INVESTCORP

Business Review

Fiscal Year 2019
For the period July 1, 2018 to June 30, 2019

“Our strong full-year results and ability to deliver on several strategic initiatives demonstrate Investcorp’s resilience and focus on strategic growth and profitability goals, despite various economic and geopolitical challenges. This is attributable to our relentless efforts in globalizing our products and distribution platform, while remaining responsive to our clients’ demands and needs. Our expansion into new geographies, such as China and India, and new products, such as direct lending and infrastructure, is mirrored by similar ambitions in diversifying our client base, both by geography and segment.

Our ambitious growth strategy of reaching $50 billion in AUM over the medium term is unchanged as we remain focused on delivering profitable growth, while retaining a prudent approach to balance sheet and liquidity management. We are well-positioned to continue delivering superior shareholder value and interesting investment opportunities for our clients.”

Mohammed Alardhi

Figures throughout may not add up due to rounding

Business Highlights

Growth initiatives

A number of strategic initiatives have been completed and several are well underway to realize Investcorp's medium-term objective of more than doubling assets under management, including:

Inorganic growth:

Completed the acquisition of a strategic minority stake in Banque Pâris Bertrand, an independent private bank based in Geneva and Luxembourg

Opened an office in India with the launch of Investcorp India Asset Managers Limited, following the acquisition of the private equity and real estate funds businesses of IDFC Alternatives Limited in India

Announced the acquisition of a majority interest in CM Investment Partners, an investment advisor focused on middle market lending in the United States (expected to close in FY20, subject to receipt of relevant regulatory approval)

Announced a definitive agreement to acquire Mercury Capital Advisors, one of the world's leading institutional capital raising and investment advisory enterprises (expected to close in FY20, subject to receipt of relevant regulatory approval)

Fundraising platform:

Placed first private equity deal, United Talent Agency, wholly in the United States

Successfully closed a $185 million continuation vehicle with HarbourVest

Closed a secondary transaction with Coller Capital to create a European private equity buyout fund of approximately $1 billion

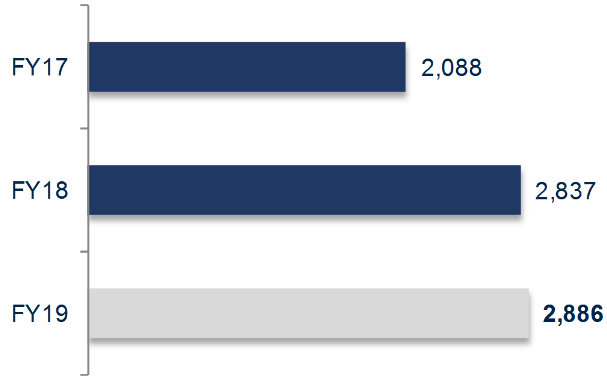
Completed the $403 million final close of the Firm's fourth technology fund

Investment platform:

Announced the Firm's first private equity investment in China, in partnership with China Everbright Limited

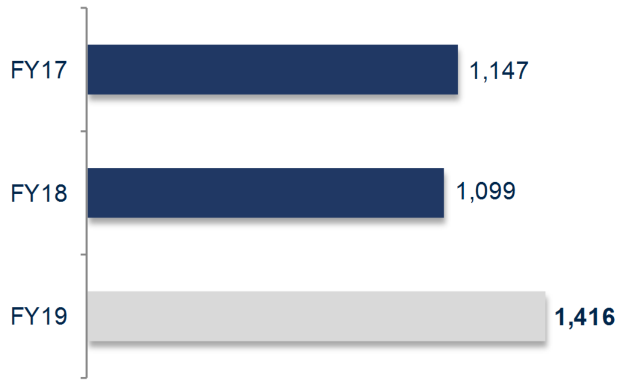
Successfully launched a joint venture with Aberdeen Standard Investments, that will invest in social and core infrastructure projects in the Gulf and MENA region

Investment activity ($m)



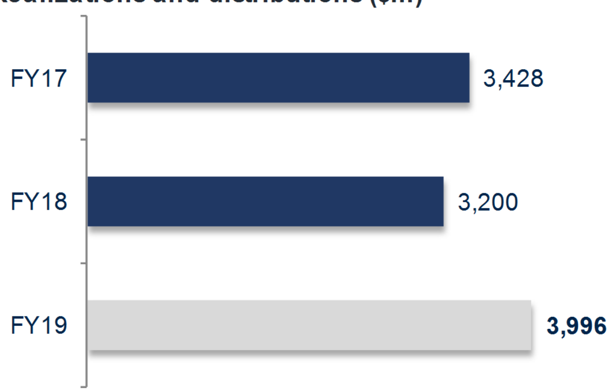
Robust levels of activity with $2.9 billion of aggregate investment across Investcorp's businesses, a 2% year-on-year increase

Deal-by-deal placement ($m)



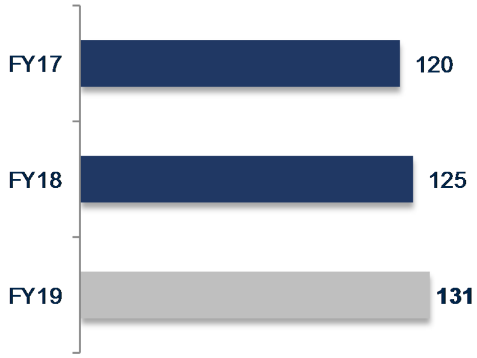
A record level of deal-by-deal placement of $1.4 billion was achieved, reflecting strong client demand in both private equity and real estate

Realizations and distributions ($m)



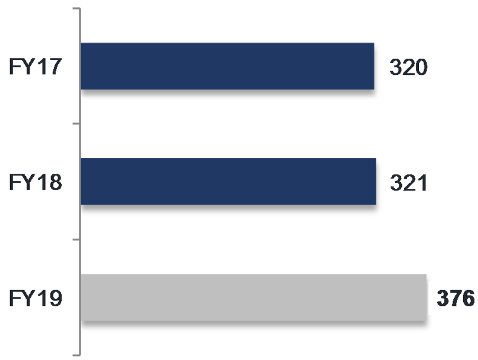
Distributions to Investcorp and its clients from investment realizations and other distributions increased to $4.0 billion

Profit for the year ($m)



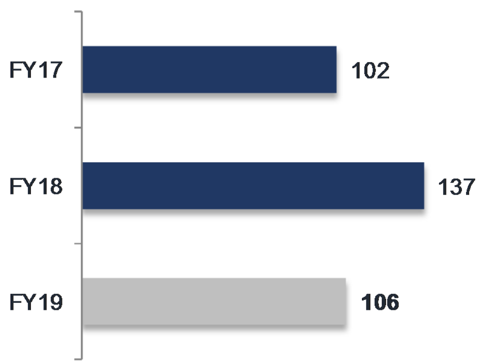
The rise in profit for the year is predominantly attributable to higher fee income and lower interest expense partially offset by lower asset-based income and an increase in operating expenses.

Fee income ($m)



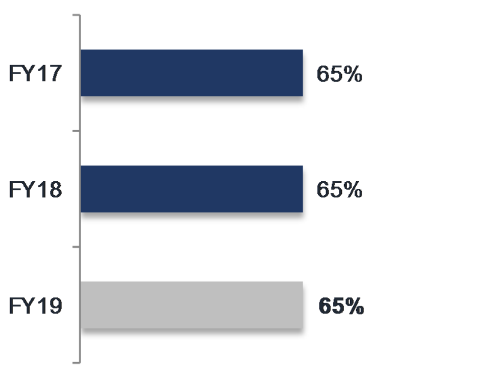
Fee income is up 17% versus fee income for the prior year, with growth in both AUM fees as well as in deal fees

Asset-based income ($m)



Asset-based income decreased to $106 million primarily driven by lower private equity returns

Cost-to-income



Interest expense decreased by 9% due to a combination of lower average drawn balances and a lower spread. The cost-to-income ratio remained stable at 65% with operating expenses increasing in line with income

Shareholder KPIs

$1.47	**Fully diluted EPS**
12%	**Return on equity**
$13.26	**Book value per share**

Balance sheet KPIs

Jun-18	Jun-19	
$2.5b	$2.4b	**Total assets** decreased primarily due to lower co-investments driven by exits
$1.1b	$1.1b	**Total equity** stable
$1.0b	$1.1b	**Accessible liquidity** substantially covers all outstanding medium-term debt
0.5x	0.4x	**Net leverage** remains well below 1.0x
31.5%	33.8%	**Basel III regulatory capital** well above CBB minimum requirements
0.7x	0.5x	**Co-investments** / **permanent & long-term capital** well below 1.0x

Fundraising ($ millions)

$1,869	Private equity
$639	Real estate
$1,212	Absolute returns investments
$2,007	Credit management

*Total fundraising was **$5.7 billion** (FY18: $3.5 billion)*

***$742 million** placed with clients in private equity investments, including the Firm's first China- and India-focused offerings*

***$77 million** raised for the fourth technology fund, **$1.1 billion** raised through two secondary transactions with Coller Capital and HarbourVest Partners*

