion of the Net Asset Value of the Private Equity funds, as determined by the general partners of such funds, adjusted as considered necessary by the Company's Board of Directors, including any adjustment necessary for carried interest. The general partners consider the International Private Equity and Venture Capital Valuation guidelines when valuing the private equity funds, which involves the use of significant judgement.

Our response – Our audit procedures with respect to the Company's valuation of investments included, but were not limited to: testing the design and implementation of the controls in relation to the valuation of both Derived and Private Equity Investments and evaluating the appropriateness of the valuation of such investments. We used our own financial instrument valuation specialist to validate the pricing of the derived investments, including an assessment of both the methodology and conclusions drawn by the Investment Manager on the corporate debt portfolio and also the trading volumes behind the prices of the listed equity portfolio. For Private Equity Investments we obtained audited financial statements, where possible, and capital statements from the Private Equity funds to verify the Net Asset Values and considered the composition of the underlying portfolios and their valuation. We considered any accounting policy discrepancies which may require the Net Asset Value to be adjusted in respect of Private Equity Investments. We attended the fair market valuation committee meeting held, assessing the methodology applied to the valuation of the portfolios and the challenge process applied by the Investment Manager.

We also considered the Company's disclosures (see note 2 and 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 8c and note 14 for compliance with International Financial Reporting Standards as adopted by the EU.

Our application of materiality and an overview of the scope of our audit
Materiality is a term used to describe the acceptable level of precision in financial statements. Auditing standards describe a misstatement or an omission as "material" if it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The auditor has to apply judgement in identifying whether a misstatement or omission is material and to do so the auditor identifies a monetary amount as "materiality for the financial statements as a whole".

The materiality for the financial statements as a whole was set at €36,180,000. This has been calculated using a benchmark of the Company's Net Asset Value (of which it represents approximately 4%) which we believe is the most appropriate benchmark as Net Asset Value is considered to be one of the principal considerations for members of the Company in assessing the financial performance of the Company.

We agreed with the Audit Committee to report to it all corrected and uncorrected audit misstatements we identified through our audit with a value in excess of €1,809,000, in addition to other audit misstatements below that threshold that we believe 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. The audit was performed at the offices of the sub-administrator.

Whilst the audit process is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather we plan the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant depth of work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the Responsible Individual, to subjective areas of the accounting and reporting process.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Disclosures of principal risks
Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the Directors' viability statement on page 57, concerning the principal risks, their management, and, based on that, the Directors' assessment and expectations of the Company's continuing in operation over the three years to 31 December 2019; or
- the disclosures in note 2 of the financial statements concerning the use of the going concern basis of accounting.

Matters on which we are required to report by exception
Under International Standards on Auditing (ISAs) (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our 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 members to assess the Company's performance, business model and strategy; or the
- Audit Committee Report does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies (Guernsey) Law, 2008, we are required 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.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement on page 42 relating to the Company's compliance with the eleven provisions of the UK Corporate Governance Code specified for our review. We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities
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 and, in respect of any further matters on which we have agreed to report, on terms we have agreed with the Company. 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.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibility Statement set out on page 56, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the UK Ethical Standards for Auditors.

Neale D Jehan
For and on behalf of
KPMG Channel Islands Limited

Chartered Accountants and Recognised Auditors
Glategny Court
St Peter Port
Guernsey GY1 1WR
Channel Islands
6 March 2017

Financial statements
Statement of financial position

At 31 December 2016

	Notes	31 December 2016 €'000	31 December 2015 €'000
Assets			
Non-current assets			
Investments held at fair value through profit or loss	8	911,554	915,095
Total non-current assets		**911,554**	**915,095**
Current assets			
Cash and cash equivalents	9	33,862	21,525
Investment receivables		4,400	20
Other receivables		2,794	2,092
Total current assets		**41,056**	**23,637**
Total assets		**952,610**	**938,732**
Liabilities			
Current liabilities			
Investment payables		488	–
Accrued expenses		2,113	2,203
Total current liabilities		**2,601**	**2,203**
Total liabilities		**2,601**	**2,203**
Capital and reserves			
Shareholders capital	15	873,804	873,804
Share-based payment performance fee reserve	11	11,291	12,968
Retained earnings		64,914	49,757
Total equity		**950,009**	**936,529**
Total shareholders' equity and liabilities		**952,610**	**938,732**

On behalf of the Board of Directors

Tim Breedon
Chairman
6 March 2017

Susie Farnon
Chairman of the Audit Committee
6 March 2017

	31 December 2016 €	31 December 2016 £ equivalent[1]	31 December 2015 €	31 December 2015 £ equivalent[1]
Net Asset Value ("**NAV**") ('000)	950,009	810,852	936,529	690,231
Adjusted NAV ('000)[2]	938,718	801,215	923,561	680,674
NAV per share	1.93	1.65	1.91	1.41
Adjusted NAV per share[2]	1.91	1.63	1.88	1.38

1 The sterling equivalent has been calculated based on the GBP/EUR exchange rate at 31 December 2016 and 31 December 2015 respectively.
2 Adjusted NAV is the NAV net of the share-based payment performance fee reserve. Adjusted NAV per share is calculated by dividing the Adjusted NAV by the total number of shares.

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

Financial statements

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2016

	Notes	Year ended 31 December 2016 €'000	Period from 2 March 2015 to 31 December 2015 €'000
Income			
Investment income		32,493	9,413
Net changes on investments at fair value through profit or loss	8	36,738	53,110
Realised foreign currency gains/(losses)		578	(5,615)
Net unrealised foreign currency gains		2,538	4,415
Total income		**72,347**	**61,323**
Operating and other expenses			
Performance fee	11	(427)	(5,810)
Management fee	10	(5,834)	(3,116)
Administration and other operating expenses	6	(3,458)	(2,130)
Total operating expenses		**(9,719)**	**(11,056)**
Finance costs	12	(1,311)	(475)
Profit before tax		**61,317**	**49,792**
Taxation charge	7	(364)	(35)
Profit after taxation for the year/period		**60,953**	**49,757**
Other comprehensive income		–	–
Total comprehensive income attributable to shareholders		**60,953**	**49,757**
Earnings per share	16		
Basic (cents)		12.41	10.13
Diluted (cents)		12.41	10.13
Adjusted (cents)[1]		12.24	9.97

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 2016 and 31 December 2015 respectively as per note 16 and the weighted average number of ordinary shares.

Financial statements

Statement of changes in equity

For the year ended 31 December 2016

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

For the period from 2 March 2015 to 31 December 2015	Notes	Shareholders capital €'000	Retained earnings €'000	Share-based payment performance fee reserve €'000	Total €'000
Balance at 2 March 2015		–	–	–	–
Total comprehensive income attributable to owners		–	49,757	–	49,757
Share for share exchange	15	580,290	–	–	580,290
Transfer of performance fee liability to reserves	11	–	–	7,158	7,158
Redemptions	15	(7,589)	–	–	(7,589)
New share issuance	15	301,103	–	–	301,103
Share-based payment performance fee reserve movement	11	–	–	5,810	5,810
Balance at 31 December 2015		**873,804**	**49,757**	**12,968**	**936,529**

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

Financial statements
Statement of cash flows

For the year ended 31 December 2016

	Notes	Year ended 31 December 2016 €'000	Period from 2 March 2015 to 31 December 2015 €'000
Cash flows from operating activities			
Interest received		29,439	6,103
Interest paid		(58)	(312)
Dividend received		1,254	1,406
Performance fee paid	11	(2,104)	–
Operating expenses paid		(8,656)	(3,322)
Tax expense	7	(364)	–
Net cash used in operating activities		**19,511**	**3,875**
Cash flows from investing activities			
Capital calls from Private Equity Investments		(58,413)	(177,065)
Capital distributions from Private Equity Investments		68,799	13,093
Purchase of Derived Investments		(158,646)	(182,817)
Sale of Derived Investments		185,375	37,239
Net flows from investment in subsidiaries		285	49,769
Net cash from investing activities		**37,400**	**(259,781)**
Cash flows from financing activities			
Financing cost		(1,228)	–
Dividend paid[1]		(45,884)	–
Proceeds received from Initial Public Offering[2]		–	293,993
Redemption of shares		–	(7,589)
IPO costs paid (borne by PCV Lux SCA)[3]		–	(13,388)
Net cash from financing activities		**(47,112)**	**273,016**
Net increase in cash and cash equivalents		**9,799**	**17,110**
Cash and cash equivalents at the beginning of the year/period		**21,525**	–
Effect of foreign currency fluctuations on cash and cash equivalents		2,538	4,415
Cash and cash equivalents at the end of the year/period	9	**33,862**	**21,525**

1 Dividend paid represents the cash amount paid to shareholders adjusted for foreign exchange movements.
2 In the prior period, proceeds received from the Initial Public Offering ("**IPO**") were received net of banking adviser fees of €4.9m and a realised foreign currency loss of €2.2m on the settlement.
3 In the prior period, IPO costs paid related to costs borne by the Company; however, these costs were effectively borne by PCV Lux SCA as the liability was accrued in the valuation of that subsidiary as part of its acquisition at 15 June 2015.

