

As at 30 September 2023

November 2023

Fund manager
Hamish Mair


Manager Commentary

As at 30 September 2023, the net assets of the Company were £507.2m, giving a Net Asset Value ('NAV') per share of 696.30p, which, taking account of the dividends paid, gives a 0.9% NAV total return for the first nine months of 2023. The share price total return for the same period was 15.8%. At 30 September 2023 the Company had outstanding undrawn commitments of £215m, including £27m to funds where the investment period has expired.

During the quarter three new commitments to funds were made. CAD\$10m was committed to Torquest VI, one of the leading Canadian mid-market buyout funds. £10m was committed to Inflexion Partnership Capital III, focused on European mid-market minority buyout. \$5m was committed to Purpose Brands, a US consumer franchise co-investment fund managed by American based Level 5 Capital Partners - an emerging manager focused on consumer franchise businesses.

Our dealflow of co-investments remains strong with two new co-investments made during the quarter. €5.2m has been invested in an Industrial Internet of Things (IIoT) software company, which provides software solutions primarily for manufacturing processes. €6.0m has been invested in Utimaco, which is a Germany based company providing mission critical professional cybersecurity and data intelligence solutions for critical infrastructures.

The funds in the portfolio continue to build out their portfolios with new investments. The larger individual investments were: Magnesium Capital 1, the energy transition fund, drew £0.9m for SCADA (software and control systems for the renewables sector) and Inpower (e-boilers for district and industrial heating); Hg Saturn 3 drew £1.5m for Access (enterprise software) and IFS/Workwave (field service management software); and, Corsair Capital VI called £0.8m for Hungerush (all in one point of sale and restaurant management platform).

There were add on acquisitions to three co-investments: £0.9m for Startraq where Farthest Gate, a London based provider of parking, permitting and licensing software for local authorities, has been acquired; £0.8m for 1Med which has acquired Evamed, a French medical device focused clinical research organisation (CRO) based in Caen; and, £0.5m for funeral homes company San Siro for prospective acquisitions.

Total new investment for 2023 to date is £98.7m - around 40% up on the same period in 2022.

There were several notable realisations in the portfolio. The sell down of energy services company Ashtead Technology, led by Buckthorn, has completed, with a final £5.5m realised - bringing total proceeds to £20m, representing 2.5x cost and an IRR of 19%. The Agilitas 2015 Fund has had a good exit with the sale of Hydro International, the water services company to CRH plc, realising £2.1m representing 3.1x cost. ArchiMed II returned £1.0m principally from the sale of gene therapy company Polyplus, representing 4.6x cost and an IRR of 75%. Inflexion 2012 Co-investment Fund sold specialist design engineering services company PDMS,

Key risks

Stock market movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. Smaller companies carry a higher degree of risk and their value can be more sensitive to market movement; their shares may be less liquid and performance may be more volatile. The fund may invest in private equity funds which are not normally available to individual investors, exposing the fund to the performance, liquidity and valuation issues of these funds. Such funds typically have high minimum investment levels and may restrict or suspend redemptions or repayment to investors. The asset value of these shares and its prospects may be more difficult to assess. If markets fall, financial leverage can magnify the negative impact on performance.

Key facts

Trust aims: The objective is to achieve long-term capital growth through investment in private equity assets.

Trust highlights: Anticipated superior returns relative to the quoted markets. Access to a well diversified portfolio. Manager's understanding and access to 'up and coming' funds.

Fund type:	Investment Trust
Launch Date¹:	2001
Total assets:	£595 million
Share price:	468.00
NAV – per IFRS:	696.30p
Discount/Premium(-/+):	-32.8% ²
Dividend payment dates[#]:	Jan, Apr, Jul and Oct
Net dividend yield¹:	5.9%
Net gearing/Net cash¹:	12.8%
Management fee rate^{**}:	0.9%
Ongoing charges^{***}:	1.2%
Year end:	31 December
Sector:	Private Equity
Currency:	Sterling
Website:	ctprivateequitytrust.com

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which sells to the oil and gas sector, returning £0.7m. Summa II, the Nordic sustainable fund, returned £0.5m from the sale of construction sector software company, Infobric, which returned 3.8x cost and an IRR of 36%.

Total realisations in 2023 to date are £53.9m - just over 30% down on the same period in 2022.

There were many valuation movements this quarter. Most of these were upwards and they were quite well balanced between the funds and co-investment elements of the portfolio. The largest individual uplift was for Italian investment company Aliante Equity 3 (+£3.1m), which has benefitted from a revised third-party valuation, good progress in the portfolio and debt reduction. August Equity IV and August Equity V were up by £2.1m and £1.0m respectively. Our holding in US fund Graycliff IV was up by £1.8m, reflecting good fundamental progress across its portfolio. Amongst the co-investment portfolio there were uplifts for TWMA (+£1.8m), Utimaco (+£1.6m), Jollyes (+£1.5m) and Coretrax (+£1.3m). With the exception of Utimaco, these are mature holdings well on the way towards exit.