***$639 million** placed with clients across six new real estate portfolios*

***$1.2 billion** of new subscriptions for ARI*

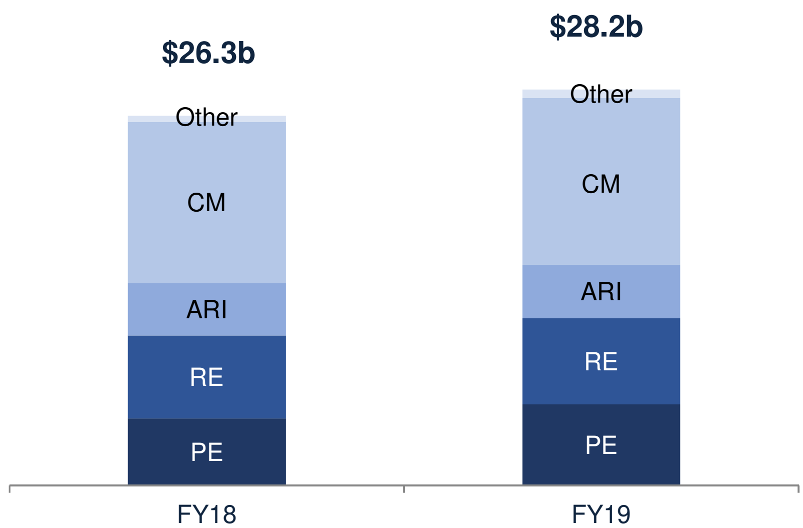
***$1.8 billion** raised for four new CLOs*

***$125 million** of inflows for senior secured loan funds*

***$86 million** for a CLO Risk retention vehicle*

***$35 million** for a new Credit Opportunities Portfolio product*

Total AUM ($ billions)



Private equity AUM has increased 21% to $5.8 billion, reflecting the well supported deal-by-deal fundraising during the year, including for the Firm's first China- and India-focused investment offerings

Real estate AUM increased by 4% during the year to $6.1 billion primarily due to the strong fundraising for new portfolios partially offset by a good pace of realizations of older properties. During the course of the year the Firm adopted prevailing market practices for calculating AUM for the real estate business by considering the market value of the managed assets

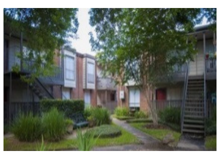
ARI AUM has increased by 2% to $3.8 billion, primarily due to strong fundraising for the Firm's hedge fund partnerships partially offset by the anticipated roll off of older, less profitable AUM

Credit management AUM increased by 4% to $11.8 billion primarily due to the issuance of four new CLO's and subscriptions into open-ended funds

Investment Activity

$750 million…

*…the aggregate capital deployed in **six new private equity investments, one special opportunity portfolio investment**, **IDFC Private Equity Fund IV** and five existing portfolio companies*





$670 million…

*…the aggregate capital deployed in five new **real estate portfolios***

Jamestown CLO XI
(Warehoused from FY18)
$71 million

Jamestown CLO XII
(Warehoused from FY18)
$366 million

Harvest CLO XX
(Warehoused from FY18)
€252 million

Harvest CLO XXI
€398 million

Jamestown XIV
(Warehoused)
$40 million

Harvest CLO XXII
(Warehoused)
€200 million

Harvest CLO XXIII
(Warehoused)
€34 million

$1.5 billion…

… the aggregate investment in three carried forward CLO's & four new CLO's for the credit management business

Exits & Distributions

*Private equity exits included the sale of **Nobel Learning Communities**, a leading provider of private education in the US; the sale of **Gulf Cryo,** a leading manufacturer, distributor and services provider of industrial gases; the sale of **The Wrench Group**, a national leader in home maintenance and repair services in the US; the IPO of **Leejam**, a leading fitness chain operator in Saudi Arabia; the signing of an agreement to sell **SecureLink Group,** a leading cybersecurity infrastructure and managed services provider in Europe; the sale of three companies – **ATC Telecom Infrastructure Limited**, **Deepak Cables (India) Limited** and **Manipal Integrated Services** – from the portfolio of the newly acquired Indian business; and the secondary sale of the remaining portfolio companies in **Investcorp Technology III L.P** to HarbourVest (Investcorp Technology Partners will continue to manage the assets)*

*Significant real estate exits included the realizations of six portfolios: **2015 Residential I Portfolio** (with the sale of Fairways at Towson); **National Hotel Portfolio** (with the sale of Newark Hilton); **2014 Office and Industrial Portfolio** (with the sale of Highlands Campus Tech); **2013 Commercial Properties Portfolio** and **2014 Office** (with the sale of Oracle & International Centre); and **Villas at Green Valley***

Total realization proceeds and other distributions to Investcorp and its clients were $4.0 billion, including $1.0 billion related to the credit management business.

Investcorp's key performance indicators:

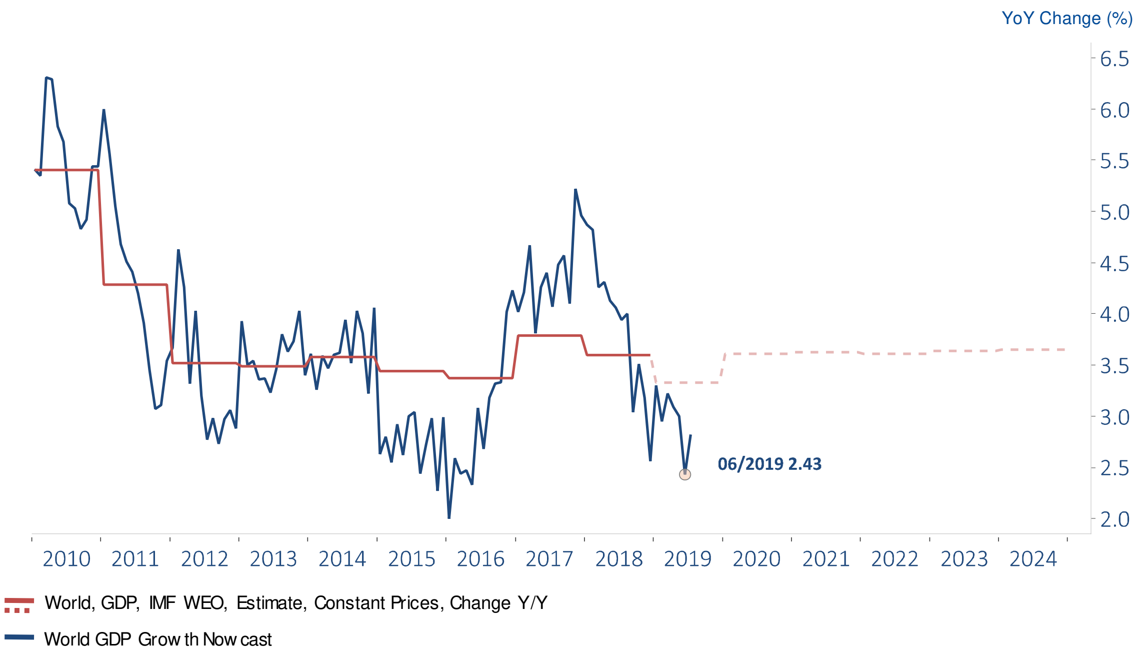
	FY15	FY16	FY17	FY18	FY19	5-year view (FY15-FY19)	
Fee income ($m)	308	307	320	321	**376**	1632	(cumulative)
Asset-based income ($m)	73	76	102	133	**106**	494	(cumulative)
Gross operating income ($m)	381	383	422	454	**465**	2105	(cumulative)
Cost-to-income ratio	64%	71%	65%	65%	**65%**	66%	(average)
Return on average assets	5%	4%	5%	5%	**5%**	5%	(average)
Return on ordinary shareholders' equity	16%	10%	12%	11%	**12%**	12%	(average)
Diluted earnings per share ($)*	1.29	0.94	1.25	1.30	**1.47**	6.25	(cumulative)
Book value per share ($)*	9.00	10.15	11.10	12.13	**13.26**	47%	(cumulative growth)
Dividend per ordinary share ($)*	0.15	0.24	0.24	0.24	**0.30**	1.17	(cumulative)

* The weighted average ordinary shares and the resulting metrics for FY15 have been realigned to reflect the share split executed in FY16

Business Environment

Measures of global economic activity have continued to decelerate since March 2019, as can be seen below. Global growth for 2019 is now expected to be slightly above 2.5%, significantly below IMF forecasts for the year. The slowdown has been particularly acute in the manufacturing and traded sectors, where the lagged effect of heightened policy uncertainty, last year's Chinese deleveraging, and higher US interest rates is taking its toll on sentiment and business investment decision-making.