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

Financial statements

Notes to the financial statements

For the year ended 31 December 2016

1 Reporting entity

Apax Global Alpha Limited (the "**Company**" or "**AGA**") is a limited liability Guernsey company that was incorporated on 2 March 2015. The address of the Company's registered office is PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP. The Company was admitted to the premium market of the London Stock Exchange on 15 June 2015 and trades under the ticker Apax.LN. On the same date, the Company acquired PCV Lux SCA and its subsidiaries. The financial statements of the Company for the year from 1 January 2016 to 31 December 2016 comprises the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows. The Company invests in Private Equity funds, listed and unlisted securities including debt instruments.

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

2 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union. These financial statements are for the year from 1 January 2016 to 31 December 2016. IAS 1 "**Presentation of Financial Statements**" requires presentation of comparative information. Please note that the comparative period is from the date of incorporation 2 March 2015 to 31 December 2015, however, this covers a trading period from 15 June 2015 to 31 December 2015 representing six months and two weeks. These financial statements were authorised for issue by the Board of Directors of the Company on 6 March 2017.

Basis of measurement

The financial statements have been prepared on the historic cost basis except for investments, which are measured at fair value through profit or loss.

Functional and presentation currency

These financial statements are presented in euro (€), which is the Company's functional and presentation currency. All amounts are stated to the nearest one thousand euro unless otherwise stated. Please see note 4 for further details on this assessment.

Accounting period and operating history

The Company was incorporated on 2 March 2015, however, it had no trading history until 15 June 2015, when the Company acquired PCV Lux SCA and its subsidiaries through a share-for-share exchange. On the same date, the Company was admitted onto the London Stock Exchange and issued a further 183,037,695 ordinary shares on the London Stock Exchange in exchange for cash proceeds. As noted above, the comparative period used in these financial statements covers a trading period of only six months and two weeks.

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 the year end), including the statement of financial position, future projections, cash flows and the longer-term strategy of the business. The Directors have reviewed models assessing the Company's estimated future cash flows for three years to 31 December 2019, which have been stress tested to provide guidance of the possible impact of financial scenarios that may affect the Company.

Investment entity

The Company has determined that it meets the definition of an investment entity which is mandatorily exempted from consolidation in accordance with IFRS 10 "**Consolidated Financial Statements**", as amended. As a result, the Company's unconsolidated subsidiary investments, which it acquired on 15 June 2015, are accounted for in accordance with IAS 39 "**Financial Instruments: Recognition and Measurement**" as investments at fair value through profit or loss ("**FVTPL**").

The Company is presented as an investment entity and as a result, the Company does not consolidate its subsidiaries on a line by line basis. All subsidiaries, which are incorporated for the purpose of holding the underlying investments (the "**Portfolio Companies**") on behalf of the Company, are held as investments at fair value through profit or loss. During the year ended 31 December 2016, the Company completed the liquidation of one subsidiary and the remaining two are expected to be completed by the end of March 2017. Please see note 8 for further details.

Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future years affected. Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in notes 4, 13 and 14.

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 fair value through profit or loss. 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 fair value through profit or loss 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 the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. When available the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as "active" if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, then the Company establishes fair value using an alternative valuation technique.

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

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

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

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

For unquoted debt investments, fair value is calculated based upon models that take into account the factors relevant to each investment and use relevant third-party market data where available. The Company utilises the resources of the Investment Manager and the Investment Adviser, to augment its own fair value analysis of investments in debt to determine the most appropriate fair value for such assets.

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

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

Realised gains and losses on disposals of quoted investments are calculated using the first-in first-out cost method. Unrealised gains and losses comprise changes in the fair value of investments for the year.

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

Subsidiaries
Subsidiaries are investees controlled directly or indirectly by the Company. The Company controls an investee if it is exposed to, or has rights to, variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. As previously noted, the Company has determined that it meets the definition of an investment entity and consequently all subsidiaries are held as investments at fair value through profit or loss.

Financial statements

Notes to the financial statements continued

For the year ended 31 December 2016

3 Accounting policies continued

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

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

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

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

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

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

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

Dividend income
Dividend income is recognised in the statement of profit or loss and other comprehensive income on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. For unquoted equity securities, this is usually the date on which the payee's Board approve the payment of a dividend. Dividend income of €1.3m (31 December 2015: €1.4m) from equity securities designated at fair value through profit or loss is recognised in profit or loss in investment income in the current year.

Net change in investments at fair value through profit or loss
Unrealised gains and losses
Net change in Derived Investments at fair value through profit or loss includes all unrealised changes in the fair value of investments since the beginning of the period or since designated upon initial recognition as held at fair value through profit or loss and excludes dividend and interest income.

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

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

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

3 Accounting policies continued

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

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

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

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

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

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

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

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

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

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

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

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

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

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Notes to the financial statements continued

For the year ended 31 December 2016

3 Accounting policies continued

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

Pronouncement	Nature of change	Effective date	Impact on the Company
IAS 7 "**Statement of Cash Flows**" – narrow-scope amendments	The IASB has issued an amendment to IAS 7 introducing an additional disclosure in the cash flow statement that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. The amendment is still subject to EU endorsement.	Financial periods beginning on or after 1 January 2017. Earlier application is permitted.	As the Company does not generally use debt to finance its activities. It is therefore not expected to have a material impact on the cash flow statement.
IFRS 2 "**Share-based Payment**"	The IASB has issued amendments in relation to IFRS 2 in relation to the classification and measurement of share-based payment transactions. The amendments are intended to eliminate diversity in practice in the following three main areas: • The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction • The classification of a share-based payment transaction with a net settlement feature for withholding tax obligations • The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled	Financial periods beginning on or after 1 January 2018. Earlier application is permitted.	The performance fee is equity settled and these amendments are not expected to result in a reclassification. See note 11 for more details.
IFRS 9 "**Financial Instruments**"	IFRS 9 "**Financial Instruments**" addresses the classification, measurement, recognition and derecognition of financial assets and financial liabilities. It replaces guidance from IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("**OCI**") and fair value through profit or loss ("**FVTPL**"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at FVTPL with the irrevocable option at inception to present changes in fair value in OCI without recycling to the income statement. IFRS 9 also introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The revised standard is still subject to EU endorsement.	Financial periods beginning on or after 1 January 2018. Earlier application is permitted.	We do not expect any significant changes to the financial statements following implementation. The Company accounts for its assets at FVTPL and does not use hedge accounting.

4 Critical accounting estimates and judgements

In preparing the financial statements, the Company makes estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on the Board of Directors and Investment Managers' experience and their expectations of future events. As these judgements involve an estimate of the likelihood of future events, actual results could differ from those estimates which could affect the future reported amounts of assets and liabilities. The estimates and judgements that have had the most significant effect on the amounts recognised in the Company's financial statements are set out below:

(i) Assessment as an investment entity
The Board of Directors believe that the Company meets the definition of an investment entity per IFRS 10 as the following conditions exist:
a) the Company has obtained funds from investing shareholders for the purpose of providing them with professional investment and management services;
b) the Company's business purpose, which was communicated directly to investors, is investing for returns from capital appreciation and investment income; and
c) all of the Company's investments are measured and evaluated on a fair value basis.

As the Company meets all the requirements of an investment entity as per IFRS 10 "**Consolidated Financial Statements**", it is required to hold all subsidiaries at fair value rather than consolidating them on a line-by-line basis.

4 Critical accounting estimates and judgements continued

(ii) Investments at fair value through profit or loss
The fair value of investments traded in an active market at fair value through profit or loss is determined by reference to their bid-market pricing at the reporting date. For underlying instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques and methodologies.

The Investment Manager also makes estimates and assumptions concerning the future and the resulting accounting estimates, will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined in notes 3, 13 and 14.

(iii) Functional currency
The Company has determined that euro is the Company's functional and presentation currency. As per IAS 21 "**The Effects of Changes in Foreign Exchange Rates**", the Company's functional currency is not obvious as it is a global investment entity and holds investments and generates income in several currencies. On consideration of the following, the Board of Directors has determined that euro is its functional currency:

a) the Company raised cash proceeds with a euro share price and a sterling equivalent as part of the listing process;
b) it is stated in the Prospectus, that the Company will publish a quarterly NAV and NAV per share in euro with a sterling equivalent;
c) the Company holds a revolving credit facility with the base currency in euro; and
d) the Company may hold investments in multiple currencies and this does not impact the functional currency.

5 Segmental analysis

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

These segments have been identified on the basis that the Board of Directors uses information based on these segments to make decisions about assessing performance and allocating resources. There have been no changes to segments since the prior period ended 31 December 2015.