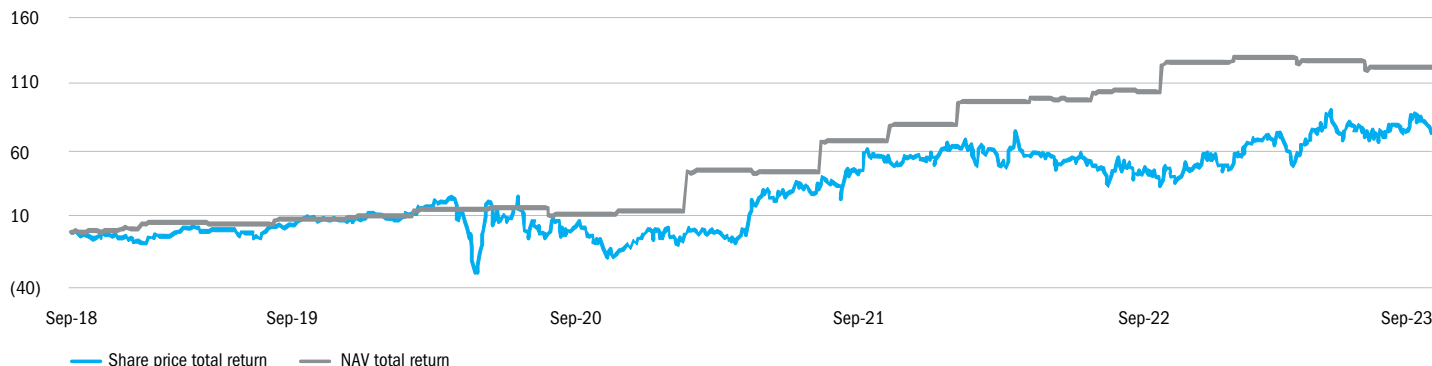
The Company has maintained a strong investment programme throughout the year which has turned out to exceed the total proceeds from realisations for the year to date. This results in a net increase in debt, with net debt standing at £74.5m at 30 September 2023. This equates to gearing of 12.8%, which is well within our usual comfort range. The Company retains considerable headroom in its borrowing facility. The £116.7m facility is due to be renewed or extended by June 2024 and we have already commenced discussions with the lenders on this topic.

The Company aims to maintain a fully invested portfolio and to provide a strong dividend. The dividend, which is 4% of NAV and is paid at the same or higher levels, is substantial and has grown in tandem with NAV since the Company introduced this policy in 2012.

The last 149 exits from the Company, which gave proceeds of £31m, from 2020 to 30 September 2023 have produced an average return of 3.6x cost and an IRR of 27%, a strong annual return over a median holding period of 5.6 years.

The private equity sector internationally has gone through an adjustment phase this year. Inflation and interest rates have been high and there is either sluggish growth or mild recession in most of our target markets. The banking environment is somewhat tighter than previously and some highly rated sectors no longer command very high prices unconditionally. The international environment is volatile with the external shock risk elevated. It is therefore taking longer for deals to be confirmed with buyers and sellers starting off with differing price expectations. That all said, business confidence is robust and there remain healthy levels of turnover in private companies. Our dealflow of investable companies is excellent. The exit boom of recent years is now past and we are returning to more 'normal' conditions. The Company's portfolio is fundamentally sound, conservatively valued and deriving strength through its comprehensive diversification, whilst having plenty of meaningful holdings in companies with potential for superior returns. As we approach the end of 2023 the prospects for further returns for shareholders in line with our long-term growth trend is good. Your Company was recently named as Private Equity and Growth Capital Investment Trust of the year by Investment Week.

5 year Fund performance



Cumulative performance as at 30.09.23 (%)

	3 Months	Year to date	1 Year	3 Years	5 Years
NAV	3.3	0.9	1.6	98.4	125.9
Share price	0.4	15.8	27.4	102.2	71.5

Standardised annual performance year to 30 September (%)

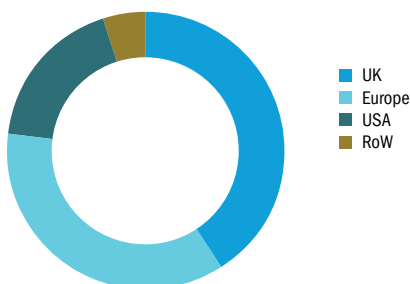
	2023	2022	2021	2020	2019
NAV	1.6	25.1	56.1	3.4	10.1
Share price	27.4	-13.5	83.5	-21.8	8.6

Past performance is not a guide to future performance. Source: Datastream and Columbia Threadneedle Investments. Basis: Percentage growth, total return, bid to bid price with net income reinvested in Sterling as at 30 September 2023.

Trust codes

Stock Exchange Code	Sedol
CTPE	3073827

Geographical breakdown as at 30.09.23 (%)

Top 10 holdings (%)[∞]

Sigma	3.2
Coretrax	2.9
Inflexion Strategic Partners	3.0
Jollyes	2.7
TWMA	2.3
Aliante Equity 3	2.3
Aurora Payment Solutions	2.1
San Siro	2.0
August Equity Partners V	1.9
SEP V	1.9
Total	24.3

To find out more visit columbiathreadneedle.com



All data as at 30.09.2023 unless otherwise stated.

All information is sourced from Columbia Threadneedle Investments, unless otherwise stated. All percentages are based on gross assets unless otherwise stated.

[#]The Company pays quarterly dividends in January, April, July and October. [†]The yield is calculated by annualising dividends declared for the Company's current financial year. [‡]The Company was launched in March 1999 and the current ordinary shares were created as a share class (continuation shares) in 2001. ^²Calculated using share price and net asset value at the period ended 30 September 2023. ^{*}Borrowings less cash/total assets less current liabilities (excluding borrowings and cash). ^{**}Please refer to the latest annual report as to how the fee is structured. ^{***}Ongoing charges as at 31 December 2022. Please refer to the latest Annual Report as to how the figure is calculated. [∞]As a percentage of net assets at the period ended 30 September 2023. The share price may either be below (at a discount) or above (at a premium) the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the Key Investor Document ("KID") for the relevant product.

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