



I am confident that our long-term investment strategy focused on generating defensive growth has a meaningful role to play in many investors' portfolios.

JANE TUFNELL  
CHAIR

**Dear fellow shareholders,**

ICG Enterprise Trust ended the financial year with a NAV per Share of 1,909p, representing a NAV per Share Total Return of 2.1%. Over the last five years we have generated an annualised NAV per Share Total Return of 14.6% and an annualised Share Price Total Return of 11.2%. To put that in absolute terms, if you had invested in £1,000 in ICG Enterprise Trust’s shares on 31 January 2019 and had reinvested all dividends received, your shares at 31 January 2024 would be worth approximately £1,698. Those figures are net of all fees and expenses<sup>1</sup>.

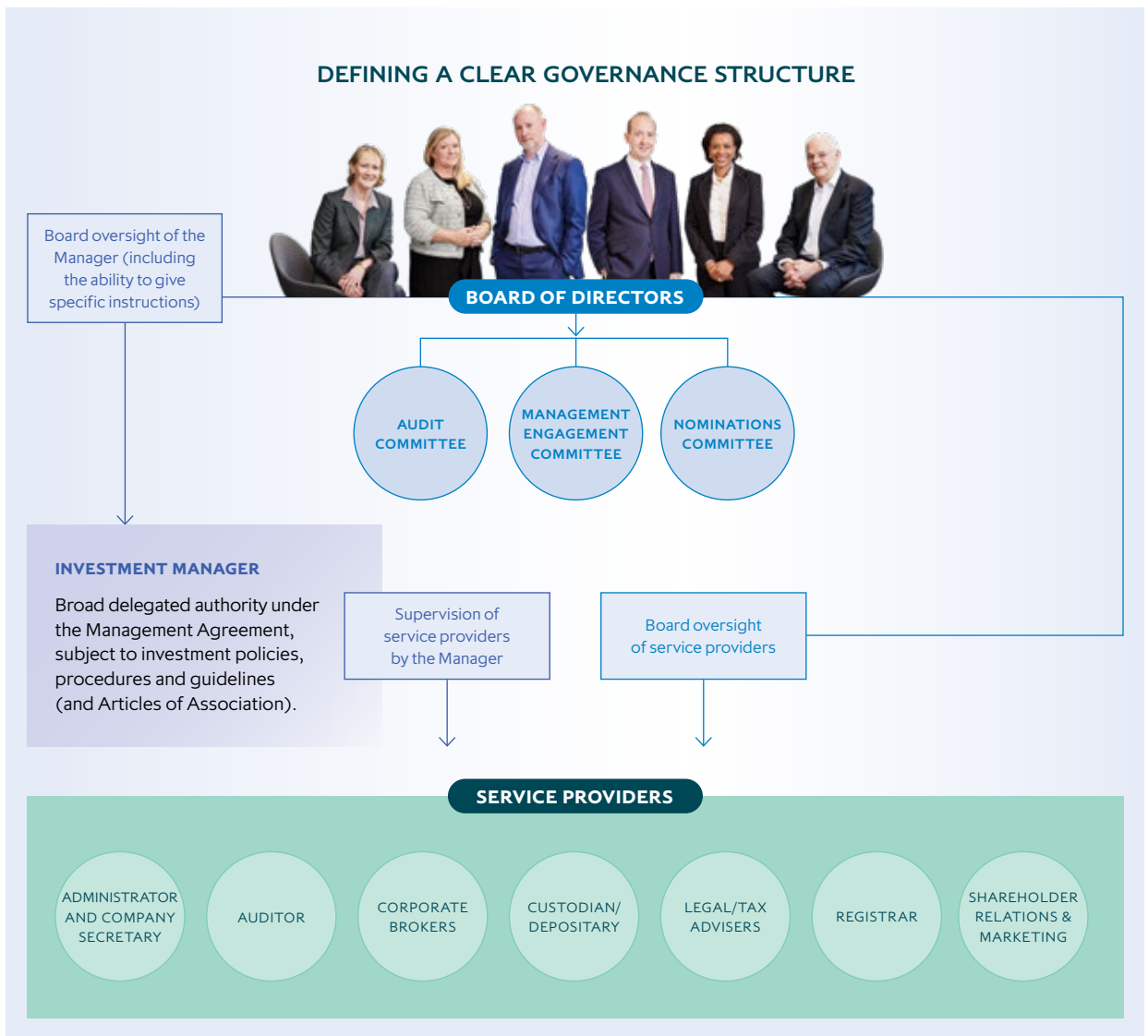
**OUR INVESTMENT STRATEGY IS DELIVERING**

In the 12 months under review, your Company’s Portfolio grew in local currency terms by 5.9%. This performance is spread across all three of our routes to market: Primary, Direct and Secondary investments, with Direct and Secondary investments demonstrating

slight outperformance compared to Primary investments, showing the benefit of active fund management by the dedicated ICG Enterprise Trust investment team.

This year we had 38 Full Exits of investments, which were executed at a weighted average Uplift to Carrying Value of 29.5%. This uplift, coupled with the strong financial performance of the underlying companies, gives me confidence in the carrying valuation of our Portfolio.

In a financial year which started with a regional banking crisis in the US, persistent inflation and high interest rates, optimism returned towards the latter stages of the period that the worst may be over. The question on many investors’ minds now is central banks’ behaviour with regard to the direction and pace of future interest rate movements.



