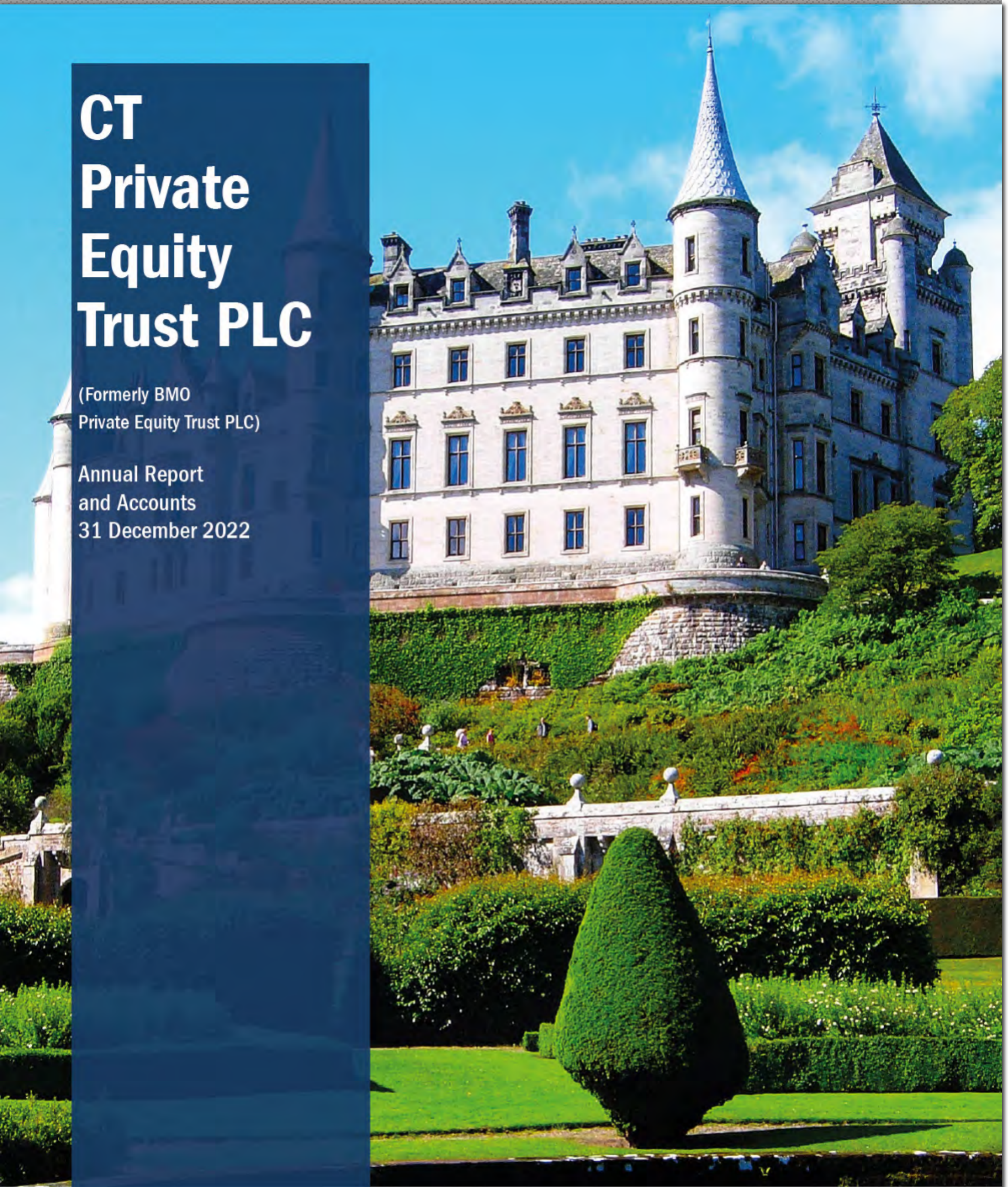
CT Private Equity Trust PLC

(Formerly BMO Private Equity Trust PLC)

Annual Report and Accounts 31 December 2022



COLUMBIA THREADNEEDLE INVESTMENTS

Front cover image: Dunrobin Castle, Scotland.

Contents

Company Overview

The Company

CT Private Equity Trust PLC ('the Company') is an investment trust and its Ordinary Shares are traded on the Main Market of the London Stock Exchange.

Objective and Investment Policy

The Company's objective is to achieve long-term capital growth through investment in private equity assets, whilst providing shareholders with a predictable and above average level of dividend funded from a combination of the Company's revenue and realised capital profits.

The Company's investment policy is contained on page 9.

Dividend Policy

The Company aims to pay quarterly dividends with an annual yield equivalent to not less than four per cent of the average of the published net asset values per Ordinary Share as at the end of each of its last four financial quarters prior to the announcement of the relevant quarterly dividend or, if higher, equal (in terms of pence per share) to the highest quarterly dividend previously paid. All quarterly dividends will be paid as interim dividends. The interim dividends payable in respect of the quarters ended 31 March, 30 June, 30 September and 31 December are expected to be paid in the following July, October, January and April respectively.

Management

The Company's investment manager, Columbia Threadneedle Investment Business Limited ('the Manager'), formerly known as BMO Investment Business Limited, is part of Columbia Threadneedle Investments. The ultimate parent company of Columbia Threadneedle Investments is Ameriprise Financial, Inc.

Capital Structure as at 31 December 2022

72,844,938 Ordinary Shares of 1 pence, each entitled to one vote at a general meeting. In addition, the Company has 1,096,491 shares held in treasury.

Further details of the Company's capital structure, including the rights attributable to the Ordinary Shares, are provided on page 33.

How to Invest

The Manager operates a number of investment plans which facilitate investment in the shares of the Company. Details are contained on page 8.

Visit our website at:

www.ctprivateequitytrust.com

Financial Highlights

14.8%

NAV total return

- Net Asset Value total return [(1)] for the year of 14.8 per cent for the Ordinary Shares.

-8.9%

Share price performance

- Share price total return [(1)] for the year of -8.9 per cent for the Ordinary Shares.

25.77p

Quarterly dividends

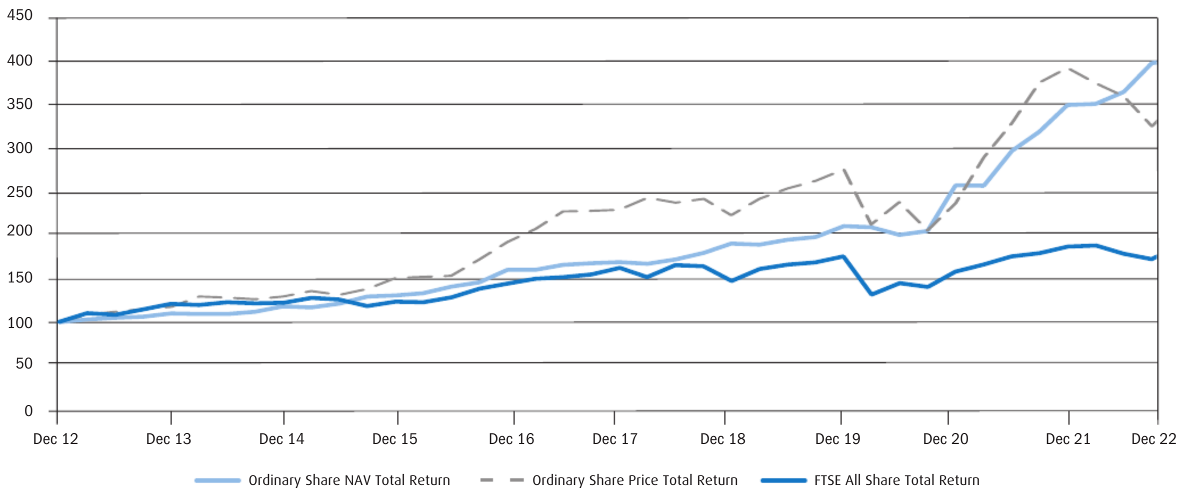
- Total quarterly dividends of 25.77p per Ordinary Share
- Quarterly dividend of 6.05p per Ordinary Share paid 29 July 2022
- Quarterly dividend of 6.31p per Ordinary Share paid 31 October 2022
- Quarterly dividend of 6.62p per Ordinary Share paid on 31 January 2023
- Quarterly dividend of 6.79p per Ordinary Share payable 28 April 2023

6.1%

Dividend yield

- Dividend yield [(2)] of 6.1 per cent based on the year-end share price.

The Longer Term Rewards



(1) Total Return. Refer to Alternative Performance Measures on page 78.

(2) Dividend Yield. Refer to Alternative Performance Measures on page 77.

Summary of Performance

Total Returns for the Year†

	2022 31 December	2021 31 December	% change
Net asset value per Ordinary Share	**+14.8%**	+35.8%	
Ordinary Share price	**-8.9%**	+66.2%	
Capital Values			
Net assets (£'000)	**517,675**	473,447	+9.3%
Net asset value per Ordinary Share	**710.65p**	640.30p	+11.0%
Ordinary Share price	**423.0p**	489.0p	-13.5%
Discount to net asset value †	**40.5%**	23.6%	
Income			
Revenue return after taxation (£'000)	**2,941**	5,080	-42.1%
Revenue return per Ordinary Share	**4.01p**	6.87p	-41.6%
Dividends per Ordinary Share	**25.77p**	20.04p	+28.6%
Dividend Yield †	**6.1%**	4.1%	
Gearing †	**0.7%**	0.7%	
Ongoing Charges †			
As a percentage of average net assets excluding performance fees	**1.2%**	1.2%	
As a percentage of average net assets including performance fees	**2.3%**	2.3%	
Future commitments (£'000)	**178,933**	136,436	+31.1%

† Refer to Alternative Performance Measures on pages 77 and 78.

Sources: Columbia Threadneedle Investment Business Limited and Refinitiv Eikon

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Chairman's Statement

Richard Gray, Chairman

Fellow Shareholders,

This report is for the year ended 31 December 2022. During this period your Company has achieved a net asset value ("NAV") total return of 14.8 per cent. This compares to a total return from the FTSE All-Share Index for 2022 of 0.4 per cent. The NAV per share at the year-end was 710.65p (2021: 640.30p).

The share price at the year-end was 423.00p per share (2021: 489.00p). During the year the share price discount widened. As at 31 December 2022 it was 40.5 per cent in comparison to 23.6 per cent as at 31 December 2021. As a consequence, the share price total return for the year was -8.9%.

During the year the Company made new investments, either through funds or as co-investments, totalling £88.7 million. Realisations and associated income totalled £125.1 million. Outstanding undrawn commitments at the year-end were £178.9 million of which £25.8 million was to funds where the investment period had expired.

Approximately 85% of the valuation by value is based on 31 December 2022 valuations and 15% on September 2022 valuations.

The Company's performance fee arrangements contain a hurdle rate, calculated over rolling three-year periods, of an IRR of 8.0 per cent per annum. The annual IRR of the NAV for the three-year period ended 31 December 2022 was 24.6 per cent and, consequently, a capped performance fee of £5.4 million is payable to the Manager, in respect of 2022. This is the tenth consecutive year that a performance fee has been payable, demonstrating consistent performance and providing Shareholders with an attractive total return, which includes capital growth and an above average dividend yield.

Dividends

Since 2012 your Company has paid a substantial dividend from realised profits allowing Shareholders to participate, to some degree, directly in the proceeds of the steady stream of private equity realisations which the Company achieves. This policy has been well received by Shareholders and provides for a steadily growing dividend with downside protection. Your Board is fully committed to maintaining this general approach for the foreseeable future.

The Company's quarterly dividends are payable in respect of the quarters ended 31 March, 30 June, 30 September and 31 December and are paid in the following July, October, January and April respectively. As Shareholders do not have an opportunity to approve a final dividend at each Annual General Meeting, Shareholders are asked to approve the Company's dividend policy at the forthcoming Annual General Meeting.

In accordance with the Company's stated dividend policy, the Board recommends a further quarterly dividend of 6.79p per Ordinary Share, payable on 28 April 2023 to Shareholders on the register on 11 April 2023 and an ex-dividend date of 6 April 2023. Total dividends paid for the year therefore amount to 25.77p per Ordinary Share equivalent to a dividend yield of 6.1 per cent at the year-end.

Share Buybacks

At the Annual General Meeting ("AGM") held on 26 May 2022, the Board sought and received from Shareholders the authority to buyback up to 14.99% of the Company's share capital. Buybacks can only be made at a cost which is below the prevailing net asset value and, in the opinion of Directors, would be in the interests of Shareholders as a whole.

During June 2022 the Company bought back 1,096,491 of its ordinary shares to be held in treasury. The average discount at which these shares were bought back was 28%.

These shares are held in treasury to allow the Company to re-issue them quickly and cost effectively. At last year's AGM the Board sought and received the authority from Shareholders to re-issue treasury shares or issue new shares, subject to limitations on the number and price. Treasury shares can only be re-issued and new shares issued at a price which would not dilute the NAV of existing Shareholders.

The Board seeks renewal of these buyback and reissuance authorities at the AGM to be held on 23 May 2023.

Change in Investment Limit for Co-investments

At present, the Company has a portfolio which is a mix of fund positions and direct private equity investments or co-investments. The Board believes that this mixed approach serves Shareholders well by capturing the best of private equity at moderate levels of risk. Under the Company's investment policy, co-investments are limited to no more than 50 per cent of its total assets at the time of investment.

The Company's record in co-investments is good, with 80 co-investments completed since 2003. Of these 42 have been realised at a combined internal rate of return of 24%. As at 31 December 2022 co-investment exposure was 43.0 per cent of the portfolio, which is approaching the current threshold.

Having considered the benefits of co-investments, the Manager's record in this area, and the diversification of the current portfolio of both funds and co-investments, the Board believes that increasing exposure in this area would be in Shareholders' interests. Accordingly, it is proposed to target a balanced exposure to co-investments and funds over the long-term. To facilitate this, and allow for fluctuations in the short-term, it is proposed to raise the upper limit for co-investments from 50 per cent to 65 per cent of total assets at the time of investment. This would allow the Manager to maintain a good balance of funds and co-investments within the portfolio and avoid the risk of being excluded from making new co-investments due to strong performance by the co-investment portfolio.

Although this change is an extension of the Company's current activities, it does represent a material adjustment to the investment policy and is therefore subject to approval by Shareholders at the forthcoming AGM.

Directorate Change

The Board recognises the value in both attracting fresh talent and the maintenance of continuity and accordingly a plan has been developed to ensure an orderly succession as Directors retire.

As part of this plan, at the Annual General Meeting to be held on 23 May 2023, David Shaw will retire from the Board. David has served as a Director since November 2009. I wish to place on record the Board's appreciation for his support and guidance throughout his tenure and to thank him for his contribution to the Company's success.

As a further part of the Board succession plan, it is anticipated that Elizabeth Kennedy will retire from the Board at the conclusion of the Company's 2024 Annual General Meeting.

The Board will also recruit a new Director, taking account of diversity as part of this process.

Ownership of the Manager

On 8 November 2021, BMO sold its asset management business in Europe, the Middle East and Africa, ("BMO GAM EMEA") to Columbia Threadneedle Investments. Since November 2021, Columbia Threadneedle Investments has been working to integrate both organisations, focused on delivering the best possible outcomes for all clients. The combined business has more than 2,500 staff, including over 650 investment professionals based in North America, Europe and Asia. At 31 December 2022 it managed £485 billion of client assets.

On 4 July 2022, the entire BMO GAM EMEA business was rebranded as Columbia Threadneedle Investments. As part of this process, the Company's investment manager, BMO Investment Business Limited, was renamed Columbia Threadneedle Investment Business Limited.

As many of the Company's Shareholders invest through the Columbia Threadneedle Investments savings plans the Board resolved that continuing to align with the brand of the investment manager would avoid unnecessary confusion and ensure that the Company maximised the benefits of the broader Columbia Threadneedle Investments brand.

On 30 June 2022 the Company therefore announced that it had changed its name from BMO Private Equity Trust PLC to CT Private Equity Trust PLC. The Company's website address was also amended from 4 July 2022 to become ctprivateequitytrust.com and its trading instrument display mnemonic ("TIDM" or "ticker") changed to CTPE.

Throughout the change of ownership of the investment manager, the Board sought and received confirmation from senior management at Columbia Threadneedle Investments of the importance of maintaining stability and continuity of the teams which support the Company. The Board welcomes these assurances and will ensure that Shareholders are kept informed of developments as this new relationship evolves.

Annual General Meeting

The Annual General Meeting ("AGM") will be held at 12 noon on 23 May 2023 at the offices of Columbia Threadneedle Investments, Exchange House, Primrose Street, London EC2A 2NY. This will be followed by a presentation by Hamish Mair, the Company's Investment Manager on the Company and its investment portfolio.

For Shareholders who are unable to attend the meeting, any questions they may have regarding the resolutions proposed at the AGM or the performance of the Company can be directed to a dedicated email account, petagm@columbiathreadneedle.com, by Tuesday 16 May 2023. The Board will endeavour to ensure that questions received by such date will be addressed at the meeting. The meeting will be recorded and will be available to view on the Company's website, ctprivateequitytrust.com, shortly thereafter. All Shareholders that cannot attend in person are encouraged to complete and submit their Form of Proxy or Form of Direction in advance of the meeting to ensure that their votes will count.

Outlook

Conditions within the private equity market have changed during 2022. An initially surprisingly benign reaction to the Russian invasion of Ukraine and its concomitant effects dissipated towards the end of the year as the challenges of inflation, higher interest rates and supply chain problems made their presence felt. That said the large element of the portfolio involved in tech enabled and healthcare related companies continued to make fundamental progress and to attract buyers at attractive prices keeping the realisations not far below historically high levels. The positive momentum exceeded the drag factors in 2022 delivering another good overall return. We expect that it will be harder to achieve exits this year and it also looks as though fund raising for private equity funds is becoming considerably more arduous. Whilst a cautionary note is justified this does not mean that the underlying growth characteristics of so many of our investee companies and the skill of our investment partners will not continue to deliver positive returns for Shareholders. There are also other supportive factors. In particular there is a well-financed tier of larger private equity funds in the size bracket above us with the capital and the will to invest and many of our investee companies will prove attractive to them. Lastly there remains a steady increase in investors' appetite for private equity globally. This all adds up to the prospect of a healthy two-way market with continuing opportunity and strong demand for high quality and resilient investments.

Richard Gray

Chairman

11 April 2023

Strategic Report – Introduction

"The Company's investment objective is to achieve, long-term capital growth through investment in private equity assets, whilst providing Shareholders with a predictable and an above average level of dividend."

Purpose

The purpose of the Company is to deliver long-term capital growth and an above average level of dividend to Shareholders.

Investment Objective

The Company's investment objective is to achieve long-term capital growth through investment in private equity assets, whilst providing Shareholders with a predictable and above average level of dividend funded from a combination of the Company's revenue and realised capital profits.

Business Model

The Directors have a duty to promote the success of the Company. As an investment trust with no employees, the Board believes that the optimum basis for doing this and achieving the Company's investment objective is a strong working relationship with the Company's appointed manager, Columbia Threadneedle Investment Business Limited (the "**Manager**"). Within policies set and overseen by the Board, the Manager has been given overall responsibility for the management of the Company's assets, gearing and risk.

As an investment trust the Company is not subject to redemption requests which have triggered forced asset sales at some open ended funds and is well suited to investors seeking longer term returns. The share capital structure provides the flexibility to take a long-term view. Having the ability to borrow to invest is a significant advantage over a number of other investment fund structures.

The Board remains responsible for decisions over corporate strategy, corporate governance, risk and control assessment, setting policies, setting limits on gearing, monitoring investment performance and monitoring marketing performance.

At each Board meeting, the Board receives a presentation from the Manager which includes a review of investment performance, recent portfolio activity and a market outlook. The Board also considers compliance with the investment policy and other investment restrictions during the reporting period. An analysis of the portfolio as at 31 December 2022 is presented in the Investment Manager's Review on pages 19 to 23 and in the Portfolio Summary on pages 24 to 25. The full portfolio listing is provided on pages 28 and 29.

The Manager

The investment management contract is with Columbia Threadneedle Investment Business Limited ('the Manager') part of Columbia Threadneedle Investments. The ultimate parent company of Columbia Threadneedle Investments is Ameriprise Financial, Inc. The Manager has been appointed as Alternative Investment Fund Manager ('AIF Manager'). Columbia Threadneedle Investments provides investment management and other services to a range of investment companies.

Hamish Mair is the investment manager appointed by the Manager to the Company. He is the Head of Private Equity at Columbia Threadneedle Investments. His biography and those of key supporting members of the Columbia Threadneedle Investments Private Equity team are provided on page 18.

The fee that the Manager receives for its services is based on the value of assets under management of the Company and its performance thus aligning its interests with those of the Shareholders. The ancillary functions of secretarial and marketing services are also provided by the Manager. Details of the management and secretarial fees payable to the Manager are provided on pages 34 and 60.

Environmental, Social and Governance ("ESG") Impact

The Board's ESG approach is set out on page 13. The direct environmental impact of the Company's activities is minimal as the Company has no employees, premises, physical assets or operations either as a producer or a provider of goods or services. Its indirect impact occurs through the investments that it makes and this is mitigated through the Manager's Responsible Investment Approach as explained on page 13.

Manager Evaluation

Investment performance and responsible ownership are fundamental to delivering sustainable long-term growth in capital for the Company's Shareholders and therefore an important responsibility of the Board is exercising a robust annual evaluation of the Manager's performance. This is an essential part of the strong governance that is carried out by the Board, all the members of which are independent and non-executive. The process for the evaluation for the year under review and the basis on which the decision to reappoint the Manager for another year is made are set out on page 34.

Communication and Marketing with Stakeholders

The Company fosters good working relationships with its key stakeholders; the Manager, as described above, Shareholders, investee funds and co-investments, suppliers and service providers. All appropriate channels are used including the internet and social media as well as the CT Savings Plans.

The Company's activities and performance are reported through the publication of its financial statements but the vast majority of Shareholders and savings plan investors prefer not to receive such detailed information. To avoid losing this essential line of communication, the Company sends instead a short notification with the key highlights of its half-yearly and annual results. Shareholders, savings plan investors and other stakeholders can locate the full information on the Company's website, **ctprivateequitytrust.com**, if they so wish.

Through the Manager, the Company also ensures that savings plan investors are encouraged to attend and vote at annual general meetings in addition to those who hold their shares on the main Shareholder register. Details of the proxy voting results on each resolution are published on the website where there is also a link to the quarterly publication of the Company's NAV and its quarterly factsheet.

The Manager also has in place a programme of visits designed to foster good relations with wealth managers in promoting the Company's investment proposition. These visits are reported regularly to the Board. Any contact with the Company's institutional Shareholders is also reported. The Chairman is available to meet with major Shareholders.

Managing Risks and Opportunities

Like all businesses, investment opportunities do not come without risks and uncertainties and so the performance of the Manager is monitored at each Board meeting on a number of levels. In addition to managing the investments, the ancillary functions of administration, secretarial, accounting and marketing services are all carried out by the Manager.

The Board receives reports on the investment portfolios; the wider portfolio structure; risks; income and expense forecasts; errors; internal control procedures; marketing; Shareholder and other stakeholder issues, including the Company's share price premium or discount to NAV; and accounting and regulatory updates.

Shareholders can assess the financial performance from the Key Performance Indicators that are set out on page 17 and, on page 30, can see what the Directors consider to be the Principal Risks that the Company faces.

In addition to regularly monitoring the Manager's performance, their commitment and available resources and their systems and controls, the Directors also review the services provided by other principal suppliers. These include the Depositary in their duties towards the safeguarding of the assets.

The principal policies that support our investment and business strategy are set out on page 9, whilst the Investment Manager's review of activity in the year can be found on pages 19 to 23.

Glamis Castle, Scotland

Principal Policies

Investment Policy–Investment Restrictions and Guidelines

The Company makes private equity investments by taking stakes in private equity focused limited partnerships, offshore funds, investment companies and investment trusts. In addition to investing in newly-formed private equity funds, the Company may also purchase secondary private equity fund interests (that is, portfolios of investments in existing private equity funds). The Company may also make direct private equity investments, mainly through co-investment with the funds in which the Company is invested.

The private equity funds in which the Company invests comprise buy-out funds, venture capital funds and mezzanine funds. Both the funds and the direct investments are selected in order to create an underlying portfolio which is well-diversified by geography, sector, size of company, stage of development, transaction type and management style.

The Company may use gearing of up to 30 per cent of its total assets at the point of drawdown.

At the time of investment:

- No more than 15 per cent of total assets may be invested in UK-listed investment companies;
- No more than 15 per cent of total assets may be invested in non-UK listed investment companies;
- No more than 50 per cent of total assets may be invested in direct private equity co-investments;
- No more than 5 per cent of total assets to be invested in any one direct investment or co-investment; and
- No more than 10 per cent of total assets may be invested outside the United States of America, the United Kingdom and Continental Europe.

As at 31 December 2022 co-investment exposure was 43.0 per cent of the portfolio, which is approaching the current threshold for direct private equity co-investments.

Having considered the benefits of co-investments, the Manager's record in this area, and the diversification of the current portfolio of both funds and co-investments, the Board believes that increasing exposure in this area would be in Shareholders' interests. Accordingly, it is proposed to target a balanced exposure to co-investments and funds over the long term. To facilitate this, and allow for fluctuations in the short term, it is proposed to raise the upper limit for direct private equity investments, including co-investments, from 50 per cent to 65 per cent of total assets at the time of investment. This change, which is subject to Shareholder approval at the forthcoming Annual General Meeting, would allow the Manager to maintain a good balance of funds and co-investments within the portfolio and avoid the risk of being excluded from making new co-investments due to strong performance by the co-investment portfolio.

At the Company's forthcoming Annual General Meeting the Board will therefore seek to increase the maximum permitted exposure to direct private equity investments, including co-investments, from 50 per cent to 65 per cent of total assets at time of investment and to amend the investment restrictions and guidelines detailed in the first paragraph of this section to reflect this change.

As far as practicable the Company will be fully invested at all times.

Dividend Policy

The Company aims to pay quarterly dividends:

- with an annual yield equivalent to not less than four per cent of the average of the published net asset values per Ordinary Share as at the end of each of its last four financial quarters prior to the announcement of the relevant quarterly dividend; or
- if higher, equal (in terms of pence per share) to the highest quarterly dividend previously paid.

The dividend can be funded from a combination of the Company's revenue and realised capital profits.

Taxation

The Board's policy towards taxation is one of full commitment to complying with applicable legislation and statutory guidelines. It is essential that the Company always retains its investment trust tax status by complying with Section 1158 of the Corporation Tax Act 2010 ("**Section 1158**") such that it does not suffer UK Corporation Tax on capital gains. The Company has received approval from HMRC as an investment trust under Section 1158 and has since continued to comply with the eligibility conditions. The Manager also ensures that the Company submits correct taxation returns annually to HMRC and settles promptly any taxation due.

Liquidity

The Board recognises the need to address any sustained and significant imbalance of buyers and sellers which might otherwise lead to shares trading at a material discount or premium to NAV per share. While it has not adopted any formal discount or premium targets which would dictate the point at which the Company would seek to purchase shares or issue further shares, the Board is committed to utilising its share purchase and share issuance authorities where appropriate in such a way as to mitigate the effects of any such imbalance. In considering whether buyback or issuance might be appropriate in any particular set of circumstances, the Board will take into account: the prevailing market conditions; the degree of NAV accretion that will result from the buyback or issuance; the cash resources readily available to the Company; the immediate pipeline of investment opportunities open to the Company; and the working capital requirements of the Company.

During the year the Company bought back 1,096,491 shares to be held in treasury. The average discount at which these shares were bought back was 28%.

Board diversity

The policy towards the appointment of non-executive Directors is based on the Board's belief in the benefits of having a diverse range of experience, skills, length of service and backgrounds, including gender.

The policy is always to appoint the best person for the job and, by way of this policy statement it is confirmed that there will be no discrimination on the grounds of gender, ethnicity, socio-economic background, religion, sexual orientation, age or physical ability.

The overriding aim of the policy is to ensure that the Board is composed of the best combination of people to deliver the objective. The policy is applied for the purpose of appointing individuals that, together as a Board, will continue to achieve that aim as well as ensuring optimal promotion of the Company's investment proposition in the marketplace.

The Board is conscious of the diversity targets set out in the FCA Listing Rules. Although the Company is not required to report against these targets under the Listing Rules until 31 December 2023, the Board is disclosing this information on a voluntary basis.

