CT Private Equity Trust PLC

COLUMBIA THREADNEEDLE INVESTMENTS

As at 31 March 2024 **May 2024**

Fund manager
Hamish Mair

Manager Commentary

As at 31 March 2024, the net assets of the Company were £498.7m, giving a Net Asset Value ('NAV') per share of 685.46p, reflecting a -1.4% NAV total return for the first quarter of 2024. The share price total return for the same period was -4.6%. At quarter end the Company had outstanding undrawn commitments of £205m, including £23m to funds where the investment period has expired.

Four new fund commitments were made during the quarter. £6m was committed to Corran Environmental II, a UK lower mid-market growth fund with a focus on clean energy and environmental companies. €5m was committed to the Agilitas Human Investment Fund, which has an explicit investment objective of helping people that are disadvantaged or in need. €4m was committed to ARCHIMED MED Rise, which is targeting buyouts of small healthcare businesses operating within attractive niches. Lastly, the £10m commitment to August Equity VI, the latest in a series of commitments to this accomplished lower mid-market UK buyout specialist, was finalised.

There were three significant follow-on investments to existing investments. £4m has been added to Contained Air Solutions (Manchester based manufacturer of microbiological safety cabinets) to fund two complementary acquisitions. £2.2m has been called by deal leader Persistence Capital for Medspa (Canada based chain of aesthetics clinics) to finance three acquisitions. £0.7m has been added to Aurora Payments Solutions (US based digital payments solution provider), which is our share of a deferred consideration agreement and will be used to fund several add-on acquisitions.

The funds in the portfolio were active over the period with a number of interesting new investments initiated internationally. SEP VI invested a combined £1.6m in Braincube, the France based internet of industrial things software company which specialises in optimising manufacturing processes, and Cora, an Irish software company specialising in project management software for the aerospace, defence, healthcare and life sciences sectors. Kester Capital III called £0.7m mainly for GXP Exchange, a leading provider of good clinical/pharmacovigilance practice audit and related consulting services to the pharmaceutical and biotech sectors. FPE called £0.5m for Vanda, a provider of research and data to hedge funds and investment banks. MVM IV called £1.4m for three healthcare companies. Corsair VI called £1.1m for MJM, a leading independent commercial insurance broker in Poland. Avallon III called £0.6m for MPPK a dog and cat food company. Verdane Edda III called £0.6m for two companies; Hornet Security (B2B cloud-based email security products) and Verified Global (B2B SaaS for digitising business processes around identification and authorisation). Wisequity VI called £0.7m for Serbios a leading Italian biocontrols company (providing biological alternatives to pesticides and agrochemicals). Lastly, in the USA, MidOcean VI called £0.5m for two companies; MPearlRock (consumer products) and Re-Sourcing (staffing and consulting for the finance, compliance and IT sectors).

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 Date[1]:	2001
Total assets:	£627 million
Share price:	440.00p
NAV – per IFRS:	685.46p
Discount/Premium(-/+):	-35.8%[2]
Dividend payment dates[#]:	Jan, Apr, Jul and Oct
Net dividend yield[†]:	6.4%
Net gearing/Net cash[*]:	16.6%
Management fee rate[**]:	0.9%
Ongoing charges[***]:	1.1%
Year end:	31 December
Sector:	Private Equity
Currency:	Sterling
Website:	ctprivateequitytrust.com

Continued from previous page

Total new investment for the quarter was £23.4m.

Despite the market having slowed down considerably there were a number of realisations and associated distributions. August Equity IV returned £3.5m through the sale of Agilio the healthcare compliance software company (9.2x cost, 72% IRR). Graycliff IV returned £2.4m through the sale of EMC, a switches and transformers manufacturer (8.2x cost, 146% IRR). Bencis V returned £1.9m with the sale of Kooi, the mobile security systems company (13.9x cost, 61% IRR). Summa I returned £1.7m through the sale of Pagero, a procure to pay software as a service company, to Thomson Reuters (5.6x cost). Montefiore IV returned £2.5m with the sale to a continuation vehicle of two of its holdings; EDG (digital services for French companies) and Groupe Premium (life and pension insurance broker). Avallon MBO II Fund made a final distribution of £1.4m with the sale of ORE (consulting and IT solutions for purchasing managers) and escrows from Novotech (Polymer products).

Total realisations and associated income in the quarter was £16.1m.

Following quarter end the proceeds were received from the sale of Jollyes, the large format pet retailer, which has been acquired by TDR Capital. These amounted to £18.3m (3.9x cost, 27% IRR). Also following the quarter end we received the proceeds for the sale of well bore plug and abandonment business, Coretrax, which has been sold to listed energy services group Expro. The consideration for the company is a combination of shares in Expro and cash (24% or £3.4m of the £13.9m exit value), so the current return is 1.8x cost and 12% IRR.