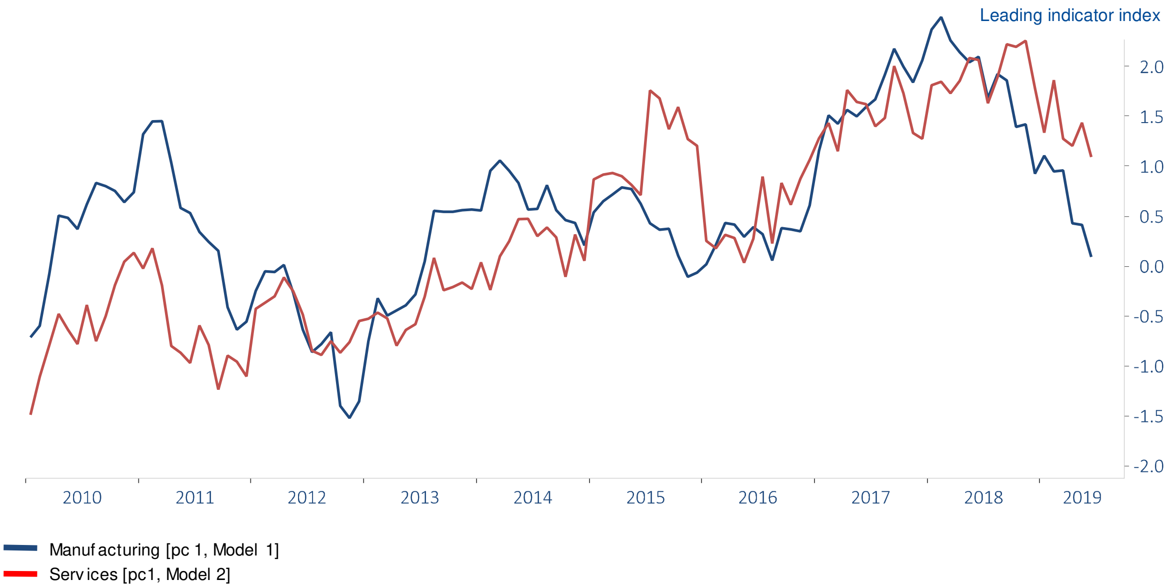
Global GDP Aggregate Nowcast



Source: Investcorp, Goldman Sachs, Morgan Stanley & Macrobond

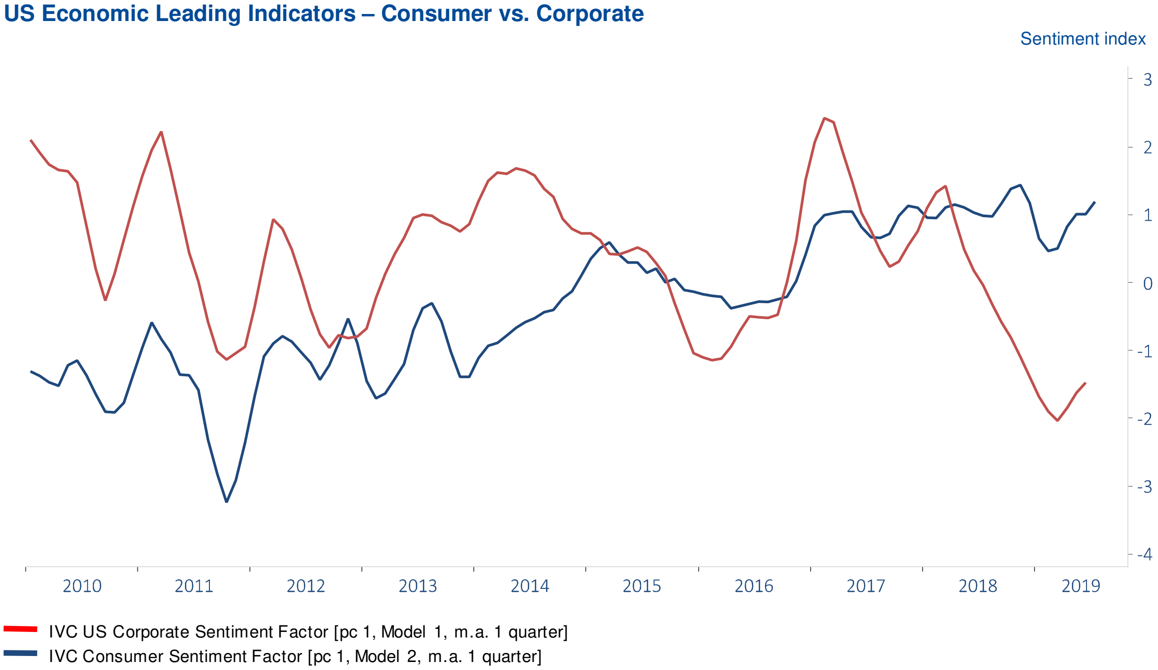
The services sector, in contrast, has been somewhat buoyant, bolstered by the resilient US consumer, as indicated by the two charts below. Low unemployment, decent real wage growth, and a high savings ratio remain tailwinds for the segment. Still, a sustained downtrend in manufacturing could have a more far-reaching effect, which may already be evident in the recent services gauge decline. That said, this year's policy shifts by the Federal Reserve and the Chinese leadership may well brighten the outlook for manufacturing, assuming the rising US trade frictions don't tip the sector into outright recession first. Should this happen, it could be expected that the rest of the economy would likely fall into line and hopes for a further extension of the current cycle could quickly evaporate.

US Leading Economic Indicators – Manufacturing vs. Services



Source: Investcorp

US Economic Leading Indicators – Consumer vs. Corporate

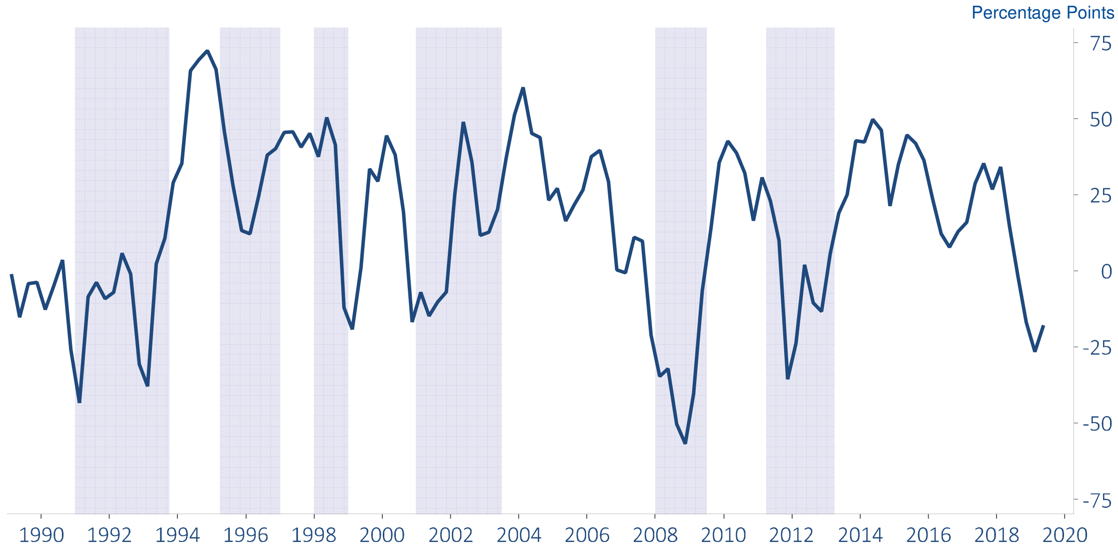


Source: Investcorp

In Europe, the ongoing slide in macroeconomic momentum is showing tentative signs of reaching its nadir; as can be seen in the following chart, capital spending expectations have recently staged a slight rebound. Nevertheless, the situation remains fragile and the calendar going forward is laden with potential negative catalysts. Among other things, the ratification of Boris Johnson as the UK's next Prime Minister has raised the risk of a disorderly "no deal" Brexit, while in Italy, the summer lull could prove short-lived when the government begins negotiations in the fall regarding its 2020 budget.

Europe Capex Expectations

Euro area, Economic Situation Surveys, Ifo, World Economic Climate, Economic situation in the next 6 months

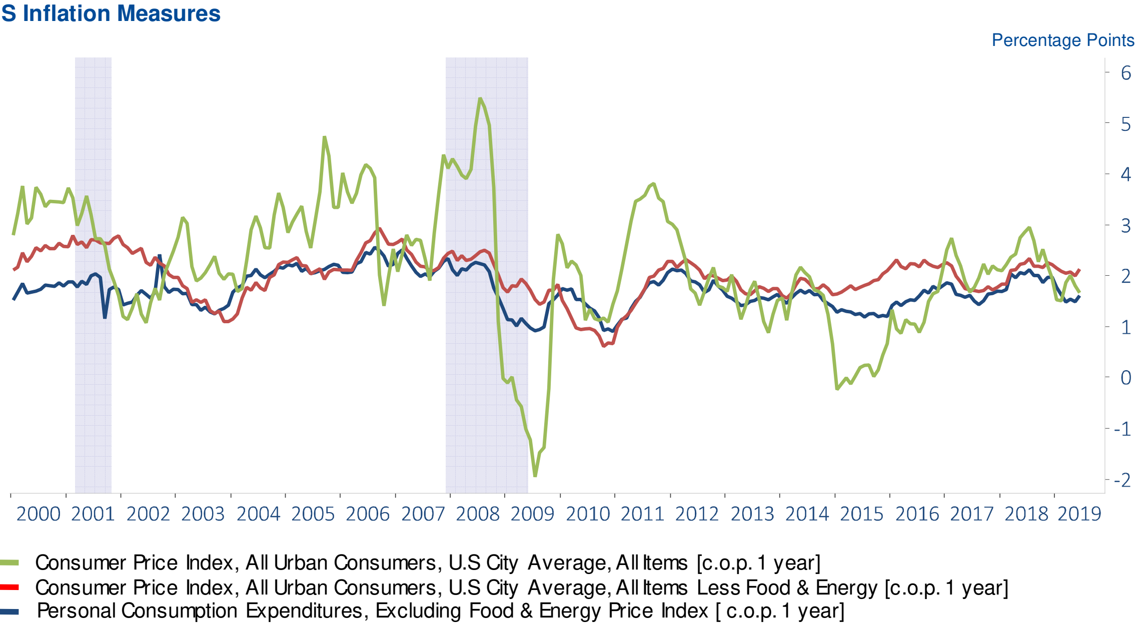


Source: Investcorp

Finally, the risks of further trade-related woes have not disappeared. President Donald Trump has kept his options open regarding the previously announced Section 232 investigation into Europe's automobile sector, while measures aimed at retaliating against increased European taxation and regulation of large US tech firms are also on the table.