In accordance with Listing Rule 9.8.6R (9), (10) and (11) the Board has provided the following information in relation to its diversity. This information has been provided by Board confirmation

Board Gender as at 31 December 2022[(1)]

	Number of Board Members	Percentage of the Board	Senior position on the Board[(2)]
Men	3	50%	1
Women	3	50%[(3)]	–[(4)]

(1) The Company has opted not to disclose against the number of Directors in executive management as this is not applicable for an investment trust.

(2) Composed of the Chair.

(3) The minimum target of the Listing Rules is 40%.

(4) The position of Chair of the Audit Committee is held by a woman, however this is not currently defined as a Senior Position under the Listing Rules.

Board Ethnic Background as at 31 December 2022[(1)]

	Number of Board Members	Percentage of the Board	Senior position on the Board[(2)]
White British or other white (including minority-white groups	6	100%	1
Mixed/Multiple Ethnic Groups	–[(3)]	–	–

(1) The Company has opted not to disclose against the number of Directors in executive management as this is not applicable for an investment trust.

(2) Composed of the Chair.

(3) This minimum target of the Listing Rules is 1.

Integrity and business ethics

The Company applies a strict anti-bribery and anti-corruption policy insofar as it applies to any Directors or employee of the Manager or of any other organisation with which it conducts business. The Board also ensures that adequate procedures are in place and followed in respect of third-party appointments, acceptance of gifts and hospitality and similar matters.

Prevention of the facilitation of tax evasion

The Company is committed to compliance with the UK's Criminal Finances Act 2017, designed to prevent tax evasion in the jurisdictions in which it operates. The policy is based on a risk assessment undertaken by the Board and professional advice is sought as and when deemed necessary.

Modern Slavery Act 2015

The Company is an investment company with no employees or customers and does not provide goods or services in the normal course of business. The Board has appointed the Manager to manage the investments, engage on ESG issues and to carry out administrative and secretarial services.

The Company's own supply chain consists predominately of professional advisers and service providers in the financial services industry, which is highly regulated. The Board therefore believes that the potential for acts of modern slavery or human trafficking in the Company's own environment is extremely low.

Promoting the Success of the Company –Section 172 Statement

Under Section 172 of the Companies Act 2006, the Directors have a duty to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so, have regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Company's Shareholders;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Stakeholders of the Company

As explained on page 7, the Company is an externally managed investment company and has no employees, customers or premises. The key stakeholders are the Shareholders, the Manager, suppliers, regulators and service providers.

The Board believes that the optimum basis for meeting its duty to promote the success of the Company is by appointing and managing third parties with appropriate performance records, resources, infrastructure, experience and control environments to deliver the services required to achieve the investment objective and successfully operate the Company. By developing strong and constructive working relationships with these parties, the Board seeks to ensure high standards of business conduct are adhered to at all times and service levels are enhanced whenever possible.

Engagement with Shareholders

The Directors value engagement with Shareholders. The Company's website www.ctprivateequitytrust.com is available to all Shareholders and key decisions are announced to the London Stock Exchange through a Regulatory News Service.

The Company holds an Annual General Meeting. Shareholders are invited to attend, and this provides an open forum for them to discuss issues and matters of concern with the Board and representatives of the Manager and the Company's advisors.

The Manager also engages with the Company's larger Shareholders and the outcome of these discussions are reported to the Board at the following Board Meeting. Shareholders are invited to communicate with the Board through the Chairman or Company Secretary.

Manager and Service Providers

The Company's primary working relationship is with the Manager. The investment activities undertaken by the Manager and the impact of decisions taken are set out in the Investment Manager's Review on pages 19 to 23. On pages 13 to 16 information is provided on the Company's approach towards responsible investment. The Directors are supportive of the Manager's approach, which includes engagement with the investee companies on ESG issues. Further information on the annual evaluation of the Manager, to ensure its continued appointment remains in the best interests of Shareholders, is set out on page 34.

Service providers such as, JP Morgan Chase Bank ("**the Bank** and **the Custodian**"), JP Morgan Europe Limited ("**the Depositary**"), Singer Capital Markets ("**the Broker**"), The Royal Bank of Scotland International Limited ("**the Lender**") and Link Asset Services ("**the Registrar**") are also considered key stakeholders. The Board receives regular reports from them and evaluates them to ensure expectations on service delivery are met.

2022 – Key Board Decisions

The Company's Stakeholders are always considered when the Board makes decisions and key examples this year include:

Purchase of F&C European Capital Partners LP

On 29 June 2022 the Company acquired the limited partnership interests of F&C European Capital Partners LP. F&C European Capital Partners LP is a 2007 vintage mid-market buyout fund of funds managed by the same management team as the Company. The Board met on two occasions to consider the transaction and was advised by the Company's legal counsel. The Company paid £4.4 million for the investment, representing a discount of approximately 50 per cent to the prevailing NAV, which the Board considered an attractive medium-term investment.

As at 31 December 2022 the valuation of the holding was £10.3 million.

Share buy-backs

The Directors sought and received the authority from Shareholders at the 2022 AGM to issue and buyback shares. At each Board Meeting the Directors will consider the current level and direction of the discount that the Company's shares price trades to its net asset value. Representatives of the Company's broker, Singer Capital Markets, will attend Board meetings and provide an update on the demand for the Company's shares. During June 2022 the Company bought back 1,096,491 of its ordinary shares to be held in treasury. The average discount at which these shares were bought back was 28%.

The discount at 31 December 2022 was 40.5% (2021:23.6%).

Board succession planning

As part of a plan for the orderly succession of Directors, David Shaw will retire from the Board at the conclusion of the Company's Annual General Meeting on 23 May 2023.

It is anticipated that Elizabeth Kennedy will retire from the Board at the conclusion of the Company's 2024 AGM.

The Board will also recruit a new Director, taking account of diversity as part of this process.

Co-investments

The Board believes that the Company's record in co-investments is good, with 80 co-investments completed since 2003. Of these 42 have been realised at a combined internal rate of return of 24%. As at 31 December 2022 co-investment exposure was 43.0 per cent of the portfolio, which is approaching the current threshold.

Having considered the benefits of co-investments, the Manager's record in this area, and the diversification of the current portfolio of both funds and co-investments, the Board believes that increasing exposure in this area would be in Shareholders' interests. Accordingly, it is proposed to target a balanced exposure to co-investments and funds over the long-term. To facilitate this, and allow for fluctuations in the short-term, it is proposed to raise the upper limit for co-investments from 50 per cent to 65 per cent of total assets at the time of investment. This would allow the Manager to maintain a good balance of funds and co-investments within the portfolio and avoid the risk of being excluded from making new co-investments due to strong performance by the co-investment portfolio.

Although this change is an extension of the Company's current activities, it does represent a material adjustment to the investment policy and is therefore subject to approval by Shareholders at the forthcoming AGM.

Fyvie Castle, Scotland

Sustainability and ESG

As stewards of £517.7 million of invested assets the Company supports positive change. The Company benefits from the Manager's leadership in this field.

The approach

Environmental, Social and Governance ("**ESG**") issues are the three central factors in measuring sustainability and can present both opportunities and threats to the long-term investment performance the Company aims to deliver to Shareholders. The Board is therefore committed to taking a responsible approach to ESG matters. There are two strands to this approach. The Company's own responsibilities on matters such as its governance and the impact it has through the investments that are made on its behalf by its Manager.

The Company's compliance with the revised AIC Code of Corporate Governance is detailed in the Corporate Governance Statement on pages 37 to 38. In addition, the Principal Policies statement on pages 9 and 10 notes the Company's policies towards board diversity, integrity and business ethics, prevention of the facilitation of tax evasion and the Modern Slavery Act 2015.

The Board recognises that the most material way in which the Company can have an impact is through its responsible ownership of its investments. The Board has therefore appointed a manager that engages actively with the management of investee companies to encourage that high standards of ESG practice are adopted. The Manager has long been at the forefront of the investment industry in its consideration of these issues and has one of the longest established and largest teams in the City focused solely on ESG.

Responsible investment

Responsible investment is core to the approach adopted by Columbia Threadneedle Investments. With over three decades of experience, Columbia Threadneedle Investments believes that ESG factors can reduce risk and underpin long-term returns and is committed to integrating ESG in all asset classes. As a strong supporter of the Sustainable Development Goals, it also believes in using its influence as an investor to promote long-term sustainability.

Columbia Threadneedle Investments is a founding member of the UN Principles for Responsible Investment ("**UN PRI**") and, as a member of the Net Zero Asset Managers initiative ("**NZAM**") it has committed to a net-zero ambition across all of its asset classes by 2050. It is a member of the investor coalition for Climate Action 100+ and the 30% Club (in the UK, France and US) in which it leads and supports engagements and Chairs the Platform Living Wage Financials' Working Group. It is an active participant in Initiative Climat International ('**iCI**') and Institutional Investors Group on Climate Change ("**IIGCC**") working groups, in order to be part of the ESG discussion and shape its evolution.

As part of this ESG commitment, Columbia Threadneedle Investments Private Equity ("**CTIPE**") engages actively with its underlying private equity fund managers (General Partners or "**GPs**") to encourage them to develop responsible policies that sufficiently mitigate ESG risks and generate opportunities. It leverages its position to influence and collaborate with its GPs and management teams to drive positive change from pre-investment stage through to exit.

Key Results of 2022 ESG Survey

84%
response rate from GPs and co-investments to the Columbia Threadneedle Investments Private Equity survey

95%
of managers have ESG policies and procedures in place

89%
of managers rated 'Good', 'Excellent' or 'Best-in-Class' for ESG

71%
of GPs track and report on ESG KPIs.

73%
of GPs have Diversity and Inclusion policies in place

53%
of GPs track greenhouse gas emissions

89%
of GPs share implemented initiatives to improve ESG standards.

98%
of managers would decline an opportunity based on ESG alone

94%
of managers consider ESG factors within their due diligence process

ESG Survey

CTIPE assesses its GP s annually through its ESG survey which encompasses key ESG topics, metrics and trends. Included within this survey are the GP's of the investments of this Company. The survey is based around four core elements outlined below, and respondents are rated 1-5 from leader to laggard. Managers who score below average will be encouraged to develop over time and CTIPE comments are fed back over the life of an investment in a collaborative and bilateral process.

Four Core Elements

A. ESG Culture and Commitment – CTIPE believes the integration of ESG factors starts with the correct mindset and permeates throughout an organisation from the top down. The strategic importance and commitment to ESG was assessed through a number of metrics such as the sophist cation of policies and procedures, adherence to broader ndustry standards and existence of ESG resource and training.

B. Investment Process – The extent to which ESG factors are embedded throughout the investment workflow from pre-acquisition to exit. CTIPE considered the degree to which processes were institutionalised, the significance of ESG-facto s to investment decisions, the integration of formal frameworks and how ESG matters were fo mally analysed and debated within investment papers and comm ttees

C. Active Ownership – Active ownership goes beyond the mitigation of ESG risks and focuses upon the embedding of ESG opportunities within the value creation plan. CTIPE evaluated its GPs on the extent to which they were driving positive ESG change, not just across their portfolio companies but also within their own firm.

D. Oversight and Reporting – CTIPE believes that outcome oriented approaches are imperative to implement, monitor and drive positive ESG development CTIPE evaluated its GP's oversight and reporting capabilities through the breadth and sophistication of ESG-metrics monitored, tracked and reported It also assessed the sophistication of manager's ESG case studies and Annual ESG Reports.

ESG Survey Ratings

Rating	Assessment
1	Best-in-class Market-leading commitment to ESG with robust, institutional policies and processes in place. The GP has firmly integrated ESG throughout the investment process, is an active owner in promoting ESG development and reports on ESG metrics.
2	Excellent Strong commitment to ESG with institutiona ised policies and processes in place. The GP has integrated ESG throughout its investment process and has shown to be active in promoting some aspects of ESG. Tracks, monitors and reports on some ESG metrics or developing to do so over the short-term.
3	Good Commitment to ESG demonstrated with some steps taken to integrate ESG, albeit not across the entire workflow (e.g. reporting). Processes institutiona ised and the GP is motivated to improve with development underway.
4	Developing The GP demonstrated some commitment to ESG or has begun development on some ESG initiatives but lacks institutiona ised processes.
5	Laggard The GP demonstrates little or no commitment to ESG and no willingness to develop or trending negatively.

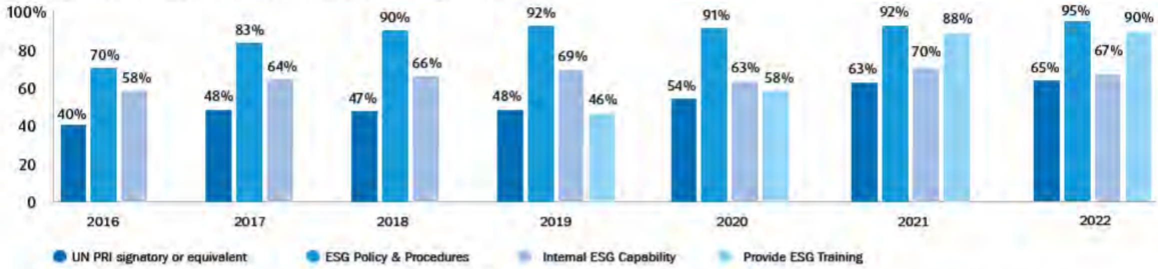
Since March 2021, the Company has not invested with a new GP unless it has an ESG policy in place, or a clear intention to introduce one within six months.

Survey Results

Overall Ratings

From a group of 68 managers, 89% were rated 'Good', 'Excellent' or 'Best-in-Class', up from 84% in 2021 and 80% in 2020. None of the GPs were rated Laggard as all demonstrated a willingness to develop.

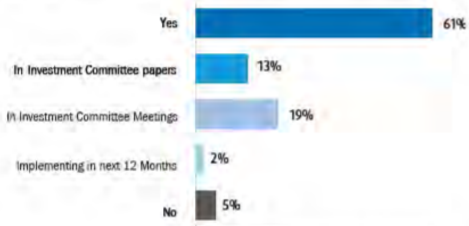
Core Element A: ESG Culture and Commitment Results



The vast majority of GPs now exhibit a strong ESG culture through formalised policies and procedures (95%) and staff training (90%).

Core Element B: Investment Process Results

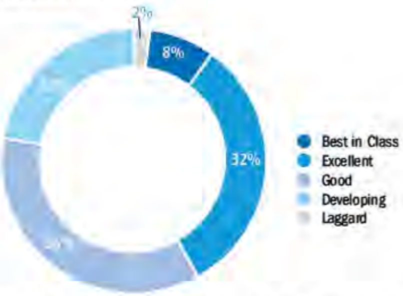
Are ESG factors formally analysed as part of due diligence processes, with output detailed within Investment Committee papers and discussed at Investment Committees?



61% of surveyed private equity managers now include their ESG due diligence in a formalised fashion within both their Investment Committee papers and meetings up from 50% in 2021.

Core Element C: Active Ownership Results

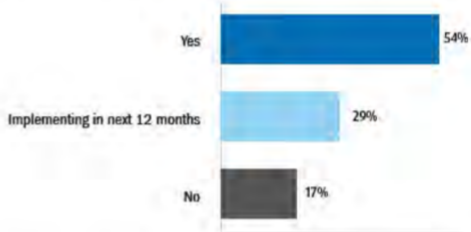
Private equity is naturally well-positioned to drive and scale the transformation of ESG best practices and, in doing so reduces risk and underpins shareholder value. Sponsors typically hold control ing stakes in portfol o companies, have s gn ficant nfluence and are very close to their management teams – many of which they hand selected They are therefore able to embed ESG considerations into companies' strategies, value creation p ans and executive incentives. High performing GPs seek to increase their companies' growth trajectory in a sustainable manner. In doing so, they futureproof businesses and reduce risk whilst better positioning them to identify strategic opportunities and increase the long-term competitive advantage. CTIPE believes the market recognises these attributes and rewards them with supportive valuations at exit



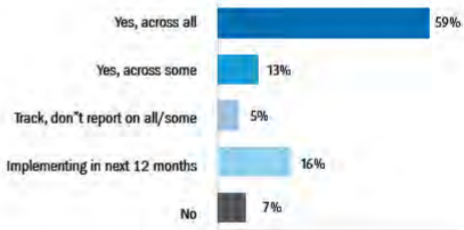
76% of respondents rank 'Good' to 'Best-in-Class' for Active Ownership, up from from 74% in 2021.

Core Element D: Oversight and Reporting Results

Produce an Annual ESG Report



Track and report ESG related KPIs across their portfolios



In 2022, 77% of managers surveyed track ESG metrics and 71% report on these to investors. For context, only 40% of managers surveyed provided any such reporting in 2014.

Co-investments

CTIPE believes that t is in an even stronger position to influence and drive ESG development within co-investments given that typically a larger stake is held in the business and a closer relationship to the GP and management team maintained

CTIPE has su veyed ts co-investments on ESG matters In line with the GP funds survey, CTIPE rate each of its co-investments from 1-5, Leade to Laggard across multiple ESG topics tre ds and metrics to assess the businesses commitment to ESG. Keys results from this survey were:

	Assessment	Rating
E	Environmental Management	77% have taken action to reduce negative and promote positive environmental and social impacts
	Climate change	19% track and monitor greenhouse gas emissions and 14% have net zero targets, of which 50% use carbon offsetting to help achieve these
	Energy	28% track energy intensity, 19% track renewable energy consumption and a further 12% are developing this capability over the next 12 months
	Biodiversity	30% o relevan companies track and monitor their activities that negative y affect b odiversity and a further 12% a e developing this capability over the next 12 months
	Waste	23% track and monitor waste management KPIs and a further 12% are developing this in the next 12 months
	Water	67 o re evant businesses mon tor thei activ t es hat co tribute to water poll tion and the remainder are developing in ext 12 mon hs
	Sustainable supply chains	61% of companies consider sustainability issues in their selection of suppliers and/or contractors
S	Diversity & Inclusion ("D&I") – Policies & porting	56% have a diversity and inclusiveness policy in place and 51% are tracking diversity and inclusiveness KPIs
	D&I – Ini iat ves	98 rack the number o females o ethni mino ies on the Board and 26% track other D&I KPIs Note the collection of this type of data is banned in some regions such as France which skews statistics
	L v ng Wage Employer	One-third of usinesses pay wages in line with accredited recommendations
	Staff training	81% have staff tra ning and deve opment programmes in place
G	Po cies & procedures	83% adhere o a Code of Conduct or Code of E hics
	Board strength and effectiveness	60% have an nde endent Non Executive Di ector sitt ng on the Board of which 45% also ave a separate Audi Committee or Remune ation Commi e
	Active Ownership	72% include ESG matters as an agenda item at company Board meetings
	Culture & commitment	31% of manager's performance formally evaluated with regards to social or environmental metrics
	Oversight & reporting	40% track and monitor ESG KPIs specific to the business or sector and 21% are developing this capability over the e t 12 months

These provide us valuable insight on where companies and management teams are focussing their efforts and where more attention may be required.

Co-investment Case Study

CYBERHAWK
Aerial Inspection and Surveying Specialists

Founded in 2008, Cyberhawk is a provider of drone inspections and asset visualisation software for energy infrastructure, such as electric utilities, windpower and oil and gas. The business has a positive societal impact by removing people from hazardous environments, thereby saving lives.

The business is helping lead the way towards a carbon neutral future by proactively working towards reducing carbon emissions, and finding ways to decrease both its own, as well as its clients' carbon footprint. Traditionally, within the power grid industry, overhead line inspections have been conducted either by lines people or, in most cases, by helicopter. Cyberhawk's inspection techniques replace use of high emitting full-size helicopters, while its software allows assets to be monitored remotely, significantly reducing travel and Scope 1 emissions. Recent research has revealed that to inspect a powerline by helicopter to the same standard of that done by drone would produce at least four times as many emissions and, in many cases, almost twenty times.

Key Performance Indicators

The Board recognises that it is longer term share price performance and a sustained flow of regular dividends that is most important to the Company's investors. Share price performance is driven by the performance of the net asset value and the demand for the Company's shares. The overriding priority is to continue to strive for the consistent achievement of long-term investment performance; adding value for Shareholders through net asset value and share price total return; the management of the Company's share price premium/discount; an attractive dividend; low and competitive ongoing charges; and effective marketing. The Board assesses its performance in meeting the Company's objective against the following key performance indicators ("**KPIs**"):

1. Net asset value per share total return
2. Share price total return
3. Premium / (discount) to net asset value
4. Dividends declared
5. Ongoing charges

Information in relation to these KPIs is set out in the tables below. Commentary can be found in the Chairman's Statement and the Investment Manager's Review.

Total return performance for the period ended 31 December 2022

	1 Year %	3 Years %	5 Years %	
CT Private Equity Trust net asset value per share total return†	+14.8	+91.4	+137.9	This is used to measure the performance of the Manager in terms of growth of the Company taking account of dividends paid to Shareholders.
CT Private Equity Trust share price total return†	-8.9	+29.9	+56.4	This is used to measure the return to Shareholders in terms of share price growth and dividends received.

Share price premium/(discount) as at 31 December

	2022 %	2021 %	2020 %	
Premium/(discount)†	(40.5)	(23.6)	(36.8)	This is the difference between the share price and the NAV per share. It is an indicator of excess supply over demand for the Company's shares in the case of a discount and the excess demand over supply in the case of a premium.

Dividends per share during the year ended 31 December

	2022	2021	2020	
Dividend per share	25.77p	20.04p	16.13	
Yield†	6.1%	4.1%	5.2%	

Ongoing charges as at 31 December (as a percentage of Shareholders funds')

	2022 %	2021 %	2020 %	
Ongoing charges – excluding performance fees†	1.2	1.2	1.3	This is a measure of the cost of running the Company as a percentage of net assets. It can give an indication of cost efficiency over time and can be compared to the ongoing charges of competitor investment vehicles.
Ongoing charges – including performance fees†	2.3	2.3	2.2	

† Alternative performance measures defined on pages 77 and 78.

The Investment Manager

From left to right: Andrew Carnwath, Hamish Mair, Ashley-anne Hawthorn and Richard Nairn.

Hamish Mair is Managing Director, Head of Private Equity at Columbia Threadneedle Investments and the fund manager of CT Private Equity Trust PLC. He has over 30 years of investment experience of which over a quarter of a century are in private equity. He has been head of Private Equity at Columbia Threadneedle Investments and its predecessor companies, since inception and oversees all the funds it manages. Hamish was a director of Martin Currie Investment Management between 1996 and 2005. He began his career as an investment analyst with Robert Fleming Asset Management in 1988. Hamish is a graduate of Aberdeen University and Edinburgh University. Hamish chairs the investment committee of Old College Capital, the venture capital fund which holds 'spin-outs' from Edinburgh University.

Ashley-anne Hawthorn is a vice president in the private equity funds team at Columbia Threadneedle Investments. She has 13 years of investment experience, including 8 years in private equity and has a strong focus on ESG and impact investing. She joined the team in 2021 from Aberdeen Standard Investments where she was focused latterly on private equity co-investments within the European mid-market. Ashley-anne is a graduate of Edinburgh University and spent a year studying at the University of British Columbia in Vancouver, Canada.

Andrew Carnwath is a director in the private equity funds team at Columbia Threadneedle Investments. He has 14 years of investment experience in private equity. He is a former member of the private equity team (2008-2013) and re-joined the team in 2018. From 2013 to 2018 Andrew was a Principal at Scottish Equity Partners LLP, a UK based private equity firm, where his responsibilities included the co-management of an energy focussed secondary fund. He is a chartered accountant and CFA Charterholder. Andrew is a graduate of Edinburgh University.

Richard Nairn is a director in the private equity funds team at Columbia Threadneedle Investments. He has over 20 years of investment experience, including 16 years in private equity. He joined the private equity team in 2006. Richard was previously corporate finance manager at Intelli Corporate Finance between 2001 and 2006. He trained as a chartered accountant with PricewaterhouseCoopers. Richard is a graduate of Edinburgh University and spent a year at the Gothenburg Business School in Sweden.

Investment Manager

CT Private Equity Trust PLC is managed by Columbia Threadneedle Investment Business Limited, part of Columbia Threadneedle Investments. Columbia Threadneedle Investments is a leading asset manager in both the UK and Europe and provides investment management and other services to a range of investment trust clients.

The ultimate parent company of Columbia Threadneedle Investments is Ameriprise Financial, Inc.

Investment Manager's Review

Hamish Mair, Fund Manager

Introduction

2022 has been another year of substantial progress for the Company. This has been against a background of multiplying challenges in the international economy. Some of this stems from the recovery following the pandemic with catch up demand, shortages of labour and other resources and continuing disruption in some key countries leading to significant supply chain inefficiencies. These issues have been exacerbated and added to by the consequences of the Russian military invasion of Ukraine on 24 February. The rise in energy prices has acted quickly to raise inflation to levels unseen in the western economies for decades. Inflation in food prices has also resulted from the warfare in Ukraine. Interest rates have risen internationally quickly from a very low base from the third quarter of the year. In some economies there is a "cost of living crisis". Despite all of these issues the private equity industry has continued for much of the year in a relatively untroubled and resilient manner with strong dealflow continuing to fuel new deals and realisations being achieved at good prices across the breadth of the private equity market. The substantial commitments to private equity funds which have built up in recent years are being drawn down steadily. As the year progressed and after the year end we have seen some evidence of a slowing in the rate of new investments and exits and also a more difficult fund raising environment for private equity funds. This is not surprising given the multiple uncertainties faced by many investors.

That all said, the investee companies in our portfolio have generally seen good growth in revenues and profits over the year. Many of them are in areas where the longer-term growth outlook remains intact notwithstanding all the pressures noted above. Often this is because they are involved in niche markets experiencing secular growth. A number of these companies are involved in technology enabled businesses often benefitting from the increased digitalisation of society with many companies developing or adapting software for a range of business and consumer applications. In addition, we have seen sustained interest in companies with a link to healthcare which also has secular growth underpinned by demographics and technological advances. Nearly half our portfolio is invested in technology and healthcare sectors. In challenging circumstances, the private equity skills set becomes ever more relevant and as witnessed during the pandemic the best private equity managers have the ability to refocus and reorient their efforts towards deploying capital and expertise where it makes superior returns. The private equity model involves a direct alignment of interest between company management, private equity managers and their investors. This alignment coupled with pricing discipline and a long-term investment horizon continue to form the foundation of strong returns.

New Investments

Our dealflow of high-quality private equity funds and co-investments continues to be diverse and plentiful. During the year we have added several investments in both categories. Our aim is to achieve a long-term balance in the portfolio between fund investments and direct holdings through co-investments.

Nine new commitments to funds were made during the year.

$14.0 million was committed to Corsair VI, the mid-market buyout fund with a focus on financial services in North America and Europe. This is a firm we have known for a number of years, mainly through our co-investment in insurance company software business RGI.

€7.0 million was committed to MED Platform II, the ArchiMed managed mid-market buyout fund with a focus on healthcare in North America and Europe.

There were three new commitments to funds based in the Nordic region. €10.0 million was committed to Procuritas VII, the fourth fund we have backed in a series of highly successful mid-market buyout funds from this Stockholm based manager. €7.0 million was committed to Verdane Edda III (technology-based growth investments in the upper mid-market of Northern Europe) and €8.0 million to Verdane Capital XI (mid-sized and smaller growth investments in Northern Europe including secondary portfolios as well as single assets). We are already invested in the previous Verdane Edda fund.

£5.0 million has been committed to Northern Gritstone, an innovative new company investing in university spin–outs from the Universities of Manchester, Leeds and Sheffield. The fund also has the flexibility to invest in other growth equity opportunities in the North of England.

$10.0 million was committed to Hg Saturn 3, the Hg managed upper mid-market buyout fund focussed on software and services platforms in Europe and by exception in North America.

We have increased our commitment to healthcare specialist Apposite Healthcare III by £5 million bringing the total committed up £10 million. The fund is more than half invested and progressing well.

We have committed €8 million to Volpi III, which is the second of this Pan-European mid-market specialist's funds we have backed.

Nine new co-investments have been added during the year. The co-investment portfolio now accounts for 43% of the overall portfolio.

$10.0 million (£7.8 million) was invested in Aurora Payment Solutions, a digital payments solutions provider for over 20,000 US merchants in multiple sectors including hospitality and transport. Headquartered in Texas, this investment is led by Corsair Capital, who as noted above, are financial services specialists.

£3.9 million was invested in Perfect Image, a Newcastle based IT services group. The company's client base are SMEs often undertaking migrations to the Cloud or bolstering their cybersecurity. The deal is led by Chiltern Capital, a lower mid-market manager with whom we have co-invested on a number of occasions.