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

Reportable Segments

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

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

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For the year ended 31 December 2016

5 Segmental analysis continued

Statement of profit or loss and other comprehensive income for the period from 2 March 2015 to 31 December 2015	Private Equity Investments €'000	Derived Investments €'000	Central functions[1] €'000	Total €'000
Investment income	–	9,403	10	9,413
Net changes on fair value of investments at FVTPL	51,928	(708)	1,890	53,110
Realised foreign exchange losses	–	(3,140)	(2,476)	(5,615)
Net unrealised foreign currency gains	–	–	4,415	4,415
Total income	**51,928**	**5,555**	**3,839**	**61,323**
Performance fees	(2,776)	(3,034)	–	(5,810)
Management fees	(451)	(2,665)	–	(3,116)
Administration and other operating expenses	–	–	(2,130)	(2,130)
Total operating expenses	**(3,227)**	**(5,699)**	**(2,130)**	**(11,056)**
Finance costs	–	–	(475)	(475)
Profit/(loss) before taxation	**48,701**	**(144)**	**1,234**	**49,792**
Taxation	–	(35)	–	(35)
Total comprehensive income/(loss)	**48,701**	**(179)**	**1,234**	**49,757**

Statement of financial position at 31 December 2015	Private Equity Investments €'000	Derived Investments €'000	Cash and other NCA's[2] €'000	Total €'000
Total assets	473,566	441,168	23,998	938,732
Total liabilities	–	–	(2,203)	(2,203)
NAV	**473,566**	**441,168**	**21,795**	**936,529**

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

Geographic information

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

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

5 Segmental analysis continued

Statement of profit or loss and other comprehensive income for the period from 2 March 2015 to 31 December 2015	North America €'000	Europe €'000	BRIC* €'000	Rest of World €'000	Total €'000
Investment income	6,753	2,577	83	–	9,413
Net changes on fair value of investments at FVTPL	12,835	35,777	4,818	(320)	53,110
Realised foreign exchange losses	(2,958)	(2,483)	(174)	–	(5,615)
Net unrealised foreign currency gains	–	4,415	–	–	4,415
Total income/(loss)	**16,630**	**40,286**	**4,727**	**(320)**	**61,323**
Performance fee	(959)	(4,087)	(764)	–	(5,810)
Management fee	(1,608)	(1,030)	(478)	–	(3,116)
Total operating and finance expenses	–	(2,605)	–	–	(2,605)
Profit/(loss) before taxation	**14,063**	**32,564**	**3,485**	**(320)**	**49,792**
Taxation	–	–	(35)	–	(35)
Total comprehensive income/(loss)	**14,063**	**32,564**	**3,450**	**(320)**	**49,757**

Statement of financial position at 31 December 2015	North America €'000	Europe €'000	BRIC* €'000	Rest of World €'000	Total €'000
Total assets	484,638	376,197	74,354	3,543	938,732
Total liabilities	–	(2,203)	–	–	(2,203)
NAV	**484,638**	**373,994**	**74,354**	**3,543**	**936,529**

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

6 Administration and other operating expenses

	Year ended 31 December 2016 €'000	Period from 2 March 2015 to 31 December 2015 €'000
Directors' fees	324	235
Administration and other fees	557	429
General expenses	2,345	1,223
Auditors' remuneration		
Statutory audit	132	156
Other assurance services – interim review	47	56
Tax services	39	17
Other non-audit services	14	14
Total administration and other operating expenses	**3,458**	**2,130**

General expenses of €2.3m (31 December 2015: €1.2m) include €0.8m (31 December 2015: €Nil) of costs related to the extension of the revolving credit facility. See note 12 for further details. In the prior period administration fees included €0.08m related to initial one-off set up costs of the Administrator, Depositary and Registrar. The Company has no employees and there were no pension or staff cost liabilities incurred during the year.

7 Taxation

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

The Company, at times, may be required to pay tax in other jurisdictions as a result of specific trades in its investment portfolio. During the year ended 31 December 2016, the Company had a net tax expense of €0.4m (31 December 2015: €35k charge) related to the purchase of listed equities in China and India. No deferred income taxes were recorded as there are no timing differences.

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8 Investments

(a) Unconsolidated subsidiaries

In accordance with IFRS 10, subsidiaries of the Company have been determined to be controlled subsidiary investments, which are measured at fair value through profit or loss and are not consolidated. The fair value of these subsidiary investments is determined on a consistent basis to all other investments measured at fair value through profit or loss.

The table below describes the types of unconsolidated entities held by the Company. The maximum exposure is the loss in carrying amount of the financial assets held:

			Carrying amount included in investments held at FVTPL €'000		Proportion of ownership interest and voting power held by AGA	
Name of subsidiary	Type of fund	Principal place of business and place of incorporation	31 December 2016	31 December 2015	31 December 2016	31 December 2015
PCV Lux SCA	Multi-strategy investment fund	Luxembourg	–	381	0%	100%
RDS Guernsey PCV GP Co Ltd	Special purpose vehicle	Guernsey	–	–	100%	100%
Twin Guernsey PCV GP Co Ltd	Special purpose vehicle	Guernsey	–	–	100%	100%

The Company completed the liquidation of PCV Lux SCA on the 20 June 2016. It was initially placed into liquidation on the 25 June 2015. These transfers were completed in the prior period. The Company expects to complete the liquidation of the remaining two subsidiaries, RDS Guernsey PCV GP Co Ltd and Twin Guernsey PCV GP Co Ltd, by the end of March 2017.

(b) Investments in subsidiaries

The Company transferred the assets held by its investment entity subsidiaries as part of a restructuring commencing after listing on the London Stock Exchange. All investment assets were transferred in the prior period ended 31 December 2015 and the Company is in the process of finalising the liquidations of the remaining subsidiaries. Net flows from subsidiaries are summarised below:

	Year ended 31 December 2016 €'000	Period from 2 March 2015 to 31 December 2015 €'000
Opening balance	381	–
Investment in subsidiary acquired on share-for-share exchange on 15 June 2015	–	580,290
Net movement of assets (from) investment subsidiaries	(239)	(579,872)
Fair value movement on investment subsidiaries	(142)	(37)
Closing balance	**–**	**381**

(c) Investments held at fair value through profit or loss

	Year ended 31 December 2016 €'000	Period from 2 March 2015 to 31 December 2015 €'000
Opening fair value	915,095	–
Additions	233,826	901,394
Disposals	(219,854)	(37,147)
Net change in fair value	(17,513)	50,848
Closing fair value	**911,554**	**915,095**
Private Equity Investments	498,750	473,566
Derived Investments	412,804	441,148
Debt	*284,936*	*346,748*
Listed equities	*127,868*	*94,400*
Investment in subsidiaries	-	381
Closing fair value	**911,554**	**915,095**

8 Investments continued

(d) Net changes in value on investments at fair value through profit or loss

	Year ended 31 December 2016 €'000	Period from 2 March 2015 to 31 December 2015 €'000
Private Equity Investments		
Gross unrealised gains	64,198	53,258
Gross unrealised losses	(28,719)	(1,330)
Total net unrealised gains on Private Equity Investments	**35,479**	**51,928**
Derived Investments		
Gross unrealised gains	31,817	14,857
Gross unrealised losses	(41,375)	(15,899)
Net unrealised losses on Derived Investments	**(9,558)**	**(1,042)**
Gross realised gains	14,066	1,498
Gross realised losses	(2,983)	(1,164)
Net realised gains on Derived Investments	**11,083**	**334**
Total net gains/(losses) on Derived Investments	**1,525**	**(708)**
Total other net (losses)/gains	(266)	1,890
Total net gains on investments at fair value through profit or loss	**36,738**	**53,110**

(e) Involvement with unconsolidated structured entities

The Company's investments in Private Equity funds are considered to be unconsolidated structured entities. The nature and purpose of these investment funds is to invest capital on behalf of its limited partners. The funds pursue a sector focused strategy, investing in four key sectors; Tech & Telco, Services, Healthcare and Consumer. The Company commits to a fixed amount of capital, which may be drawn (and returned) over the life of the fund. The Company pays capital calls when due and receives distributions from the funds, once an asset has been sold. See note 13 for summary of outstanding commitments to the five underlying Private Equity Investments held. The fair value of these was €498.8m at 31 December 2016 (31 December 2015: €473.6m), whereas total value of the Private Equity funds was €12.4bn (31 December 2015: €16.8bn). During the year, the Company did not provide financial support and has no intention of providing financial or other support to these funds.

9 Cash and cash equivalents

	31 December 2016 €'000	31 December 2015 €'000
Cash held at banks	33,862	21,168
Cash held in money market funds	–	357
Total	**33,862**	**21,525**

Cash held at banks and cash held in money market funds earn interest at floating rates (which may at times be negative). Cash deposited in money market funds is redeemable for the same day value and is held in funds rated a minimum of S&P or Fitch rating AAA only.

10 Related party transactions

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

The management fee is calculated in arrears at a rate of 1.25% per annum on the fair value of Derived Investments and non-fee paying Private Equity Investments held by the Company and its subsidiaries which do not already pay a management fee and/or an advisory fee to the Investment Manager or Investment Adviser. During the year ended 31 December 2016, €5.8m (31 December 2015: €3.1m) of management fees were earned by the Investment Manager. The Investment Manager is also entitled to a performance fee on realised gains when they reach or exceed a benchmark performance. Please refer to note 11 for further details.

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

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Notes to the financial statements continued

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10 Related party transactions continued

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

The Company has an Administration Agreement with Aztec Financial Services (Guernsey) Limited ("**Aztec**") dated 22 May 2015. Under the terms of the agreement, Aztec has delegated certain accounting and bookkeeping services related to the Company to Apax Partners Fund Services Limited ("**APFS**"), a related party of the Investment Adviser, under a sub administration agreement dated 22 May 2015. A fee of €0.4m (31 December 2015: €0.3m) was paid by the Company in respect of administration fees and expenses, of which €0.3m (31 December 2015: €0.1m) was paid to APFS.

The Company's investment subsidiaries held investments and cash and cash equivalents that were transferred to the Company at fair value in the period ended 31 December 2015. A summary of these transfers has been included in note 8. At 31 December 2016, the Company has two remaining subsidiaries and it expects to complete the liquidation of these by the end of March 2017.