With respect to global inflation dynamics – the US gauge is featured below – Investcorp anticipates that expectations will stabilize and gradually firm from where they are now. As evidenced by communications from the Fed and other central banks, policymakers are committed to engineering, through whatever means are necessary, a reflationary process that will alleviate some of the risks associated with rates being pegged near the zero-lower bound.

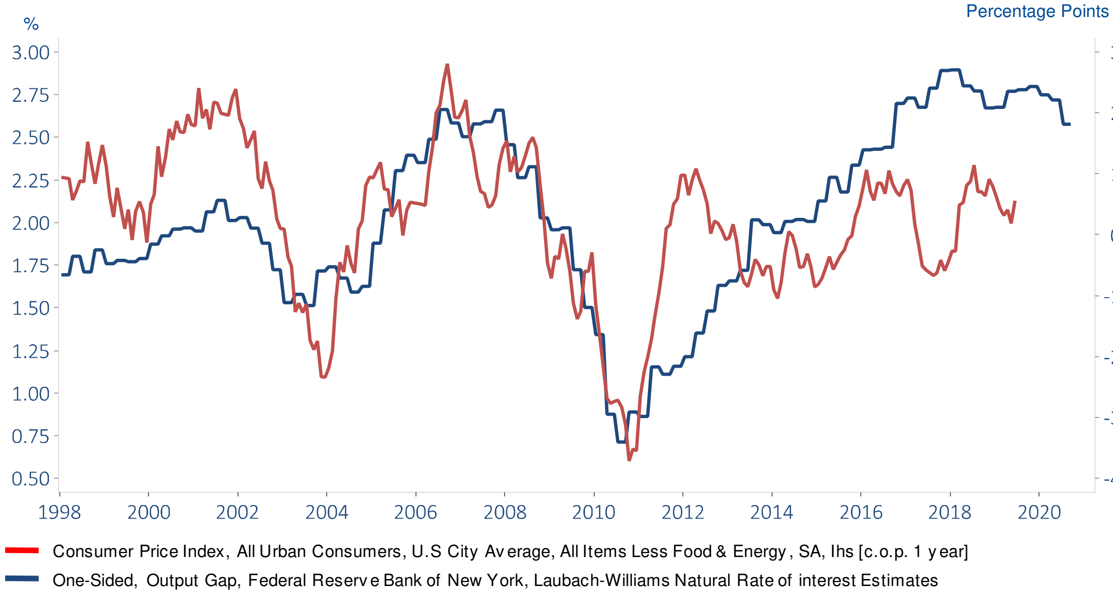
US Inflation Measures



Source: Investcorp

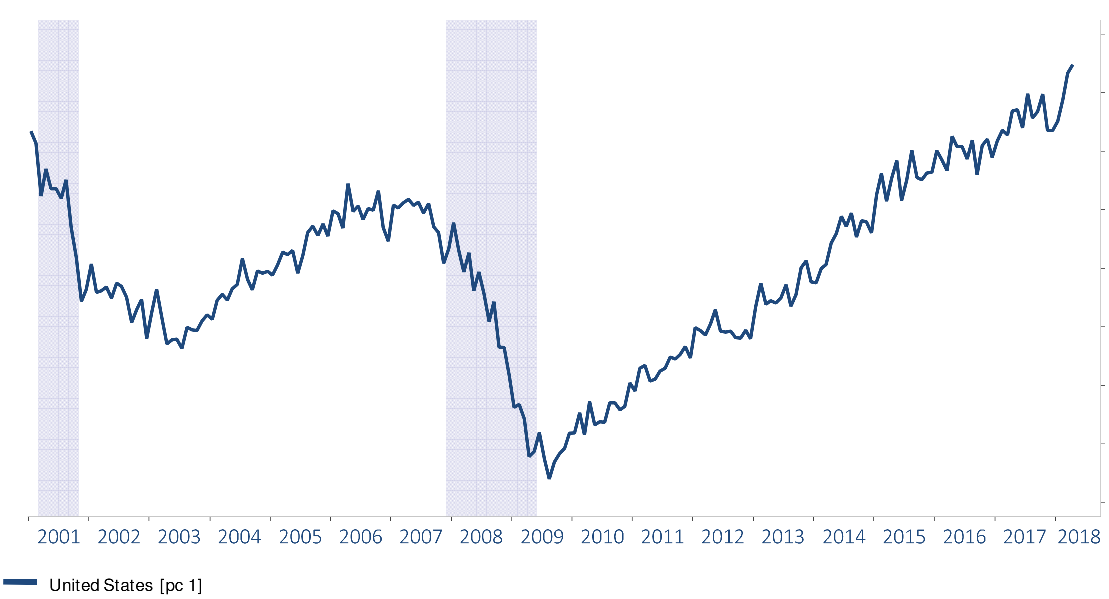
Lending further weight, output gaps in the US, highlighted in the first chart below, as well as globally, remain in or near positive territory, and industry surveys continue to point to limited slack in the economy. The American job market, in particular, is nearing historically high levels of tightness, as can be seen in the second chart. Even assuming that the Philip's curve becomes flatter, these factors will likely spur, in the medium term, a normalization of inflation toward the US central bank's target. Moreover, the suggestion in recent policymaker communications of a willingness to run the economy "hot" and allow for an overshoot of targets to compensate for persistent undershooting in the past suggests that central bankers are more sanguine than normal about the risks to the upside, at least in the near term. Against this backdrop, it appears that central banks will seek to target an average inflation rate throughout the cycle, allowing for periodic overshoots following downturns.

US CPI and Output Gap



Source: Investcorp

US Labour Market Tightness Indicator



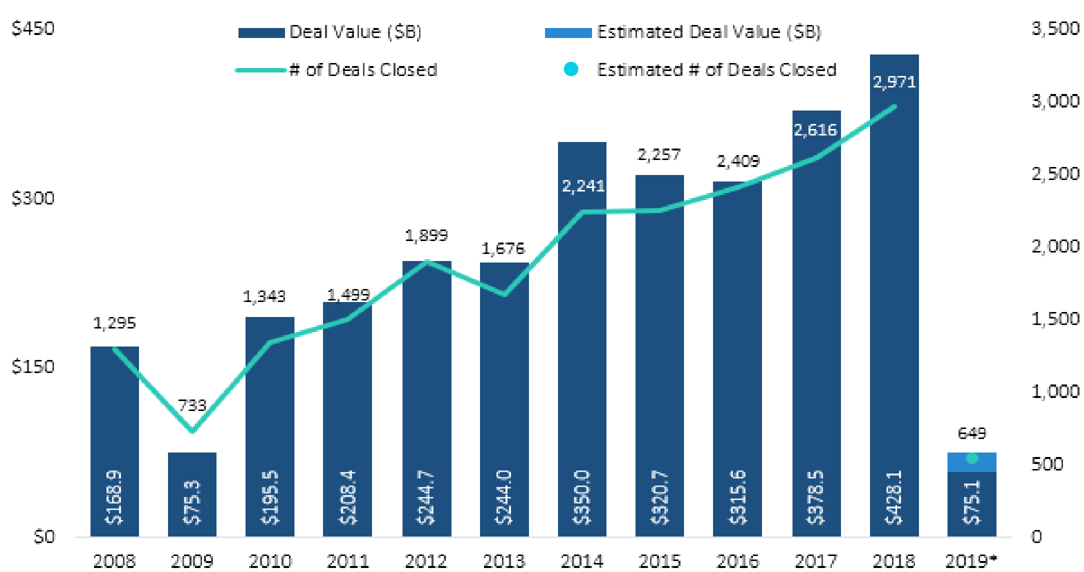
Source: Investcorp

Despite the more dovish stance, it is yet to be seen whether the new framework will spur a reorientation of long-term inflation expectations. Inflation still faces structural headwinds that are difficult to quantify, including the effects of technological innovation and globalization. Taken together, however, Investcorp believes the various dynamics will engender a slightly higher path for inflation in coming quarters. Such an outcome will likely be welcomed by developed market central banks and governments alike, especially in Europe, where social disturbances in France and Italy continue to suggest a need to ease the pressures through higher nominal wages. These are expected to feed into higher prices down the line.

Private Equity – North America and Europe

In the US, 2018 was another record-setting year for both deal value and transaction count. In Q1 2019, 649 middle market transactions were completed, totaling $75.1 billion in deal value – a 17.9% decrease in number of transactions and a 32.6% decrease in total value compared to the prior year. The large decrease in total value signals a shift toward smaller transactions being completed. The median middle market deal size was $155.0 million in Q1 2019, down from the $192.0 million median middle market deal size for the full year 2018. Investment in technology continues to grow and accounted for 27.1% of total deal value in Q1 2019. Multiples in the US remain high due to increased competition among PE firms in the middle-market space.