€3.3 million (£2.8 million) was invested in Bomaki, a 'sushi samba' style restaurant chain based in the Milan region of Northern Italy. The restaurants offer a fusion cuisine combining influences from Japan and Brazil. The chain starts with nine restaurants and the plan is to build out to 24 within three years. The deal is led by Augens Capital who are well known to us from the San Siro investment (funeral homes). There is also a co-lead investor, Buono Ventures, who have specific expertise in the restaurant sector.

£3.0 million has been committed to Rephine, a UK headquartered outsourced services provider of audit and regulatory consulting services to the global pharmaceutical supply chain primarily through the provision of Good Manufacturing Practice ("GMP") audits. Rephine's addressable market is worth c.£420 million and is growing strongly driven by increasing regulatory requirements, outsourcing of non-core activities by pharmaceuticals companies, new types of drugs, more generic drugs and complex pharma supply chains. The deal is led by Kester Capital with whom we have invested both through co-investments and in their funds.

€9.0 million has been committed to Leader 96, a Bulgaria headquartered electric bike assembler. The company has successfully transitioned from conventional bikes towards e-bikes which now make up more than 90% of sales. The market for e-bikes is well established in various European markets such as Germany, The Netherlands and France and is growing rapidly in other markets with lower penetration such as Spain and the UK. The investment is led by The Rohatyn Group with whom we have co-invested on a number of occasions. €8.5 million of the commitment has been invested to date.

We have co-invested £5.1 million with Toronto based Peloton in 123Dentist, a Canada based chain of dental practices.

We have also co-invested £2.3 million with MVM in Neurolens, a US developer of an innovative prismatic lens technology to diagnose and treat digital vision syndrome.

CAD $7 million (£4 million) has been committed to MedSpa, a Canada based chain of medical aesthetics clinics. Operating in both Canada and the USA the company specialises in non-invasive cosmetic services and now has 30 clinics. The investment is led by the Toronto based healthcare private equity firm Persistence Capital. £1.7 million of the commitment was drawn initially with the remainder available to be called to finance the expansion of the chain.

£4.7 million was invested in Family First, a high quality nursery group operating principally in London and the South East of England with a total of 96 sites. The investment is led by August Equity and we are investing alongside August Equity V.

Two secondary investments were made during the year. The Company acquired all the limited partnership interests in F&C European Capital Partners LP, the 2007 vintage mid-market buyout fund of funds which shares the same management team as the Company. This provided sought after liquidity to the fund's investors and an attractive medium-term investment for our shareholders. £4.4 million was invested which represented a discount to the prevailing NAV of approximately 50%. The portfolio contains a limited number of older holdings which should deliver a good return as they are gradually realised over the next few years. €3.0 million was also invested as a secondary in Kurma Biofund II, an early stage buyout fund with a focus on life sciences in Europe. The management company is based in France and is a subsidiary of the leading French manager Eurazeo.

Jollyes

The funds in the portfolio drew capital for many new investments in the period.

In the UK and Europe there were a number of new deals. Several of these are linked to software or healthcare and in some cases to both. In all cases these are companies focusing on niche fast growing sectors.

FPE Fund III called £0.9 million for Dynamic Planner a leading software provider to the UK wealth management sector. FPE III also called £0.6 million for Egress, a provider of migration and managed services enabling mainly NHS and local authority customers to move to the cloud.

Kester Capital called £0.3 million for Optibrium a software company focusing on drug discovery for the pharmaceuticals sector. Kester also called £1.0 million for Rephine, the provider of GMP audits and regulatory consultancy to the pharmaceutical sector. As noted above this is already a co-investment of ours.

Agilitas 2020 Fund called £0.7 million for Frontier Medical (pressure ulcer care products) and Prodieco (pharmaceutical packaging).

MVM V called £0.8 million for three companies; Vero Bioscience (the provider of a novel nitric oxide delivery system with applications for newborn babies and cardiac patients where we are also a co-investor), OptiNose (a drug delivery company where its product XHANCE treats chronic sinusitis), and Nalu (minimally invasive electronic pulse medtech solutions for chronic neuropathic pain). MVM V also invested £0.6 million in Neurolens, a provider of solutions to diagnose and treat digital vision syndrome. This is also a co-investment.

In the software area Volpi III called £0.7 million for Xalient which is a provider of software defined wide area networks (SD-WANN) and cybersecurity services.

August Equity V has been active with several new deals. August Equity V called £3.6 million for three companies; Medivet (veterinary care), AAB (professional services) and One Touch (provider of care management software for the social care sector) as well as follow-on investments for high acuity care provider Orbis and cyber security specialist Cyber 360.

Apiary called £0.4 million for MediaSense (technology enabled adviser to global corporations) and £0.3 million for LearnPro (virtual reality e-learning solutions for emergency services such as police, fire and rescue, health services, etc.).

Piper Private Equity VI called £0.8 million for premium pet accessories brand Omlet where we are a co-investor.

In Continental Europe there is also a technology or healthcare aspect to many of the recent investments.

In the Nordic region Procuritas was active with £0.7 million called for Werksta (Automotive repair shops) by its funds VI and VII. This investment was acquired from Procuritas V. Procuritas remain in the lead on the deal but have brought in external investors for this second stage of the investment's growth. In Finland Vaaka III called £0.4 million for Medbase a provider of decision support databases for professionals and organisations covering for example drug interactions with other drugs and potential adverse effects. Vaaka IV have called £0.7 million for Bolt Works (staffing services with a digital platform).

In Central and Eastern Europe ARX CEE IV called £0.8 million mainly for Czech Republic based Brebeck (carbon fibre components for the motorsports industry) and Klient (Hungarian outsourced accounting firm). Avallon III called £0.4 million for Globema (provider and integrator of geospatial location-based software).

In Germany, DBAG VII invested £0.6 million in Itelyum (specialist in hazardous waste recycling). DBAG VIII and VIIIB have together called £0.7 million for Freiheit, a pioneer in agile software development and an additional £0.6 million for Dantherm (climate control solutions) which we previously had exposure to through Procuritas V.

In France and Italy, Chequers Capital XVII has been active with £1.3 million called for three new investments and one partial reinvestment; My Mobility (transportation for disabled children and adults in France), Somacis (complex printed circuit boards in Italy), Selini (equipment rental in Italy) and reinvestment of part of the proceeds from Serma (electronics testing). Med Platform II called £0.8 million for California based Natus Medical (screening and diagnostics for neurological conditions). Corpfin V called £0.5m for Vitaly, the number two company in Spain in occupational risk prevention.

Our US based and global investment partners have also been active.

A large drawdown of £4.7 million was from Corsair VI which funded two new investments; HungerRush, an all-in-one Point of Sale and restaurant management platform focused on quick service and casual dining operators, and Miracle Mile an Independent Financial Adviser and Registered Investment Advisor with some $4 billion of assets under management managed from five offices in the USA.

In the USA Graycliff IV called £0.4 million for Landmark (designer, fabricator and installer of elevated water towers).

The total of co-investments and drawdowns from funds in the year was £88.7 million which was an increase of 7% on 2021.

San Siro

Realisations

At points during the year there has been some debate in the financial press about the reliability of private equity valuations and partly because of this and despite delivering good increases in NAV and growing dividends, our shares, and those of our close competitors, have languished at a significant discount. There is a simple test of the soundness of private equity valuations and that is by considering what others will pay for an investee companies' equity. This year we have had over £125 million in realisations representing more than 25% of the starting Net Asset Value of the company. This is some 20% below the record-breaking result for 2021, which was boosted by catch up post Covid, but it is otherwise a very healthy total. Looking at the 60 exits achieved during the year the average uplift from the previous carrying value on exit was 36% which compares with 32% for the same statistic for last year. The weighted average uplift on exit was 73% (67% in 2021). The average exited company had been held at 2.9x cost immediately prior to exit and was exited at a money multiple of 4.0x cost. The equivalent analysis for 2021 was 3.3x rising to 4.4x on exit. These statistics provide prima facie evidence that private equity valuations are fair and provide substantial rebuttal that the deep discounts to NAV are in any way justified.

There has been a healthy flow of realisations from across the portfolio. 52% of exits were to other private equity firms, 44% to trade buyers and 2% to each of management and IPO. By geography and value 42% of exits were in the UK, 24% Italy and 15% Netherlands.

Our largest and most notable exit was of Italian funeral homes company San Siro which was sold by Augens Capital to French

Leader 96

Infrastructure fund Antin on 10 November 2022. This exit was at a value of £34.9 million for the Company, 75% of this was received in cash and 25% rolled into the new deal. This represents an uplift of £23.3 million on the previous carrying value and a return of 8.7x cost and an IRR of 83%. The investment thesis of building a chain of funeral homes and adding other facilities such as crematoria has been followed very well and this has resulted in this exceptional outcome. Augens Capital provide a compelling example of the benefits of identifying and backing emerging mid-market private equity firms in less obvious markets.

The second largest realisation of £18.1 million was from STAXS the cleanroom consumables company based in The Netherlands. This Silverfleet led investment performed exceptionally well aided to some extent by Covid. It has been sold to a family-owned company with a diversified portfolio of investments. £15.7 million of the proceeds came from our co-investment and a further £2.4 million was from the Silverfleet European Development Fund. The overall return was an impressive 6.2x cost and an IRR of 87%.

Another very significant realisation was from European buyout fund Volpi where we received a distribution of £7.4 million which was the proceeds from the sale of Irish IT managed services provider Version 1. This represents an excellent 5.9x cost and an IRR of 39%.

GCP Europe II, managed by Kester Capital, achieved a strong exit of contract research organisation Avania Clinical which specialises in medical devices. £6.7 million was received representing 8.4x and an IRR of 46%.

Part of our holding in energy services company Ashtead Technology, which is now listed on AIM, was sold down during the year returning £2.8 million.

£2.6 million was received as the second and final instalment of the realisation proceeds from Calucem, the Croatia based calcium aluminate cement manufacturer in which we coinvested with Ambienta. The overall return was 1.9x and an IRR of 11%.

August Equity IV had three exits. The sale of AMTIVO the ISO compliance services company returned £4.5 million (8.1x, 52%). Energy procurement company Zenergi returned £2.9 million (5.3x cost, 50% IRR) and they also exited Dental Partners returning £2.6 million (1.8x cost, 15% IRR).

Inflexion continues its impressive run of exits. £2.7 million was returned from compliance risk management company Alcumus (5.9x cost, 37% IRR). £1.3 million came in from the sale of building products company Marley which has been sold to the publicly listed company Marshalls (3.5x cost, 58% IRR). Inflexion also exited Goals, the football centres chain, returning £0.5 million (4.3x cost, 55% IRR). We have received £2.3 million from the sale of wealth management company Succession (3.4x cost, 20% IRR), £1.2 million from IT recruitment specialist K2 (5.0x, 33% IRR) and £0.9 million from Virgin Experience Days (23.7x cost, 64% IRR). Inflexion Partnership Capital II sold global payments consultancy Phenna returning £1 million (5.6x cost, 146%).

Primary Capital IV had two exits; railway equipment and services provider Readypower returned £1.4 million (4.6x cost, 39% IRR) and the accredited online courses company ICS Learn £1.1 million (4.4x cost, 49% IRR).

Dunedin Buy-out Fund II returned £1.7 million through the sale of SAP staffing company RED and the final exit of parcels company Citisprint (2.7x cost, 11% IRR and 2.1x cost, 15% IRR respectively).

Silverfleet European Development Capital exited TrustQuay the trust administration software provider returning £1.6 million (3.1x cost, 40% IRR).

RJD finally secured an exit for our co-investment in apprenticeship training company Babington with £2.0 million representing 0.9x cost. Another £0.7 million came in from this exit for the RJD III Fund.

Our co-investment in RGI, the Italy based provider of software to the Insurance sector, was sold returning £3.6 million. This investment was led by Corsair Capital and achieved 1.5x and an IRR of 11%. There is scope for the return to improve through deferred consideration depending on the final exit proceeds when new owner CVC sells.

Astorg VI exited the Switzerland based Autoform which provides software for use in sheet metal forming in a sale to Carlyle which returned £2.4 million (4.1x cost, 30% IRR). Astorg VI also returned £1.6 million from the sale of healthcare products company HRA (2.3x cost, 17% IRR).

ArchiMed II sold Austrian medical and veterinary diagnostics company Eurolyser returning £1.4 million (6.0x cost, 79% IRR).

In Spain Corpfin IV finished the exit of Preving returning £0.4 million (6.3x cost, 49% IRR).

In the Nordics Procuritas V sold automotive repair shops chain Werksta to its later funds and external investors returning £1.7 million (5.6x cost, 35% IRR). Verdane Edda exited Scanmarket (cloud-based e-sourcing software) returning £0.5m (2.5x cost, 30% IRR). Finland based Vaaka II exited the leading physiotherapy company in that country, Fysios, returning £0.5 million (3.3x cost, 20% IRR). Verdane Edda has returned £1.7 million from the sale of vitamin K2 producer Kappa Bioscience (4.3x cost, 80% IRR). Summa II also sold chemicals management software company EcoOnline returning £0.5 million.

In France, Chequers Capital XVII exited electronics testing company Serma returning £0.8 million (2.4x cost, 32% IRR). Chequers rolled over some of the proceeds into a new Ardian led deal. Chequers Capital XVII exited Biolchim the producer of special fertilisers returning £1.1 million (3.8x cost, 36% IRR).

In Poland, Avalon MBO Fund II exited engineering and technical building services company Stangl Technik through a sale to Astorg returning £0.5 million (5.8x cost, 50% IRR).

In the USA Blue Point Capital exited Kendall Vegetation Services, which manages vegetation for utilities and municipalities across the south-eastern and central USA, returning £0.7 million (3.5x cost, 46% IRR). Graycliff III returned £2.0 million (5.5x cost, 61% IRR) with the sale of electric motors company Worldwide Electric.

Total realisations in the year amounted to £125.1 million. Although this was more than 20% below the record total in 2021, it was easily the second highest realisation total for the company and represented over 25% of the starting net asset value.

Valuation Changes

There were many changes in valuation over the course of the year. The uplifts are mainly associated with exits and with strong underlying trading. Downgrades reflect some of the challenges noted above which can put pressure on profits or on valuation multiples. Sometimes there are company specific issues. Often companies which we have reduced in value recover. Changes in economic conditions can lead to changes in business plan or indeed in overall strategy. More often an original investment thesis is delayed or modified and value is restored.

The largest uplift in the year was for San Siro (£23.2 million) reflecting the excellent realisation of 75% of our holding. The second largest uplift was from cleanroom consumables company STAXS (£5.8 million). August Equity IV (£4.0 million) was also boosted by its exits as was GCP Europe II (Kester) (£4.0 million) by its exit of contract research company Avania. Volpi (£3.5 million) benefitted from the sale of Version 1. Silverfleet European Development Capital (£2.1 million) was boosted by its exits of STAXS and Trust Quay. Corpfin IV (£2.6 million) was also lifted by exits. Amongst our co-investments Prollenium (£2.3 million) and Walkers Transport (£2.0 million) were uplifted due to stronger trading.

There were some downgrades covering both co-investments and funds. In the former category Weird Fish (-£7.2 million) had a difficult year as the ecommerce element of their trade declined and margins came under pressure with the need to discount to clear older stock. Ambio Holdings (-£5.5 million) is down reflecting lower valuations of comparable listed companies. Funeral plans company Avalon (-£2.9 million) has had another difficult year. Its market is in turmoil following the FCA's decision to regulate funeral plans. Oil Rig cuttings business TWMA is down (-£2.4 million) reflecting some contract delays, however the outlook is promising. Leader 96 our recent ebikes investment is off to a difficult start (-£2.1 million) with stocking and supply chain issues. 1 Med (-£1.4 million) has had some delays to contracts caused by some unforeseen regulatory developments. Amongst the funds Aliante 3 (-£2.7 million) and Procuritas IV (-£2.1 million) were down over the year.

Financing

The flow of realisations noted above has remained strong throughout the year and this has exceeded the substantial deployment of capital into new investments. We therefore end the year with very modest gearing and nearly all of our substantial borrowing facilities available. Interest rates have risen markedly during the year and so we must be more certain than ever that the investments we make will deliver returns which far exceed the cost of debt. That has been the case throughout the Company's history

TWMA

and the excellent dealflow and essentially strong fundamental progress of the current portfolio gives us confidence that this will remain the case.

Outlook

In the early months of 2023, the private equity market has remained buoyant with steady dealflow with many new investments and exits being accomplished. There is no shortage of investable opportunities and in recent months pricing of deals appears generally reasonable. For the mid-market companies in which we invest there is consistent demand from larger private equity funds and trade buyers which should maintain a steady flow of realisations. We have experienced two consecutive years of high realisations with some exceptional individual exits. Such exceptions cannot be easily predicted nor taken for granted but with a broad portfolio with a steadily maturing element we should expect substantial further exits. Exits represent the fulfilment of private managers plans and reward all stakeholders. They are the culmination of years of diligent work by energetic and skilled company managers and private equity managers. Through investing with these experts we and our Shareholders have benefitted and will continue to benefit and we remain confident of building shareholder value in 2023 and beyond.

Hamish Mair
Investment Manager
Columbia Threadneedle Investment Business Limited

11 April 2023

Portfolio Summary

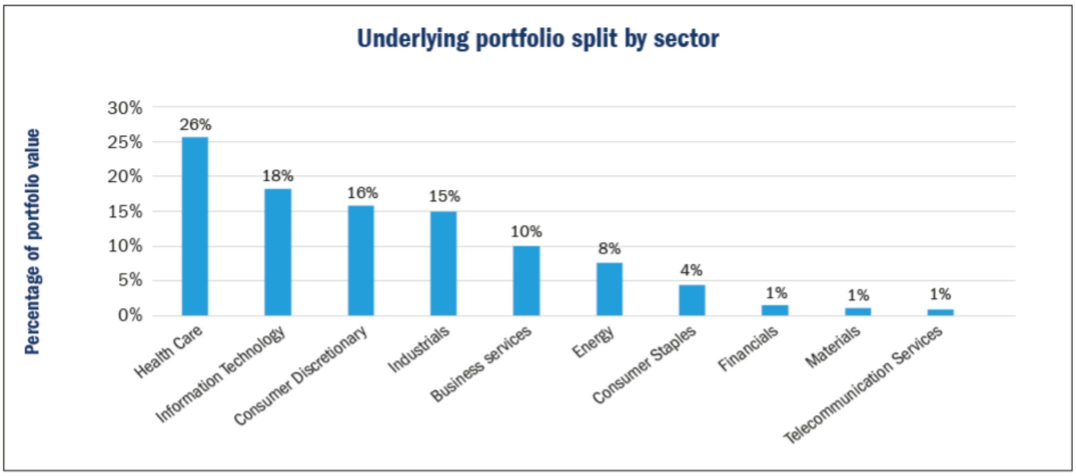
Portfolio Distribution
As at 31 December 2022

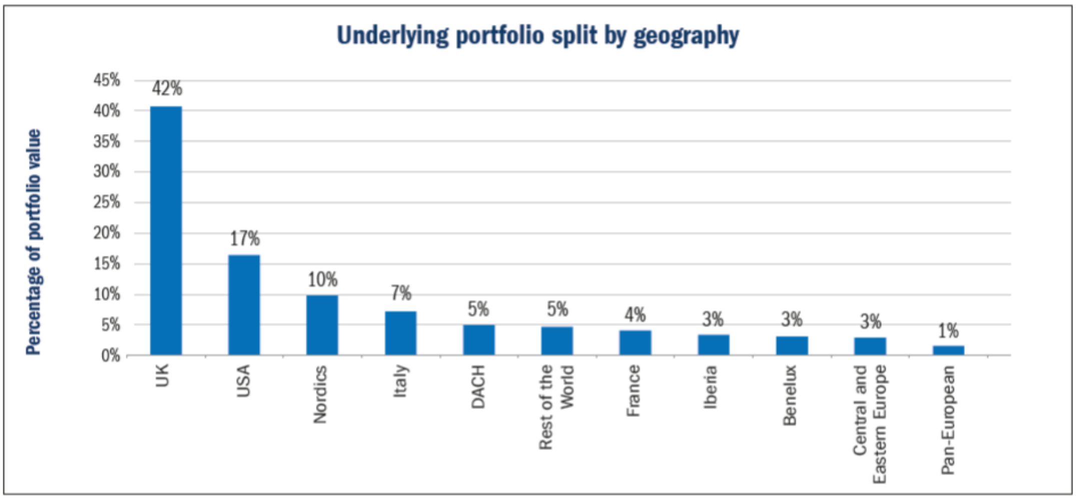
	% of Total 2022	% of Total 2021
Buyout Funds – Pan European*	**11.1**	9.6
Buyout Funds – UK	**15.4**	19.4
Buyout Funds – Continental Europe†	**20.1**	19.8
Secondary Funds	**0.1**	0.3
Private Equity Funds – USA	**4.3**	4.0
Private Equity Funds – Global	**1.2**	0.6
Venture Capital Funds	**3.7**	2.9
Direct – Quoted	**1.1**	0.1
Direct – Investments/Co-investments	**43.0**	43.3
	100.0	100.0

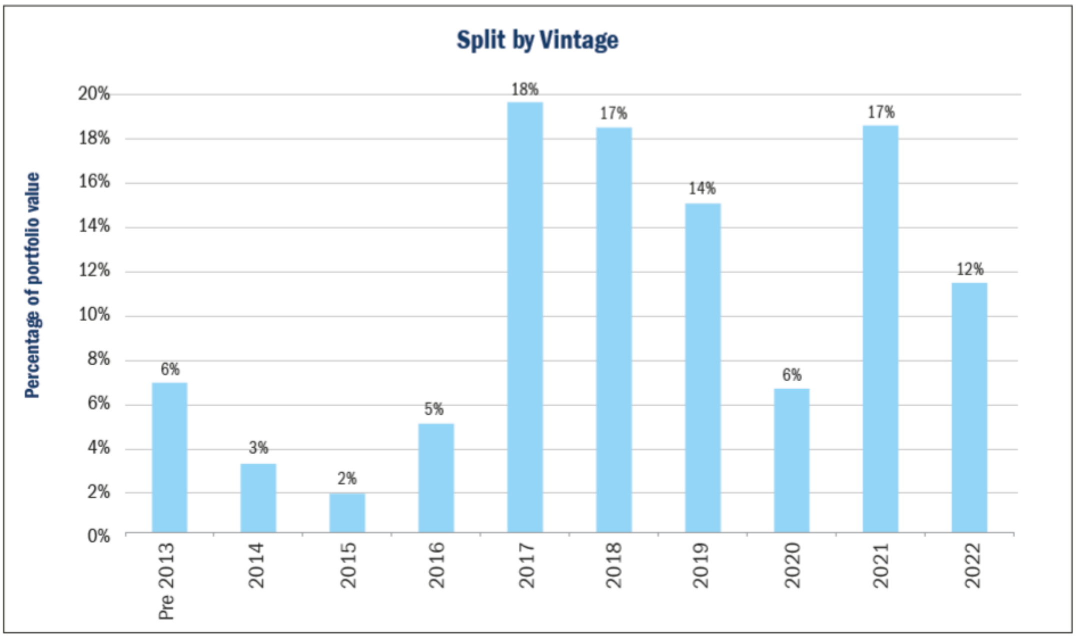
* Europe including the UK.
† Europe excluding the UK.

Ten Largest Individual Holdings
As at 31 December 2022

	Total Valuation £'000	**% of Total Portfolio**
Sigma	**18,174**	**3.4**
Inflexion Strategic Partners	**15,030**	**2.8**
Coretrax	**13,449**	**2.5**
F&C European Capital Partners	**10,273**	**1.9**
TWMA	**10,053**	**1.9**
Bencis V	**9,816**	**1.9**
Aurora Payment Solutions	**9,746**	**1.8**
Jollyes	**9,722**	**1.8**
SEP V	**9,084**	**1.7**
San Siro	**8,872**	**1.7**
	114,219	**21.4**


Underlying portfolio split by sector
Percentage of portfolio value
30%
25%
20%
15%
10%
5%
0%
26%
18%
16%
15%
10%
8%
4%
1%
1%
1%
Health Care
Information Technology
Consumer Discretionary
Industrials
Business services
Energy
Consumer Staples
Financials
Materials
Telecommunication Services


Underlying portfolio split by geography
Percentage of portfolio value
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
42%
17%
10%
7%
5%
5%
4%
3%
3%
3%
1%
UK
USA
Nordics
Italy
DACH
Rest of the World
France
Iberia
Benelux
Central and Eastern Europe
Pan-European


Split by Vintage
Percentage of portfolio value
20%
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
6%
3%
2%
5%
18%
17%
14%
6%
17%
12%
Pre 2013
2014
2015
2016
2017
2018
2019
2020
2021
2022

Top Ten Fund Investments

Inflexion Strategic Partners

A limited partnership which holds interests in past and future Inflexion funds, related entities, limited partnerships and co-investments. The investment complements our existing diverse and longstanding exposure to Inflexion s funds and gives us an even closer alignment with arguably the leading mid-market private equity specialist in the UK.

	31 December 2022	31 December 2021
	£'000	£000
Residual cost	8,487	9,230
Value	15,030	19,674

F&C European Capital Partners

A 2017 vintage European mid-market buyout fund of funds which shares the same management as the Company.

	31 December 2022	31 December 2021
	£'000	£000
Residual cost	4,474	–
Value	10,273	–

Bencis V

A 2016 vintage fund targeting mid-market buyouts in Benelux. The focus is on mature companies that have strong cashflows, leading market positions, and financially committed management with a clear outlook for growth.

	31 December 2022	31 December 2021
	£'000	£000
Residual cost	6,251	5,977
Value	9,816	8,507

SEP V

A 2017 vintage fund targeting growth capital investments in high growth UK technology and technology enabled companies.

	31 December 2022	31 December 2021
	£'000	£000
Residual cost	3,849	3,552
Value	9,084	8,381

Apposite Healthcare II

A 2015 vintage fund targeting UK lower mid-market healthcare services, digital health, social care and medical products businesses.

	31 December 2022	31 December 2021
	£'000	£000
Residual cost	6,455	5,812
Value	8,644	7,782

Aliante Equity 3

A 2014 vintage fund focussed on lower mid-market investments predominately in the Italian food and beverage sector.

	31 December 2022	31 December 2021
	£'000	£000
Residual cost	2,648	2,642
Value	8,601	10,733

Blue Point Capital IV

A 2018 vintage fund investing in North American services, distribution and manufacturing companies with revenues between $30-300m.

	31 December 2022	31 December 2021
	£'000	£000
Residual cost	4,728	5,047
Value	8,045	7,434

Stirling Square Capital II

A 2008 vintage pan-European fund focusing on investments with enterprise values in the range of €100m to €300m.

	31 December 2022	31 December 2021
	£'000	£000
Residual cost	753	753
Value	7,842	5,570

Corpfin Capital Fund IV

A 2014 vintage fund focused on majority buyouts in the Spanish lower mid-market.

	31 December 2022	31 December 2021
	£'000	£000
Residual cost	75	116
Value	6,839	4,359

Volpi Capital

A 2015 vintage fund targeting mid-market buyouts in technology enabled B2B service companies in Northern and Western Europe.

	31 December 2022	31 December 2021
	£'000	£000
Residual cost	–	5,504
Value	6,725	10,214

Top Ten Direct Investments

Sigma

A US leading manufacturer of metal castings, precision machined components and sub-assemblies for the low voltage electrical product market. t is the global leader by market share in electrical fittings, weatherproof boxes and power transmission and distribution cut-outs and connectors. The investment is led by Argand Partners, a US value investor focussed on the mid-market.

	31 December 2022	31 December 2021
	£'000	£'000
Residual cost	6,553	6,433
Value	18,174	14,835

Coretrax

A UK provider of well integrity products and services crucial to the responsible and efficient end of life well operations in the North Sea, Middle East (Saudi Arabia and Abu Dhabi) and Malaysia. The investment is led by Buckthorn, an emerging UK based private equity manager estab ished to invest on a deal by deal basis.

	31 December 2022	31 December 2021
	£'000	£'000
Residual cost	7,812	7,713
Value	13,449	11,760

Ashtead (combined listed and unlisted holdings)

A UK isted rental and service provider of advanced subsea tools and systems for the global offshore energy industry. Ashtead Technology's solutions are applicable across a broad range of markets, including the oil and gas and renewable energy sectors, and are used in the inspection, maintenance and repair of field assets. The investment is led by Buckthorn, an emerging UK based private equity manager established to invest on a deal by deal basis.

	31 December 2022	31 December 2021
	£'000	£'000
Residual cost	3,137	3,688
Value	11,433	12,241

TWMA

A UK dril ing waste management solutions provider. It has successfully pioneered and established a fully comprehensive management solution for treating and handling offshore oil and gas drill cuttings and slops which must be removed efficiently and safely from the dril ing process, treated and disposed of. The investment is led by Buckthorn, an emerging UK based private equity manager estab ished to invest on a deal by deal basis.