Tim Breedon held 70,000 shares (0.01%) of the Company at 31 December 2016, Susie Farnon held 20,000 shares (0.004%) and Sarah Evans holds a beneficial interest in the Company. Sarah's husband Huw Evans holds 20,000 shares in the Company representing approximately 0.004% of the Company's issued share capital.

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

11 Performance fee

	31 December 2016 €'000	31 December 2015 €'000
Opening performance fee liability	12,968	–
Transfer from/(to) performance fee liability	–	7,158
Performance fee charge to statement of profit or loss	427	5,810
Performance fee paid	(2,104)	–
Total performance fee	**11,291**	**12,968**

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

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

On 15 June 2015, the Company acquired a performance fee liability that was accrued in the valuation of PCV Lux SCA on acquisition. Post acquisition the terms of the performance fee payable to the Investment Manager were amended such that it would be equity settled in shares of the Company. Accordingly the liability acquired for performance fees payable to the Investment Manager was transferred to a separate performance fee reserve in equity.

In the year ended 31 December 2016, a performance fee of €2.1m was paid in cash to the Investment Manager in relation to performance on investments realised during the period ended 31 December 2015. Certain regulatory constraints have prevented this payment in shares, however, the intention of the Company remains that future awards should be payable in shares. The Company and the Investment Manager are working to clear and resolve these limitations. As permitted by the IMA, the Company may pay the performance fee in cash if there are restrictions that prevent the Company purchasing shares to be awarded. The performance fee of €6.6m payable to the Investment Manager on realised investments for the current year is also expected to be settled in cash in 2017.

At 31 December 2016, management's best estimate of the expected performance fee was calculated on the eligible portfolio on a liquidation basis. Of this, €6.6m is related to realised gains earned during the year. The total performance fee at 31 December 2016 was €11.3m (31 December 2015: €12.9m). The effect of the performance fee on NAV per share is disclosed in note 16.

12 Loan payable and finance costs

Revolving credit facility
The Company entered into a multi-currency revolving credit facility agreement on 22 May 2015 (the "**Loan Agreement**") with Lloyds Bank plc for general corporate purposes. The Company may borrow under the Loan Agreement; including letters of credit subject to a maximum borrowing limit set at €90m. On 4 February 2016, the Board approved an amendment to the terms of the existing Loan Agreement which results in an increase in the maximum borrowing limit to €140m and an extension of life by three years from this amendment date to 4 February 2019.

The interest rate charged is LIBOR or EURIBOR plus a margin of 210 bps (an increase of 10 bps since the original Loan Agreement). During the year there was no interest paid (31 December 2015: €Nil) as the facility remained unutilised; however, a charge of €1.3m (31 December 2015: €0.5m) was included in the statement of profit or loss related to a non-utilisation fee on the undrawn facility. Under the Loan Agreement, the Company is required to provide collateral for each utilisation. Collateral can be provided in the form of underlying investments. The loan to value must not exceed 1:5 of the portfolio's NAV. On 31 December 2016 and 31 December 2015, the facility remained unutilised.

13 Financial risk management

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

	31 December 2016	31 December 2015
Private Equity Investments	55%	52%
Derived Investments	45%	48%
Debt	*31%*	*38%*
Listed equities	*14%*	*10%*
Total	**100%**	**100%**

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

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

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

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

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

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

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

	31 December 2016 €'000	% of NAV	31 December 2015 €'000	% of NAV
Debt investments	284,936	30%	346,748	38%
Cash and cash equivalents	33,862	4%	21,525	2%
Investment receivables	4,400	0%	20	0%
Other receivables	2,794	0%	2,092	0%
Total	**325,992**	**34%**	**370,385**	**40%**

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13 Financial risk management continued

(a) Debt investments

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

Rating (S&P)	31 December 2016 €'000	% of Debt investments	% of NAV	31 December 2015 €'000	% of Debt investments	% of NAV
B	–	–	–	22,657	6%	3%
B-	41,673	15%	4%	37,074	11%	4%
CCC+	132,590	46%	14%	231,911	67%	25%
CCC	89,062	31%	9%	36,319	10%	4%
CCC-	13,948	5%	2%	9,575	3%	1%
N/R[1]	7,663	3%	1%	9,212	3%	1%
Total	**284,936**	**100%**	**30%**	**346,748**	**100%**	**38%**

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 2016 €'000	% of Debt investments	% of NAV	31 December 2015 €'000	% of Debt investments	% of NAV
Tech & Telco	94,194	33%	10%	114,245	33%	12%
Services	62,464	22%	6%	76,363	22%	8%
Consumer	55,351	19%	6%	104,971	30%	11%
Healthcare	72,927	26%	8%	51,169	15%	7%
Total	**284,936**	**100%**	**30%**	**346,748**	**100%**	**38%**

(b) Cash and cash equivalents

The Company limits its credit risk exposure in cash and cash equivalents by depositing cash with adequately rated institutions, with significant balances invested in liquidity funds of suitably credit rated banking 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 2016 €'000	31 December 2015 €'000
Cash held in banks	A+	33,817	21,149
Cash held in banks	BBB+	45	19
Cash held in money market funds	AAA	–	357
Total		**33,862**	**21,525**

The Company's cash is held with JP Morgan Chase, RBS International in Guernsey, HSBC, Credit Suisse and ING. Significant liquidity balances are held with, amongst others, JP Morgan, Deutsche Bank and Goldman Sachs. The Company spreads its cash and cash equivalents across a number of banking groups to diversify credit risk.

(c) Investment receivables and other receivables

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

Liquidity risk

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

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

Derived Investments in the form of listed securities are considered to be liquid investments that the Company may realise on short notice. These are determined to be readily realisable, as the majority are listed on major global stock exchanges. Derived Investments in the form of debt 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.

13 Financial risk management continued

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

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2016 based on contractual undiscounted repayment obligations. The contractual maturities of most financial liabilities are less than three months, with the exception of commitments to Private Equity Investments.

These commitments in the next 12 months are based on the estimated aggregate amounts these funds are expected to call within a financial year. At 31 December 2016, the Company had undrawn commitments of €346.1m (31 December 2015: €68.9m), of which €83.4m (31 December 2015: €49.9m) is expected to be drawn within 12 months. The increase in undrawn commitments was due to the Company committing $175.0m and €154.5m to the US dollar and euro tranches of Apax IX in May 2016. In line with the investment strategy of the Company, the Derived Investment portfolio is expected to be invested in equities, predominantly listed equity, and debt. These asset classes provide additional liquidity management options as many of them are readily realisable. As per note 12, the Company also has access to a short-term revolving credit facility upon which it can draw up to €140.0m. The Company may utilise this facility in the short term to bridge Private Equity calls and ensure that it can realise the Derived Investments at the best price available.

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

The balances may not agree directly to the Company's statement of financial position as the table incorporates all cash flows and commitments, on an undiscounted basis, related to both principal and interest payments.

31 December 2016

Contractual maturity	Up to 3 months €'000	3–12 months €'000	1–5 years €'000	Total €'000
Investment payables	488	–	–	488
Accrued expenses	2,113	–	–	2,113
Private Equity Investments	–	83,427	262,675	346,102
Total	**2,601**	**83,427**	**262,675**	**348,703**

31 December 2015

Contractual maturity	Up to 3 months €'000	3–12 months €'000	1–5 years €'000	Total €'000
Accrued expenses	2,203	–	–	2,203
Private Equity Investments	–	49,992	18,976	68,968
Total	**2,203**	**49,992**	**18,976**	**71,171**

The Company has outstanding commitments to its Private Equity Investments, which are as follows:

	31 December 2016 €'000	31 December 2015 €'000
Apax Europe VI	–	–
Apax Europe VII	648	648
Apax VIII	116	44,600
AMI Opportunities	24,483	–
Apax IX	320,855	23,720
Total	**346,102**	**68,968**

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

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

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

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13 Financial risk management continued

For the year ended 31 December 2016, the main price risks for the Company's portfolio were economic and political uncertainty in Europe and the US due to the EU referendum held in the UK and US presidential elections; change in monetary policy in India affected prices of Indian listed investments held; decreased willingness and ability of banks to make a market as a result of new regulation and structural imbalances has resulted in lower levels of liquidity in the loan market, directly affecting prices; and a change in Central Bank polices, where the prospect of slowing and eventual withdrawal of stimulus has led to increased price volatility. 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 2016	Base case €'000	Bull case (+20%) €'000	Bear case (-20%) €'000
Investments	911,554	1,093,865	729,243
Change in NAV and profit		**182,311**	**(182,311)**
Change in NAV (%)		**19%**	**-19%**
Change in total income		**252%**	**-252%**
Change in profit for the year		**299%**	**-299%**

31 December 2015	Base case €'000	Bull case (+20%) €'000	Bear case (-20%) €'000
Investments	915,095	1,098,114	732,076
Change in NAV and profit		**183,019**	**(183,019)**
Change in NAV (%)		**20%**	**-20%**
Change in total income		**298%**	**-298%**
Change in profit for the period		**368%**	**-368%**

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

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

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

At 31 December 2015	EUR €'000	USD €'000	GBP €'000	INR €'000	HKD €'000	Total €'000
Investments at fair value through profit or loss	311,054	514,644	16,081	52,304	21,012	915,095
Cash and cash equivalents	14,073	4,453	1,241	1,758	–	21,525
Investment receivables	–	–	–	–	20	20
Interest receivable	–	2,026	–	–	–	2,026
Other receivables	–	–	66	–	–	66
Accrued expenses	(1,712)	(95)	(396)	–	–	(2,203)
Total net foreign currency exposure	**323,415**	**521,028**	**16,992**	**54,062**	**21,032**	**936,529**