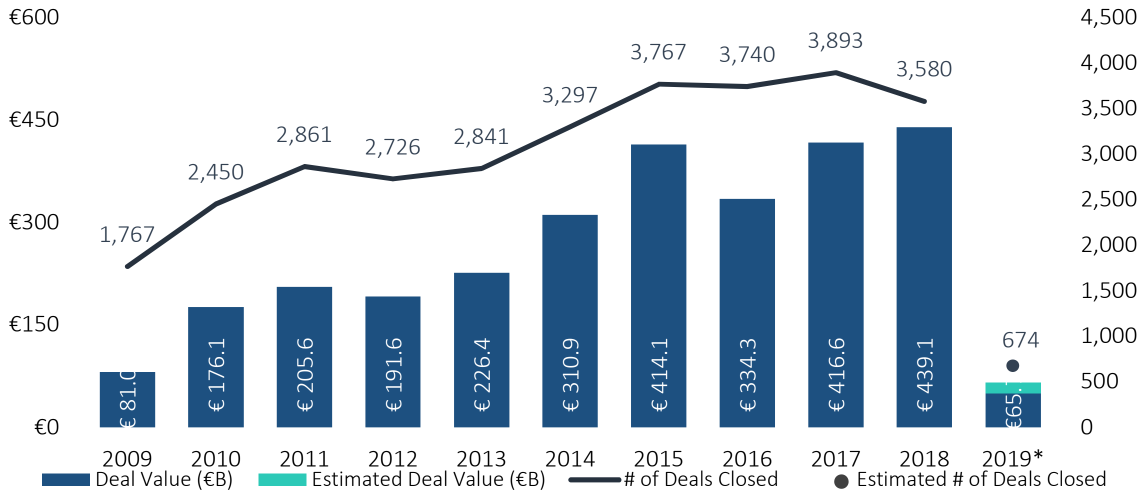
US PE deal flow by year



*As of March 31, 2019. Unknown values are estimated based on known figures.
Source: Pitchbook 1Q 2019 US Breakdown Report

According to Pitchbook, in Europe, deal flow in Q1 2019 continued to slow down after 2018's record showing. With 674 deals estimated to be completed and totaling to €65.7 billion during the first three months of the year, overall count is down approximately 26.8% compared to the same period in 2018. Deal value also decreased by 34.2% caused by lower count as well as the downtrend in mega-deals (€1 billion or higher). While many of the deals closed in Q1 2019 were priced in Q4 2018, when public equities were expected to put a downward pressure on pricing, multiples remained raised and the median European buyout multiple was with 11.5x the highest figure on record. In addition to M&A activities, buyouts in the software space have been driving European deal activities. 15.4% of deals in the first quarter of 2019 were targeted and closed transactions in the software segment. This trend is being enforced by European regulations such as the May 2019 enacted GDPR law which fosters the next generation of software targets.

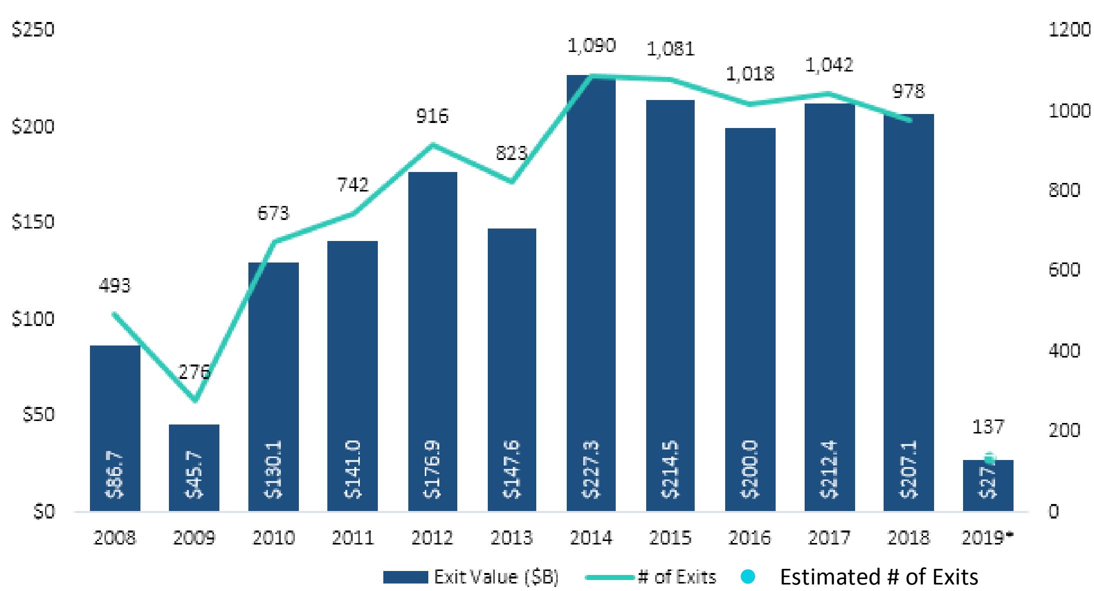
Europe PE deal activity



*As of March 31, 2019. Unknown values are estimated based on known figures.
Source: Pitchbook 1Q 2019 European Breakdown Report

The US exit market was at its lowest level in six years in the first three months of 2019, with 137 transactions and an exit volume of $27.1 billion – representing year-over-year declines of 41.8% and 46.3%, respectively. This trend is expected to continue as the majority of companies acquired from 2014-2016 still are not ready for sale. Investment holding periods have lengthened to 6.8 years on average – with fewer than 50% of middle market exits now occurring in under 5 years. IPO activity continues to decline as secondary buyouts and corporate acquisitions offer more competitive pricing. IT deal exits follow a pattern similar to deal flow, with IT deals now accounting for a larger proportion of PE-backed exits (32.1%).

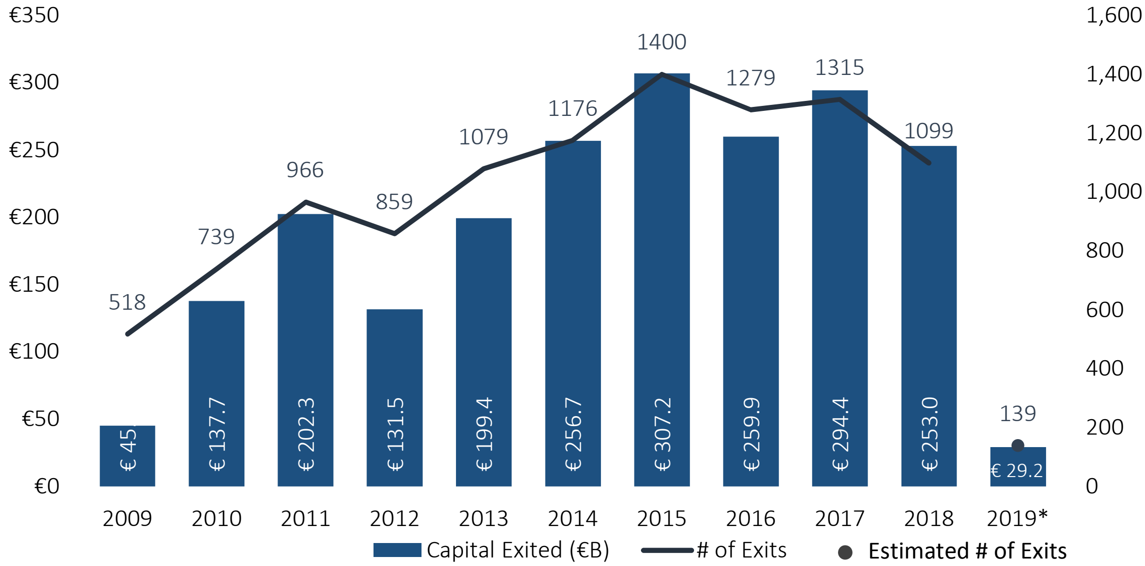
US PE-backed exits



*As of March 31, 2019. Unknown values are estimated based on known figures.
Source: Pitchbook 1Q 2019 US Breakdown Report

The number of European PE-backed exits in Q1 2019 decreased significantly, totaling €29.2 billion across 139 transactions, a decline of 50.1% and 52.7% year-on-year respectively. While this decline is visible across all deal types, secondary buy outs continue to account for the majority of exits. The drop in exit value is also caused by a lack of larger transactions, a trend continued from 2018. The share of IT exits continued to grow from 12.6% in 2018 to 18.7% in Q1 2019. This is not an unexpected development given the increase of deal activity in this sector over the past five years. IT investments tend to be scalable assets which often appreciate rapidly and exit activity in this sector is expected to grow moving forward.