	31 December 2022	31 December 2021
	£'000	£'000
Residual cost	9,439	9,329
Value	10,053	12,349

Aurora Payment Solutions

A US digital payments solution provider for over 20,000 US merchants in multiple sectors including hospitality, transport and hotel sectors. The investment is led by Corsair Capital financial-services focussed mid-market private equity firm based in New York, USA, and London, UK.

	31 December 2022	31 December 2021
	£'000	£'000
Residual cost	8,489	–
Value	9,746	–

Jollyes

An operator of large format pet retail stores across the UK, with a geographic focus on Southern and Central England as well as Northern Ireland and Scotland. The investment is led by Kester Capital an emerging UK based private equity manager.

	31 December 2022	31 December 2021
	£'000	£'000
Residual cost	4,381	5,027
Value	9,722	8,517

San Siro

An Italian funeral homes and services business. The Company's original investment was led by Augens Capital, an emerging Italian private equity manager. The company realised 75% of its holding in November 2022 and, alongside Augens, rolled 25% into a new deal led by French infrastructure investor Antin Infrastructure Partners.

	31 December 2022	31 December 2021
	£'000	£'000
Residual cost	–	3,917
Value	8,872	10,073

ATEC (CETA)

A UK based tech-enabled distributor of personal and commercial insurance. The investment is led by Kester Capital an emerging UK based private equity manager.

	31 December 2022	31 December 2021
	£'000	£'000
Residual cost	2,973	2,973
Value	8,386	5,102

AccuVein

A US company that has developed the world's first handheld, non-contact vein illumination solution. It is used to reveal the position of veins under the skin and improve the success rate of inserting needles into veins. The investment is led by MVM Partners a healthcare specialist private equity manager based in Boston, USA and London, UK.

	31 December 2022	31 December 2021
	£'000	£'000
Residual cost	5,182	4,749
Value	7,748	6,375

Weird Fish

A UK premium lifestyle clothing brand serving men, women and children, with a core focus on the 'stable and affluent' 35-55 age demographic. The investment is led by Total Capital Partners, a lower mid-market manager investing both debt and equity.

	31 December 2022	31 December 2021
	£'000	£'000
Residual cost	4,057	5,151
Value	7,535	15,829

Portfolio Holdings

Investment	Geographic Focus	Total Valuation £ 000	% of Total Portfolio
Buyout Funds – Pan European			
F&C European Capital Partners	Europe	10,273	1.9
Apposite Healthcare II	Europe	8,644	1.6
Stirling Square Capital II	Europe	7,842	1.5
Volpi Capital	Northern Europe	6,725	1.3
Agilitas 2015 Fund	Northern Europe	6,210	1.2
Apposite Healthcare III	Europe	5,986	1.1
ArchiMed II	Western Europe	4,589	0.9
Astorg VI	Western Europe	3,458	0.7
Silverfleet European Dev Fund	Europe	1,227	0.2
TDR Capital II	Western Europe	821	0.2
TDR II Annex Fund	Western Europe	728	0.1
Agilitas 2020 Fund	Europe	704	0.1
Med Platform II	Global	650	0.1
Volpi III	Northern Europe	398	0.1
ArchiMed MED III	Global	233	0.1
Total Buyout Funds – Pan European		**58,488**	**11.1**
Buyout Funds – UK			
Inflexion Strategic Partners	United Kingdom	15,030	2.8
August Equity Partners V	United Kingdom	6,605	1.2
August Equity Partners IV	United Kingdom	5,499	1.0
Inflexion Supplemental V	United Kingdom	5,408	1.0
Apiary Capital Partners I	United Kingdom	5,294	1.0
Inflexion Buyout Fund V	United Kingdom	5,114	1.0
Inflexion Buyout Fund IV	United Kingdom	4,325	0.8
Piper Private Equity VI	United Kingdom	4,141	0.8
Kester Capital II	United Kingdom	3,722	0.7
Inflexion Enterprise Fund IV	United Kingdom	2,664	0.5
FPE Fund II	United Kingdom	2,538	0.5
Inflexion Partnership Capital II	United Kingdom	2,309	0.4
FPE Fund III	United Kingdom	2,039	0.4
Inflexion Partnership Capital I	United Kingdom	2,035	0.4
Inflexion Enterprise Fund V	United Kingdom	2,013	0.4
RJD Private Equity Fund III	United Kingdom	1,963	0.4
Inflexion 2012 Co-Invest Fund	United Kingdom	1,897	0.4
Inflexion Supplemental IV	United Kingdom	1,593	0.3
Horizon Capital 2013	United Kingdom	1,566	0.3
GCP Europe II	United Kingdom	1,362	0.3
Primary Capital IV	United Kingdom	1,238	0.2
Inflexion 2010 Fund	United Kingdom	1,008	0.2
Dunedin Buyout Fund II	United Kingdom	915	0.2
Piper Private Equity V	United Kingdom	815	0.1
Inflexion Buyout Fund VI	United Kingdom	410	0.1
August Equity Partners III	United Kingdom	2	–
Piper Private Equity VII	United Kingdom	(67)	–
Total Buyout Funds – UK		**81,438**	**15.4**
Buyout Funds – Continental Europe			
Bencis V	Benelux	9,816	1.9
Aliante Equity 3	Italy	8,601	1.6
Corpfin Capital Fund IV	Spain	6,839	1.3
DBAG VII	DACH	6,191	1.2
Vaaka III	Finland	5,484	1.0
Chequers Capital XVII	France	5,263	1.0
Capvis III CV	DACH	5,155	1.0
Montefiore IV	France	4,671	0.9
Summa II	Nordic	4,641	0.9
ARX CEE IV	Eastern Europe	4,188	0.8
Procuritas VI	Nordic	4,017	0.8
Italian Portfolio	Italy	3,931	0.7
Verdane Edda	Nordic	3,410	0.6
DBAG VIII	DACH	3,078	0.6
Procuritas Capital IV	Nordic	3,055	0.6
Avallon MBO Fund III	Poland	2,764	0.5
Capvis IV	DACH	2,556	0.5
Summa I	Nordic	2,424	0.5
Montefiore V	France	2,185	0.4
NEM Imprese III	Italy	2,130	0.4
DBAG Fund VI	DACH	2,062	0.4
Chequers Capital XVI	France	2,029	0.4
Vaaka II	Finland	1,992	0.4
Corpfin V	Spain	1,536	0.3
Portobello Fund III	Spain	1,312	0.2
DBAG VIIB	DACH	1,243	0.2
Ciclad 5	France	1,064	0.2
Avallon MBO Fund II	Poland	840	0.2
Ciclad 4	France	743	0.1
Vaaka IV	Finland	708	0.1
DBAG VIIIB	DACH	594	0.1
PineBridge New Europe II	Eastern Europe	566	0.1
Procuritas VII	Nordic	538	0.1
DBAG Fund V	DACH	459	0.1
Procuritas Capital V	Nordic	298	–
Gilde Buyout Fund III	Benelux	93	–
Capvis III	DACH	52	–
N+1 Private Equity Fund II	Iberia	43	–
Verdane XI	Northern Europe	(46)	–
Summa III	Northern Europe	(253)	–
Total Buyout Funds – Continental Europe		**106,272**	**20.1**

Investment	Geographic Focus	Total Valuation £ 000	% of Total Portfolio
Private Equity Funds – USA			
Blue Point Capital IV	North America	8,045	1.5
Camden Partners IV	United States	3,086	0.6
Graycliff III	United States	2,993	0.6
Stellex Capital Partners	North America	2,926	0.5
Blue Point Capital III	North America	2,835	0.5
Graycliff IV	North America	2,415	0.5
HealthpointCapital Partners III	United States	386	0.1
Blue Point Capital II	North America	270	–
Total Private Equity Funds – USA		**22,956**	**4.3**
Private Equity Funds – Global			
Corsair VI	Global	4,453	0.9
F&C Climate Opportunity Partners	Global	904	0.2
PineBridge GEM II	Global	710	0.1
AIF Capital Asia III	Asia	94	–
PineBridge Latin America II	South America	58	–
Warburg Pincus IX	Global	3	–
Hg Saturn 3	Global	(6)	–
Total Private Equity Funds – Global		**6,216**	**1.2**
Venture Capital Funds			
SEP V	United Kingdom	9,084	1.7
MVM V	Global	4,055	0.8
Kurma Biofund II	Europe	2,668	0.5
SEP IV	United Kingdom	1,601	0.3
Northern Gritstone	United Kingdom	1,050	0.2
Pentech Fund II	United Kingdom	720	0.1
SEP II	United Kingdom	275	0.1
Life Sciences Partners III	Western Europe	246	0.1
Environmental Technologies Fund	Europe	64	-
SEP III	United Kingdom	43	-
SEP VI	Europe	(331)	(0.1)
Total Venture Capital Funds		**19,475**	**3.7**
Direct – Quoted			
Ashtead	United Kingdom	5,477	1.1
Total Direct – Quoted		**5,477**	**1.1**
Secondary Funds			
The Aurora Fund	Europe	724	0.1
Total Secondary Funds		**724**	**0.1**
Direct – Investments/Co-investments			
Sigma	United States	18,174	3.4
Coretrax	United Kingdom	13,449	2.5
TWMA	United Kingdom	10,053	1.9
Aurora Payment Solutions	United States	9,746	1.8
Jollyes	United Kingdom	9,722	1.8
San Siro	Italy	8,872	1.7
ATEC (CETA)	United Kingdom	8,386	1.6
AccuVein	United States	7,748	1.5
Weird Fish	United Kingdom	7,535	1.4
Amethyst Radiotherapy	Europe	7,348	1.4
Velos IoT (JT IoT)	United Kingdom	7,002	1.3
Prollenium	North America	6,887	1.3
Swanton	United Kingdom	6,837	1.3
Ambio Holdings	United States	6,581	1.2
Rosa Mexicano	United States	6,220	1.2
Leader96	Bulgaria	6,133	1.2
Ashtead	United Kingdom	5,956	1.1
Orbis	United Kingdom	5,525	1.0
Perfect Image	United Kingdom	5,439	1.0
Walkers Transport	United Kingdom	5,235	1.0
Family First	United Kingdom	5,045	1.0
Cyberhawk	United Kingdom	5,035	1.0
Omlet	United Kingdom	5,027	1.0
123Dentist	Canada	4,908	0.9
Dotmatics	United Kingdom	4,548	0.9
1Med	Switzerland	4,499	0.9
Agilico (DMC Canotec)	United Kingdom	4,008	0.8
Contained Air Solutions	United Kingdom	3,949	0.8
Alessa (Tier1 CRM)	Canada	3,594	0.7
Habitus	Denmark	3,577	0.7
Avalon	United Kingdom	3,315	0.6
PathFactory	Canada	3,289	0.6
Bomaki	Italy	3,007	0.6
Collingwood Insurance Group	United Kingdom	2,977	0.6
Neurolens	United States	2,280	0.3
MedSpa Partners	Canada	1,646	0.3
Vero Biotech	United States	1,603	0.3
Rephine	United Kingdom	1,392	0.3
Babington	United Kingdom	772	0.1
TDR Algeco/Scotsman	Europe	192	–
Total Direct – Investments/Co-investments		**227,511**	**43.0**
Total Portfolio		**528,557**	**100.0**

Principal Risks

The Board has carried out a comprehensive robust assessment of the principal risks as well as a thorough process for the identification of emerging risks and has reviewed the uncertainties that could threaten the Company's success. Further details of this process are provided on pages 39 and 40.

Principal Risks	Mitigation	Actions taken in the year
Economic, macro and political External events such as global financial/political instability including terrorism, war, climate change, disease including pandemics, protectionism, inflation or deflation, economic shocks or recessions, the availability of credit and movements in interest rates could affect share prices and the valuation of investments. **Increase in overall risk in year**	Each regular meeting of the Board provides a forum to discuss with the Managers the general economic environment and to consider any impact upon the investment portfolio and objectives. The investment portfolio is diversified across end markets and regions.	Since the onset of the COVID-19 pandemic detailed stress testing, cashflow and valuation modelling has been undertaken by the Manager and presented to Directors at Board meetings. In April 2022, the Board held its biennial Strategy Meeting which included discussions on the impact of the political and economic environment on the Company, its investment portfolio and objectives.
Liquidity and capital structure: Failure by the Company to meet its outstanding undrawn commitments could lead to financial loss for shareholders. Failure to replace maturing borrowings or enter agreement for new borrowings. **No change in overall risk in year**	The Board receives a detailed analysis of outstanding commitments at each meeting. A medium-term cashflow projection is also provided. The Company has a borrowing facility which will not expire until 19 June 2024. At 31 December 2022 the facility was composed of a €25 million term loan and a £95 million revolving credit facility.	The Company has employed gearing throughout the year. As at 31 December 2022 the Company had fully deployed its €25 million term loan and drawndown £16.6 million from the €95 million revolving credit facility.
Regulatory Failure by the Company to meet or adhere to regulatory/ legislative standards. Loss of investment trust status. Regulatory or taxation changes resulting in disincentives or market barriers limiting demand for the Company's shares. **No change in overall risk in year**	At each Board meeting the Company's legal counsel provides an update on regulatory and legislative developments. The Company employs Columbia Threadneedle AM (Holdings) PLC as Company Secretary.	The company has submitted its 2021 tax computation to HMRC.
Personnel Issues Loss of key personnel from the Columbia Threadneedle Investments Private Equity team. **No change in overall risk in year**	Regular meetings between the Board and senior staff of the Manager. There is a six-month notice period to the investment management agreement.	During the acquisition of BMO GAM EMEA by Columbia Threadneedle Investments the Board sought and received confirmation from senior management of the importance of maintaining stability and continuity of the teams which presently support the Company.
Fraud and cyber risks Theft of Company and customer assets or data, including cyber risks. **No change in overall risk in year**	The Depositary oversees custody of investments and cash in accordance with the requirements of the AIFMD. The Manager has extensive internal controls in place. The Board receives a regular report on its effectiveness. The Board also receives an annual internal controls report from the Registrar, and the Depository.	The Depositary provided quarterly reports to the Board and attended an Audit Committee meeting. The Manager continues to strength and develop its Risk, Compliance and internal control functions and to invest in IT security. Supervision of Columbia Threadneedle Investments' third party service providers, including State Street and SS&C, has been maintained by Columbia Threadneedle Investments and includes assurances regarding IT security and cyber-attack prevention.
Market Poor investment selection and/or performance against other assets classes and peer group. Increased share price discount diminishes attractiveness of Company to investors. A premium could represent a lost opportunity to issue shares. **No change in overall risk in year**	At each meeting of the Board, the Directors monitor performance against peer group and returns from the FTSE All-Share Index. Market intelligence is maintained via the Company's broker, Singer Capital Markets and the provision of shareholder analyses.	The Board reviewed the Company's share price discount and its investment performance against the peer group and the FTSE All-Share Index at each regular meeting held during the year ended 31 December 2022. During the year, the Company bought back 1,096,491 shares to be held in treasury. The average discount at which these shares were bought back was 28%.
ESG Failure to respond to increasing investor focus on ESG. Stranded assets within the investment portfolio. **No change in overall risk in year**	The Manager has one of the longest established and largest Respons ble Investment teams in the City. The Columbia Threadneedle Investments Private Equity Team undertake an annual survey of the ESG practices of underlying portfolio fund managers.	The latest Columbia Threadneedle Investments Private Equity team annual ESG survey has been published.
Operational Failure of the Manager's accounting systems or disruption to the Manager's or service providers' business or business continuity failure could lead to an inability to provide accurate reporting and monitoring leading to a loss of Shareholder confidence. **No change in overall risk in year**	The Board receives annual internal controls reports from the Manager, Registrar and the Depositary. The administration system employed by the Manager is Efront. This is an industry wide investment and accounting package used to record transactions. Legal agreements/ engagement letters in place with the Manager and service providers.	The Board has received annual internal control reports from the Manager, Depositary, Custodian and Registrar.

Rolling five-year viability assessment and statement

The 2018 UK Corporate Governance Code requires a Board to assess the future prospects for the Company, and report on the assessment within the Annual Report.

The Board considered that a number of characteristics of the Company's business model and strategy were relevant to this assessment:

- The Board looks to long-term performance rather than short term opportunities.
- The Company's investment objective, strategy and policy, which are subject to regular Board monitoring, mean that the Company is invested in a well-diversified portfolio of funds and direct investments and that the level of borrowings is restricted.
- The Company has a single class of Ordinary Shares.
- The Company's business model and strategy is not time limited.

Also relevant were a number of aspects of the Company's operational arrangements:

- The Company has title to all assets held.
- The Company's five-year borrowing facility is composed of a €25 million term loan and a £95 million multi-currency revolving credit facility. The interest rate payable is variable.
- The Company aims to pay quarterly dividends with an annual yield equivalent to not less than four per cent of the average of the published net asset values per ordinary share for the previous four financial quarters, or if higher in pence per share the highest quarterly dividend previously paid. Dividends can be funded from the revenue and realised capital reserves of the Company.
- Revenue and expenditure forecasts and projected cash requirements are reviewed by the Directors at each Board Meeting.

Given the current volatility in stock markets and the economic disruption arising from the war in Ukraine, inflationary concerns and the COVID-19 pandemic, the Directors also considered detailed cashflow projections modelling various scenarios on the future drawdowns to be paid and distributions to be received by the Company. These projections were adjusted to consider various plausible scenarios and took account of possible impacts upon the future NAV of the Company and the ability of the Company to meet its loan covenants. The Board concluded that there was a low probability that a covenant breach related to capacity to meet cashflow requirements would occur. Furthermore the Board has considered the remedies available if it appears that a covenant breach is possible. Having considered the likelihood of the events which could cause a covenant breach and the remedies available to the Company, the Directors are of the view that the Company is well placed to manage such an eventuality satisfactorily. Further details are provided on page 35.

In addition, the Board carried out a robust assessment of the principal risks which could threaten the Company's objective, strategy, future performance, liquidity and solvency. These risks, mitigating actions in place to ensure the Company's resilience and the processes for monitoring risks are set out on page 30 and in Note 16 of the accounts. These principal risks were identified as relevant to the viability assessment.

The Board took into account the forecasted cash requirements of the Company, the long-term nature of the investments held, the existence of the borrowing facility and the effects of any significant future falls in investment values on the ability to repay and re-negotiate borrowings, maintain dividend payments and retain investors.

These matters were assessed over a five-year period to April 2028, and the Board will continue to assess viability over five-year rolling periods, taking account of foreseeable severe but plausible scenarios. Note 16 to the financial statements includes an analysis of the potential impact of movements of interest rates and foreign exchange on net asset value. A rolling five-year period represents the horizon over which the Directors believe they can form a reasonable expectation of the Company's prospects, balancing the Company's financial flexibility and scope with the current uncertain outlook for longer-term economic conditions affecting the Company and its Shareholders.

Based on their assessment, and in the context of the Company's business model, strategy and operational arrangements set out above, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period to April 2028. For this reason, the Board also considers it appropriate to continue adopting the going concern basis in preparing the Report and Accounts.

By order of the Board

Columbia Threadneedle AM (Holdings) PLC
6th Floor
Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG

11 April 2023

Board of Directors

Richard Gray †‡
Chairman
is a career investment banker with extensive capital markets and corporate finance experience. He has worked previously with Lazard, Charterhouse and UBS and was Vice Chairman of Panmure Gordon. He is a director of Zeus Capital, a non-executive director of CVS Group plc, an independent director of Alpha Real Capital and Vice Chairman of Invescore Group. He was appointed to the Board in March 2017 and became Chairman of the Company in May 2022.

Swantje Conrad *†‡
began her career in banking at J.P. Morgan in 1991 from where she retired as Managing Director in 2017. During this time Swantje gained extensive experience in corporate finance/M&A, global markets and investment management. She is a supervisory board member at RENK GmbH and previously served as Independent Director of Siemens Gamesa Renewable Energy S.A., and on various charitable boards. She was appointed to the Board in April 2017.

Elizabeth Kennedy *†‡
Chairman of the Audit Committee
has over 30 years' experience in corporate finance, principally in IPOs, secondary issues and takeovers. Elizabeth is a director of Octopus AIM VCT 2 plc, The Merchants House of Glasgow and a private technology company, a consultant with Davidson Chalmers Stewart, Solicitors and a member and past Chair of the AIM Advisory Group of the London Stock Exchange. She joined the Board in July 2007.

Audrey Baxter *†‡
has a distinguished career in business and public life. Audrey is currently Chairman and CEO of W. A. Baxter & Sons (Holdings) Ltd and has served previously on the boards of a number of public and private companies, charities and voluntary organisations. She was appointed to the Board in June 2020.

David Shaw *†‡
sits on the boards of a number of private companies including acting as Chairman of the charity Dyslexia Scotland. He was previously Chief Executive, then Chairman, of Bridgepoint Capital, a leading European mid corporate private equity firm until his retiral in December 2009. He joined the Board in November 2009 and will retire at the conclusion of the Company's forthcoming Annual General Meeting to be held on 23 May 2023.

Tom Burnet *†‡
is Non-Executive Chairman of Reward Gateway Ltd, Aker Systems Ltd, Kainos plc and The Baillie Gifford US Growth Trust plc. Previously he served as CEO, Executive Chairman and as a Non-Executive Director of AIM company accesso Technology Group plc. He started his career as an Army Officer serving in the Black Watch (R.H.R.) and is a member of the King's Bodyguard in Scotland. He was appointed to the Board in June 2020.

* Member of the Audit Committee
† Member of the Management Engagement Committee
‡ Member of the Nomination Committee

Report of the Directors

Statement Regarding Annual Report and Accounts

The Directors consider that, following advice from the Audit, Management Engagement and Nomination Committees, the Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy. In reaching this conclusion, the Directors have assumed that the reader of the Annual Report and Accounts would have a reasonable level of knowledge of the investment industry in general and investment trusts in particular.

Shareholders will be asked to approve the adoption of the Report of the Directors, the Auditor's Report and the Financial Statements for the year ended 31 December 2022 (**Resolution 1)**.

The Corporate Governance Statement forms part of the Report of the Directors.

Results and Dividends

The Company's financial statements have been prepared in accordance with UK adopted international accounting standards.

During the year, interim dividends of 5.27p per Ordinary Share were paid on 28 January 2022, 5.65p per Ordinary Share on 29 April 2022, 6.05p per Ordinary Share on 29 July 2022 and 6.31p per Ordinary Share on 31 October 2022.

Principal Activity and Status

The Company is registered as a public limited company in terms of the Companies Act 2006 (the 'Act') and is an investment company as defined by Section 833 of the Act.

The Company has been approved as an investment trust for accounting periods commencing on or after 1 January 2012 subject to it continuing to meet the eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements for approved companies in Chapter 3 of Part 2 Investment Trust (Approved Company) (Tax) Regulations 2011 (Statutory Instrument 2011/2999).

Company Number: SC179412

Share Capital

Ordinary Shares

Dividends

The Ordinary Shares carry the right to participate in the revenue and realised capital profits of the Company. The dividends paid to the holders of Ordinary Shares currently depend on, inter alia, the income return on the Company's assets, capital structure and gearing and, accordingly, may vary over time.

In respect of the Ordinary Shares, the Company aims to pay quarterly dividends with an annual yield equivalent to not less than 4 per cent of the average of the published net asset values per Ordinary Share as at the end of each of its last four financial quarters prior to the announcement of the relevant quarterly dividend or, if higher, equal (in terms of pence per share) to the highest quarterly dividend previously paid.

Capital Entitlement

On a winding up of the Company, after satisfying all liabilities, Ordinary Shareholders would be entitled to all the remaining assets.

Voting Rights

Ordinary Shareholders are entitled to receive notice of, and, in normal circumstances, attend and vote at, all general meetings of the Company. Each Ordinary Share is entitled to one vote.

Buyback of shares

At the AGM held on 26 May 2022 Shareholders renewed the Board's authority to buyback ordinary shares up to 14.99% of the number then in issue. Shares bought back can either be cancelled or held in treasury to be sold. No issue of shares held in treasury would be made which would dilute the net asset value per ordinary share of existing shareholders.

During the year under review 1,096,491 shares were purchased in three tranches and held in treasury. The price paid ranged from 454.00 pence to 456.00 pence. These shares continued to be held in treasury as of 31 December 2022.

Since the year end to the date of this report there have been no further buyback of shares.

Remuneration Report

The Directors' Remuneration Report, which can be found on page 42, provides detailed information on the remuneration arrangements for Directors of the Company, including the Directors' Remuneration Policy.

Shareholders are asked to approve the policy at the AGM to be held on 23 May 2023. The policy is subject to approval by Shareholders every three years. There have been no changes to the policy since the last approval by Shareholders in 2020.

Remuneration is set at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective.

It is intended that this policy will continue for the three-year period ending at the AGM in 2026 (**Resolution 2**).

Shareholders will be asked to approve the Directors' Remuneration Report (**Resolution 3**).

Dividend Policy

Shareholders will be asked to approve the Company's dividend policy (**Resolution 4**). Without this resolution, Shareholders would not otherwise have the opportunity to vote on dividends. This resolution therefore ensures compliance with guidance issued by certain voting agencies given that pursuant to the dividend policy set out on page 9 all dividends are now declared as interim dividends.

Directors

Biographical details of the Directors, all of whom are non-executive, can be found on page 32.

Ms Elizabeth Kennedy and Mr David Shaw have served on the Board for nine years or more. The Board subscribes to the view that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces his or her ability to act independently and, following formal performance evaluations, believes that each of those Directors is independent in character and judgement and that there are no relationships or circumstances which are likely to affect their judgement. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board. The term of any non-executive Director beyond nine years is subject to rigorous review by the Board.

A plan for the refreshment of the Board has been determined. As part of this plan David Shaw will retire from the Board at the conclusion of the Company's Annual General Meeting ("**AGM**") on 23 May 2023.

As a further part of the plan, it is anticipated that Elizabeth Kennedy will retire from the Board at the conclusion of the Company's 2024 AGM. The Board will also recruit a new Director, taking account of diversity as part of this process.

The Directors believe that the Board has an appropriate balance of skills, experience, independence and knowledge of the Company to enable it to provide effective strategic leadership and proper governance of the Company. The Board confirms that, following performance evaluations, the performance of each of the Directors continues to be effective and demonstrates commitment to the role. The Board therefore believes that it is in the interests of shareholders that those Directors seeking re-election are re-elected and therefore recommends that shareholders vote in favour of Resolutions 5 to 9.

Resolution 5 concerns the re-election of Richard Gray. He has served on the Board for 6 years and was appointed Chairman on 26 May 2022. He has broad experience across equity research, sales and capital markets and corporate broking and finance.

Resolution 6 concerns the re-election of Elizabeth Kennedy. She has served on the Board for 15 years. She has over 30 years' experience in corporate finance, principally IPOs, secondary issues and takeovers. It is anticipated that she will retire from the Board at the conclusion of the Company's 2024 AGM.

Resolution 7 concerns the re-election of Audrey Baxter. She has served on the Board for 2 years and has extensive experience operating a global food manufacturer.

Resolution 8 concerns the re-election of Tom Burnet. He has served on the Board for 2 years and has broad experience of managing technology companies. He is also the chairman of another investment trust.

Resolution 9 concerns the re-election of Swantje Conrad. She has served on the Board for 6 years. She has extensive experience in corporate finance/M&A, global markets and investment management.

No Director has any material interest in any contract to which the Company is a party.

Substantial Interests in Share Capital

At 31 December 2022 the Company had received notification of the following holdings of voting rights (under the FCA's Disclosure and Transparency Rules):

	Ordinary Shares Held	% of Ordinary Shares
CCLA Investment Management	7,327,043	9.9
Oxford County Council Pension Fund	4,000,000	5.4
Transact Nominees Limited	2,223,778	3.0

CT Savings Plans owned 22,914,446 shares or 31.5 per cent of the issued share capital, excluding shares held in treasury, of the Company at 31 December 2022. For non-contentious resolutions the nominee company holding these shares will vote the shares held on behalf of planholders who have not returned their voting directions in proportion to the directions of those who have ("proportional voting"). Implementation of this arrangement is subject to a minimum threshold of 5% of the shares held in the CT Savings Plans being voted. A maximum limit of 10,000 shares that any one individual investor can vote, being approximately 1.0% of the relevant minimum threshold, also applies. Any individual voting directions received in excess of the maximum limit will remain valid, but will not form part of the proportional voting basis. Planholders have the right to exclude their shares from the proportional voting arrangement.