There was minimal impact from currency movements during the quarter with the negative influence at the portfolio level from weaker European currencies relative to Sterling substantially offset by the largely Euro denominated debt reducing in value.

Several of the positive influences associated with the exits noted above were already in the previous valuation. In addition, there were healthy positives based on strong trading from our co-investments in Utimaco (+£1.4m) and Cyberhawk (+£0.7m). On the negative side the larger downgrades were Rosa Mexicano (-£1.4m), with weaker trading necessitating a now completed refinancing. Tier I CRM (now known as Alessa), the provider of cloud-based software for KYC and AML compliance, has struggled with a substantial change in business model and market conditions since we invested (-£1.3m).

At the quarter end net debt was £99.1m - a perfectly manageable level, leaving us with over £45m of headroom on our recently renewed banking facility.

Following quarter end the Company bought back shares in two stages totalling 1.25 million shares at 460p per share. This is 1.7% of the shares in issue and cost £5.75m. Based on the NAV at 31 March 2024 this equates to a discount of 33% which means that there is an enhancement to NAV for continuing shareholders of £2.8m or 0.56% of NAV.

The combination of the dividends paid and these buybacks mean that shareholders have received substantial benefits in terms of cash and NAV enhancement which should eventually be reflected in a stronger share price. The Company regularly reviews its capital allocation balancing the immediate enhancement of buybacks against the longer term returns possible from new investments with a paramount objective of maintaining and growing the dividend. All of this must be done mindful of the need to maintain an efficient balance sheet and to meet any drawdowns from funds comfortably. Your Company has great experience in its 25 year history of managing such parameters successfully.

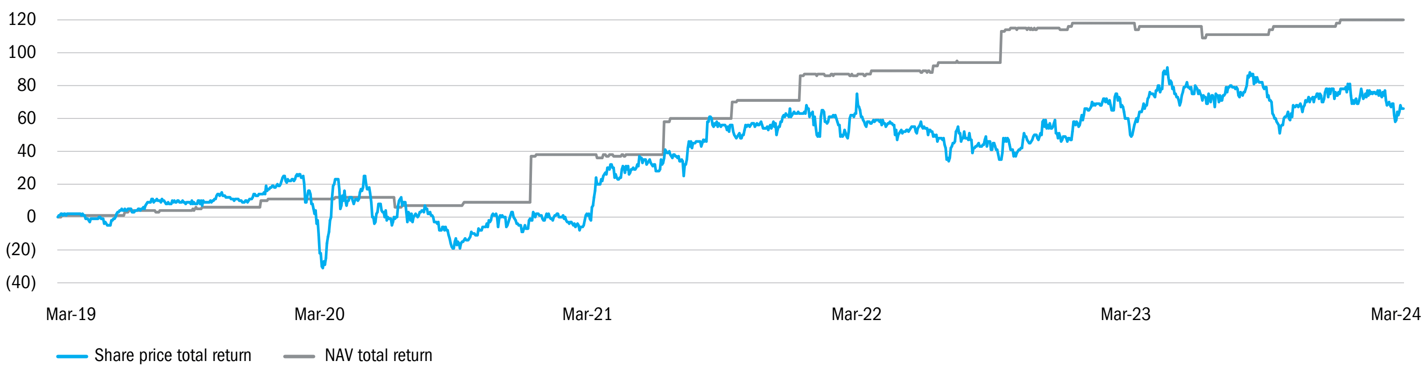
At this stage in the year it is only possible to form a preliminary view of how the Company's portfolio will progress through the year. As noted before, the flow of realisations slowed in the second half last year. So far this year, exits have been healthy as exemplified by the Jollyes and Coretrax sales. There are several other portfolio companies which are at different stages of planning exits and where a realisation is expected this year. Usually exits average over 30% above latest carrying value and so contribute considerably to NAV growth. The other key driver of NAV is the fundamental progress of the investee companies with advancing revenues and profits driving long term gains.

2024 is an election year in both the USA and UK and in several other countries. Historically changes in government on either side of the Atlantic have not impeded the increased adoption of private equity but it is a factor that will attract increasing focus.

The international business environment in recent months has shown some signs of improvement and this has been reflected in the increased confidence shown by our investment partners. It is therefore logical to expect an uptick in deal activity as we progress through the year. Our portfolio is highly diversified and it contains considerable exposure to sectors which have long term growth characteristics.

Deal flow for new investment in funds and co-investments remains excellent and we intend to judiciously deploy capital in the best of these opportunities building the foundations for continuing growth in shareholder value.