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13 Financial risk management continued

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

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

31 December 2015	Base case €'000	Bull case (+15%) €'000	Bear case (-15%) €'000
USD	521,028	599,182	442,874
GBP	16,992	19,541	14,443
INR	54,062	62,171	45,953
HKD	21,032	24,187	17,877
Change in NAV and profit		**91,967**	**(91,967)**
Change in NAV (%)		**10%**	**–10%**
Change in total income		**150%**	**–150%**
Change in profit for the period		**185%**	**–185%**

(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 €318.8m (31 December 2015: €368.2m). The analysis assumes that the price remains constant for both bull and bear case. The impact of interest rate floors on the debt portfolio have been included in the bear case below:

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

31 December 2015	Base case €'000	Bull case (+500bps) €'000	Bear case (-500bps) €'000
Cash and cash equivalents	21,525	22,601	20,449
Debt	346,748	364,085	346,748
Change in NAV and profit		**18,413**	**(1,076)**
Change in NAV (%)		**2%**	**0%**
Change in total income		**30%**	**–2%**
Change in profit for the period		**37%**	**–2%**

(d) Concentration risk

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

	% of Private Equity 31 December 2016	% of Debt investments 31 December 2016	% of Equity investments 31 December 2016	% of Private Equity 31 December 2015	% of Debt investments 31 December 2015	% of Equity investments 31 December 2015
Tech & Telco	38%	33%	40%	31%	33%	1%
Services	28%	22%	23%	35%	22%	47%
Consumer	14%	19%	5%	21%	30%	18%
Healthcare	19%	26%	29%	11%	15%	30%
Other	1%	0%	3%	2%	0%	3%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

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13 Financial risk management continued

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. If required, the Board assesses the requirement for discount management strategies.

The Company is subject to financial covenants on its revolving credit facility. There were no breaches or instances of non-compliance during the year. Please see note 12 for further details.

14 Fair value estimation

(a) Investments measured at fair value

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

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

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

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

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

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

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at 31 December 2015:

Assets	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Private Equity Investments	–	–	473,566	473,566
Derived Investments	94,400	18,115	328,633	441,148
Debt	–	*18,115*	*328,633*	*346,748*
Listed equities	*94,400*	–	–	*94,400*
Investments in subsidiaries	–	381	–	381
Total	**94,400**	**18,496**	**802,199**	**915,095**

Investments whose values are based on quoted market prices in active markets are classified as level 1 investments. At 31 December 2016, the Company holds €124.6m (31 December 2015: €94.4m) as level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. At 31 December 2016, the Company holds €65.3m (31 December 2015: €18.5m) classified as level 2 investments. Investment in subsidiaries was deemed to be level 2 as it only holds cash and accrued expenses to be paid.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include Private Equity and debt investments. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

14 Fair value estimation continued

The Company values its holding in Private Equity based on the NAV statements it receives from the respective fund. The main input into the valuation models used to determine NAV of the underlying level 3 investments within the private equity funds comprises earnings multiples (based on the budgeted earnings or historical earnings of the issuer and earnings multiples of comparable listed companies). The Company also considers original transaction price, recent transactions in the same or similar instruments and completed third-party transactions in comparable instruments and adjusts the model as deemed necessary. The Company values debt based upon models that take into account factors relevant to each investment and uses third party market data and broker quotes where available. At 31 December 2016, the Company holds €721.7m (31 December 2015: €802.2m) of level 3 assets.

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

	Year ended 31 December 2016			Period from 2 March 2015 to 31 December 2015			
	Private Equity €'000	Derived Investments €'000	Total €'000	Private Equity €'000	Derived Investments €'000	Other €'000	Total €'000
Opening fair value	473,567	328,632	802,199	–	–	–	–
Additions	59,527	30,221	89,748	435,447	343,255	431	779,133
Disposals and repayments	(26,351)	(120,630)	(146,981)	(3,935)	(9,251)	(13)	(13,199)
Realised gains/(losses)	–	2,240	2,240	–	–	–	–
Unrealised gains/(losses)	(7,993)	(17,541)	(25,534)	42,055	(5,372)	–	36,683
Transfers in/(out) of level 3	–	–	–	–	–	(418)	(418)
Closing fair value	**498,750**	**222,922**	**721,672**	**473,567**	**328,632**	**–**	**802,199**

The unrealised losses attributable to only assets held at 31 December 2016 were €25.5m (31 December 2015: €36.7m gain). In the period ended 31 December 2015, the transfer out of level 3 was related to the Company's investments in subsidiaries. At this date, the subsidiaries held only cash and accrued liabilities and were therefore reclassified as a level 2 investment.

(b) Significant unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as level 3 in the fair value hierarchy.

Description	Fair value at 31 December 2016 €'000	Fair value at 31 December 2015 €'000
Private Equity Investments	498,750	473,566
Debt	222,922	328,633

Description	Valuation technique	Unobservable inputs	Sensitivity to changes in significant unobservable inputs
Private Equity Investments	NAV adjusted for carried interest	NAV	See 14 (b) (i) below
Debt	Discounted cash flow models and income based models	Broker quotes, market yield movements, risk premiums, credit quality and instrument repayment dates. See table below for a summary of yield to maturity ("**YTM**") ranges of level 3 debt.	See 14 (b) (ii) below

YTM analysis of level 3 debt	No. of investments 31 December 2016	Fair value at 31 December 2016 €'000	% of level 3 debt 31 December 2016	No. of investments 31 December 2015	Fair value at 31 December 2015 €'000	% of level 3 debt 31 December 2015
7% to 15%	11	165,742	74%	18	310,642	95%
15% to 22%	2	40,202	18%	2	17,991	5%
> than 22%	3	16,978	8%	–	–	–
Total	**16**	**222,922**	**100%**	**20**	**328,633**	**100%**

i. The key inputs of Private Equity Investments are the NAV and carried interest as determined by the general partner of the funds. 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 and interest rate risk. A movement of 10% in the value of Private Equity Investments would move the NAV at the year-end by 5.2% (31 December 2015: 5.1%).

ii. The fair value of debt is determined by market prices if available and relevant in size and date. Illiquid debt positions are valued via debt valuation models. Valuations derived from these models consider, where appropriate, broker quotes, credit computations, market yield movements, risk premiums, the credit quality of the borrower and expected repayment dates. A movement of 10% in the value of debt would move the NAV at year-end by 2.3% (31 December 2015: 3.5%).

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Financial statements

Notes to the financial statements continued

For the year ended 31 December 2016

15 Shareholders' capital

(c) Financial assets and liabilities not measured at fair value
The Company's cash and cash equivalents, investment receivables, other receivables and other payables are held at amortised cost. The carrying value of such instruments approximates fair value at 31 December 2016 and 31 December 2015 respectively.

At 31 December 2016, the Company had 491,100,768 ordinary shares fully paid with no par value in issue (31 December 2015: 491,100,768 shares). All ordinary shares rank pari passu with each other, including voting rights.

Ordinary shares in issue	Number of shares	31 December 2016 €'000	Number of shares	31 December 2015 €'000
Opening balance at beginning of the year/period	491,100,768	873,804	–	–
Share-for-share exchange	–	–	311,937,228	580,290
Redemption of shares	–	–	(3,874,155)	(7,589)
Issue of shares for cash	–	–	183,037,695	301,384
Cost of issuing shares	–	–	–	(281)
Balance at end of the year/period	**491,100,768**	**873,804**	**491,100,768**	**873,804**

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. 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.

In the prior period, the Company issued 308,069,073 ordinary shares and 3,874,155 redeemable shares on 15 June 2015 in a share-for-share exchange to acquire its subsidiary, PCV Lux SCA. The 3,874,155 redeemable shares were immediately redeemed by the relevant investors to fund certain tax liabilities as noted in the Prospectus. The Company issued a further 183,037,695 new ordinary shares to investors as part of the listing on the London Stock Exchange for cash proceeds of €301.4m.

16 Earnings and NAV per share

Earnings	31 December 2016	31 December 2015
Profit or loss for the year/period attributable to equity shareholders: €'000	60,953	49,757
Weighted average number of shares in issue		
Ordinary shares at end of year/period	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]	6,883,933	8,065,448
Adjusted shares[2]	**497,984,701**	**499,166,216**
Earnings per share (cents)		
Basic	12.41	10.13
Diluted	12.41	10.13
Adjusted	12.24	9.97

1 The number of performance shares is calculated inclusive of deemed realised performance shares that would be issued utilising the theoretical performance fee payable calculated on a liquidation basis. However, as described in note 11, the recent performance fee was paid in cash due to regulatory restrictions and is expected to be paid in cash in 2017. If these were excluded, the revised performance fee shares to be awarded would have been 2,885,408 (31 December 2015: 6,756,994) and the revised Adjusted Shares would have been 493,986,176.

2 The calculation of Adjusted Shares above assumes that new shares were issued by the Company to the Investment Manager in lieu of the performance fee. As per the Prospectus, the Company may also purchase shares from the market if the Company is trading at a discount to its NAV per share. In such a case, the Adjusted NAV per share would be calculated by taking the NAV at the year or period end adjusted for the performance fee reserve and then divided by the current number of ordinary shares in issue. At 31 December 2016, the Adjusted NAV per share for both methodologies resulted in an Adjusted NAV per share of €1.91.