Conflicts of Interest

Under the Act a Director must avoid a situation where he or she has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. The requirement is very broad and could apply, for example, if a Director becomes a director of another company or a trustee of another organisation. The Act allows directors of public companies to authorise conflicts and potential conflicts where appropriate and where the Articles of Association contain a provision to this effect. The Company's Articles of Association give the Directors authority to approve such situations.

The Company maintains a register of Directors' conflicts of interest which have been disclosed and approved by the other Directors. This register is kept up-to-date and the Directors are required to disclose to the Company Secretary any changes to conflicts or any potential new conflicts.

Management and Management Fees

Columbia Threadneedle Investment Business Limited provides investment management services to the Company and was appointed as the Company's AIFM on 22 July 2014. A summary of the contract between the Company and the Manager in respect of investment management services provided is given in note 3 to the financial statements.

The Management Engagement Committee has reviewed the appropriateness of the Manager's appointment. In carrying out its review, the Committee considered the past investment performance of the Company and the capability and resources of the Manager to deliver satisfactory investment performance. It also considered the length of the notice period of the investment management contract and the fees payable to the Manager and its peers, together with the commitment of the Manager to the Company and its investment trust business and the standard of other services provided, which include administration, marketing and corporate development.

Following this review it is the Directors' opinion that the continuing appointment of the Manager on the terms agreed is in the interests of Shareholders as a whole.

Independent Auditor

The auditor of a company has to be appointed at each Annual General Meeting at which accounts are laid before Shareholders. BDO LLP has expressed their willingness to continue in office as Auditor.

Resolutions 10 and **11** seeks Shareholder approval, respectively, for the re-appointment of BDO LLP as the Auditor of the Company and to authorise the Audit Committee to determine its remuneration for the year ended 31 December 2023.

Depositary

JPMorgan Europe Limited was appointed as Depositary on 22 July 2014 in accordance with the AIFM Directive. The

Depositary's responsibilities include, but are not limited to, cash monitoring, segregation and safe keeping of the Company's financial instruments and monitoring the Company's compliance with investment limits and leverage requirements.

Company Secretary

Scott McEllen represents Columbia Threadneedle Investments AM (Holdings) PLC as Company Secretary and is responsible for the Company's statutory compliance. He joined Columbia Threadneedle Investments in 2007.

Greenhouse Gas Emissions

All of the Company's activities are outsourced to third parties. As such it does not have any physical assets, property, employees or operations of its own and does not generate any greenhouse gas or other emissions.

The company is exempt from Streamlined Energy and Carbon Reporting Disclosures as it has consumed less than 40,000 Kwh of energy in the United Kingdom during the year.

Going Concern

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have considered the current cash position of the Company, the availability of the Company's loan facility and compliance with its banking covenants. They have also considered year-end cash balances and forecast cash flows, especially those relating to capital commitments and realisations.

As at 31 December 2022, the Company had outstanding undrawn commitments of £178.9 million. Of this amount, approximately £25.8 million is to funds where the investment period has expired and the Manager would expect very little of this to be drawn. Of the outstanding undrawn commitments remaining within their investment periods, the Manager would expect that a significant amount will not be drawn before these periods expire.

As at 31 December 2022, the Company had a committed borrowing facility comprising a term loan of €25 million and a revolving credit facility of £95 million. This facility is due to expire on 19 June 2024 when its five-year term concludes.

At the 31 December 2022 the Company had fully drawn the term loan of €25 million and had drawn £16.6 million of the revolving credit facility, leaving £78.4 million of the revolving credit facility available. This available proportion of the facility can be used to fund any shortfall between the proceeds received from realisations and drawdowns made from funds in the Company's portfolio or funds required for co-investments. Under normal circumstances this amount of 'headroom' in the facility would be more than adequate to meet any such shortfall. In addition, as at 31 December 2022 the Company had a cash balance of £34.5 million.

At present the global economy continues to suffer disruption due to the effects of the war in Ukraine, inflationary concerns and the COVID-19 pandemic, the Directors have given serious consideration to the consequences of this for the private equity market in general and for the cashflows and asset values of the Company specifically over the next twelve months. The Company has a number of loan covenants and at present the Company's financial situation does not suggest that any of these covenants are close to being breached. The Directors are mindful of the nature of the current economic situation and have conducted stress tests to examine the possible circumstances which would result in the Company's covenants being breached. Three scenarios were tested: business as usual; the experience of the global financial crisis; and the impact of a very severe recession. The Directors have also considered any remedial measures which the Company could practically employ to avoid a covenant breach if that appears likely.

It is the Directors' opinion that the circumstances which would give rise to a covenant breach have a low probability. The primary risk is that there is a very substantial decrease in the asset value of the Company in the short or medium term. Given prior experience in the last financial crisis of 2008/2009 and allowing for the breadth of the Company's portfolio and the valuation methodologies of the Company's investment managers and their investment partners, the Directors do not expect that the possible reduction in asset value arising from this disruption will be of sufficient magnitude to give rise to a covenant breach.

In addition to the possible effect of this disruption on valuations, the Directors have also reviewed the forecast cashflows of the Company comprising future drawdowns and distributions.

Having compared these against the Company's current and projected available funding sources, principally its committed borrowing facility noted above, the Directors have confidence that there is a low probability that a covenant breach related to capacity to meet cashflow requirements will occur.

Furthermore, being aware of the possible risks the Directors have considered in detail a number of remedial measures that are open to the Company which it may take if such a covenant breach appears possible. These include reducing commitments and raising cash through engaging with the private equity secondaries market. The Manager has considerable experience in the private equity secondaries market through the activities of the Company and through the management of other private equity funds. The Directors have considered other actions which the Company may take in the event that a covenant breach was imminent including taking measures to increase the Company's asset base through an issuance of equity either for cash or pursuant to the acquisition of other private equity assets. The Directors have also considered the likelihood of the Company making alternative banking arrangements with its current lenders or another lender.

Having considered the likelihood of the events which could cause a covenant breach and the remedies available to the Company, the Directors are of the view that the Company is well placed to manage such an eventuality satisfactorily. Based on this information the Directors believe that the Company has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, bank debt and debtors and creditors. Financial instruments recognised at fair value are shown in the fair value hierarchy in note 10 to the financial statements. The financial risk management objectives and policies arising from the Company's financial instruments and the exposure to risk are disclosed in note 16 to the financial statements. Details of the Company's bank facility are contained in note 14 to the financial statements.

Disclosure of Information to the Auditor

The Directors confirm that, so far as each of them is aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Individual Savings Accounts

The Company's shares are qualifying investments as defined by HM Revenue & Customs' regulations for Individual Savings Accounts. It is the intention of the Directors that the Company will continue to conduct its affairs to satisfy this requirement.

Annual General Meeting

The Notice of Annual General Meeting to be held on 23 May 2023 is set out on pages 70 to 74.

Directors' Authority to Allot Shares

The Directors are seeking to renew the authority to allot shares. **Resolution 12** in the Notice of Annual General Meeting seeks renewal of such authority to allot Ordinary Shares up to an aggregate nominal amount of £72,844 (being an amount equal to 10 per cent of the total issued share capital of the Company, excluding shares held in treasury as at the date of this report).

Under **Resolution 13**, which is a special resolution, the Directors are also seeking to renew the authority to allot new Ordinary Shares and/or sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply. (This section requires that, when equity securities are allotted for cash, such shares are first offered to existing equity shareholders in proportion to their existing holdings of shares, this entitlement being known as "pre-emption rights"). The purpose of holding shares in treasury is to allow the Company to re-issue those shares quickly and cost-effectively.

Allotments of Ordinary Shares pursuant to these authorities would enable the Directors to issue shares for cash and/or to sell equity securities held as treasury shares to take advantage of changes in market conditions that may arise, in order to increase the amount of the Company's issued share capital. The purpose of such an increase would be to improve the liquidity of the market in the Company's shares and to spread the fixed costs of administering the Company over a wider base. The Directors believe that this would increase the investment attractions of the Company to the benefit of existing shareholders. No issue of shares and/or sale of shares held in treasury would be made which would dilute the net asset value per Ordinary Share of existing shareholders.

Resolution 13, if passed, will give the Directors power to allot for cash Ordinary Shares of the Company and to sell Ordinary Shares out of treasury up to a maximum nominal amount of £72,844 (being an amount representing 10 per cent of the total issued ordinary share capital of the Company, excluding shares held in treasury as at the date of this report) without the application of the pre-emption rights described above. The calculation of the above figure is in accordance with the limits laid down by the Pre-Emption Group guidelines, and the Directors will not use the authority other than in accordance with the above guidelines.

The authorities contained in resolutions 12 and 13 will continue until the Annual General Meeting of the Company in 2024, and the Directors envisage seeking renewal of these authorities in 2024 and in each succeeding year, subject to such renewals again being in accordance with the above guidelines.

Directors' Authority to Buy Back Shares

The current authority of the Company to make market purchases of up to 14.99 per cent of the issued Ordinary Shares, excluding shares held in treasury expires at the end of the Annual General Meeting and **Resolution 14**, as set out in the Notice of the Annual General Meeting, seeks renewal of such authority. The renewed authority to make market purchases will be in respect of a maximum of 14.99 per cent of the issued Ordinary Shares, excluding shares held in treasury as at the date of the passing of the resolution (approximately 10.9 million Ordinary Shares). The price paid for shares will not be less than the nominal value of 1p per Ordinary Share nor more than the higher of (i) 5 per cent above the average of the middle market values of those shares for the five business days before the shares are purchased, (ii) the price of the last independent trade on the trading venue where the purchase is carried out; and (iii) the highest current independent bid on that venue. This power will only be exercised if, in the opinion of the Directors, a purchase will result in an increase in net asset value per share of the Ordinary Shares and be in the interests of Shareholders as a whole. Purchases would only be made for cash at a cost which is below the prevailing net asset value per share. Any shares purchased under this authority will be cancelled or held in treasury for future re-issue at a premium to the prevailing net asset value per share. The effect of any cancellation would be to reduce the number of shares in issue. For most purposes, where held in treasury, shares are treated as if they had been cancelled (for example they carry no voting rights and do not rank for dividends). The purpose of holding some shares in treasury is to allow the Company to re-issue these share quickly and cost effectively, thus providing the Company with greater flexibility.

Changes to Investment Policy

The Board is proposing to make certain changes to the Company's investment policy that will enhance the Company's ability to take advantage of attractive direct private equity co-investment opportunities. Specifically, the Board is proposing that the limit on direct private equity investments, including co-investments be increased from 50 per cent to 65 per cent of total assets (measured at the time of investment) and the first paragraph under "Investment restrictions and guidelines" be amended to reflect this change.

As these proposed changes to the Company's investment policy are considered to be material, the Listing Rules require them to be approved by Shareholders before they can become effective. If passed, **Resolution 15** in the notice of Annual General Meeting, which is an ordinary resolution, will approve these proposed changes to the Company's investment policy.

Recommendation

The Board considers that the passing of the resolutions to be proposed at the Annual General Meeting is in the interests of the Company and its Shareholders as a whole and they unanimously recommend that Shareholders vote in favour of those resolutions.

By order of the Board

Columbia Threadneedle AM (Holdings) PLC
6th Floor
Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG

11 April 2023

Corporate Governance Statement

The Company is committed to high standards of corporate governance and accordingly adheres, in so far as they are relevant to an investment trust the requirements of the 2018 revised Corporate Governance Code ("**the Code**") of the Financial Reporting Council ("**FRC**"). The Association of Investment Companies issued its own revised Code of Corporate Governance ("**the AIC Code**") which can be found at www.theaic.co.uk. As a matter of good practice, the Company has adopted corporate governance arrangements which follow the general principles of the AIC Code. Significant differences in actual practice are detailed below.

Since all Directors are non-executive, the provisions on the role of the chief executive and on Directors' remuneration are not relevant to the Company (except in so far as they apply to non-executive Directors) and are therefore not reported on further.

In view of its non-executive nature and the requirement of the Articles of Association that all are subject to retirement by rotation, the Board does not consider it appropriate for the Directors to be appointed for a specified term. The Articles of Association require the Directors to retire by rotation at least every three years, and the Board has agreed that in accordance with the AIC Code all Directors will retire annually. In addition, due to its size and non-executive nature, the Board does not consider it appropriate for a Senior Independent Director to be appointed.

The Board consists solely of non-executive Directors. All Directors are considered by the Board to be independent of the Manager. New Directors receive an induction from the Manager on joining the Board and all Directors are made aware of appropriate training courses.

During the year the performance of the Board, committees and individual Directors was evaluated through a discussion process led by the Chairman. The performance of the Chairman was evaluated by the other Directors.

Amongst other considerations, the performance evaluation considered the balance of skills and diversity of the Board, as well as the Board's overall effectiveness. The Board believes it has an appropriate balance of skills and experience, length of service and knowledge of the Company. The Board does not consider that the use of external consultants to conduct this evaluation is likely to provide any meaningful advantage over the process adopted. But the option is kept under review.

The table below sets out the number of scheduled Board and Committee meetings held during the year ended 31 December 2022 and the number of meetings attended by each Director. In addition further committee and board meetings can be held at short notice to address issues arising. In accordance with the best corporate governance practice, the Chairman is not a member of the Audit Committee.

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties. No such advice was sought during the year. The Company maintains appropriate Directors' and Officers' liability insurance.

The basis on which the Company aims to generate value over the longer term is set out within the Strategic Report. The Company has no executive Directors or employees. A management agreement between the Company and its Manager (Columbia Threadneedle Investment Business Limited) sets out the matters over which the Manager has authority and the limits above which Board approval must be sought. All other matters, including corporate strategy, investment and dividend policies, gearing, corporate governance procedures and risk management are reserved for the approval of the Board of Directors.

The Board receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings. The Board has direct access to the

Attendance at meetings held during year ended 31 December 2022	**Board of Directors**		**Audit Committee**		**Management Engagement Committee**		**Nomination Committee**	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Richard Gray[(1)]	5	5	1	1	1	1	1	1
Elizabeth Kennedy	5	5	2	2	1	1	1	1
Audrey Baxter	5	5	2	2	1	1	1	1
Tom Burnet	5	5	2	2	1	1	1	1
Swantje Conrad	5	5	2	2	1	1	1	1
David Shaw	5	5	2	2	1	1	1	1
Mark Tennant[(2)]	3	3	–	–	1	1	1	1

[(1)] Appointed Chairman on 26 May 2022.
[(2)] Retired from the Board on 26 May 2022.

company secretarial advice and services provided by Columbia Threadneedle Investments. The proceedings at all Board meetings are fully recorded through a process that allows any Director's concerns to be recorded in the minutes. The Board has the power to appoint or remove the Company Secretary.

The Manager, in the absence of explicit instructions from the Board, is empowered to exercise discretion in the use of the Company's voting rights.

Throughout the year, a number of committees have been in operation. Those committees are the Audit Committee, the Management Engagement Committee, and the Nomination Committee. The committees operate within clearly defined terms of reference which are available for inspection on request at the Company's registered office.

Bribery Act

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Manager also adopts a zero tolerance approach and has policies and procedures in place to prevent bribery.

Audit Committee

The Audit Committee is chaired by Elizabeth Kennedy and comprised all of the Directors with the exception of Richard Gray, the Chairman of the Company. The Report of the Audit Committee is contained on pages 39 and 40.

Management Engagement Committee

The Management Engagement Committee comprises all of the Directors and is chaired by Richard Gray, the Chairman of the Company. The report of the Management Engagement Committee is included on page 44.

Nomination Committee

The Nomination Committee comprises all of the Directors and is chaired by Richard Gray, the Chairman of the Company. The report of the Nomination Committee is contained on page 41.

Relations with Shareholders

The Company welcomes the views of Shareholders and places great importance on communications with them. The Manager holds meetings with the Company's largest Shareholders and reports back to the Board on these meetings. The Board is also regularly briefed on Shareholder attitudes by the Company's broker. The Chairman and other Directors are available to meet Shareholders if required to discuss any significant issues that have arisen and address Shareholder concerns and queries. The Annual General Meeting of the Company provides a forum, both formal and informal, for Shareholders to meet and discuss issues with the Directors and Manager of the Company.

In accordance with the AIC Code, when votes of 20 per cent or more have been cast against a resolution at a General Meeting the Company will announce the actions it intends to take to consult Shareholders to understand the reasons behind the result. A further update will be published within six months. No such votes were received during 2022.

By order of the Board

Columbia Threadneedle AM (Holdings) PLC
6th Floor
Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG

11 April 2023

Report of the Audit Committee

The members of the Audit Committee who served throughout the year ended 31 December 2022 were Elizabeth Kennedy, Audrey Baxter, Tom Burnet, Swantje Conrad and David Shaw. In accordance with best corporate governance practice, the Chairman of the Company, Richard Gray is not a member of the Audit Committee. Richard Gray served on the committee until his appointment as Chairman of the Company on 26 May 2022.

The committee is chaired by Elizabeth Kennedy. The duties of the committee include reviewing the Annual and Interim Accounts, the system of internal controls, and the terms of appointment and remuneration of the Auditor, BDO LLP ("**BDO**"), including its independence and objectivity. It is also the forum through which BDO reports to the Board of Directors. The Committee meets at least twice yearly including at least one meeting with BDO.

The Audit Committee met on two occasions during the year and the attendance of each of the members is set out on page 37. In the course of its duties, the committee had direct access to BDO and senior members of the Manager's fund management and investment trust teams. Amongst other things, the Audit Committee considered and reviewed the following matters and reported thereon to the Board:

- The annual results announcements, and annual and half-yearly reports and accounts;
- The accounting policies of the Company;
- The principal risks faced by the Company and the effectiveness of the Company's internal control environment;
- The effectiveness of the audit process and related non-audit services and the independence and objectivity of BDO, their re-appointment, remuneration and terms of engagement;
- The policy on the engagement of BDO to supply non-audit services;
- The implications of proposed new accounting standards and regulatory changes;
- The receipt of an internal controls report from the Manager; and
- Whether the Annual Report and Accounts is fair, balanced and understandable.

As part of its review of the scope and results of the audit, during the year the Audit Committee considered and approved BDO's plan for the audit of the financial statements for the year ended 31 December 2022. At the conclusion of the audit BDO did not highlight any issues to the Audit Committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. BDO issued an unqualified audit report which is included on pages 46 to 52.

As part of the review of auditor independence and effectiveness, BDO has confirmed that it is independent of the Company and has complied with relevant auditing standards. In evaluating BDO, the Audit Committee has taken into consideration the standing, skills and experience of the firm and the audit team and also took note of BDO's audit performance through the FRC'S Audit Quality Review.

The financial year ended 31 December 2022 is the second year of appointment of BDO as the Auditor of the Company.

In recognition of underlying audit rotation requirements, the Committee currently intends that a further tender process should be undertaken not later than 31 December 2030 to cover the financial years ending 31 December 2031 onwards.

Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed.

The process is based principally on the Manager's existing risk-based approach to internal control whereby a register is created

Significant Issues Considered by the Audit Committee in Relation to the Financial Statements

Matter	Action
Valuation of Unlisted Investments The Company's portfolio is invested predominantly in unlisted securities. Errors in the valuation could have a material impact on the Company's net asset value per share.	The Company's accounting policy for valuing its unlisted investments is stated in note 1(e) to the financial statements. The Audit Committee reviewed and challenged the valuation prepared by the Manager, taking account of the latest available information about the Company's investments, the Manager's knowledge of underlying funds and current market information where appropriate. The Audit Committee satisfied itself that the investments were valued, where appropriate, on a consistent basis with prior periods and in accordance with published industry guidelines and applicable accounting standards.

Significant Issues Considered by the Audit Committee in Relation to the Financial Statements (continued)

Matter	Action
Going Concern The Directors of the Company are responsible for preparing the Report and Accounts. In preparing these financial statements the Directors are required to consider whether it is appropriate to adopt the going concern basis. The Directors will consider if the Company has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of this report.	The Directors considered the current cash position of the Company, the availability of the Company's loan facility and compliance with its covenants. Given the current volatility in stock markets and the economic disruption arising from the war in Ukraine, inflationary concerns and the COVID-19 pandemic, the Audit Committee also considered detailed cashflow projections modelling various scenarios relating to this volatility on the future drawdowns to be paid and distributions to be received by the Company. These projections were adjusted to consider various plausible scenarios and took account of possible impacts upon the future NAV of the Company and the ability of the Company to achieve its loan covenants. The Board concluded that there was a low probability that a covenant breach related to capacity to meet cashflow requirements would occur. Furthermore the Board has considered the remedies available if it appears that a covenant breach appears possible. Having considered the likelihood of the events which could cause a covenant breach and the remedies available to the Company, the Directors are of the view that the Company is well placed to manage such an eventuality satisfactorily. Further details are provided on page 35. The Directors were satisfied that the adoption of the going concern basis was appropriate.
Title to Unlisted Investments If the Company did not have legal title to its unlisted investments this could have a material impact on its net asset value per share.	The Board receives quarterly reports from the Depositary and on an annual basis the Audit Committee reviews the Manager's AAF Report on its internal controls.
Calculation of Performance Fee As disclosed in note 3 to the financial statements, the Manager is entitled to both a basic and performance related management fee. The entitlement to a performance fee is based on a number of criteria. Errors in its calculation could result in an overpayment or underpayment of fees to the Manager.	The Audit Committee reviews the Manager's entitlement to a performance fee and also reviews the calculation of any performance fee provisions twice a year.

that identifies the key functions carried out by the Manager and other service providers, the individual activities undertaken within those functions, the risks associated with each activity and the controls employed to minimise those risks. These functions include the financial reporting process. A residual risk rating is then applied. The register is regularly updated and the Board is provided with regular reports highlighting all material changes to the risk ratings and confirming the action which has been, or is being, taken.

A formal annual review of these procedures is carried out by the Audit Committee and includes consideration of internal control reports issued by the Manager and other service providers. Such review procedures have been in place throughout the financial year and up to the date of approval of the Annual Report, and the Board is satisfied with their effectiveness. These procedures are designed to manage rather than eliminate risk and, by their nature, can only provide reasonable, but not absolute, assurance against material misstatement or loss. At each Board meeting the Board monitors the investment performance of the Company in comparison to its stated objective, its peer group and a broad equity market index. The Board also reviews the Company's activities since the last Board meeting to ensure that the Manager adheres to the agreed investment policy and approved investment guidelines and, if necessary, approves changes to such policy and guidelines. Since its appointment in July 2014, the Depositary has provided quarterly reports to the Board and carries out daily independent checks on cost and investment transactions, annually verifies asset ownership and has strict liability for the loss of the Company's financial assets in respect of which it has safekeeping duties.

The Board has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Manager, including its internal audit function, provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investments and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary but this decision will be kept under review.

Elizabeth Kennedy
Chairman of the Audit Committee

11 April 2023

Report of the Nomination Committee

Role of the Committee

The Committee met on one occasion during the year. The duties of the Nomination Committee are:

- To be responsible for reviewing and nominating candidates for the approval of the Board to fill vacancies on the Board of Directors.
- To consider and review the composition and balance of the Board from time to time and, where appropriate, to make recommendations to the Board.
- To review the re-appointment of Directors, as they fall due for re-election, under the terms of their appointment and the UK Corporate Governance Code, and to make recommendations to the Board as considered appropriate.
- To review actual or possible conflicts of interest in respect of each Director and any authorised conflicts.
- To review annually the level of Directors' fees and recommend any changes to the Board.
- To consider other topics, as defined by the Board.

Composition of the Committee

All Directors of the Company served on the Committee throughout the year. The Committee is chaired by the Chairman of the Company. During the year under review the Committee was chaired by Mark Tennant until his retirement from the Board on 26 May 2022. Upon his retirement Richard Gray became Chairman of the Committee.

Terms of reference of the Nomination Committee can be found on the Company's website at **www.ctprivateequitytrust.com**.

Succession planning

Appointments of all new Directors are made on a formal basis, normally using professional search consultants, with the Nomination Committee agreeing the selection criteria and the method of recruitment, selection and appointment.

Succession plan

The Board has an agreed succession plan to refresh its composition. As part of this plan, David Shaw will retire from the Board at the completion of the Annual General Meeting to be held on 23 May 2023. As a further part of this plan, it is anticipated that Elizabeth Kennedy will retire from the Board at the conclusion of the Company's 2024 AGM. The Board will also recruit a new Director, taking account of diversity as part of this plan.

Diversity

Any appointments to the Board are based on merit, but in considering appointments, the Nomination Committee also takes into account the ongoing requirements of the Company and the need to have a balance of skills, experience, diversity, including gender, independence and knowledge of the Company within the Board.

Committee evaluation

The activities of the Committee were considered as part of the Board appraisal process completed in accordance with standard governance arrangements as summarised on page 37. The conclusion from the process was that the Committee was operating effectively, with the right balance of membership, experience and skills.

Richard Gray
Chairman of Nomination Committee

11 April 2023

Directors' Remuneration Report

The Board consists solely of independent non-executive Directors. The Company has no executive Directors or employees. The Nomination Committee fulfils the function of a Remuneration Committee in addition to its nomination function, and is responsible for determining the level of Directors' fees.

Full details of the Company's policy with regards to Directors' fees and fees paid during the year ended 31 December 2022, are shown below.

Under company law, the Auditor is required to audit certain disclosures provided. Where disclosures have been audited they are indicated as such. The Auditor's opinion is included in its report on pages 46 to 52.

Nomination Committee

The Nomination Committee is chaired by the Chairman of the Company. During the year under review the Committee was chaired by Mark Tennant until his retirement from the Board on 26 May 2022. Upon his retirement Richard Gray became Chairman of the Committee.

All Directors served on the Nomination Committee throughout the year. The Board has appointed the Company Secretary, Columbia Threadneedle AM (Holdings) PLC, to provide information in advance of the Nomination Committee considering the level of Directors' fees.

Directors' Remuneration Policy

The Company's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, Directors' time commitment, their responsibilities and skills and be fair and comparable to that of other investment trusts that are similar in size and have similar investment objectives. There were no changes to the policy during the year.

Fees are reviewed annually. Following this review the Board has decided that with effect from 1 January 2023, the annual remuneration of the Chairman is increased to £62,000, the Chair of the Audit Committee to £48,500 and Non-Executive Directors to £42,000.

The fees for the non-executive Directors are determined within the limits set out in the Company's Articles of Association. The present limit is £350,000 per annum and may not be changed without seeking Shareholder approval at a general meeting. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

The non-executive Directors are engaged under letters of appointment and do not have service contracts. Each Director has a letter of appointment setting out the terms and conditions of his or her appointment and such letters are available for inspection at the Company's registered office and immediately prior and during the Company's Annual General Meeting. The terms of appointment provide that a Director shall retire and be subject to re-election at the first Annual General Meeting after his or her appointment. Directors are thereafter obliged to retire by rotation and, if they wish, to offer themselves for re-election, at least every three years after that.

In accordance with the revised AIC Code all Directors, with the exception of David Shaw, will seek re-appointment to the Board at the Annual General Meeting to be held on 23 May 2023. David Shaw will retire from the Board at the conclusion of this Annual General Meeting.

There is no notice period and no provision for compensation upon termination of appointment.

Future Policy Table

Based on the current levels of fees, Directors' remuneration for the forthcoming financial year would be as follows:

	2023[1] £	2022 £
Richard Gray[2]	**62,000**	51,347
Audrey Baxter	**42,000**	40,000
Tom Burnet	**42,000**	40,000
Swantje Conrad	**42,000**	40,000
Elizabeth Kennedy	**48,500**	46,000
David Shaw[3]	**16,454**	40,000
Mark Tennant[4]	**–**	23,802
Total	**252,954**	281,149

[1] Directors' remuneration for the year ending 31 December 2023 based on current fee levels. Directors are not elig ble for any other payments.

[2] Appointed Chairman on 26 May 2022.

[3] Retires from the Board on 23 May 2023.

[4] Retired from the Board on 26 May 2022.

The Company has not received any views from its Shareholders in respect of the levels of Directors' remuneration.

Annual Report on Directors' Remuneration

Directors' Emoluments for the Year (audited)

The Directors who served during the financial year received the following amounts for services as non-executive Directors as well as reimbursement for expenses necessarily incurred. No other forms of remuneration were paid during the year.