5 year Fund performance



Cumulative performance as at 31.03.24 (%)

	3 Months	Year to date	1 Year	3 Years	5 Years
NAV	-1.4	-1.4	1.6	58.5	115.4
Share price	-4.6	-4.6	5.0	38.7	66.2

Standardised annual performance year to 31 March (%)

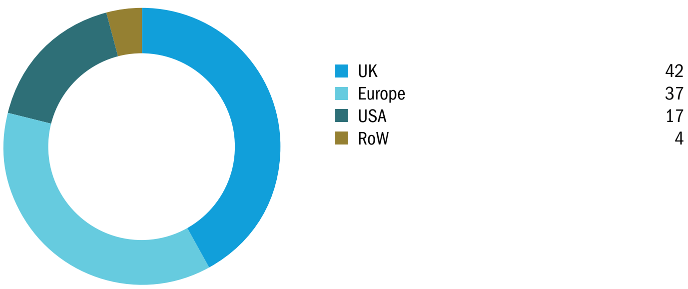
	2023	2022	2021	2020	2019
NAV	1.6	14.1	36.8	22.9	10.5
Share price	5.0	1.9	29.6	36.6	-12.3

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 31 March 2024.

Trust codes

Stock Exchange Code	Sedol
CTPE	3073827

Geographical breakdown as at 31.12.23 (%)



Top 10 holdings (%)∞

Jollyes	3.8
Sigma	3.2
Inflexion Strategic Partners	3.0
Coretrax	2.8
Aliante Equity 3	2.3
TWMA	2.2
ATEC (CETA)	2.1
August Equity Partners V	2.1
Aurora Payment Solutions	2.1
San Siro	2.1
Total	**25.6**

Co-investment Exit – Coretrax

Background

Coretrax is a provider of wellbore clean-up and plug and abandonment products and services. It was acquired by Buckthorn Partners in December 2018 in a primary buy-out at an attractive entry multiple of 6.7x 2019F EBITDA.

Coretrax's focus is on developing and deploying products and services that deliver measurable operational and financial benefits to operators in drilling, completing, producing and abandoning wells (i.e. they save customers time and money through technological innovation). Its key markets are the North Sea, Middle East (Saudi Arabia and Abu Dhabi) and Malaysia.

Investment Rationale and Performance

First platform of scale in a resilient market – An opportunity to build a platform of scale to operate in white space left by large oilfield services companies within the wellbore clean-up and plug and abandonment products and services space. Even throughout market downturns, Coretrax has demonstrated year-on-year growth consistently achieving high margins and impressive cashflow conversion.

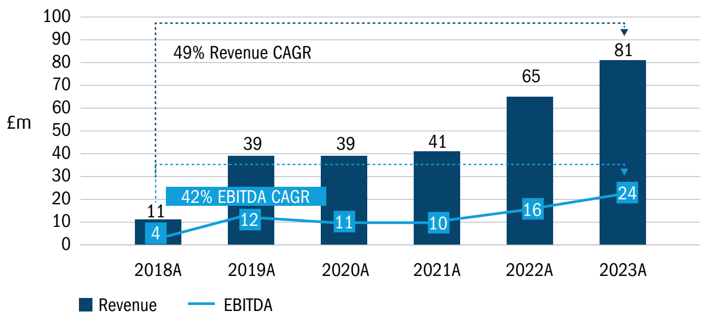
Successful buy-and-build model – Two transformational acquisitions were completed in 2019. Mohawk the leading US provider of innovative expandable well patches was acquired for 5.5x 2018 EBITDA. Churchill Drilling Solutions, acquired at 4.9x LTM EBITDA, is a downhole solutions specialist which further strengthened Coretrax presence in the Middle East.

Synergy benefits – The consolidated entity benefitted from significant cost savings and synergies. The acquisitions also significantly expanded the group's product offering and enabled cross selling in the expanded customer base.

Diversified tool and service offering - Coretrax has significantly increased its portfolio of innovative downhole tools and services through strategic M&A and investment in new product development.

Exit

Coretrax was acquired by Expro (NYSE: XPRO) on 13 February 2024. Consideration was a combination of cash and shares, with £3.4m being received in May 2024. There are adjustment mechanisms which means that our final proceeds are not linearly based on the Expro share price and we will not know the final return until we have sold the Expro shares (expected by the end of October 2024). The sale is expected to result in a net return of 1.8-2.0x cost for CT Private Equity Trust PLC.



To find out more visit **columbiathreadneedle.com**

All data as at 31.03.2024 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. [1]The Company was launched in March 1999 and the current ordinary shares were created as a share class (continuation shares) in 2001. [2]Calculated using share price and net asset value at the period ended 31 March 2024. [*]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 2023. Please refer to the latest Annual Report as to how the figure is calculated. [°°]As a percentage of net assets at the period ended 31 March 2024. 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.