At 31 December 2016, 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 2016.

16 Earnings and NAV per share continued

The Company had a NAV per share of €1.93 at 31 December 2016 (31 December 2015: €1.91). This was calculated based on the NAV of the portfolio divided by the weighted average number of ordinary shares. The Adjusted NAV per share of €1.91 (31 December 2015: €1.88) was adjusted to account for the accrued performance fee shares as described earlier.

	31 December 2016	31 December 2015
NAV €'000		
NAV at end of year/period	950,009	936,529
NAV per share (€)		
NAV per share	1.93	1.91
Adjusted NAV per share	1.91	1.88

17 Dividends

Dividends paid to shareholders	Year ended 31 December 2016 €'000	Year ended 31 December 2016 £'000	Period from 2 March 2015 to 31 December 2015 €'000	Period from 2 March 2015 to 31 December 2015 £'000
Final dividend for 2015 paid – 3.69p per share	23,395	18,122	–	–
Interim dividend for 2016 – 3.95p per share	22,401	19,398	–	–
Total	**45,796**	**37,520**	–	–

Dividends proposed	Year ended 31 December 2016 €	Year ended 31 December 2016 £	Period from 2 March 2015 to 31 December 2015 €	Period from 2 March 2015 to 31 December 2015 £
Final dividend for year/period – per share	4.84c	4.13p	4.76c	3.69p

On the 5 April 2016, the Company paid the first dividend of 3.69p per share (4.76c euro equivalent). This represented 2.5% of the Company's euro NAV at 31 December 2015.

On the 16 August 2016, the Board approved the first dividend for 2016, 3.95p per share (4.59c euro equivalent). This represents 2.5% of Company's euro NAV at 30 June 2016 and had a payment date of 14 September 2016.

On the 6 March 2017, the Board approved the final dividend for 2016, 4.13p per share (4.84c euro equivalent). This represents 2.5% of the Company's euro NAV at 31 December 2016 and has an expected payment date of 4 April 2017.

18 Subsequent events

On 6 March 2017, the Board approved the final dividend for 2016, 4.13p per share (4.84c euro equivalent). This represents 2.5% of the Company's euro NAV at 31 December 2016 and has an expected payment date of 4 April 2017.

Shareholder information

Shareholder information and administration

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

Registered Office of the Company
PO Box 656
East Wing
Trafalgar Court
Les Banques
St Peter Port
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Channel Islands

Investment Manager
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Investment Adviser
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Administrator, Company Secretary and Depositary
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Registrar
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Guernsey GY2 4LH
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www.capitaassetservices.com
shareholderenquiries@capita.co.uk

Auditor
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Glategny Court
St Peter Port
Guernsey GY1 1WR
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

Shareholder information
Investment policy

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

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

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

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

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

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

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

Shareholder information

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 4 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 2016, for the directors:

Total	The total amount of fixed remuneration for the reporting period paid by the AIFM to its directors	£150,000
Carried Interest	Not applicable to the AIF[2]	

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

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

Material changes

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

Shareholder information

Notice of the second Annual General Meeting

In accordance with the Articles of Incorporation of the Company adopted by special resolution dated 21 May 2015 (the "**Articles**"), **NOTICE IS HEREBY GIVEN** that the second annual general meeting of the Company (the "**AGM**") will be held at the offices of Aztec Group, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP on Tuesday, 18 April 2017 at 11:00 AM (UK Time)

Agenda of the Annual General Meeting
The business and resolutions proposed to be considered at the AGM are as follows:

1. Chairman of the meeting
1.1. To appoint a Chairman of the AGM. [1]

2. Notice and quorum
2.1. To confirm that due notice of the AGM has been given.

2.2. To confirm that, in accordance with the Articles, that the meeting is quorate and may proceed to business, by way of reviewing a summary of those members in attendance by person or by proxy. [2]

3. Proxy forms and voting rights
3.1. To inform the meeting of the total number of shares cast by proxy and to confirm those appointed in respect those shares.

3.2. To inform the meeting of the procedure for voting during the AGM, in accordance with the Articles.

Members are invited to refer to the notes to the Form of Proxy for information regarding voting procedure and rights.

4. Final dividend
4.1. To note that the Directors have approved a dividend payment to members holding Ordinary Shares in the Company in the amount of GBP 20,282,462.00 which was paid on 4 April 2017 to members on the register as at 17 March 2017 and the shares were ex-dividend on 16 March 2017.[3]

5. Ordinary resolutions
The following resolutions are proposed as Ordinary Resolutions.

5.1. To adopt the annual report and audited financial statements of the Company for the period ended 31 December 2016, including the reports of the Directors and the Auditor. [4]

5.2. To re-appoint KPMG Channel Islands Limited of Glategny Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 1WR as the external auditor of the Company (the "Auditor") to hold office until conclusion of the next annual general meeting. [5]

5.3. To authorise the Board to negotiate and fix the remuneration of the Auditor in respect of the financial year ended 31 December 2017. [6]

5.4. To re-elect Tim Breedon as an independent non-executive Director of the Company. Mr Breedon was appointed to the Board on 28 April 2015 and further information is available about Mr Breedon on the Company's website. [7]

5.5. To re-elect Chris Ambler as an independent non-executive Director of the Company. Mr Ambler was appointed to the Board on 28 April 2015 and further information is available about Mr Ambler on the Company's website. [7]

5.6. To re-elect Sally-Ann (Susie) Farnon as an independent non-executive Director of the Company. Mrs Farnon was appointed to the Board on 22 July 2015 and further information is available about Mrs Farnon on the Company's website. [7]

5.7. To elect Sarah Evans as an independent non-executive Director of the Company. Mrs Evans was appointed to the Board on 1 July 2016 and further information is available about Mrs Evans on the Company's website. [7]

5.8. To approve the Company's dividend policy as set out on page 12 of the Prospectus dated 22 May 2015. [8]

6. Special resolutions
The following resolutions are proposed as Special Resolutions.

6.1. To renew the authorisation of the Company to generally and unconditionally for the purposes of section 315 of the Companies (Guernsey) Law, 2008 (as amended) (the "Law") to make one or more market acquisitions (within the meaning of section 316 of the Law) of Ordinary Shares in the Company (and to the extent permitted by the Law, to hold such Ordinary Shares as treasury shares) provided that: [9]

(a) the Company's authority to make market acquisitions pursuant to the authority granted by this resolution shall, (except with prior shareholder approval) be limited to a maximum of 14.99% of the number of Ordinary Shares in issue as at the date of this notice (or, if different, 14.99% of the number of Ordinary Shares in issue as at the date of the annual general meeting);

(b) the maximum price (exclusive of expenses) which shall be paid for the Ordinary Share pursuant to this authority shall be an amount equal to 105 per cent of the average of the middle market quotation as derived from the London Stock Exchange for the five business days immediately preceding the date on which the purchase is made;

(c) the minimum price (exclusive of expenses) which shall be paid for the Ordinary Share pursuant to this authority shall be £0.01; and

Shareholder information

Notice of the second Annual General Meeting continued

For the year ended 31 December 2016

(d) unless previously revoked or varied, the authority hereby conferred shall expire at the earlier of 15 months after the date of the AGM or at the conclusion of the next annual general meeting of the Company, save that the Company may, prior to such expiry, enter into a contract to acquire Ordinary Shares which will or may be completed or executed wholly or partly after such expiry and make an acquisition of such Ordinary Shares pursuant to any such contract.

6.2. In accordance with article 6.7 of the Articles, to authorise the Directors, in accordance with article 4.3 of the Articles, to issue up to a maximum number of 49,110,077 of Ordinary Shares (being not more than 10% of the number of Ordinary Shares in issue as at the date of this notice) or such other number being not more than 10% of the Ordinary Shares in issue at the date of the annual general meeting, whether generally in relation to the issue by the Company of equity securities, in relation to issues of a particular description or in relation to a specified issue of equity securities which, in accordance with the Listing Rules, could only be issued at or above net asset value per share (unless offered pro rata to existing Shareholders or pursuant to further authorisation by Shareholders), as if the pre-emption provisions contained in article 6.2 of the Articles do not apply to any such issue, and that, unless previously revoked or varied, such authority will remain valid until the conclusion of the next annual general meeting of the Company, save that the Company may make prior to such expiry any offer or agreement which would or might require Ordinary Shares or equity securities to be issued after the conclusion of the next annual general meeting of the Company and the Directors may issue Ordinary Shares or equity securities pursuant to such an offer or agreement notwithstanding the expiry of the authority given by this resolution 10.

7. Any other business

7.1. To invite the meeting to present any other business for consideration by the Members.

8. Matters arising from the meeting

8.1. To confirm any matters arising from the AGM and the appropriate action to be taken.

9. Closure of meeting

9.1. To confirm the time of closure of the AGM.

Shareholder queries

Shareholders are invited to meet the Board following conclusion of the AGM to discuss any other queries outside of the formalities of the AGM.

Should shareholders wish to attend the AGM, address any specific queries, concerns or discussions with the Board outside the formalities of the AGM or in respect of the proposed agenda of the AGM, please inform the Company Secretary and Investor Relations at AGA-Admin@aztecgroup.co.uk and investor.relations@apaxglobalalpha.com respectively.