Fees for services to the Company (audited)

	Fees (audited)			Taxable Benefits (1) (audited)			Total (audited)		
	2022	2021	%	2022	2021	%	2022	2021	%
Director		£	£	change	£	£	£	£	change
Mark Tennant (Chairman to 26 May 2022)	**23,802**	52,000	(54%)	**1,524**	1,997	(24%)	**25,326**	53,997	(53%)
Audrey Baxter	**40,000**	35,000	14%	**178**	–	100%	**40,178**	35,000	15%
Tom Burnet (1)	**40,000**	35,000	14%	**178**	–	100%	**40,178**	35,000	15%
Swantje Conrad	**40,000**	35,000	14%	**3,470**	926	275%	**43,470**	35,926	21%
Richard Gray (Chairman from 27 May 2022)	**51,347**	35,000	47%	**3,689**	256	1,341%	**55,036**	35,256	56%
Elizabeth Kennedy	**46,000**	42,000	10%	**926**	–	100%	**46,926**	42,000	12%
David Shaw	**40,000**	35,000	14%	**178**	–	100%	**40,178**	35,000	15%
Total	**281,149**	269,000	5%	**10,143**	3,179	219%	**291,292**	272,179	7%

(1) Comprises amounts reimbursed for expenses incurred in carrying out business for the Company, which have been grossed up to include PAYE and NI contributions.

The table below sets out the annual percentage change in fees for each Director who served in the year under review.

Fees annual percentage change

Director	2022 (audited) %	2021 (audited) %	2020 (audited) %
Richard Gray≠	**+46.7**	+6.1	–
Audrey Baxter†	**+14.3**	+84.8	n/a
Tom Burnet†	**+14.3**	+84.8	n/a
Swantje Conrad	**+14.3**	+6.1	–
Elizabeth Kennedy	**+9.5**	+5.0	–
David Shaw	**+14.3**	+6.1	–

≠ Appointed Chairman on 26 May 2022
† Appointed to the Board on 4 June 2020.

Relative Importance of Spend on Pay

The table below shows the actual expenditure during the year in relation to Directors' remuneration, other expenses and shareholder distributions:

	2022 £	2021 £	Change %
Aggregate Directors' Remuneration	**281,149**	269,000	4.5%
Management and other expenses*	**11,115,000**	9,435,000	17.8%
Dividends paid to Shareholders	**17,078,000**	12,769,000	33.7%

*Includes Directors' remuneration.

Directors' Shareholdings (audited)

The Directors who held office at the year end and their interests in the Ordinary Shares of the Company were as follows:

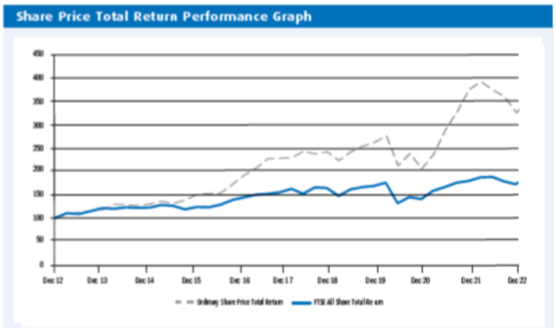
		31 December 2022 Ordinary Shares	31 December 2021 Ordinary Shares
Richard Gray (Chairman)	Beneficial	**15,000**	10,000
Audrey Baxter	Beneficial	**20,000**	10,000
Tom Burnet	Beneficial	**36,200**	15,000
Swantje Conrad	Beneficial	**14,600**	14,600
Elizabeth Kennedy	Beneficial	**30,000**	30,000
David Shaw	Beneficial	**10,000**	10,000

There have been no other changes in the Directors' interests in the shares of the Company between 31 December 2022 and 6 April 2023.

Company Performance

The graph below compares, for the ten financial years ended 31 December 2022, the total return (assuming all dividends are reinvested) to Shareholders compared to the total return on the FTSE All-Share Index. However, the Board recognises that the FTSE All-Share Index is not directly correlated with private equity investment.

Share Price Total Return Performance Graph



Voting at Annual General Meeting

The remuneration policy of the Company is approved by Shareholders tri-annually. It was last approved by Shareholders at the Annual General Meeting held on 20 May 2020, 97.0 per cent of votes were in favour and 3.0 per cent of votes against. **Resolution 2** at the forthcoming Annual General Meeting seeks Shareholder approval for this policy. It is intended that this policy will continue for the three-year period ending 31 December 2026.

At the Company's last Annual General Meeting, held on 26 May 2022, Shareholders approved the Report on Directors' Remuneration for the year ended 31 December 2021. 94.4 per cent of votes were in favour of the resolution and 5.6 per cent were against.

An ordinary resolution for the approval of this Directors' Remuneration Report, **Resolution 3**, will be put to Shareholders at the forthcoming Annual General Meeting.

On behalf of the Board

Richard Gray, Chairman
11 April 2023

Report of the Management Engagement Committee

Duties of the Committee

The duties of the Management Engagement Committee are to review the terms and conditions of the appointment and the appropriateness of the continuing appointment of the Manager.

Composition of the Committee

All Directors of the Company served on this Committee throughout the year.

The Committee is Chaired by the Chairman of the Company, During the year under review the Committee was chaired by Mark Tennant until his retirement from the Board on 26 May 2022. Upon his retirement Richard Gray became Chairman of the Committee. Currently all members of the Board have been appointed to the Management Engagement Committee.

The terms of reference of the Management Engagement Committee are available on the Company's website **www.ctprivateequitytrust.com**.

The Manager's Evaluation Process

The Committee meets annually. Its most recent meeting was held in March 2023 which included a formal evaluation of the performance and remuneration of the Manager. At each Board meeting throughout the year the performance of the Company is reviewed. The Board receives detailed papers, reports and reviews from the Manager on performance at each regular Board meeting. These papers include details of the portfolio, gearing and risk. These enable the Board to assess the success or failure of the Manager's performance against the Key Performance Indicators determined by the Board.

The Manager's Re-appointment

During March 2023, the Management Engagement Committee of the Board reviewed the appropriateness of the Manager's continuing appointment. In carrying out the review, consideration was given to past investment performance and the ability of the Manager to produce satisfactory investment performance in the future, including any impact following its acquisition and integration by Columbia Threadneedle Investments. Consideration was also given to the standard of other services provided which include company secretarial, accounting, administration and marketing. The length of notice of the investment management contract and fees payable to the Manager were also reviewed. Following this review, it is the Board's opinion that the continuing appointment of the Manager on the terms agreed is in the interests of Shareholders as a whole.

The Manager's Fee

An important responsibility of the Committee is the review of the Manager's fee. Details of the investment management fee are included in Note 3 to the Accounts. At each annual Committee meeting the Directors compare the basis of the remuneration of the Manager against that of the peer group.

Reporting Procedures

The Company Secretary circulates the minutes of meetings of the Management Engagement Committee to all members of the Board at the next Board meeting following a Management Engagement Committee Meeting.

In normal circumstances, a member of the Management Engagement Committee attends the Annual General Meeting and is available to answer questions on the Management Engagement Committee's activities and responsibilities.

Richard Gray
Chairman

11 April 2023

Statement of Directors’ Responsibilities

Directors’ Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements and have elected to prepare the Company financial statements in accordance with UK adopted international accounting standards. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors’ report, a strategic report and Directors’ remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for Shareholders to assess the Company’s performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company’s website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors’ responsibilities pursuant to DTR4

- The financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Richard Gray
Chairman
11 April 2023

Independent Auditor's Report

Independent Auditor's Report to the Members of CT Private Equity Trust PLC

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of CT Private Equity Trust plc (the "Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the directors on 27 May 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 2 years, covering the years ending 31 December 2021 to 31 December 2022. We remain independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the forecasted cash flows that support the Directors' assessment of going concern and challenging the assumptions and judgements made in the forecasts, assessing them for reasonableness, and checking the precision of the prior forecast to current year actuals. In particular we considered the available cash resources relative to the forecast expenditure and future commitments;
- Evaluating the appropriateness of Directors' method of assessing the going concern in light of worst-case assumptions and the undrawn commitments modelling;
- Reviewing the cash flow modelling and the underlying assumptions for reasonableness and testing the mathematical accuracy of the model including the valuations and commitment balances,
- Reviewing the model for timing and accuracy of projected commitments;
- Testing the likelihood of anticipated drawdowns based on historic data;
- Testing the reasonableness of the dividend proposed to be paid;
- Performing a sensitivity using the 'worst case' cash flow model by assuming accelerated drawdowns of the total amount of outstanding commitments;
- Reviewing the loan agreements to confirm the loan the covenants in place and obtained an independent loan confirmation to confirm existence of the loan at year end; and
- Reviewing the monthly / quarterly loan compliance certificates submitted throughout the year for any breaches of loan covenants, ensuring the loan covenants tested agree to those in the loan agreements and considering compliance with loan covenants for the next 12 months.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters		2022	2021
	Valuation and ownership of unquoted investments	Yes	Yes
	Unfunded commitments and cash flow modelling*	No	Yes
	* Removed as a KAM for 2022 given the relatively small balance of unfunded commitments at year-end		
Materiality	£5.18m (2021: £4.70m) based on 1% (2021: 1%) of net assets.		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the company and its environment, including the company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation and ownership of unquoted investments (Notes 1e and 9)	99% of the Company's investment portfolio consists of unquoted investments in private equity funds ("funds") and direct co-investments via limited partnerships or similar fund structures ("direct co-investments"). These unquoted investments, which constitute Level 3 financial instruments in accordance with IFRS 13 Financial Instruments, are valued in accordance with the International Private Equity and Venture Capital ("IPEV") Guidelines and use inputs which are not based on observable market data. As a result there is a high degree of estimation uncertainty and judgement involved in the underlying General Partner ("GP") valuations, which is applicable to all investments, and as such, there is a significant risk over the valuation of these investments. As the unquoted investments comprise the majority of the statement of financial position, valid title to these investments is also part of the key audit matter as there is a risk that the Company does not have the appropriate title for the investments.	In respect of the unquoted investments valuation testing we: • Considered the appropriateness of the overall valuation policies undertaken by underlying GP fund managers in line with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. • Held discussions with the Investment Manager and reviewed their year-end 'portfolio review paper which was prepared for the Audit Committee. Where appropriate, we challenged the valuation. For a sample of the funds held: • We tested the operating effectiveness of controls relating to the due diligence performed of investment additions that are involved with a new underlying fund manager to gain comfort on the reliance of GP statements. The due diligence covers a number of areas such as valuations, cash controls and an understanding of key counterparties. • We compared the year-end valuations per the accounting records to the valuation statements received from the managers of the underlying funds. Where an up-to-date fund manager s valuation was not available, we agreed the cash roll forward to direct confirmation from the GP. A total of 14% of the investments by value were cash roll forward valuations for this year end. Our detailed sample covered c. 80% of the total population of investments by value. • We considered the need for the Investment Manager to adjust the underlying valuations for specific cases, such as carried interest, and agreed these adjustments to the underlying support. • We considered the accuracy of the underlying GPs valuation process by comparing the Net Asset Value per the most recent audited financial statements for a sample of funds to the GP statement for the coterminous period in order to determine the reliability of the year end GP reports. We also determined whether the audit firm signing the financial statements was a recognised audit firm and checked whether there were any modifications made to their audit reports. • We reviewed the year end GP statements for any possible inconsistent information pertaining to the valuations.

An overview of the scope of our audit (continued)

Key audit matter continued		How the scope of our audit addressed the key audit matter continued
Valuation and ownership of unquoted investments (Notes 1e and 9) (continued)	In addition, the Investment Manager s fees are based on the value of the net assets of the fund. As it is possible for the Investment Manager to make adjustments to the underlying valuations, there is a potential risk of overstatement of investment valuations. The direct co-investments also means there is a risk of the Investment Manager performing the valuations with more judgements and estimates involved in determining the fair value.	• We tested the operating effectiveness of controls around the ongoing monitoring of the GP statements and underlying investment valuations by the CT valuations team, which included their review of the accuracy of the valuation inputs to GP statements, the accuracy of portfolio company data input, the reasonableness of any adjustments applied and the treatment of carried interest by the GP and the movement in the valuation from the previous reported figure. • For a sample of realised investments during the year, we agreed the proceeds of the disposal to the GP statements and performed back testing by comparing the sale price and subsequent cash receipts to the most recent valuation recorded by the Company for the investment. Our back testing included looking at the percentage gains vs the fair value uplift from the prior periods. In doing so we challenged the Investment Managers on the trends observed to gain comfort on the accuracy of the historic GP valuations. For a sample of direct co-investment vehicles we have: • Obtained and assessed evidence for inputs to the valuation models. We have checked inputs including EV/EBITDA multiples for reasonableness against market benchmark multiples. • Reviewed and challenged a sample of the valuations, including reviewing the underlying GP valuation papers, assessing whether the valuations have been performed in line with the IPEV guidelines and challenged assumptions used to support the valuations, and assessed other facts and circumstances such as market movement and comparative company information that might have an impact on the valuation. • Tested the operating effectiveness of controls around the ongoing monitoring of the underlying investment valuations by the CT valuations team as set out above. In respect of the ownership of investments we: • Agreed listed investments to independent external confirmation from the custodian. • Obtained direct confirmation from the underlying GPs for each fund and direct co-investment in the portfolio at year-end. • For confirmations not received, we have confirmed title through alternative procedures including reviewing cash movements in the year and reviewing other relevant documentation. **Key observations:** Based on our procedures performed we did not identify any matters to suggest that the valuation or ownership of investments was not appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2022 £m	2021 £m
Materiality	5.18	4.70
Basis for determining materiality	1% of net assets	1% of net assets
Rationale for the benchmark applied	In setting materiality, we considered the nature and composition of the investment portfolio. As an investment trust, we consider that the net asset value is the key measure of performance for users of the financial statements. Given that the fund portfolio is comprised of unquoted funds which typically are not complex in nature, we have applied 1% of net assets.	
Performance materiality	3.884	3.055
Basis for determining performance materiality	75% of materiality The level of performance materiality applied was set after having considered a number of factors including the audit being a second year and the level of transactions in the year.	65% of materiality The level of performance materiality applied was set after having considered a number of factors including the audit being a first year and the level of transactions in the year.

Lower Testing Threshold

We determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we have set a lower testing threshold for those items impacting revenue return of £147,000 (2021: £254,000), which is based on 5% of revenue return before tax of this respectively.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £100,000 (2021: £94,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	• Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and • The section describing the work of the Audit Committee.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Report of the Directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, the UK Listing rules, the DTR rules, the principles of the UK Corporate Governance Code, UK adopted international accounting standards, VAT and other taxes. We also considered the Company's qualification as an Investment Trust under UK tax legislation.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be management override of controls and valuation of investments.

Our tests included:

- agreement of the financial statement disclosures to underlying supporting documentation;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- enquiries of management and those charged with governance regarding any known or suspected instances of non-compliance with laws and regulations or fraud;
- review of correspondence with the relevant authorities;
- testing the appropriateness of a sample of journal entries in the general ledger to supporting documentation, and adjustments made in the preparation of the financial statements, reviewing accounting estimates for possible bias and obtaining an understanding of the business rationale of any significant transactions that are outside the normal course of the business for the Company and those that appear to be unusual;
- obtaining independent confirmations for bank, investment and loan balances.
- review of minutes of board meetings throughout the period for any known or suspected instances of non-compliance with laws and regulations or fraud; and
- the procedures set out in the Key Audit Matters section above.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Peter Smith (Senior statutory auditor)
For and on behalf of BDO LLP,
Statutory Auditor
London UK
11 April 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

For the year ended 31 December 2022

Notes		2022 Revenue £'000	2022 Capital £'000	2022 Total £'000	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000
	Income						
9	Gains on investments held at fair value	–	77,330	77,330	–	128,313	128,313
	Exchange gains/(losses)	–	(2,083)	(2,083)	–	3,686	3,686
2	Investment income	4,550	–	4,550	6,719	–	6,719
2	Other income	186	–	186	3	–	3
	Total income	4,736	75,247	79,983	6,722	131,999	138,721
	Expenditure						
3	Investment management fee – basic fee	(464)	(4,172)	(4,636)	(394)	(3,546)	(3,940)
3	Investment management fee – performance fee	–	(5,402)	(5,402)	–	(4,502)	(4,502)
4	Other expenses	(1,077)	–	(1,077)	(993)	–	(993)
	Total expenditure	(1,541)	(9,574)	(11,115)	(1,387)	(8,048)	(9,435)
	Profit before finance costs and taxation	3,195	65,673	68,868	5,335	123,951	129,286
5	Finance costs	(254)	(2,294)	(2,548)	(255)	(2,298)	(2,553)
	Profit before taxation	2,941	63,379	66,320	5,080	121,653	126,733
6	Taxation	–	–	–	–	–	–
	Profit for year/total comprehensive income	2,941	63,379	66,320	5,080	121,653	126,733
8	**Return per Ordinary Share**	4.01p	86.42p	90.43p	6.87p	164.53p	171.40p

The total column of this financial statement represents the Statement of Comprehensive Income of the Company, prepared in accordance with UK adopted international accounting standards. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above financial statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The accompanying notes are an integral part of the above financial statement.

Balance Sheet

As at 31 December 2022

Notes		2022 £'000	2021 £'000
	Non-current assets		
9	Investments at fair value through profit or loss	**528,557**	483,047
		528,557	483,047
	Current Assets		
11	Other receivables	**389**	230
12	Cash and cash equivalents	**34,460**	32,702
		34,849	32,932
	Current liabilities		
13	Other payables	**(7,411)**	(6,610)
14	Interest-bearing bank loan	**(16,618)**	(15,726)
		(24,029)	(22,336)
	Net current assets	**10,820**	10,596
	Total assets less current liabilities	**539,377**	493,643
	Non-current liabilities		
14	Interest-bearing bank loan	**(21,702)**	(20,196)
	Net assets	**517,675**	473,447
	Equity		
15	Called-up ordinary share capital	**739**	739
	Share premium account	**2,527**	2,527
	Special distributable capital reserve	**10,026**	15,040
	Special distributable revenue reserve	**31,403**	31,403
	Capital redemption reserve	**1,335**	1,335
	Capital reserve	**471,645**	422,403
	Shareholders' funds	**517,675**	473,447
8	**Net asset value per Ordinary Share**	**710.65p**	640.30p

The financial statements were approved and authorised for issue by the Board of Directors on 11 April 2023, and signed on its behalf by:

Richard Gray
Chairman

The accompanying notes are an integral part of the above financial statement.

Statement of Changes in Equity

For the year ended 31 December 2022

Notes		Share Capital £'000	Share Premium Account £'000	Special Distributable Capital Reserve £'000	Special Distributable Revenue Reserve £'000	Capital Redemption Reserve £'000	Capital Reserve* £'000	Revenue Reserve £'000	Total £'000
	For the year ended 31 December 2022								
	Net assets at 1 January 2022	739	2,527	15,040	31,403	1,335	422,403	–	473,447
	Buyback of ordinary shares	–	–	(5,014)	–	–	–	–	(5,014)
	Profit for the year/total comprehensive income	–	–	–	–	–	63,379	2,941	66,320
7	Dividends paid	–	–	–	–	–	(14,137)	(2,941)	(17,078)
	Net assets at 31 December 2022	**739**	**2,527**	**10,026**	**31,403**	**1,335**	**471,645**	**–**	**517,675**
	For the year ended 31 December 2021								
	Net assets at 1 January 2021	739	2,527	15,040	31,403	1,335	308,439	–	359,483
	Profit for the year/total comprehensive income	–	–	–	–	–	121,653	5,080	126,733
7	Dividends paid	–	–	–	–	–	(7,689)	(5,080)	(12,769)
	Net assets at 31 December 2021	**739**	**2,527**	**15,040**	**31,403**	**1,335**	**422,403**	**–**	**473,447**

* As at 31 December 2022, the distributable element of this reserve was £258,492,000 (2021 £223,629,000).

The accompanying notes are an integral part of the above financial statement.

Statement of Cash Flows

For the year ended 31 December 2022

Notes		2022 £'000	2021 £'000
	Operating activities		
	Profit before taxation	**66,320**	126,733
	Adjustments for:		
9	Gains on disposals of investments	**(62,951)**	(90,281)
9	Gain on account of fair value movement	**(14,379)**	(38,032)
	Exchange differences	**2,083**	(3,686)
5	Finance costs	**2,548**	2,553
	(Increase)/decrease in other receivables	**(2)**	531
	Increase in other payables	**358**	2,279
	Net cash (outflow)/inflow from operating activities	**(6,023)**	97
	Investing activities		
9	Purchases of investments	**(88,593)**	(81,234)
9	Sales of investments	**120,413**	152,749
	Net cash inflow from investing activities	**31,820**	71,515
	Financing activities		
14	Repayment of bank loans	**–**	(31,243)
14	Arrangement costs of loan facility	**(28)**	(236)
5	Interest paid	**(1,919)**	(2,607)
7	Equity dividends paid	**(17,078)**	(12,769)
	Buyback of ordinary shares	**(5,014)**	-
	Net cash outflow from financing activities	**(24,039)**	(46,855)
	Net increase in cash and cash equivalents	**1,758**	24,757
	Currency losses	**–**	(399)
	Net increase in cash and cash equivalents	**1,758**	24,358
	Opening cash and cash equivalents	**32,702**	8,344
	Closing cash and cash equivalents	**34,460**	32,702

The accompanying notes are an integral part of the above financial statement.

Notes to the Financial Statements

1 Accounting policies

A summary of the significant accounting policies adopted is set out below.

(a) **Basis of accounting**

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 and UK adopted international accounting standards.

The principal accounting policies are set out below. Where presentational guidance set out in the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ('SORP') issued by the Association of Investment Companies ('AIC') in November 2014 and updated in July 2022 is consistent with the requirements of UK adopted international accounting standards, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The notes and financial statements are presented in pounds sterling (functional and presentation currency) and are rounded to the nearest thousand except where otherwise indicated.

Going concern

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further detail is contained in the Report of the Directors on page 35.

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have considered the current cash position of the Company, the availability of the Company's loan facility and compliance with its banking covenants. They have also considered year-end cash balances and forecast cash flows, especially those relating to capital commitments and realisations.

As at 31 December 2022, the Company had outstanding undrawn commitments of £178.9 million. Of this amount, approximately £25.8 million is to funds where the investment period has expired and the Manager would expect very little of this to be drawn. Of the outstanding undrawn commitments remaining within their investment periods, the Manager would expect that a significant amount will not be drawn before these periods expire. As at 31 December 2022 the Company had a committed borrowing facility comprising a term loan of €25 million and a revolving credit facility of £95 million. This facility is due to expire on 19 June 2024 when its five-year term concludes.

At the 31 December 2022 the Company had fully drawn the term loan of €25 million and had drawn £16.6 million of the revolving credit facility. The available proportion of the facility can be used to fund any shortfall between the proceeds received from realisations and drawdowns made from funds in the Company's portfolio or funds required for co-investments. Under normal circumstances this amount of 'headroom' in the facility would be more than adequate to meet any such shortfall.

At present the global economy continues to suffer disruption due to the effects of the war in Ukraine, inflationary concerns and the COVID-19 pandemic and the Directors have given serious consideration to the consequences of this for the private equity market in general and for the cashflows and asset values of the Company specifically over the next twelve months. The Company has a number of loan covenants and at present the Company's financial situation does not suggest that any of these covenants are close to being breached. The Directors are mindful of the nature of the current economic situation and have conducted stress tests to examine the possible circumstances which would result in the Company's covenants being breached. Three scenarios were tested: business as usual; the experience of the global financial crisis; and the impact of a very severe recession. The Directors have also considered any remedial measures which the Company could practically employ to avoid a covenant breach if that appears likely.

It is the Directors' opinion that the circumstances which would give rise to a covenant breach have a low probability. The primary risk is that there is a very substantial decrease in the asset value of the Company in the short or medium-term. Given prior experience in the last financial crisis of 2008/2009 and allowing for the breadth of the Company's portfolio and the valuation methodologies of the Company's investment managers and their investment partners, the Directors do not expect that the possible reduction in asset value arising from the current volatility will be of sufficient magnitude to give rise to a covenant breach.

In addition to the possible effect of the current volatility on valuations, the Directors have also reviewed the forecast cashflows of the Company comprising future drawdowns and distributions.

1 Accounting policies (continued)

Having compared these against the Company's current and projected available funding sources, principally its committed borrowing facility noted above, the Directors have confidence that there is a low probability that a covenant breach related to capacity to meet cashflow requirements will occur.

Furthermore, being aware of the possible risks the Directors have considered in detail a number of remedial measures that are open to the Company which it may take if such a covenant breach appears possible. These include reducing commitments and raising cash through engaging with the private equity secondaries market. The Managers have considerable experience in the private equity secondaries market through the activities of the Company and through the management of other private equity funds. The Directors have considered other actions which the Company may take in the event that a covenant breach was imminent including taking measures to increase the Company's asset base through an issuance of equity either for cash or pursuant to the acquisition of other private equity assets. The Directors have also considered the likelihood of the Company making alternative banking arrangements with its current lenders or another lender.

Having considered the likelihood of the events which could cause a covenant breach and the remedies available to the Company, the Directors are of the view that the Company is well placed to manage such an eventuality satisfactorily. Based on this information the Directors believe that the Company has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

The accounting policies adopted are consistent with those of the previous financial year.

Standards issued but not yet effective.

There are no standards or amendments to standards not yet effective that are relevant to the Company and should be disclosed.

(b) **Income**

Investment income is comprised of loan interest and dividend income. Loan interest income is determined when the right to receive payment is established Dividend income is determined on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Overseas dividends are shown net of withholding tax. Where the Company has elected to receive its dividends in the form of additional shares rather than in cash (scrip dividends), the amount of the cash dividend foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in the Statement of Comprehensive Income. Other income which includes deposit interest is recognised on an accruals basis.

(c) **Expenses**

Expenses are accounted for on an accruals basis.

In accordance with the Board's expected long-term split of returns in the form of capital gains and income, management fee and bank loan interest are allocated 90 per cent to capital and 10 per cent to revenue. All other expenses are charged to revenue with the exception of any performance fee (described in more detail in note 3) which is charged fully to capital.

Transaction costs incurred on the purchase and sale of investments are taken to the Statement of Comprehensive Income as a capital item.

(d) **Reserves**

(i) Share Premium Account – the surplus of net proceeds received from the issue of new ordinary shares over the nominal value of such shares is credited to this account. The nominal value of the shares issued is recognised in share capital.

(ii) Special Distributable Capital Reserve – the Special Distributable Capital Reserve is available for the Company to return capital to shareholders and for the buy back of shares.

(iii) Special Distributable Revenue Reserve – the Special Distributable Revenue Reserve is available for the Company to return revenue to shareholders by way of special dividends and for the buy back of shares.

(iv) Capital Redemption Reserve – the nominal value of the Restricted Voting Shares bought back for cancellation was added to this reserve. This reserve is non-distributable.

(v) Capital Reserve – holding gains and losses, gains and losses on the disposal of investments and exchange adjustments to overseas currencies are taken to the Capital Reserve together with the proportion of management fees, finance costs and taxation allocated to capital. Dividends paid may be deducted from accumulated realised capital profits recognised within this reserve.

(vi) Revenue Reserve – the net profit/loss arising in the revenue column of the Statement of Comprehensive Income is added to this reserve. Dividends paid during the year may be deducted from this reserve.

(e) **Investments**

Investments are classified as fair value through profit or loss at initial recognition and are recognised on trade date. Investments are measured initially and at subsequent reporting dates at fair value. For listed investments this is closing bid price. Unlisted investments are fair valued by the Directors and determined in accordance with the International Private Equity and Venture Capital Valuation guidelines. The guidelines are also followed in respect of the marketability discounts applied to unlisted investments. The estimate of fair value is normally the latest valuation placed on an investment by its manager as at the Balance Sheet date. Where formal valuations are not completed as at the Balance Sheet date, the last available valuation from the manager is adjusted for any subsequent cash flows occurring between the valuation date and the Balance Sheet date. Investments held in foreign currencies are translated at the rates of exchange ruling on the balance sheet date. Purchases and sales of investments are recognised at the trade date of the transaction. Gains and losses arising from the changes in fair value are included in net profit for the year as a capital item.

1 Accounting policies (continued)

All investments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy in note 10, described as follows, based on the lowest significant applicable input:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison from direct or indirectly observable current market data over the entire period of the instrument's life. Such inputs include observable current market transactions in the same instrument or based on a valuation technique which include observable inputs from active markets.

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

For investments that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest significant applicable input) at the date of the event that caused the transfer.

(f) **Foreign currencies**

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year-end. Non-monetary fixed assets held at fair value through profit and loss and denominated in foreign currencies are reported at the rates of exchange prevailing when the fair value was assessed. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in either the capital or revenue column of the Statement of Comprehensive Income depending on whether the gain or loss is of a capital or revenue nature respectively.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss in the Statement of Comprehensive Income as part of the 'Gains on investments held at fair value'. Exchange differences on other financial instruments are included in profit or loss in the Statement of Comprehensive Income as 'Exchange gains'.