<sup>1</sup> Note performance data excludes taxes that the end investor may incur and dealing costs such as platform fees.

## CHAIR'S STATEMENT CONTINUED

To the extent that the coming quarters see increased levels of transaction volumes, I believe this is likely to provide further proof points that our valuations are supportable and that our NAV can be relied upon by shareholders as an indicator of the value of their investment.

### DIVIDEND FY24

The Board is proposing a final dividend of 9p per share. Together with the three interim dividends of 8p per share, this will result in total dividends for the year of 33p per share, representing a 10% increase on the prior year dividends and the eleventh consecutive year of ordinary dividend per share increases.

### LOOKING AHEAD – AN INVESTMENT THAT DESERVES WIDER RECOGNITION

I thank all shareholders for your support over the past year. I have spoken to many of you during the last few months and I am confident that our long-term investment strategy focused on generating defensive growth has a meaningful role to play in many investors' portfolios.

We support the Bill to amend the regulatory requirement for cost disclosure as led by Baroness Altmann in the House of Lords in March this year. These legislative changes would create greater understanding of the sector and are much needed.

## FOCUS ON SHAREHOLDER VALUE

Your Board's approach to maximising shareholder value is anchored around four pillars, which can be grouped into two categories: i) optimising the NAV return; and ii) aligning as closely as possible the shareholder experience with the NAV return.

Executed effectively, these four pillars should ensure that we have an attractive investment Portfolio; a clear NAV development; an appropriate form of shareholder returns between capital appreciation, dividend and buybacks; and an increasingly deep pool of investor interest.

Both the Board and employees of the Manager have significant interest in this approach succeeding, in aggregate owning over 250,000 shares in ICG Enterprise Trust.

### OPTIMISING NAV RETURN

#### 1. INVESTMENT STRATEGY

Since ICG became our Manager in 2016, we have become fully invested and have increased allocations to North America and to Secondary investments. These shifts have positively impacted the Portfolio returns, and our focus on buyouts of companies with defensive growth characteristics – with no exposure to venture capital or growth equity – has proven its worth and role in shareholders' portfolios. Our Portfolio is generating compounding growth. We have a dedicated investment team to execute our strategy, which we believe will continue to perform in the years ahead.

#### 2. COST BASE

We work with our Manager and other providers to ensure that costs are appropriate, and to maximise the net return of our investment strategy. Effective February 2023, we announced a cap on our management fee rate and a change to the cost sharing arrangement with the Manager, which combined have saved shareholders approximately £1.9 million in FY24.

### ALIGNING SHAREHOLDER EXPERIENCE TO NAV RETURN

#### 3. CAPITAL ALLOCATION

We focus on the allocation of capital between new investments and distributions to shareholders. To-date we have had two mechanisms of distributing capital: a progressive dividend policy (since 2017); and, since October 2022, a long-term share buyback programme. Since its launch and up to and including 1 May 2024, we have been in the market on more than 100 separate occasions and have returned £22 million to shareholders through buybacks. I am proud that we were early movers in taking a deliberate, long-term approach to buybacks and am pleased with the execution so far.

Today we are also announcing a new, third component to our shareholder distributions for FY25 – an opportunistic share buyback programme. See page 21 for further details.

#### 4. EFFECTIVE MESSAGING AND SHAREHOLDER ENGAGEMENT

In recent quarters we have significantly advanced ICG Enterprise Trust's communications through clarified messages, a new website, and enhanced disclosure on the performance of the portfolio companies. Today, supported by our recently-announced partnership with Cadarn Capital, we are meeting with many more current and potential shareholders. This effort is continuing, and we believe it will help generate incremental demand for our shares.

## UPCOMING DATES FOR YOUR DIARIES

25 JUNE 2024

### Annual General Meeting

The Annual General Meeting will be held on 25 June 2024. The Board will be formally communicating with shareholders outlining the format of the meeting separately in the Notice of Meeting. This will include details of how shareholders may register their interest in attending the Annual General Meeting.



18 JUNE 2024

### Shareholder seminar

We will be holding a shareholder seminar for institutional shareholders and research analysts on 18 June 2024, with registration and breakfast starting at 8:45AM BST.

Topics include:

- Navigating the private equity landscape
- The environment for financing buyouts
- Secondaries and their role in a portfolio
- ICG Enterprise Trust's positioning and opportunity set

Shareholders should contact [icg-enterprise@icgam.com](mailto:icg-enterprise@icgam.com) should they wish to attend.

Please note that for regulatory reasons this event is only open to institutional investors and research analysts.



I look forward to working hard with my Board colleagues, the Manager and the wider investment community to further the interests of ICG Enterprise Trust in the coming year and beyond.

As private ownership of companies continues to grow in the coming years, ICG Enterprise Trust's purpose – to make the private available to the public – will be evermore valid. We enable you to invest in parts of the economy that you cannot directly access through public markets. I believe our investment approach will continue to generate attractive risk-adjusted returns in the future, and our evergreen capital base combined with our dedicated investment team and broader support of the ICG network means we have the financial and human resources needed to execute successfully.

I look forward to working hard with my Board colleagues, the Manager and the wider investment community to further the interests of ICG Enterprise Trust in the coming year and beyond.

**Jane Tufnell**

Chair

7 May 2024