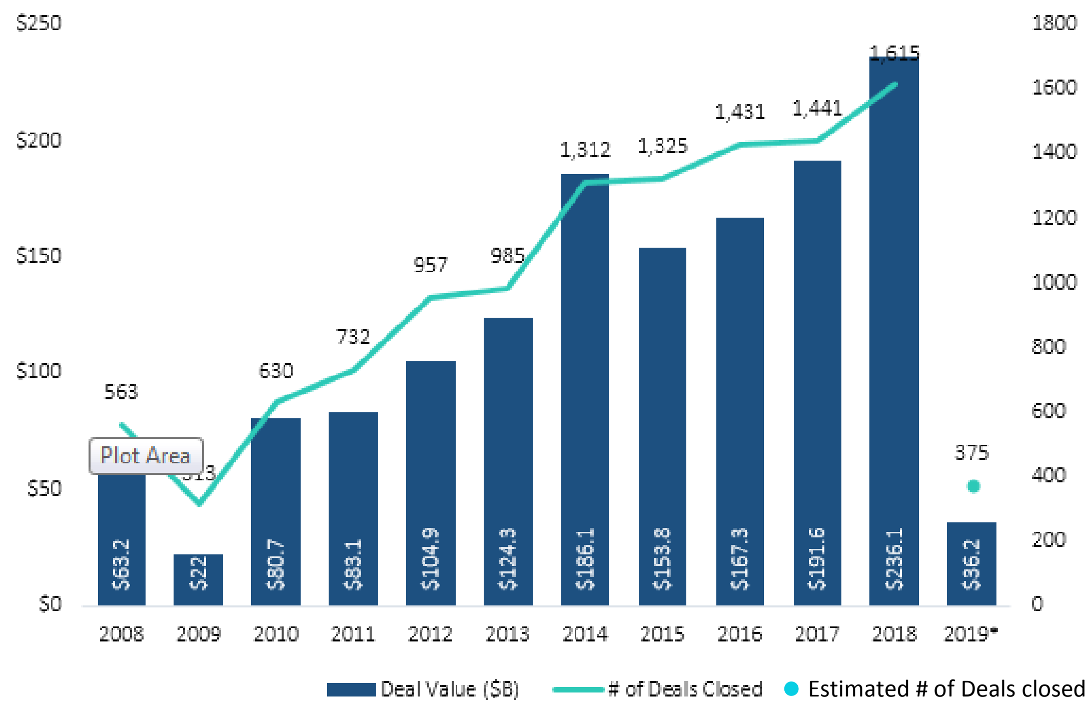
European PE exit activity



*As of March 31, 2019. Unknown values are estimated based on known figures.
Source: Pitchbook 1Q 2019 European Breakdown Report

US add-on investment activity hit a record in 2018 with 1,615 transactions totaling $236.1 billion - representing more than half of all buyout activity. The heightened add-on activity in recent years is largely being driven by prolific buyers that pursue numerous add-ons per platform. More than 25% of add-ons are now being acquired by platforms with at least five total add-on deals. It takes time to execute deals and integrate businesses; as such, the median time to exit tends to be about a year longer for companies that undergo at least one add-on investment.

US PE Add-on activity

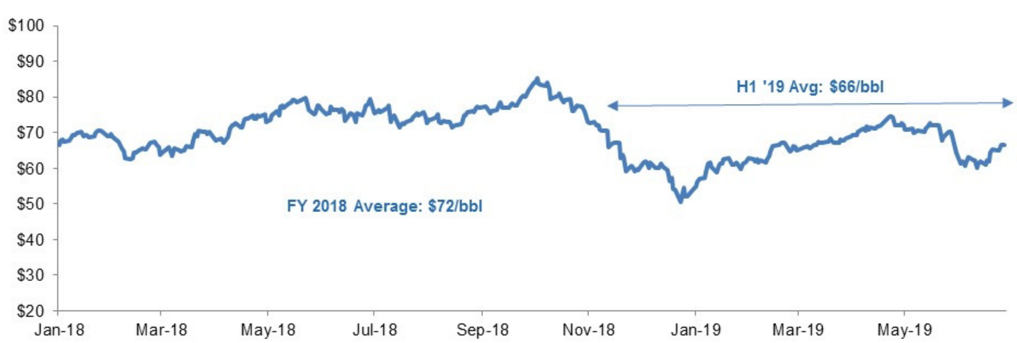


*As of March 31, 2019. Unknown values are estimated based on known figures.
Source: Pitchbook 1Q 2019 US Breakdown Report

Private Equity – MENA

Crude oil prices increased from January through April 2019 driven by the efforts of OPEC and its non-OPEC partners to remove excess oil supplies from the market, further augmented by falling oil output from Iran and Venezuela due to a combination of political turmoil as well as by lower supplies from Canada due to pipeline bottlenecks. The months of May to June 2019 registered a decline in oil prices on the back of global geopolitical tensions and concerns over a global slowdown. Overall, crude oil prices averaged $66 per barrel during the first half of 2019 ("H1 2019") compared to $72 per barrel in FY 2018. The U.S. Energy Information Administration projects oil prices to average $67 per barrel in 2019.

Brent Crude Oil Price: January 1, 2018 – June 30, 2019 ($bbl)



Source: Bloomberg

The overall GCC real GDP growth in calendar year ("CY") 2019 is expected to pick up slightly to 2.1%, up from 2.0% in CY 2018. Non-oil GDP growth is expected to grow to 2.9% in 2019 compared to 2.3% in 2018. Government spending and multiyear infrastructure plans are likely to support economic activity in Kuwait and Saudi Arabia, whereas the Expo 2020 related spending in Dubai and Abu Dhabi's three-year economic stimulus program of $13.6 billion are expected to support near-term growth in the UAE.

After recording a growth of 2.2% during 2018, the IMF expects the Saudi economy to grow at 1.9% in 2019 with the non-oil segment growth expected to be 2.9% in 2019 compared to 2.1% in 2018. Saudi Arabia recorded a budget surplus of $7.4 billion during the first quarter of 2019 ("Q1 2019"), the first surplus registered by the Kingdom since the decline of oil prices in 2014. The IMF projects the fiscal deficit to rise to 7% of GDP in 2019 compared to 5.9% in 2018 due to higher government spending expected in the remainder of the year.

Challenges remain especially in the Saudi labor market on the back of the Saudization program and levies on expatriate workers and dependents. During H1 2019, Saudi Arabia approved a $3 billion refund plan to ease the expat levies companies must pay, to help revive economic growth. In a bid to encourage more Saudi nationals to work in the private sector, the Human Resources Development Fund announced plans to provide certain eligible Saudi nationals an allowance in the initial three years of employment.

In H1 2019, Saudi Arabia also approved a 'Privileged Residency System' which would offer special permits to certain skilled expatriates and investors to own property and apply for unlimited or one-year renewable visas without the need for a local sponsor.

The region is also witnessing several Public Private Partnerships ("PPP") being announced and awarded across various sectors. In June 2019, Saudi Arabia's Ministry of Health opened tenders for its first PPP project involving the upgrade of radiology and medical imaging services at seven hospitals in Riyadh.

The Saudi Tadawul All Share Index was up approximately 13% during H1 2019 benefiting from foreign inflows following its inclusion in the FTSE Russell Emerging Markets index in March 2019 and in the MSCI Index in May 2019. The phased addition of the Tadawul index to the MSCI index will give its stocks a weighting of approximately 2.6% on a proforma basis. According to the Saudi Tadawul CEO, the inclusions are expected to result in strong inflows of around $15-20 billion in 2019. Owing to the generally positive sentiment in financial markets in Q1 2019, Saudi Arabia raised $7.5 billion in long-term bonds due in 2029 and 2050. The first half of 2019 also saw Saudi Aramco sell $12 billion of international bonds across five tranches in the most heavily oversubscribed emerging market bond issuance ($100 billion).

UAE's GDP is forecasted at 2.8% in 2019 compared to 1.7% in 2018, driven by private consumption and an increase in investment flows. According to a recent report by Ernst & Young assessing the economic impact of Dubai's Expo 2020, the event is expected to contribute approximately 1.5% of UAE's annual GDP from October 2020 to April 2021.

In H1 2019, UAE approved the regulatory framework for the issuance of residence permits to investors, entrepreneurs and innovators following the decision in November 2018 to adopt a new system of entry visas for investors and professional talents by providing them with long-term visas.

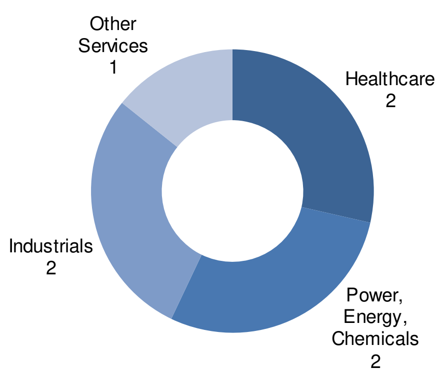
In H1 2019, Abu Dhabi enacted a new law designed to encourage private sector involvement in housing, infrastructure and education projects in the region, as part of the $13.6 billion three-year stimulus program to boost the economy. The law formalizes the creation of a government body, the Abu Dhabi Investment Office, to drive foreign direct investment and to lead the public-private partnership program.

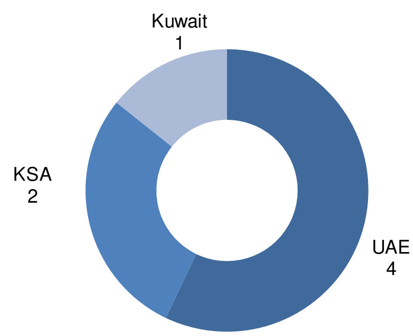
In summary, while uncertainties around oil prices remain, GCC governments overall remain committed to wide-ranging economic and social reforms to transform their economies away from the traditional reliance on oil and to create a more dynamic private sector.