Whether or not you propose to attend the AGM, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received by 11:00 AM on Thursday, 13 April 2017 to be valid and must be deposited at the address provided in the notes to the Form of Proxy.

Notes to the notice and agenda for the second Annual General Meeting

Information regarding the agenda and proposed resolutions

All capitalised terms not otherwise defined in these notes to the notice and agenda for the annual general meeting shall have the meanings given to them in the Articles. The Articles are available on the Company's website at https://www.apaxglobalalpha.com/corporate-governance/documents/.

1. In accordance with article 20.3 of the Articles the chairman of any general meeting shall be either:

   (i) the Chairman of the Board;

   (ii) in the absence of the Chairman, or if the Board has no Chairman, then the Board shall nominate one of their number to preside as Chairman;

   (iii) if neither the Chairman of the Board nor the nominated Director are present at the meeting then the Directors present at the meeting shall elect one of their number to be the Chairman;

   (iv) if only one Director is present at the meeting then he shall be Chairman of the general meeting; or

   (v) if no Directors are present at the meeting then the Members Present In Person shall elect a Chairman for the meeting by an Ordinary Resolution.

2. In accordance with article 20.1 of the Articles the quorum for a general meeting shall be two Members "Present in Person", including being present by attorney or by Proxy or, in the case of a corporate Member, by duly authorised corporate representative.

3. The Company will publish its dividend timetable and other information regarding the dividend payment on the London Stock Exchange. A copy of such publication will also be made available on the Company's website at https://www.apaxglobalalpha.com/shareholder-information/share-price-and-dividends/.

The effect of the Ordinary Resolutions proposed at items 5.1 to 5.8 of the Agenda being passed are outlined below. Further information on each of the proposed resolutions may be obtained from the Company Secretary available at AGA-Admin@aztecgroup.co.uk.

Ordinary Resolutions are passed if more than half of votes cast at the AGM are cast in favour of the resolution.

4. If this Ordinary Resolution is passed, Members shall be deemed to have adopted, and to have received, the contents and statements included within the annual report and audited financial statements of the Company for the period ended 31 December 2016, including the reports of the Directors and the Auditor, accordingly the requirements under section 251 and 252 of the Companies (Guernsey) Law, 2008 (as amended) shall be satisfied.

5. If this Ordinary Resolution is passed, the Auditor shall be re-appointed to hold office until conclusion of the next annual general meeting and may, unless such office becomes vacant before then, be eligible for re-election at that annual general meeting, in accordance with article 40.7 of the Articles.

6. If this Ordinary Resolution is passed, the Board shall be authorised to negotiate and fix the remuneration of the Auditor for the financial year ended 31 December 2016, in accordance with article 40.5 of the Articles. The Board shall have due discretion to the appropriateness of such remuneration.

7. In accordance with article 22.3 of the Articles, each Director at the date of the notice convening the annual general meeting shall retire from office and may offer themselves for election or re-election by the Members. Each Director has so retired and is offering himself for re-election. If this Ordinary Resolution is passed, the relevant Director shall therefore be re-elected to continue to hold office as a Director of the Company until conclusion of the next annual general meeting, unless such office becomes vacant before then, in which case a casual vacancy shall be filled in accordance with the Articles.

   Where any Member may intend to vote against the re-election of a Director, the Directors encourage shareholders to discuss their intentions and rationale for doing so with the Chairman, prior to casting their vote. If such vote is against re-election of the Chairman, shareholders are invited to discuss their intentions and rationale for doing so with the chairman of the Audit Committee.

   In accordance with article 23.2 of the Articles, the Board is authorised to fix the fees of the Directors (other than any alternate Directors) for their services, subject to an overall cap of £315,000 per financial year on the aggregate fees (such fees being distinct from any salary, remuneration for any executive office or other amounts payable to a Director pursuant to any other provisions of the Articles). The Board intends to fix the Directors' fees for 2017 in accordance with article 23.2. The total of Directors' fees (and expenses) paid for 2016 are disclosed in the annual report and audited financial statements of the Company for the period ended 31 December 2016, which is available on the Company's website at https://www.apaxglobalalpha.com/shareholder-information/results-and-publications/.

8. Under the Articles, the Board is authorised to approve the payment of dividends without the prior approval of the Company's shareholders. However, having regard to corporate governance best practice and feedback from the Company's shareholders, the Board has decided to seek express approval of its dividend policy on an annual basis.

   The dividend policy is set out on page 12 of the prospectus of the Company dated 22 May 2015 (the "Prospectus"), a copy of which is available on the Company's website at https://www.apaxglobalalpha.com/corporate-governance/documents/, states that the Company is targeting the payment of a dividend equal to 5% of the Net Asset Value (such term as defined in the Prospectus) per annum.

   The Company anticipates declaring a dividend in respect of each six-month period. The Company expects that the Board will decide whether to declare a dividend, and the amount of any such dividend, within two months from the end of each six-month period, with payment of any dividend to follow within one month of declaration.

   The Articles permit the Board to offer a scrip dividend alternative to shareholders when a cash dividend is declared from time to time. The procedure for the offer of a scrip dividend is set out in the Articles and summarised on page 68 of the Prospectus.

   Shareholders and prospective investors should note that the 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 as a target only and there is no guarantee that it can or will be achieved. No reliance should be placed on the dividend policy in deciding whether to invest in the Company.

The effect of the Special Resolutions proposed at items 6.1 to 6.2 of the Agenda being passed are outlined below. Further information on each of the proposed resolutions may be obtained from the Company Secretary available at AGA-Admin@aztecgroup.co.uk.

Special Resolutions are passed if more than 75% of votes cast at the AGM are cast in favour of the resolution.

9. If this Special Resolution is passed, the Company shall continue to be authorised to make market acquisitions of its own shares in accordance with section 315 the Companies (Guernsey) Law, 2008 (as amended) on the basis set out in the prospectus of the Company dated 22 May 2015 (Part X: 2.5).

10. If this Special Resolution is passed, the Company shall be able to issue Ordinary Shares or equity securities up to the maximum amount specified in this Special Resolution, without having regard to the pre-emption provisions that are set out in article 6.2 of the Articles.

Voting procedure and rights
At 6 March 2017 (being the last business day prior to publication of this notice) the Company's issued share capital consisted of 491,100,768 ordinary shares of no par value, carrying one vote each. Therefore, the total voting rights in the Company as at 6 March 2017 are 491,100,768.

The provisions for proceedings for voting at the annual general meeting and rights as to the votes of Members are included in articles 20 and 21 of the Articles respectively. Members are encouraged to review these provisions before casting their vote, appointing a proxy and/or attending the annual general meeting.

Shareholder information

Notice of the second Annual General Meeting continued

For the year ended 31 December 2016

The below is provided as a summary for Members. It is not inclusive of all provisions of the Articles and may be paraphrased. Members should review the Articles in detail.

Voting procedure – casting your vote
Shareholders who hold their shares in certificated form are requested to complete and return the enclosed Form of Proxy to the Company's registrars at Capita Asset Services, The Registry, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF as soon as possible, but in any event, to be valid, so as to arrive no later than 11:00am on Thursday, 13 April 2017 being note less than 48 hours before the start time of the meeting.

Shareholders who hold their shares in uncertificated form may use the CREST electronic proxy appointment service. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's' registrars, Capita Asset Services (CREST ID:RA10) by 11:00am on Thursday, 13 April 2017, being not less than 48 hours before the start time of the meeting.

The return of a Form of Proxy or the appointment of a proxy through CREST will not preclude a member from attending and voting at the Annual General Meeting in person, should they subsequently decide to do so.

Voting rights and rights to appoint a proxy
A Member shall not be entitled in respect of any share to take part in any proceedings or vote at any general meeting or class meeting of the Company or to exercise any right conferred by membership:

(i) unless all calls due from that Member in respect of their shares have been paid;

(ii) unless that Member has been registered as the holder of such shares;

(iii) if so determined by the Board, any Member who has failed to comply with a notice requiring the disclosure of Members' interests and given under article 10 of the Articles, as set out in article 21.2 of the Articles.

Unless one of their number has been elected to represent them and to vote whether in person or Proxy in their name, join registered holders whose name stands first on the Register of the Company shall alone be entitled to vote.

Pursuant to the Articles and the Law:

(i) a Member of the Company is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and speak and vote at a meeting of the Company.

(ii) a Member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Member.

(iii) the appointment of a Proxy shall not preclude a member from attending at voting in person at a meeting or poll concerned, subject to article 21.12 of the Articles.

(iv) a Proxy need not be a Member and an instrument of Proxy may be valid for one or more meetings.

The instrument appointing a Proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of that power or authority certified notarially or in some other way approved by the Directors shall, whether in writing or in electronic form, be deposited at the Registered Office of the Company or, if in electronic form, to such address as specified in this notice, not less than 48 hours before the time for holding the annual general meeting or adjourned meeting at which the person named in the appointment proposes to vote.

Proceedings at the Annual General Meeting
Two Members Present In Person (such term as defined in the Articles) shall be deemed to form a quorum for the purposes of the meeting. If within thirty minutes from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned for five Business Days (such term as defined in the Articles) at the same time and place or to such other day and at such other time and place as the Board may determine.