Rates of exchange at 31 December	**2022**	2021
Euro	**1.1271**	1.19105
US Dollar	**1.2029**	1.35445
Canadian Dollar	**1.629851**	1.710899
Norwegian Krone	**11.849745**	11.944006
Swedish Krona	**12.533684**	12.263017
Swiss Franc	**1.1129**	1.2341

(g) **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

Tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under section 1158 Corporation Tax Act 2010 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(h) **Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and overnights deposits.

(i) **Interest-bearing borrowings**

All borrowings are initially recognised at cost, being fair value of the consideration received, net of arrangement costs associated with the borrowings. After initial recognition, all interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any loan arrangement costs and any discount or premium on settlement.

1 Accounting policies (continued)

(j) **Use of judgements, estimates and assumptions**

The presentation of the financial statements in accordance with accounting standards requires the Board to make judgements, estimates and assumptions that affect the accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on perceived risks, historical experience, expectations of plausible future events and other factors. The nature of the estimations means that actual outcomes could differ from those 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 periods affected.

The area requiring the most significant judgement and estimation in the preparation of the financial statements is accounting for the value of unquoted investments. The policy for valuation of unquoted investments is set out in note 1(e) and further information on Board procedures is contained in the Report of the Audit Committee and note 10.

2 Income

	31 December 2022 £'000	31 December 2021 £'000
Investment income	**4,550**	6,719
Other income		
Deposit interest	**186**	3
	4,736	6,722

3 Investment management fee

	Revenue £'000	**Capital £'000**	**2022 Total £'000**	Revenue £'000	Capital £'000	2021 Total £'000
Investment management fee – basic fee	**464**	**4,172**	**4,636**	394	3,546	3,940
Investment management fee – performance fee	**–**	**5,402**	**5,402**	–	4,502	4,502
Total	**464**	**9,574**	**10,038**	394	8,048	8,442

The Company's investment manager is Columbia Threadneedle Investment Business Limited ("the Manager").

Throughout the year the Manager was entitled to a basic management fee payable quarterly in arrears, of 0.9 per cent per annum of the relevant assets of the Company (2021: 0.9 per cent). For the purposes of the basic management fees, the 'relevant' assets are the net assets plus the amount of any long-term borrowings undertaken for the purpose of investment but excluding the value of any investment in any fund which is managed by the Manager or an associate of the Manager.

The Manager is also entitled to an annual performance fee if the internal rate of return per Ordinary Share over the relevant performance period (based on the net asset values per Ordinary Share at the beginning and end of that period, before accruing for any performance fee, and the dividends paid and other distributions made per Ordinary Share during that period) exceeds 8 per cent per annum (the "performance hurdle").

The performance fee is also subject to a "high water mark" such that the aggregate of the net asset value per Ordinary Share at the end of the relevant performance period, before accruing for any performance fee, and the dividends paid and other distributions made per Ordinary Share since 31 December 2021 (the end of the last period in respect of which a performance fee was paid) must exceed the audited diluted net asset value of 640.30p per Ordinary Share as at 31 December 2021 (the net asset value per Ordinary Share (fully diluted) at the end of the last period in respect of which a performance fee was paid, after accruing for that performance fee).

If the above conditions are satisfied in respect of a performance period, the performance fee will be equal to 7.5 per cent of the annualised increase in the net asset value per Ordinary Share (calculated using the internal rate of return per Ordinary Share) over that period multiplied by the time-weighted average number of Ordinary Shares in issue (excluding any shares held in treasury) during that period, provided that such performance fee will be reduced to such amount as may be necessary to ensure that (i) both the performance hurdle and the high water mark would still be satisfied if calculated based on the net asset value per Ordinary Share at the end of that period after accruing for the performance fee and (ii) the aggregate basic management and performance fees do not exceed 2 per cent per annum of the Company's net asset value. The performance period is the 36 month period ending on 31 December in the year in respect of which the performance fee may be payable.

The management agreement between the Company and the Manager may be terminated at any time by either party giving six months' notice of termination. The management agreement can be terminated by the Company by written notice with immediate effect and no compensation being payable, if, inter alia, the Manager ceases to be an authorised person under the Financial Services and Markets Act 2000, or becomes insolvent, is wound up, has a receiver appointed over the whole or a substantial part of its assets or is liquidated. In the event that the Company terminates the agreement otherwise than in accordance with the management agreement, the Manager

3 Investment management fee (continued)

is entitled to receive a compensation payment. The compensation sum shall be an amount equal to 0.9 per cent of the net asset value of the Company as calculated at the business day prior to such termination becoming effective reduced pro rata in respect of any period of notice actually given from the date of receipt by the Manager of such notice to the effective date of termination.

During the year the Manager, also received a secretarial and administrative fee of £169,000 (2021: £157,000), which is subject to increases in line with the Consumer Price Index.

4 Other expenses

	2022 £'000	2021 £'000
Auditor's remuneration for:		
– statutory audit of the financial statements	**60**	48
Broker fees	**53**	41
Depositary fees	**96**	80
Directors' fees	**281**	269
Legal fees	**20**	3
Printing and postage	**38**	35
Registrars fees	**30**	27
Secretarial and administrative fee	**169**	157
Stock exchange fees	**33**	23
Irrecoverable VAT	**88**	104
Other	**209**	206
	1,077	993

5 Finance costs

	Revenue £'000	**Capital £'000**	**2022 Total £'000**	Revenue £'000	Capital £'000	2021 Total £'000
Interest payable on bank loans	**254**	**2,294**	**2,548**	255	2,298	2,553

6 Taxation on ordinary activities

(a) Analysis of charge for the year	**Revenue £'000**	**Capital £'000**	**2022 Total £'000**	Revenue £'000	Capital £'000	2021 Total £'000
UK corporation tax	**–**	**–**	**–**	–	–	–

(b) Reconciliation of taxation for the year
The taxation charge for the year is 19.00 per cent (2021: 19.00 per cent). The table below provides a reconciliation of the respective charges.

	Revenue £'000	**Capital £'000**	**2022 Total £'000**	Revenue £'000	Capital £'000	2021 Total £'000
Profit before tax	**2,941**	**63,379**	**66,320**	5,080	121,653	126,733
Corporation tax at standard rate of 19.00 per cent (2021: 19.00 per cent)	**559**	**12,042**	**12,601**	965	23,114	24,079
Effects of:						
Non taxable capital gains	**–**	**(14,297)**	**(14,297)**	–	(25,079)	(25,079)
Non taxable dividend income	**(119)**	**–**	**(119)**	(37)	–	(37)
Unutilised expenses	**(440)**	**2,255**	**1,815**	(928)	1,965	1,037
	–	**–**	**–**	–	–	–

On the tax basis adopted, as at 31 December 2022, there was an unrecognised deferred tax asset of £10,103,000 in respect of unutilised losses carried forward which has not been recognised as it is unlikely to be utilised in the foreseeable future (2021: £9,064,000).

7 Dividends

	2022 £'000	2021 £'000
Amounts recognised as distributions to shareholders in the year:		
Quarterly Ordinary Share dividend of 3.99p per share for the quarter ended 30 September 2020	–	2,950
Quarterly Ordinary Share dividend of 4.16p per share for the quarter ended 31 December 2020	–	3,076
Quarterly Ordinary Share dividend of 4.35p per share for the quarter ended 31 March 2021	–	3,216
Quarterly Ordinary Share dividend of 4.77p per share for the quarter ended 30 June 2021	–	3,527
Quarterly Ordinary Share dividend of 5.27p per share for the quarter ended 30 September 2021	3,897	–
Quarterly Ordinary Share dividend of 5.65p per share for the quarter ended 31 December 2021	4,178	–
Quarterly Ordinary Share dividend of 6.05p per share for the quarter ended 31 March 2022	4,407	–
Quarterly Ordinary Share dividend of 6.31p per share for the quarter ended 30 June 2022	4,596	–
	17,078	12,769
Amounts relating to the year but not paid at the year end:		
Quarterly Ordinary Share dividend of 5.27p per share for the quarter ended 30 September 2021	–	3,897
Quarterly Ordinary Share dividend of 5.65p per share for the quarter ended 31 December 2021	–	4,178
Quarterly Ordinary Share dividend of 6.62p per share for the quarter ended 30 September 2022	4,822	–
Quarterly Ordinary Share dividend of 6.79p per share for the quarter ended 31 December 2022*	4,946	–
	9,768	8,075

The third and fourth quarterly dividends were paid from the Company's revenue and capital reserves.

* Based on 72,844,938 Ordinary Shares, excluding shares held in treasury, in issue at 6 April 2023.

Special dividends
There were no special dividends paid during the year ended 31 December 2022 and 31 December 2021.

8 Returns and net asset values

	2022	2021
The returns and net asset values per share are based on the following figures:		
Revenue return	£2,941,000	£5,080,000
Capital return	£63,379,000	£121,653,000
Net assets attributable to shareholders	£517,675,000	£473,447,000
Number of shares in issue at end of year	72,844,938	73,941,429
Weighted average number of shares in issue during year	73,342,303	73,941,429

	Revenue	Capital	2022 Total	Revenue	Capital	2021 Total
Return per Ordinary Share	4.01p	86.42p	90.43p	6.87p	164.53p	171.40p

	2022	2021
Net asset value per Ordinary Share	710.65p	640.30p

Returns per share are calculated on the weighted average number of shares in issue during the year. Net asset values per share are calculated on the number of shares in issue at the year end. During the year ended 31 December 2022, the Company issued nil Ordinary Shares (31 December 2021: nil). During the year ended 31 December 2022, the Company bought back 1,096,491 of its ordinary shares at an average price of 452 pence per share to be held in treasury (31 December 2021: nil).

9 Investments

	Listed £'000	Unlisted £'000	2022 Total £'000	Listed £'000	Unlisted £'000	2021 Total £'000
Cost at beginning of year	–	284,273	284,273	–	265,507	265,507
Movements during the year:						
Purchases	–	88,593	88,593	–	83,187	83,187
Transfers	626	(626)	–	–	–	–
Sales	(3,410)	(117,003)	(120,413)	–	(154,702)	(154,702)
Realised gains/(losses)	2,784	60,167	62,951	–	90,281	90,281
Cost at end of the year	–	315,404	315,404	–	284,273	284,273
Holding gains	5,477	207,676	213,153	300	198,474	198,774
Valuation at end of year	5,477	523,080	528,557	300	482,747	483,047

	2022 £'000	2021 £'000
Realised gains on investments sold	62,951	90,281
Increase in holding gains	14,379	38,032
Gains on investments	77,330	128,313

Unlisted investments are valued in accordance with the policies set out in note 1(e). It is in the nature of Private Equity and similar unquoted investments that they may be loss making, with no certainty of survival, and that they may prove difficult to realise. The concept of "fair value" as applied to such investments is not precise and their ultimate realisation may be at a value materially different from that reflected in the accounts. Further details on the valuation process in respect of Private Equity investments can be found in note 10.

No transaction costs were incurred outwith commitment (2021: £nil).

10 Fair value of assets and liabilities

Fair value hierarchy

The following table shows an analysis of the fair values of financial instruments recognised in the balance sheet by level of the fair value hierarchy:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2022 Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	2021 Total £'000
Financial assets								
Investments	5,477	–	523,080	528,557	300	–	482,747	483,047
Other receivables	–	389	–	389	–	230	–	230
Cash and cash equivalents	34,460	–	–	34,460	32,702	–	–	32,702
Financial liabilities								
Other payables	–	(7,411)	–	(7,411)	–	(6,610)	–	(6,610)
Multi-currency revolving credit facility	–	(16,618)	–	(16,618)	–	(15,726)	–	(15,726)
Term loan	–	(22,166)	–	(22,166)	–	(20,981)	–	(20,981)

There was a transfer of £5,477,000 from Level 3 to Level 1 in the fair value hierarchy in the year ended 31 December 2022, as an investment in Ashtead Technology Holdings Plc was listed on the London Stock Exchange in the Alternative Investment Market (2021: none).

Valuation techniques and processes

Listed equity investments

Quoted non-current investments held are valued at bid prices which equate to their fair values. When fair values of publicly traded equities are based on quoted market prices in an active market without any adjustments, the investments are included within Level 1 of the hierarchy.

Unlisted equity investments

The Company invests primarily in private equity funds and co-investments via limited partnerships or similar fund structures. Such vehicles are mostly unquoted and in turn invest in unquoted securities. The fair value of a holding is based on the Company's share of the total net asset value of the fund or share of the valuation of the co-investment calculated by the lead private equity manager on a quarterly basis.

10 Fair value of assets and liabilities (continued)

The lead private equity manager derives the net asset value of a fund from the fair value of underlying investments. The fair value of these underlying investments and the Company's co-investments is calculated using methodology which is consistent with the International Private Equity and Venture Capital Valuation Guidelines ("IPEV"). In accordance with IPEV these investments are generally valued using an appropriate multiple of maintainable earnings, which has been derived from comparable multiples of quoted companies or recent transactions. The CT private equity team has access to the underlying valuations used by the lead private equity managers including multiples and any adjustments.

The CT Private Equity team generally values the Company's holdings in line with the lead managers but may make adjustments where they do not believe the underlying managers' valuations represent fair value.

On a quarterly basis, the CT Private Equity team present the valuations to the Board. This includes a discussion of the major assumptions used in the valuations, which focuses on significant investments and significant changes in the fair value of investments. If considered appropriate, the Board will approve the valuations.

Interest-bearing bank loans

The interest-bearing bank loans are recognised in the Balance Sheet at amortised cost in accordance with international accounting standards. The fair value of the term loan, on a marked to market basis was £22,166,000 at 31 December 2022 (2021: £20,981,000). The fair value is derived from directly observable market data and is calculated using a discounted cash flow technique based on relevant current interest rates. The fair value of the multi-currency revolving credit facility is not materially different to the carrying value at 31 December 2022.

Significant unobservable inputs for Level 3 valuations

The Company's unlisted investments are all classified as Level 3 investments. The fair values of the unlisted investments have been determined principally by reference to earnings multiples, with adjustments made as appropriate to reflect matters such as the sizes of the holdings and liquidity. The weighted average earnings multiple for the portfolio as at 31 December 2022 was 11.6 times EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) (2021: 12.2 times EBITDA).

The significant unobservable input used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are shown below:

Input	Sensitivity used*	Effect on fair value £'000
31 December 2022		
Weighted average earnings multiple	**1x**	**61,833**
31 December 2021		
Weighted average earnings multiple	1x	52,219

*The sensitivity analysis refers to an amount added or deducted from the input and the effect this has on the fair value of the Company's direct and indirect unlisted investments.

The fair value of the Company's unlisted investments is sensitive to changes in the assumed earnings multiples. The managers of the underlying funds assume an earnings multiple for each holding. An increase in the weighted average earnings multiple would lead to an increase in the fair value of the investment portfolio and a decrease in this multiple would lead to a decrease in the fair value.

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the year:

	2022 £'000	2021 £'000
Balance at beginning of year	**482,747**	426,156
Purchases	**88,593**	83,187
Transfers	**(626)**	–
Sales	**(117,003)**	(154,702)
Gains on disposal	**60,167**	90,281
Holding gains	**9,202**	37,825
Balance at end of year	**523,080**	482,747

The fair value of all other financial assets and liabilities is represented by their carrying value in the Balance Sheet.

11 Other receivables

	2022 £'000	2021 £'000
Other debtors	**389**	230
	389	230

12 Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at banks and on hand	**16,550**	8,512
Short-term deposits	**17,910**	24,190
	34,460	32,702

13 Current liabilities

Other payables

	2022 £'000	2021 £'000
Interest accrued	**12**	9
Due to Manager	**6,626**	5,620
Accrued expenses	**247**	210
Trade Creditors	**526**	771
	7,411	6,610

14 Interest-bearing bank loans

On 19 June 2019, the Company entered into a five year €25 million term and £75 million multi-currency revolving credit facility agreement ("RCF") with The Royal Bank of Scotland International Limited.

During 2021, the Company worked with RBSI to increase the size of the revolving credit facility by £20 million to £95 million. This was achieved through the introduction of State Street as another lender alongside RBSI. There were no changes to rates or covenants. At 31 December 2022, €25 million term loan was drawn down (31 December 2021: €25 million). £16.6 million of the RCF was drawn down at 31 December 2022 (31 December 2021: £15.7 million). The amount of undrawn RCF at 31 December 2022 which is available for future operating activities and settling capital commitments is £78.4 million.

Interest rate margins on the amount drawn down are variable and are dependent upon commercial terms agreed with the bank. Commitment commissions are payable on undrawn amounts at commercial rates.

The borrowing facility will mature on 19 June 2024.

Interest payable on bank loans is shown in note 5 and loan interest accrued in note 13.

Under the covenants which relate to the facility, the Company is required to ensure that at all times:

- the total borrowings of the Company do not exceed 32.5 per cent of the adjusted portfolio value;
- the number of Investments shall not be less than 40;
- outstanding uncalled commitments expressed as a percentage of net asset value do not exceed 70 per cent;
- outstanding uncalled commitments forecast to be called during the three month period following a covenant test date do not exceed the available funds; and
- the net asset value is not less than £180 million.

The Company met all covenant conditions during the year.

	2022 £'000	2021 £'000
Amounts payable after more than one year:		
€25 million term loan	**21,702**	20,196
Amounts payable in less than one year:		
Multi-currency revolving credit facility	**16,618**	15,726
Total interest-bearing bank loans	**38,320**	35,922

Analysis of movement in interest-bearing loans	31 December 2022 £'000	31 December 2021 £'000
Opening balance	**35,922**	71,180
Loans drawn in the year	**–**	–
Loan repaid in the year	**–**	(31,243)
Arrangement costs from issue of new loan facility agreement	**(28)**	(236)
Amortisation of set up costs	**343**	305
Non-cash foreign currency movements	**2,083**	(4,084)
Closing balance	**38,320**	35,922

15 Share capital

Ordinary shares of 1p each	2022						2021	
	Total Issued		Held in Treasury		Total Issued (excluding shares held in Treasury		Total Issued	
	£'000	Number	£'000	Number	£'000	Number	£'000	Number
Balance at 1 January	739	73,941,429	–	–	739	73,941,429	739	73,941,429
Ordinary shares brought back and held in treasury	–	–	11	1,096,491	(11)	(1,096,491)	–	–
Balance at 31 December	739	73,941,429	11	1,096,491	728	72,844,938	739	73,941,429

During the year ended 31 December 2022, the Company issued nil Ordinary Shares (2021: nil). During the year ended 31 December 2022, the Company bought back 1,096,491 of its ordinary shares at an average price of 452 pence per share to be held in treasury (31 December 2121: nil).

Capital management

The Company's capital is represented by its issued share capital, share premium account, special distributable capital reserve, special distributable revenue reserve, capital redemption reserve, capital reserve and revenue reserve.

The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objective, both of which are detailed on pages 7 and 9.

16 Financial instruments

The Company's financial instruments comprise equity investments, cash balances, a bank loan and liquid resources including debtors and creditors. As an investment trust, the Company holds a portfolio of financial assets in pursuit of its investment objective. From time to time the Company may make use of borrowings to fund outstanding commitments and achieve improved performance in rising markets. The downside risk of borrowings may be reduced by raising the level of cash balances held.

The sensitivity calculations given in this note are based on positions at the respective balance sheet dates and are not representative of the year as a whole.

The Company's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Company is exposed are market price risk, interest rate risk, liquidity and funding risk, credit risk and foreign currency risk.

Market price risk

The Company's strategy for the management of market price risk is driven by the Company's investment policy as outlined on page 9. The management of market price risk is part of the investment management process and is typical of private equity investment. The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis, with an objective of maximising overall returns to shareholders. Further information on the investment portfolio is set out on pages 24 to 29. Investments in unquoted stocks, by their nature, involve a higher degree of risk than investments in the listed market. Some of that risk can be, and is, mitigated by diversifying the portfolio across geographies, business sectors and asset classes, and by having a variety of underlying private equity managers. New private equity managers are only chosen following a rigorous due diligence process. The Company's overall market positions are monitored by the Board on a quarterly basis. The effect on the portfolio of a 20% increase or decrease in the portfolio as at the year-end would have resulted in an increase or decrease of £105,711,000.

Interest rate risk

Some of the Company's financial assets are interest bearing and, as a result, the Company is subject to exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

When the Company retains cash balances the majority of the cash is held in deposit accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate for the relevant currency.

16 Financial instruments (continued)

The Company held the following floating rate instruments at the year-end:

	2022 £'000	2022 weighted average interest rate	2022 weighted average for which rate is fixed (years)	2021 £'000	2021 weighted average interest rate	2021 weighted average for which rate is fixed (years)
Cash and cash equivalents	**34,460**	**1.71%**	**–**	32,702	0.01%	–
Multi-currency revolving credit facility	**(16,618)**	**4.73%**	**0.2**	(15,726)	2.75%	0.2
Term loan	**(21,702)**	**4.56%**	**0.2**	(20,196)	2.50%	0.2

An increase of 100 basis points in interest rates as at 31 December 2022 would have increased loan interest payable, increased interest income receivable and decreased the total profit for the year by £43,390 (2021: increased loan interest payable, increased interest income receivable and decreased the total profit by £40,139. A decrease of 100 basis points would have had an equal but opposite effect.

Liquidity and funding risk

The Company's financial instruments include investments in unlisted equity investments which are not traded in an organised public market and which generally may be illiquid. As a result, the Company may not be able to liquidate quickly some of its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements, including the need to meet outstanding undrawn commitments or to respond to specific events such as a deterioration in the creditworthiness of any particular issuer.

Capital commitments in respect of outstanding calls on investments at 31 December 2022 amounted to £178,933,000 (2021: £136,436,000). Of these outstanding commitments, at least £25.8 million (2021: £26 million) is to funds where the investment period has ended and the Manager would expect very little of this to be drawn. The outstanding undrawn commitments remaining within their investment periods are regularly monitored by the Manager using a cashflow model and will be funded using cash, the revolving credit facility and realised capital gains from more mature funds which are distributing cash back to the Company.

The Company's listed securities are considered to be readily realisable.

The Company's liquidity risk is managed on an ongoing basis by the Manager in accordance with policies and procedures in place as described on page 9. The Company's overall liquidity risks are currently monitored on a quarterly basis by the Board.

The Company maintains sufficient investments in cash and readily realisable securities to pay accounts payable and accrued expenses.

Contractual maturity analysis for financial liabilities

As at 31 December 2022	**One month £'000**	**Between one and three months £'000**	**Between three and twelve months £'000**	**Between one and five years £'000**	**Total £'000**
Liabilities					
Other creditors	**1,557**	**452**	**5,402**	**–**	**7,411**
Multi-currency revolving credit facility	**–**	**16,618**	**–**	**–**	**16,618**
Term bank loan	**–**	**–**	**759**	**22,670**	**23,429**
Total liabilities	**1,557**	**17,070**	**6,161**	**22,670**	**47,458**

As at 31 December 2021	One month £'000	Between one and three months £'000	Between three and twelve months £'000	Between one and five years £'000	Total £'000
Liabilities					
Other creditors	1,855	253	4,502	–	6,610
Multi-currency revolving credit facility	–	15,726	–	–	15,726
Term bank loan	–	–	394	21,768	22,162
Total liabilities	1,855	15,979	4,896	21,768	44,498

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Manager has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. The carrying amounts of financial assets best represents the maximum credit risk exposure at the balance sheet date, hence no separate disclosure is required.

16 Financial instruments (continued)

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2022 £'000	2021 £'000
Cash and cash equivalents	**34,460**	32,702
Interest and other receivables	**389**	230
	34,849	32,932

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered to be small due to the short settlement period involved and the high credit quality of the brokers used. The Manager monitors the quality of service provided by the brokers used to further mitigate this risk.

All the listed assets of the Company (which are traded on a recognised exchange) are held by JPMorgan Chase Bank, the Company's custodian.

The Company has an ongoing contract with the Custodian for the provision of custody services. The contract was reviewed and updated in 2014. Details of securities held in custody on behalf of the Company are received and reconciled monthly. The Depositary has regulatory responsibilities relating to segregation and safekeeping of the Company's financial assets, amongst other duties, as set out in the Directors' Report. The Board has direct access to the Depositary and receives regular reports from it.

To the extent that the Manager carries out management and administrative duties (or causes similar duties to be carried out by third parties) on the Company's behalf, the Company is exposed to counterparty risk. The Board assesses this risk continuously through regular meetings with the management of CT (including the Fund Manager). In reaching its conclusions, the Board also reviews Columbia Threadneedle Investments' annual Audit and Assurance Faculty Report.

The Company's cash balances are held by a number of counterparties with a credit rating above BBB+. Bankruptcy or insolvency of these counterparties may cause the Company's rights with respect to the cash balances to be delayed or limited. The Manager monitors the credit quality of the relevant counterparties and should the credit quality or the financial position of these counterparties deteriorate significantly the Manager would move the cash holdings to another bank.

Foreign currency risk

The Company invests in overseas securities and holds foreign currency cash balances which give rise to currency risks. It is not the Company's policy to hedge this risk on a continuing basis but it may do so from time to time. The Company has a multi-currency revolving credit facility which allows it to be drawndown in multiple currencies. There were no currency forwards open at the year end.

Foreign currency exposure at the year end is:

	2022 Investments £'000	**2022 Cash £'000**	**2022 Borrowings £'000**	2021 Investments £'000	2021 Cash £'000	2021 Borrowings £'000
US Dollar	**88,268**	**–**	**–**	64,694	–	–
Euro	**180,216**	**3,535**	**(38,799)**	159,589	3,738	(36,716)
Norwegian Krone	**–**	**–**	**–**	6	129	–
Swedish Krona	**10,474**	**41**	**–**	12,103	–	–
Canadian Dollar	**9,844**	**–**	**–**	2,045	–	–
Total	**288,802**	**3,576**	**(38,799)**	238,437	3,867	(36,716)

To highlight the sensitivity to currency movements, if the value of sterling had weakened against each of the currencies in the portfolio by 5 per cent at 31 December 2022, the capital gain would have increased for the year by £13.3 million (2021: positive £10.8 million). If the value of sterling had strengthened against each of the currencies in the portfolio by 5 per cent, the capital gain would have decreased for the year by £12.1 million (2021: negative £9.8 million). The calculations are based on the portfolio valuation and cash and loan balances as at the respective balance sheet dates and are not representative of the year as a whole.

17 Related Parties and Transactions with the Manager

The Directors are considered to be related parties. There are no transactions with the Directors other than aggregated remuneration for services as Directors and Directors' shareholding as disclosed in the Directors' Remuneration Report on pages 42 and 43 and set out in note 4 to the accounts. There are no outstanding balances with the Directors at year end.

The amounts paid and due to the Manager, together with the details of the Investment Management Agreement, are disclosed in note 3 and note 13. The existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under the AIC SORP, the Manager is not considered to be a related party.

18 Securities Financing Transactions ("SFT")

The Company has not, in the year to 31 December 2022 (2021: same), participated in any: repurchase transactions; securities lending or borrowing; buy-sell back transactions; margin lending transactions collectively called SFT. As such, it has no disclosure to make in satisfaction of the EU regulations on transparency of SFT, issued in November 2015.

19 Post Balance Sheet Event

Since 31 December 2022, there are no Post Balance Sheet events which would require adjustment or disclosure in the financial statements.

AIFM Disclosures

Alternative Investment Fund Managers ('AIFM') Directive

In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Columbia Threadneedle Investment Business Limited, is required to be made available to investors.

The Company's maximum and average actual leverage levels at 31 December 2022 are shown below:

Leverage exposure	Gross method	Commitment method
Maximum limit	200%	200%
Actual	112%	119%

For the purposes of the AIFM Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of Company's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

The leverage limits are set by the AIFM and approved by the Board and are in line with the maximum leverage levels permitted in the Company's Articles of Association. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

Detailed regulatory disclosures including those on the AIFM's remuneration policy and costs are available on the Company's website or from Columbia Threadneedle Investments on request.

An Investor Disclosure Document for the Company is available on the Company's website **ctprivateequitytrust.com**.

Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your shares in CT Private Equity Trust PLC, please forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was, or is being, effected, for delivery to the purchaser or transferee.

Notice is hereby given that the twenty-fourth Annual General Meeting of CT Private Equity Trust PLC (in this notice, the "Company") will be held on 23 May 2023 commencing at 12 noon at Exchange House, Primrose Street, London EC2A 2NY, to transact the following business:

Ordinary Business

To consider and, if thought fit, pass the following as ordinary resolutions:

1. That the Report of the Directors, the Auditor's Report and the financial statements for the year ended 31 December 2022 be received and adopted.
2. That the Directors' Remuneration Policy set out on page 42 of the 2022 Annual Report be approved.
3. That the Directors' Remuneration Report set out on pages 42 to 43 of the 2022 Annual Report be approved.
4. To approve the Company's dividend policy as set out on page 9 of the 2022 Annual Report.
5. That Richard Gray, who retires annually, be re-elected as a Director.
6. That Elizabeth Kennedy, who retires annually, be re-elected as a Director.
7. That Audrey Baxter, who retires annually, be re-elected as a Director.
8. That Tom Burnet, who retires annually, be re-elected as a Director.
9. That Swantje Conrad, who retires annually, be re-elected as a Director.
10. That BDO LLP be re-appointed as auditor.
11. That the Directors be authorised to determine the remuneration of the auditor.