During H1 2019, the GCC stock exchanges registered three IPOs and no REIT issuances with a total capital raised of approximately $920 million. This compares to one IPO and six REIT issuances in Saudi Arabia and two IPOs in Oman in H1 2018, with a total capital raised of approximately $850 million.

H1 2019 recorded 43 M&A transactions in the GCC region, compared to 56 transaction in H1 2018 (-23%). Seven of these transactions were led by a financial buyer in H1 2019 compared to nine transactions in H1 2018. Healthcare, Power, Energy and Chemicals and Industrials were the most active sectors, with the UAE being the most active market. During the same period, there were six exits by a financial investor.

Breakdown of GCC Private Equity Transactions in H1 2019 (January 1 – June 30)





Source: Merger Market, Investcorp Analysis as of June 30, 2019

The Turkish economy witnessed a contraction of -2.6% year-on-year in Q1 2019 on the back of high inflation, pervasive consumer pessimism and currency weakness, further highlighted by slow consumer credit growth and ongoing weakness in the construction sector.

The Turkish Lira depreciated by approximately 9% during H1 2019 to reach TL5.79:US$1.0 as of June 30, 2019, due to concerns over heightened economic uncertainties and geopolitical tensions.

The Central Bank of the Republic of Turkey kept the benchmark interest rate unchanged at 24.00% for the sixth consecutive meeting, in line with market expectations. The Bank's decision was driven by the fact that weak domestic demand and tight monetary policy are feeding through to softer inflationary pressures. Inflation, which came in at a nine-month low of 18.7% in May 2019 has been on a general downward path since October 2018.

In April 2019, Turkey's 12-month cumulative current account deficit fell to its lowest level since 2009, narrowing to $8.6 billion (1.2% of GDP), down from $27.1 billion in December 2018 (3.4% of GDP). The decline was supported by price competitiveness and tourism owing to a weak lira and coupled with muted domestic demand.

The IMF predicts Turkey's real GDP to contract by 2.5% in 2019 compared to a growth of 2.6% in 2018 as the elevated inflation, a steep increase in borrowing costs and curtailed bank lending continue to weigh in on household purchasing power, private consumption and investment. Economists however predict that the economy should recover in 2020 as inflation softens and current account narrows, providing room for monetary policy easing.

While near term risks remain, the medium to long-term outlook for the Turkish economy remains positive on account of the country's strong fundamentals such as its sizeable young population, its aspiring middle class, its entrepreneurial culture and its strategic geographical position as a trading hub.

There were no IPOs recorded in Turkey in H1 2019 owing to volatile market conditions coupled with weak investor appetite.

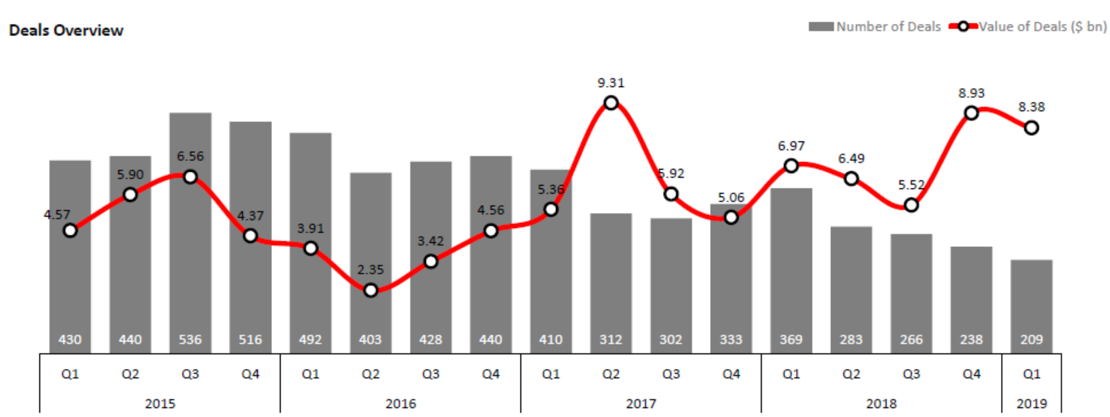
On the M&A front, Turkey recorded 37 M&A transactions in H1 2019 compared to 54 transactions in H1 2018 (-31%). Three out of these transactions were led by a financial buyer compared to eight transactions in H1 2018. During the same period, there were five exits by a financial investor.

Private Equity – India

Private equity deal activity was up 8.8% in terms of value from $25.7 billion in 2017 to $27.9 billion in 2018, but the number of deals declined by 19% to 1,057 from 1,307. Private equity buyouts continue to be the largest contributor to the total and made up slightly more than half of the total in 2018 with a volume of $14.1 billion.

In the first quarter of 2019 the number of deals continued to trend down to 209 in total from 238 in Q4 2018 and from 369 in Q1 2018. Deal volume remained relatively steady, however, at $8.4 billion and was up 20% compared to Q1 2018. The trend down in deal count reflects the caution of investors, however the high deal volume reflects a continued willingness to invest, but primarily in more established businesses.

Table 1 - Deals Overview

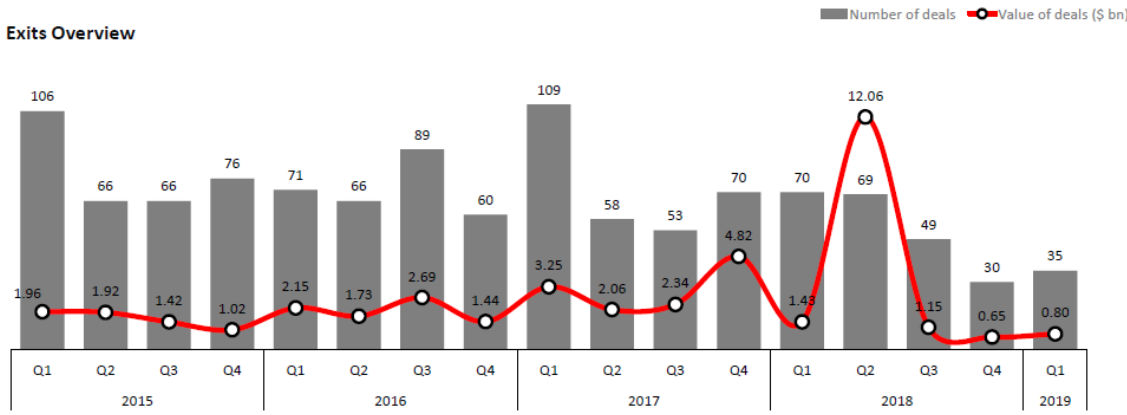


Source: VC Edge

The value of private equity exits increased 23% to $15.3 billion in 2018 from $12.5 billion in 2017 although the number of deals declined from 290 to 218. This reflects the influence of several large deals. The top deal (the sale of Flipkart to Walmart) contributed 48% of the total and the top 10 deals contributed approximately 79% of the total exit value.

Deal activity trended down in terms of number and value of deals in the last half of 2018 with a slight rebound in Q1 2019. The decline in activity can be at least partially attributed to the uncertainties around and the attention focused on the Indian elections in April-May 2019. Activity levels are expected to revert to more normalized levels now that the elections have taken place.

Table 3 - PE Exits Overview



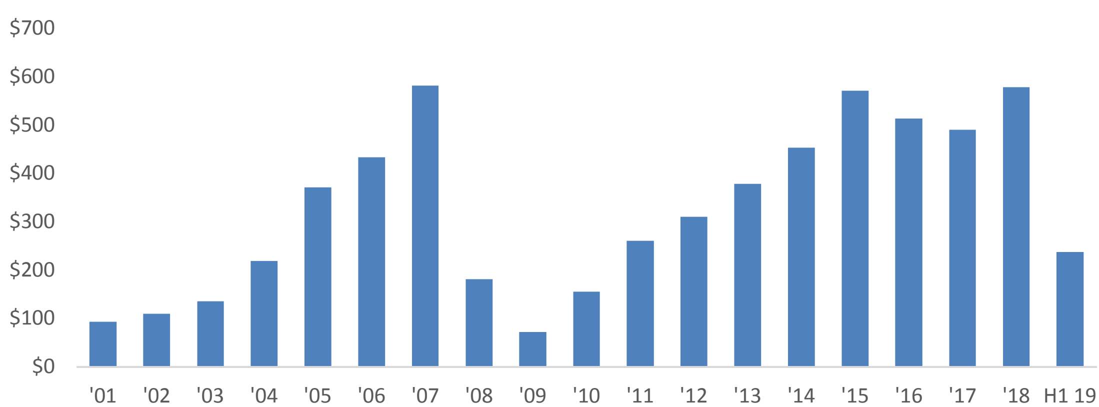
Source: VC Edge

Real Estate Investment – North America

Commercial real estate market fundamentals in the US remain healthy across most asset classes in a majority of metropolitan areas. Uncertainty due to trade issues, policy uncertainty and the impact of tax changes made for a somewhat slow start to 2019. However, the US economy now seems more stable and is once again driving demand for US property with an increase in leasing activity, market rents and values. US employment levels continue to grow steadily, and the unemployment rate stands at 3.7% as of June 2019 (versus 4.0% in June 2018). These trends continue to have a favorable impact on the office, multifamily, student housing, retail, industrial and hospitality sectors.