A resolution put to a vote shall be decided by a show of hands or by a poll at the option of the Chairman. A poll may be demanded by:

(i) the Chairman; or

(ii) not less than five Members having the right to vote on the resolution; or

(iii) one or more of the Members Present In Person representing at least ten per cent. of the total voting rights of all of the Members having the right to vote on the resolution.

The demand for a poll may be withdrawn.

In the case of an equality of votes, the Chairman shall have a second or casting vote in addition to any other vote he may have.

Unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded.

Shareholder information
Form of proxy

Apax Global Alpha Limited
Registered Number: 59939
(the "Company")

FORM OF PROXY

ANNUAL GENERAL MEETING
Tuesday, 18 April 2017 at 11:00 AM (UK Time)
at the offices of Aztec Group, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP

BEFORE COMPLETING THIS FORM, PLEASE READ THE NOTES OVERLEAF

I/We ______________________________
(Write your name in BLOCK LETTERS please)

of ______________________________

______________________________ Post Code: ______________
(Your address in full including your post code)

being a member/members of the Company hereby appoint the Chairman of the meeting or (refer to note 2)

Name of Proxy: ______________________________

Address: ______________________________

______________________________ Post Code: ______________

as my/our proxy to vote in my/our name(s) and on my/our behalf in the manner indicated below at the Annual General Meeting of the Company to be held at the offices of Aztec Group, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP on Tuesday, 18 April 2017 at 11:00 AM (UK Time) and at any adjournment thereof.

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter (including amendments to resolutions) which is properly put before the meeting.

Unless otherwise indicated, where you indicate 'X' in an appropriate box, it shall cast all the votes attached to your shares in respect of the corresponding resolution. If you wish to only cast a proportion of your shares as votes towards a resolution then please indicate 'X' and the number of votes you wish to cast.

This form is to be used in respect of the resolutions set out in the notice of meeting as follows:

Ordinary Resolutions		**For**	**Against**	**Withheld**	**Discretionary**
5.1	To adopt the annual report and audited financial statements of the Company for the period ended 31 December 2016, including the reports of the Directors and the Auditor.				
5.2	To re-appoint KPMG Channel Islands Limited of Glategny Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 1WR as the external auditor of the Company (the "Auditor") to hold office until conclusion of the next annual general meeting.				
5.3	To authorise the Board to negotiate and fix the remuneration of the Auditor in respect of the financial year ended 2017.				
5.4	To re-elect Tim Breedon as an independent non-executive Director of the Company.				
5.5	To re-elect Chris Ambler as an independent non-executive Director of the Company.				
5.6	To re-elect Sally-Ann (Susie) Farnon as an independent non-executive Director of the Company.				
5.7	To elect Sarah Evans as an independent non-executive Director of the Company.				
5.8	To approve the Company's dividend policy as set out on page 12 of the Prospectus dated 22 May 2015.				

Shareholder information

Form of proxy continued

For the year ended 31 December 2016

Special Resolutions		For	Against	Withheld	Discretionary
6.1	To renew the authorisation of the Company to generally and unconditionally for the purposes of section 315 of the Companies (Guernsey) Law, 2008 (as amended) (the "Law") to make one or more market acquisitions (within the meaning of section 316 of the Law) of Ordinary Shares in the Company (and to the extent permitted by the Law, to hold such Ordinary Shares as treasury shares) provided that: [9] (a) the Company's authority to make market acquisitions pursuant to the authority granted by this resolution shall, (except with prior shareholder approval) be limited to a maximum of 14.99% of the number of Ordinary Shares in issue as at the date of this notice (or, if different, 14.99% of the number of Ordinary Shares in issue as at the date of the annual general meeting); (b) the maximum price (exclusive of expenses) which shall be paid for the Ordinary Share pursuant to this authority shall be an amount equal to 105 per cent. of the average of the middle market quotation as derived from the London Stock Exchange for the five business days immediately preceding the date on which the purchase is made; (c) the minimum price (exclusive of expenses) which shall be paid for the Ordinary Share pursuant to this authority shall be £0.01; and (d) unless previously revoked or varied, the authority hereby conferred shall expire at the earlier of 15 months after the date of the AGM or at the conclusion of the next annual general meeting of the Company, save that the Company may, prior to such expiry, enter into a contract to acquire Ordinary Shares which will or may be completed or executed wholly or partly after such expiry and make an acquisition of such Ordinary Shares pursuant to any such contract.				
6.2	In accordance with article 6.7 of the Articles, to authorise the Directors, in accordance with article 4.3 of the Articles, to issue up to a maximum number of 49,110,077 of Ordinary Shares (being not more than 10% of the number of Ordinary Shares in issue as at the date of this notice) or such other number being not more than 10% of the Ordinary Shares in issue at the date of the annual general meeting, whether generally in relation to the issue by the Company of equity securities, in relation to issues of a particular description or in relation to a specified issue of equity securities which, in accordance with the Listing Rules, could only be issued at or above net asset value per share (unless offered pro rata to existing Shareholders or pursuant to further authorisation by Shareholders), as if the pre-emption provisions contained in article 6.2 of the Articles do not apply to any such issue, and that, unless previously revoked or varied, such authority will remain valid until the conclusion of the next annual general meeting of the Company, save that the Company may make prior to such expiry any offer or agreement which would or might require Ordinary Shares or equity securities to be issued after the conclusion of the next annual general meeting of the Company and the Directors may issue Ordinary Shares or equity securities pursuant to such an offer or agreement notwithstanding the expiry of the authority given by this resolution.				

Please return this form to the Company's Registrars whose address is Capita Asset Services, The Registry, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF to arrive no later than 11:00 AM on Thursday, 13 April 2017 (being not less than 48 hours before the time for the Annual General Meeting, discounting any day that is not a working day).

For natural members (individuals), please sign here:

Signature: ____________________

Name: ____________________
(please write your name in full as it would appear on the Register of Members)

For legal members (corporations or otherwise), please sign here:

For and on behalf of: ____________________
(please write full legal name of member as it would appear on the Register of Members)

Acting by: ____________________
(please write full name(s) of legal representative(s))

In the capacity of: ____________________
(please write in what capacity legal representative(s) represent member, e.g. Director)

Please tick here if this proxy appointment is one of multiple appointments being made. ☐
Please refer to note 4 for the appointment of more than one proxy.

Notes to the form of proxy for the second Annual General Meeting

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.

2. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak, and vote on a show of hands and on a poll, instead of him. The proxy need not be a member of the Company. If you do not wish to appoint the Chairman of the meeting as your proxy, a proxy of your own choice may be appointed by inserting the proxy's name on this Proxy Form in the space provided, but where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy.

3. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

4. If you appoint more than one proxy, each proxy must be appointed in respect of a specified number of shares within your holding, and only one proxy may be appointed in respect of any one share within your holding. If you wish to do this, each proxy must be appointed on a separate Form of Proxy. When appointing more than one proxy you must indicate the number of shares in respect of which the proxy is appointed to the right of the name of the shareholder at the top of the Form of Proxy, and whether, by ticking the box provided, the proxy instruction is one of multiple instructions being given.

5. The Form of Proxy must, in the case of an individual, be signed by the appointor or their agent or attorney duly authorised in writing, or in the case of a corporation, either be under its common seal or be signed by an officer or attorney or other person duly authorised to sign the same. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. Please note the "vote withheld" option is provided to enable you to abstain on any particular resolution. However, a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "for" and "against" a resolution.

7. If the Form of Proxy is returned without an indication as to how the proxy must vote on a particular matter or if you select the "Discretionary" option, or, if further matters are raised at the meeting, the proxy will exercise his discretion as to whether, and if so how, he votes.

8. Pursuant to Regulation 41 of the United Kingdom's Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast, thereat will be determined by reference to the Register of Members of the Company at 11:00 AM on Thursday, 13 April 2017 (or, in the event of any adjournment, at 11:00 AM on the date which is 48 hours before the time of adjourned meeting discounting any day that is not a working day). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

9. To be effective, the Form of Proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited with Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 11:00 AM on Thursday, 13 April 2017 (being not less than 48 hours before the time for holding the meeting discounting any day that is not a working day). Completion and return of the Form of Proxy will not preclude members from attending and voting in person at the meeting.

10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Shareholder information

Glossary

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

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

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

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

AGML or Investment Manager means Apax Guernsey Managers Limited.

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

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

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

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

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

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

APG means Apax Partners Guernsey Limited.

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

Brexit refers to the expected exit of the United Kingdom from the European Union ("EU") following the results of a referendum held in the UK on the 23 June 2016.

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

CEE means central and eastern europe

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

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

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

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

EBITDA earnings before interest, tax, depreciation and amortisation.

EV enterprise value.

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

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

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

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

IPO Initial public offering.

KPI Key performance indicator.

LSE London Stock Exchange.

LTM Last twelve months.

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

MOIC Multiple of invested capital.

NTM Next twelve months.

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

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

OCI Other comprehensive income.

PCV means PCV Lux S.C.A.

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

P/E Price earnings.

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

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

Reporting period means the period from 1 January 2016 to 31 December 2016.

SME Small and mid-sized enterprises.

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

Total Return for the portfolio is calculated by taking the Adjusted NAV for the portfolio at the end of the period/year, adding back disposals, income and realised movements divided by the Adjusted NAV of the portfolio at the end of the period/year together with additions.

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

Designed and produced by Emperor
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Apax Global Alpha Limited
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www.apaxglobalalpha.com