Special Business

To consider and, if thought fit, pass the following resolutions, of which resolutions 12 and 15 will be passed as ordinary resolutions and resolutions 13 and 14 will be passed as special resolutions.

12. That, in accordance with Section 551 of the Companies Act 2006 (the "Act"), the Directors be and they are hereby generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £72,844 (being an amount equal to 10 per cent of the total issued ordinary share capital of the Company (excluding shares held in treasury) as at 6 April 2023, being the latest practicable date before the publication of this notice). Unless previously varied, revoked or renewed, this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2024, save that the Company may, before the expiry of any authority contained in this resolution, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of such offer or agreement as if the authority conferred hereby had not expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with Section 551 of the Act.

13. That the Directors be empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the general authority conferred on them by resolution 12 and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Act, in each case as if section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:

    a) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, to holders of Ordinary Shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of Ordinary Shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

    b) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (a) above, of equity securities having an aggregate nominal value not exceeding the sum of £72,844 (being an amount equal to 10 per cent of the total issued ordinary share capital of the Company, excluding shares held in treasury, as at 6 April 2023, being the latest practicable date before the publication of this notice).

    This authority shall expire, unless previously varied, revoked or renewed by the Company in general meeting at the conclusion of the Annual General Meeting of the Company in 2024, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

14. That the Company be and it is hereby authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares in the capital of the Company provided that:

    (i) the maximum number of Ordinary Shares authorised to be purchased shall be 10,919,456, (being 14.99 per cent of the number of the Ordinary Shares in issue, excluding shares held in treasury as at 6 April 2023, being the latest practicable date before the publication of this notice);

    (ii) the minimum price which may be paid for an Ordinary Share shall be 1p;

    (iii) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall not be more than the higher of:

        (a) 5 per cent above the average of the middle market quotations of Ordinary Shares as derived from the Daily Official List for the five business days immediately preceding the date of purchase;

        (b) the price of the last independent trade on the trading venue where the purchase is carried out; and

        (c) the highest current independent purchase bid on that venue; and

    (iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2024, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority which will or might be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

    To consider and, if thought fit, pass the following resolution as an ordinary resolution:

15. That the amendments proposed to the Company's investment policy and its restrictions, as struck out and highlighted in bold and red below, be and are hereby approved with immediate effect:

    The first paragraph under the heading "Investment restrictions and guidelines" is amended as follows: "The Company makes private equity investments by taking stakes in private equity focused limited partnerships, ~~**offshore funds,**~~ **direct private equity investments,** investment companies and investment trusts. In addition to investing in newly-formed private equity funds, the Company may also purchase secondary private equity fund interests (that is, portfolios of investments in existing private equity funds). ~~**The Company may also make d**~~Direct private equity investments, **will be** mainly through co-investment with the funds in which the Company is invested."

    At the time of investment:

    - The third bullet of the third paragraph under the heading "Investment restrictions and guidelines" is amended as follows: "No more than ~~**50**~~**65** per cent of total assets may be invested in direct private equity **investments (including** co-investments**)**."

By order of the Board

Columbia Threadneedle AM (Holdings) PLC, Secretary
6th Floor
Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG

11 April 2023

Notes

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

1. **Website Giving Information Regarding the AGM**

Information regarding the AGM, including the information required by Section 311A of the Companies Act 2006, is available from ctprivateequitytrust.com.

2. **Entitlement to Vote**

2.1 Notice is given only to Ordinary Shareholders registered in the Company's register of members at close of business on 19 May 2023 (or, if the AGM is adjourned, at close of business on the day two business days prior to the adjourned meeting) in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the register of members after close of business on 19 May 2023 (or, if the AGM is adjourned, at close of business on the day two business days prior to the date of the adjourned meeting) shall be disregarded in determining the rights of any person to vote at the AGM.

If you have sold or otherwise transferred all your shares in the Company please forward this document, together with the Form of Proxy enclosed at once to the purchaser or transferee, or to the stockbroker, bank, or other agent, through whom the sale of transfer was effected, from transmission to the purchaser or transferee. If you have sold or otherwise transferred only a part of your holding of shares, you should retain these documents.

2.2 An Ordinary Shareholder is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy may only be appointed using the procedures set out below.

An Ordinary Shareholder may instruct their proxy to abstain from voting on a particular resolution to be considered at the AGM by marking the "Vote Withheld" option in relation to that particular resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" that particular resolution.

2.3 An Ordinary Shareholder who wishes to change their proxy instruction must submit a new appointment of proxy in accordance with notes 3-5 (as appropriate) below. If an Ordinary Shareholder requires another hard-copy Form of Proxy to enable them to change their proxy instruction, they should contact the Registrar on the telephone number 0371 664 0300. Overseas shareholders should call +44 (0) 371 664 0300.

2.4 In order to revoke a proxy instruction, an Ordinary Shareholder must inform the Company by sending a hard-copy notice clearly stating their revocation of their proxy instruction to Link Group PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. In the case of an Ordinary Shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the revocation of proxy instruction. The revocation notice must be received by the Registrar not later than 12 noon on 19 May 2023.

2.5 A person who is not an Ordinary Shareholder but has been nominated by an Ordinary Shareholder to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 7 below.

3. **Appointment of Proxy using Hard-copy Form of Proxy**

The notes on the Form of Proxy explain how to direct a proxy how to vote, or abstain from voting, on the resolution. To appoint a proxy using the Form of Proxy, the Form of Proxy must be completed and signed and sent or delivered to Link Group PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to be received by the Registrar by not later than 12 noon on 19 May 2023. In the case of an Ordinary Shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

4. **Appointment of Proxy through CREST**

4.1 CREST members who wish to appoint a proxy for the AGM by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be reviewed at www.euroclear.com. CREST personal members or other CREST sponsored members and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

4.2 In order for a proxy appointment made via CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Registrar (RA10) by not later than 12 noon on 19 May 2023. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

4.3 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

4.4 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4.5 Unless otherwise indicated on the Form of Proxy, CREST or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion or withhold from voting.

5. **Appointment of Proxy by Joint Members**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

6. **Corporate Representatives**

Any corporation which is an Ordinary Shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as an Ordinary Shareholder provided that no more than one corporate representative exercises powers over the same Ordinary Share(s).

7. **Nominated Persons**

A person who has been nominated under section 146 of the Act to enjoy information rights (a “Nominated Person”):

(i) may have a right under an agreement between the Nominated Person and the Ordinary Shareholder who has nominated them to have information rights (the “Relevant Member”) to be appointed or to have someone else appointed as a proxy for the AGM; and

(ii) if they either do not have such a right or if they have such a right but do not wish to exercise it, may have a right under an agreement between them and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

A Nominated Person's main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, their custodian or broker) and they should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

8. **Website Publication of Audit Concerns**

Pursuant to Chapter 5 of Part 16 of the Act (Sections 527 to 531), where requested by (a) Ordinary Shareholder(s) meeting the qualification criteria set out in note 9 below, the Company must publish on its website a statement setting out any matter that such Ordinary Shareholder(s) propose(s) to raise at the AGM relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM. Where the Company is required to publish such a statement:

(i) it may not require the Ordinary Shareholder(s) making the request to pay any expenses incurred by the Company in complying with the request;

(ii) it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and

(iii) the statement may be dealt with as part of the business of the AGM. The request:

- (a) may be in hard copy form or in electronic form (see note 10 below);
- (b) either set out the statement in full or, if supporting a statement sent by another Ordinary Shareholder, clearly identify the statement which is being supported;
- (c) must be authenticated by the person or persons making it (see note 10 below); and
- (d) be received by the Company at least one week before the AGM.

9. **Ordinary Shareholders' Qualification Criteria**

In order to be able to exercise the members' right to require the Company to publish audit concerns (see note 8 above) the relevant request must be made by:

(i) (a) Ordinary Shareholder(s) having a right to vote at the AGM and holding at least 5 per cent of the total voting rights of the Company; or

(ii) at least 100 Ordinary Shareholders having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital.

10. **Submission of Hard Copy and Electronic Requests and Authentication Requirements**

Where (a) Ordinary Shareholders wish(es) to request the Company to publish audit concerns (see note 8 above) such request must be made in accordance with one of the following ways:

(i) a hard copy request which is signed by the Ordinary Shareholder(s), states their full name(s) and address(es) and is sent to the Company Secretary, Columbia Threadneedle AM (Holdings) PLC, 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG;

(ii) a request which is signed by the Ordinary Shareholder(s), states their full name(s) and address(es) and is sent to the Company Secretary, Columbia Threadneedle AM (Holdings) PLC, 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG; or

(iii) a request which states "CTPE - AGM" in the subject line of the e-mail and the full name(s) and address(es) of the Ordinary Shareholder(s) and is sent to invest@columbiathreadneedle.com.

11. **Issued Shares and Total Voting Rights**

At 6 April 2023, the Company's issued share capital comprised 73,941,429 Ordinary Shares, of which 1,096,491 were held in treasury. Each Ordinary Share carries the right to one vote, and, therefore, the total number of voting rights (excluding treasury shares) in the Company at 6 April 2023 was 72,844,938.

12. **Communication**

Any electronic address provided either in this notice of AGM or any related documents (including the Form of Proxy) to communicate with the Company may not be used for any purposes other than those expressly stated.

Shareholder Information

Dividends

Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from Link Asset Services, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL on request. Where dividends are paid to Shareholders' bank accounts, dividend tax vouchers are sent directly to Shareholders' registered addresses.

Dividend Reinvestment Plan

Shareholders who wish to use their dividends to purchase further shares in the Company by participating in the Company's Dividend Reinvestment Plan can complete an application form which may be obtained from Link Asset Services, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL on request.

Share Price

The Company's shares are listed on the London Stock Exchange. Prices are given daily on the Company's website and in the Financial Times and in other newspapers.

Change of Address

Communications with Shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to Link Asset Services under the signature of the registered holder.

Website

Additional information regarding the Company may be found at its website address which is: **www.ctprivateequitytrust.com**

Financial Calendar 2023/2024	
28 April 2023	Payment of final quarterly for 2022
23 May 2023	Annual General Meeting
May 2023	Announcement of quarterly results to 31 March 2023
July 2023	Payment of first interim dividend for 2023
August 2023	Announcement of interim results to 30 June 2023
October 2023	Payment of second interim dividend for 2023
November 2023	Announcement of quarterly results to 30 September 2023
January 2024	Payment of third interim dividend for 2023
March 2024	Announcement of annual results to 31 December 2023
April 2024	Payment of fourth interim dividend for 2023

Warning to Shareholders – Beware of Share Fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register at **www.fca.org.uk** to see if the person or firm contacting you is authorised by the Financial Conduct Authority ("**FCA**")
- Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at **www.fca.org.uk/scams**
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at **www.fca.org.uk/scams** where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

History

1999

The Company was launched in March 1999 as part of the reorganisation of The Scottish Eastern Investment Trust plc with the objective of managing the private equity investments formerly held by that company so as to realise those assets and return cash to shareholders.

2001

In August 2001, the Company was reorganised and shareholders were given the opportunity to convert all or part of their existing ordinary shares into A Shares (subsequently renamed Restricted Voting Shares) and B Shares (subsequently renamed Ordinary Shares).

2005

In August 2005, shareholders approved a change of company name from Martin Currie Capital Return Trust plc to F&C Private Equity Trust plc and the Company issued 49,758,449 C Shares following the acquisition of Discovery Trust plc and a subscription of £20 million by Friends Provident. The C Shares subsequently converted into Ordinary Shares.

2009

In December 2009 the Company, through its wholly owned subsidiary F&C Private Equity Zeros plc ('FCPEZ') issued 30,000,000 ZDP Shares at 100 pence per share. The ZDP Shares were designed to have a predetermined capital entitlement at the end of their life, on 15 December 2014, of 152.14 pence per share giving a redemption yield of 8.75 per cent per annum.

2012

On 23 May 2012 the Company adopted its current dividend policy, which is designed to provide shareholders with a regular and relatively predictable source of income, and the prospect of income growth over time.

2013

On 14 February 2013 the Restricted Voting Shares were converted and redesignated as Deferred Shares and the Deferred Shares were bought back by the Company and cancelled on that date. On 15 February 2013 the admission of the Restricted Voting Shares to the Official List of the UKLA and trading on the London Stock Exchange's Main Market were cancelled.

2014

On 15 December 2014, FCPEZ repaid its 30,000,000 ZDP Shares at 152.14 pence per share.

2016

During the year, the Company issued 1,959,156 Ordinary Shares of 1p each in the capital of the Company, following the exercise of subscription rights by holders of a corresponding number of management warrants previously issued by the Company in the capital of the Company. No warrants remain in issue.

2017

During the year the Company amended its dividend policy to introduce the payment of quarterly dividends. The first quarterly dividend was paid in January 2018. Previously the Company paid semi-annual dividends.

2018

In November 2018, the Board of Directors approved a change of company name from F&C Private Equity Trust plc to BMO Private Equity Trust PLC.

2022

In June 2022, the Board of Directors approved a change of company name from BMO Private Equity Trust PLC to CT Private Equity Trust PLC.

Historical Record

(Since reconstruction in 2005)

31 December	Net Asset Value per Ordinary Share#	Ordinary Share Price	Discount	Revenue per Ordinary Share#	Dividends per Ordinary Share	Ongoing Charges
2005*	131.40p	107.00p	18.6%	1.96p	1.95p	1.3%
2006	178.10p	161.00p	9.6%	3.20p	2.50p	1.6%
2007	231.08p	187.00p	19.1%	0.60p	0.60p	1.7%
2008	218.74p	75.50p	65.5%	0.64p	0.50p	1.3%
2009	206.84p	107.00p	48.3%	0.58p	0.80p	1.3%
2010	228.02p	129.75p	43.1%	0.96p	0.95p	1.5%
2011	243.54p	146.00p	40.1%	0.78p	0.80p	1.4%
2012	254.38p	185.75p	27.0%	1.76p	10.03p	1.5%
2013	269.07p	207.50p	22.9%	0.94p	10.58p	1.4%ø
2014	277.55p	217.88p	21.5%	2.62p	10.84p	1.4%ø
2015	295.74p	241.75p	18.3%	6.78p	11.41p	1.3%ø
2016	350.98p	295.50p	15.8%	(0.41)p	12.60p	1.3%ø
2017	357.23p	339.00p	5.1%	(0.58)p	14.04p	1.3%ø
2018	386.29p	317.00p	17.9%	0.63p	14.37p	1.3%ø
2019	411.51p	375.50p	8.8%	3.45p	15.33p	1.2%ø
2020	486.17p	307.50p	36.8%	4.72p	16.13p	1.3%ø
2021	640.30p	489.00p	23.6%	6.87p	20.04p	1.2%ø
2022	**710.65p**	**423.00p**	**40.5%**	**4.01p**	**25.77p**	**1.2%ø**

* as at 31 July 2005 # fully diluted ø excluding performance fee

Alternative Performance Measures

The Company uses the following Alternative Performance Measures ("**APMs**"):

Discount (or Premium) – If the share price of an Investment Trust is less than its Net Asset Value per share, the shares are trading at a discount. If the share price is greater than the Net Asset Value per share, the shares are trading at a premium.

		31 December 2022	31 December 2021
Net Asset Value per share (pence)	(a)	**710.65**	640.30
Ordinary share price per share (pence)	(b)	**423.00**	489.00
Discount (c = (b-a)/a)	(c)	**40.5%**	23.6%

Dividend Yield – The dividends declared for the year divided by the share price at the year end. An analysis of dividends is contained in note 7 to the accounts.

		31 December 2022	31 December 2021
Dividend per share (pence)	(a)	**25.77**	20.04
Ordinary share price per share (pence)	(b)	**423.00**	489.00
Dividend yield (c=a/b)	(c)	**6.1%**	4.1%

Gearing – this is the ratio of the borrowings less cash of the Company to its total assets less current liabilities (excluding borrowings and cash). Borrowings may include: preference shares; debentures; overdrafts and short and long-term loans from banks; and derivative contracts. If the Company has cash assets, these may be assumed either to net off against borrowings, giving a "net" or "effective" gearing percentage, or to be used to buy investments, giving a "gross" or "fully invested" gearing figure. Where cash assets exceed borrowings, the Company is described as having "net cash".

		31 December 2022 £'000	31 December 2021 £'000
Borrowings less cash	(a)	**3,860**	3,220
Total assets less current liabilities (excluding borrowings and cash)	(b)	**521,535**	476,667
Gearing (c = a/b)	(c)	**0.7%**	0.7%

Ongoing Charges – All operating costs expected to be incurred in future and that are payable by the Company expressed as a proportion of the average Net Assets of the Company over the reporting year. The costs of buying and selling investments are excluded, as are interest costs, taxation, performance fees, non-recurring costs and the costs of buying back or issuing Ordinary Shares. Ongoing charges of the Company's underlying investments are also excluded.

	Year to 31 December 2022	Year to 31 December 2021
Investment management fee – basic fee (£'000)	**4,636**	3,940
Other expenses (£'000)	**1,077**	993
Less non-recurring costs (£'000)	**–**	–
Ongoing charges (£'000):	**5,713**	4,933
Ongoing charges as a percentage of average net assets:	**1.2%**	1.2%
Ongoing charges (including performance fees) (£'000)	**11,115**	9,435
Ongoing charges (including performance fees) as a percentage of average net assets:	**2.3%**	2.3%
Average net assets (£'000)	**491,918**	406,332

Total Return – The return to Shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets.

	Year to 31 December 2022	Year to 31 December 2021
NAV per share at start of year (pence)	**640.3**	486.17
NAV per share at end of year (pence)	**710.65**	640.30
Change in year	**+11.0%**	+31.7%
Impact of dividend reinvestments	**+3.8%**	+4.1%
Total NAV return for the year	**+14.8%**	+35.8%

	Year to 31 December 2022	Year to 31 December 2021
Share price per share at start of year (pence)	**489.00**	307.50
Share price per share at end of year (pence)	**423.00**	489.00
Change in year	**-13.5%**	+59.0%
Impact of dividend reinvestments	**+4.6%**	+7.2%
Total share price return for the year	**-8.9%**	+66.2%

Glossary of Terms

Corporate Terms

AAF – Audit and Assurance Faculty guidance issued by the Institute of Chartered Accountants in England and Wales.

AIC – Association of Investment Companies, is the trade body for Closed-end Investment Companies (www.theaic.co.uk).

AIFMD – Alternative Investment Fund Managers Directive. Issued by the European Parliament in 2012 and 2013, the Directive requires that all investment vehicles in the European Union and the United Kingdom including Investment Trusts, must appoint a Depositary and an Alternative Investment Fund Manager. The Board of Directors of an Investment Trust, nevertheless, remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations.

Closed-end Investment Company – A company, including an Investment Trust, with a fixed issued ordinary share capital which is traded on an exchange at a price not necessarily related to the Net Asset Value of the company and where shares can only be issued or bought back by the company in certain circumstances. This contrasts with an open-ended investment company, which has units not traded on an exchange but issued or bought back from investors at a price directly related to the Net Asset Value.

Custodian – A specialised financial institution responsible for safeguarding, worldwide, the listed securities and certain cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services. The Company's Custodian is JPMorgan Chase Bank.

Depositary – Under AIFMD rules applying from July 2014, the Company must appoint a Depositary, whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. Under AIFMD regulations, the Depositary has strict liability for the loss of the Company's financial assets in respect of which it has safekeeping duties. The Depositary's oversight duties include, but are not limited to, oversight of share buybacks, dividend payments and adherence to investment limits. The Company's Depositary is JPMorgan Europe Limited.

Derivative – A contract between two or more parties, the value of which fluctuates in accordance with the value of an underlying security. The contract is usually short-term (for less than one year). Examples of derivatives are put and call options, swap contracts, futures and contracts for difference. A derivative can be an asset or a liability and is a form of gearing because the fluctuations in its value are usually greater than the fluctuations in the underlying security's value.

Dividend – The income from an investment. The Company currently pays dividends to shareholders quarterly.

GAAP – Generally Accepted Accounting Practice. This includes UK GAAP and International GAAP (international accounting standards). The Company's financial statements are prepared in accordance with UK adopted international accounting standards.

Gearing – Unlike open-ended investment companies, Investment Trusts have the ability to borrow to invest. This term is used to describe the level of borrowings that an Investment Trust has undertaken. The higher the level of borrowings, the higher the gearing ratio.

Investment Trust – A Closed-end Investment Company which satisfies the requirements of Section 1158 of the Corporation Tax Act 2010. Companies which meet these criteria are exempt from having to pay tax on the capital gains they realise from sales of the investments within their portfolios.

Leverage – As defined under AIFMD rules, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions. Leverage is broadly equivalent to Gearing, but is expressed as a ratio between the assets (excluding borrowings) and the Net Assets (after taking account of borrowings). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Manager – The Company's investment manager, Columbia Threadneedle Investment Business Limited, formerly known as BMO Investment Business Limited, is part of Columbia Threadneedle Investments. The ultimate parent company of Columbia Threadneedle Investments is Ameriprise Financial, Inc.

Further details are set out on page 34 and in note 3 to the financial statements.

Market Capitalisation – The stock market value of a company as determined by multiplying the number of shares in issue, excluding those shares held in treasury, by the market price of the shares.

Net Assets (or Shareholders' Funds) – This is calculated as the value of the investments and other assets of an Investment Trust, plus cash and debtors, less borrowings and any other creditors. It represents the underlying value of an Investment Trust at a point in time.

Ordinary Shares – The main type of equity capital issued by conventional Investment Trusts. Shareholders are entitled to their share of both income, in the form of dividends paid by the Investment Trust, and any capital growth. As at 31 December 2022 the Company had only Ordinary Shares in issue.

Share Price – The value of a share at a point in time as quoted on a stock exchange. The Company's Ordinary Shares are quoted on the Main Market of the London Stock Exchange.

SORP – Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the AIC.

Total Assets – This is calculated as the value of the investments and other assets of an Investment Trust, plus cash and debtors.

Zero Dividend Preference Shares ("ZDP Shares") – An additional share class issued by some Investment Trusts. Their aim is to give investors back a certain amount of money, which is set in advance – called the redemption value.

Private Equity Terms

Carried Interest – The share in the proceeds of a sale of an investee company or fund that is retained by the private equity fund manager as a performance fee if the investment has performed well.

Co-investment – An investment made directly into a company alongside a financial sponsor or other private equity investors.

Commitment – The amount committed by the Company to an investment.

Deal Flow – The rate at which investment proposals come to a private equity fund manager.

Drawdown – When a private equity firm has decided where it would like to invest, it will approach its investor to drawdown the money already committed to the fund.

General Partner ("GP") – The manager of a limited partnership private equity fund.

Internal Rate of Return ("IRR") – Generally, the term refers to the annual compound rate of return to an investor over a given period. Returns normally include dividend and interest distributions and proceeds from disposals or a fair valuation of the company if unrealised.

Lead Investor – A private equity investor who either wins the mandate for, or invests the most in, a syndicated investment.

Limited Partnership – The legal structure of most private equity funds, comprising a fixed-life investment vehicle managed by General Partners with the Limited Partners being the investors. Limited Partners have limited liability and are not involved in the day-to-day management of the fund but receive regular and detailed reports on the holdings in the fund.

Management Buy-in ("MBI") – The purchase of a business by private equity investors together with one or more outside managers. The managers sometimes put up some of the finance and gain a share of the equity.

Management Buy-out ("MBO") – The purchase of a business by private equity investors with some or all of the existing management. The managers put up some of the finance and gain a share of the equity.

Mezzanine Finance/Debt – Loans, usually unsecured, which rank after secured or senior debt but before equity in the event of the company defaulting. To compensate for the greater risk, these loans usually carry interest at a higher rate than on a secured loan and an element of equity.

Secondaries Transaction – This is where an institutional, corporate or fund-of-funds investor in a private equity fund sells part or all of their portfolio of individual fund holdings to another institutional or corporate investor or fund-of-funds.

Senior Debt – Secured debt which ranks first in terms of repayment in the event of default.

Syndicated Investment – An investment which is too large to be undertaken by one fund on its own and which is therefore shared among several private equity funds.

Trade Sale – The sale of an investee company to another company in the same sector as opposed to a financial institution.

How to Invest

One of the most convenient ways to invest in CT Private Equity Trust PLC is through one of the savings plans run by Columbia Threadneedle Investments.

CT Individual Savings Account (ISA)
You can use your ISA allowance to make an annual tax efficient investment of up to £20,000 for the current tax year with a lump sum from £100 or regular savings from £25 a month. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

CT Junior Individual Savings Account (JISA)*
A tax efficient way to invest up to £9,000 per tax year for a child. Contributions start from £100 lump sum or £25 a month. JISAs or CTFs w th other providers can be transferred to Columbia Threadneedle Investments.

CT Lifetime Individual Savings Account (LISA)
For those aged 18-39, a LISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year. Invest w th a lump sum from £100 or regular savings from £25 a month.

CT Child Trust Fund (CTF)*
If your child already has a CTF, you can invest up to £9,000 per birthday year, from £100 lump sum or £25 a month. CTFs with other prov ders can be transferred to Columbia Threadneedle Investments.

CT General Investment Account (GIA)
This is a flexible way to invest in our range of Investment Trusts. There are no maximum contribut ons, and investments can be made from £100 lump sum or £25 a month.

CT Junior Investment Account (JIA)
This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £100 lump sum or £25 a month per account. You can also make additional lump sum top-ups at any time from £100 per account.

*The CTF and JISA accounts are opened by parents in the child's name and they have access to the money at age 18. **Calls may be recorded or monitored for training and qual ty purposes.

Charges

Annual management charges and other charges apply according to the type of plan.

Annual account charge

ISA/LISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits).

Dealing charges

£12 per fund (reduced to £0 for deals placed through the online Columbia Threadneedle Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF.

Dealing charges apply when shares are bought or sold but not on the reinvestment of div dends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing. For regulatory purposes, please ensure you have read the Pre-sales Cost & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to, these can be found at ctinvest.co.uk/documents.

How to Invest

To open a new Columbia Threadneedle Investments plan, apply online at **ctinvest.co.uk** Online applications are not available if you are transferring an existing plan with another prov der to Columbia Threadneedle Investments, or if you are applying for a new plan in more than one name but paper appl cations are available at ctinvest.co.uk/documents or by contacting Columbia Threadneedle Investments.

New Customers

Call: **0800 136 420**** (8.30am – 5.30pm, weekdays)

Email: **invest@columbiathreadneedle.com**

Existing Plan Holders

Call: **0345 600 3030**** (9.00am – 5.00pm, weekdays)

Email: **investor.enquiries@columbiathreadneedle.com**

By post: Columbia Threadneedle Management Limited, PO Box 11114, Chelmsford, CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **A J Bell, Barclays Stockbrokers, EQi, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, The Share Centre**

To find out more, visit **ctinvest.co.uk**

0345 600 3030, 9.00am – 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.

Corporate Information

Directors

Richard Gray (Chairman)*
Elizabeth Kennedy†
Audrey Baxter
Tom Burnet
Swantje Conrad
David Shaw

Company Secretary

Columbia Threadneedle AM (Holdings) PLC
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Edinburgh EH3 9EG
Tel: 0207 628 8000

Alternative Investment Fund Manager ("AIFM") and Investment Manager

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Tel: 0207 628 8000

Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Broker and Financial Adviser

Singer Capital Markets
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London EC2N 2AX

Solicitors

CMS Cameron McKenna LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN

Depositary

JPMorgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP

Bankers

JPMorgan Chase Bank
25 Bank Street
Canary Wharf
London E14 5JP

The Royal Bank of Scotland International Limited
1 Princes Street
London EC2R 8BP

Company Number

Registered in Scotland No: SC179412

* Chairman of the Management Engagement Committee and the Nomination Committee
† Chairman of the Audit Committee

CT Private Equity Trust PLC

Annual Report and Accounts 31 December 2022

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0131 573 8300

Registrars:

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0871 664 0300*

www.linkassetservices.com

* Calls to this number cost 12p per minute plus network extras. Callers from outside the UK: +44(0) 208 639 3399

To find out more visit **columbiathreadneedle.com**

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