US real estate transaction volume is up 2% year-over-year through June 2019 versus the same period last year. However, the growth was not uniform across property types. Office sector sales volume was up 30% year-over year and multifamily volume was up 20% for the same period. Sales volume fell in the industrial sector in Q2 2019, down 13% year-over-year. Despite this decline, investors are still eagerly pursuing industrial investments. Overall prices continued to grow, although at a slower pace from a year earlier. Capitalization rates remain largely unchanged from a year ago. Further, operating fundamentals remain solid. Capital flows into the US are expected to continue to remain strong because the US is seen as a safe haven relative to other countries.

Transaction Volume ($ billions)



Source: Real Capital Analytics, Inc. 2019

US office market fundamentals remained sound through Q1 2019. Office-using employment remained resilient and expanded in Q1 2019, with tech markets in the West and low-cost markets in the South continuing to see the highest office-using job growth. According to CBRE, office vacancy rates across the US remained at 12.5% in Q1 2019, the lowest level since 2007. Downtown vacancy rates increased to 10.5%, while suburban vacancy rates decreased. San Francisco maintained the lowest vacancy rate in the US in Q1 2019 at 4.7%, due to continued strong tech-tenant demand. According to CBRE, rent growth has accelerated over the past year, with the average asking rent increasing by 2.7% in Q1 2019, the largest quarterly increase since 2007. New supply completions decreased in Q1 2019 to 9.6 million square feet, the lowest quarterly level since 2006.

US retail market fundamentals remained healthy through Q1 2019 due to strong retail sales and net asking rents increasing across all major retail property segments. According to CBRE, all retail segments - except for power centers - posted positive net absorption in Q1 2019. The overall availability rate fell slightly to 6.2% in Q1 2019. Availability rates declined for both the neighborhood, community and smaller shopping center segment and the lifestyle and mall segment, but rose slightly for the power center segment. Retail sales, excluding sales at gasoline stations, remained healthy and increased by 3.8% year-over-year, driven by growth in e-commerce (non-store retailers) and restaurants. Net asking rent growth increased by 1.5% in Q1 2019 and 4.8% year-over-year. The average net asking rent reached the highest level since Q4 2008 according to CBRE.

US market fundamentals for the **industrial market** remained stable through Q1 2019. This sector, along with multifamily and student housing, remain the three most desirable sectors within the real estate space. According to CBRE, new supply slightly outpaced demand for the first time in over eight years. However, the US industrial availability rate remained at 7.0% - the lowest level since Q4 2000. Detroit, Salt Lake City, Milwaukee, Portland, Las Vegas and the San Francisco Peninsula led the way with the lowest availability rates, all below 4.5%. Low availability rates and strong leasing demand have resulted in sustained rental growth. The average net asking rent grew 2.2% in Q1 2019 to $7.51 per square foot - the highest level since CBRE began tracking the metric in 1989. Rents increased 8.1% year-over-year, the highest growth rate in this cycle. New supply was down almost 50% from the previous quarter and over 20% year-over-year. A strong labor market and rising wages are expected to continue to be a primary driver of demand for industrial space. In addition, the continued strength of the US dollar, low inflation and rising nominal income are expected to lead to more imported goods. According to CBRE, each dollar increase in imports consumes three times more warehouse space than each dollar increase in exports.

US market fundamentals in the **'for rent' multifamily market** remained healthy in Q1 2019. According to CBRE, the vacancy rate fell to 4.6% year-over-year. Markets with the lowest vacancy rates were Minneapolis, New York metro and Providence – all below 3.5%. Average monthly rent rose 3.0% year-over-year, above the 20-year historical average of 2.5%. Demand remains strong due to favorable demographics and shifting lifestyle preferences favoring renting rather than owning. While multifamily rents have risen 35.3% this decade, single-family home prices have risen much more (59.4% over the decade). New supply is concentrated in large markets (typically in urban locations) with more than half of all new supply located in only 10 markets. Markets that saw the biggest increase in supply for the four quarters ended in Q1 2019 were New York, Dallas/Fort Worth and Los Angeles/Southern California. Demand in each of these markets remains solid.

The US **student housing market** continues to be an attractive asset class. 2018 was a record-setting year for the sector, with transaction volume of almost $11 billion (a 39% increase from 2017, and a 77% increase over the five-year average). Capitalization rates in 2018 stayed constant with 2017 levels, despite a volatile interest rate environment towards the end of the year. Both foreign and domestic capital sources continue to seek ways to enter the sought-after asset class. The student housing sector has historically performed well during recessionary periods and forecasts on new supply, enrollment growth and occupancy are favorable, which are expected to create a positive operating dynamic in the near term.

The US **hospitality market** grew slightly in Q1 2019. According to CBRE, demand growth grew by 2.4% year-over-year and supply growth remained at 2.0%. The markets which saw the largest year-over-year demand increases were Louisville, Nashville and Milwaukee. US occupancy increased by 0.4% year-over-year, setting a new Q1 occupancy record of 61.8%. Average daily rate (ADR) increases remained modest at 1.1%, which resulted in revenue per available room growth of 1.5%. Two of the top three ADR growth markets were in the Bay Area (San Francisco and Oakland), reflecting the positive impact of the tech industry on lodging demand. Atlanta, host of the 2019 Super Bowl, had the 2nd largest ADR growth. Markets that saw the biggest increase in supply year-over-year were Nashville, Seattle and Louisville.

Real Estate Investment – Europe

United Kingdom

UK economic growth has been more resilient than had been forecast immediately after the EU referendum result. However, Brexit-related uncertainty continues to hinder growth and the fall in the pound has hit real spending power. GDP growth was 1.4% over 2018. This is due to continued subdued real consumer spending growth and the drag on business investment from ongoing economic and political uncertainty relating to the outcome of the Brexit negotiations.

Despite the uncertainty, the UK unemployment rate remains steady at 3.9%, the lowest number since January 1975. 12-month inflation rate fell to 1.8% in March 2019, considerably down from 2.3% in March 2018.

The e-commerce revolution is predicted to continue to drive sustained demand for industrial and logistics space in 2019, with demand for bigger 'big boxes' increasing fastest. This was evidenced by the fact that e-commerce companies and third-party logistics firms accounted for over half of the floor space taken in 2018. Upward pressure on rental levels was sustained throughout much of the UK during 2018, with average rental growth for prime stock of 5.0%. Whilst 2018 was a record year for both investment and take-up, activity slowed in the first three months of 2019, with many occupiers and investors taking a "wait-and see" approach in the run up to (the now delayed) Brexit day. The market remains fundamentally strong, with rents continuing to rise, and investors' interest in the sector showing no signs of abating.

Central London office investment is forecast to be approximately £5 billion for the first half of 2019, a 39% drop on a year-ago; this drop is attributed to Brexit which has deterred investors. Whilst investment is down, pricing levels have not suffered and yields have remained firm as decreasing supply pipeline coupled with strong levels of pre-leasing has led to intense competition for development and refurbishment opportunities across the capital. The occupational market saw a strong first half, with the volume of space let forecast to reach 4.3 million sq. ft, only 6% below the 10-year average.

The regional office story is similar to London's; after record take-up levels in 2018, Q1 2019 slowed but remained healthy. In aggregate across the "Big Nine" markets take-up in Q1 2019 was 4% below the 10-year average, with the out-of-town market performing better than the city centers. The average office vacancy rate in the "Big 6" markets fell below the 5% mark for the first time ever during 2018, whilst Grade A vacancy stands at just 1.5% (source: JLL). On the supply side, city center office construction is currently at its highest level since 2007, standing at more than 5 million sq. ft, although over half of this is already pre-let. As with London offices, investment volumes in the regions outside London were significantly down in Q1 2019, at around 45% of the 10-year average. Vendor pricing expectations are holding firm and the delta of price expectation between buyers and sellers have contributed to the low level of transactions.

Retail continues to suffer with a number of high-profile retailer Compulsory Voluntary Agreements (CVAs) during the past 12 months. The investment market remains challenged with investor caution having an impact on pricing, and the spread between prime and secondary yields continuing to widen.

Across all sectors, total investment volumes for the UK declined year-on-year by 6.5% during 2018 to around £62 billion; however, activity in central London rose 10% compared with 2017. The first quarter of 2019 slowed further with many investors standing on the sidelines until more clarity on the Brexit outcome is known.

Germany

Capital Economics forecasts German GDP growth of 0.5% in 2019 and 0.8% in 2020, lower than the 2018 GDP growth rate of 1.5%. German unemployment has continued to decline over the last five years and is forecast to be at 3.2% in 2019 according to Capital Economics. A continued low unemployment rate is expected to benefit domestic demand, which is in turn expected to support economic growth in Germany.

In 2018, the office take-up volume in the 'Big 7' German office markets (Berlin, Frankfurt, Hamburg, Munich, Dusseldorf, Stuttgart and Cologne) reached around 3.8 million sq. m., which is the third-best year in terms of take-up since the millennium and 17% above the 10-year average. Due to a lack of available good-quality product in the 'Big 7' office markets, take-up dropped by 8.7% when comparing 2018 to 2017, while the aggregate vacancy rate decreased to 3.1% as at Q4 2018, down from 4.1% in Q4 2017 (source: Colliers).

There is a significant shortage of office space, particularly in central city locations; this shortage of available stock has left many companies unable to relocate. Unlike in previous cycles, completions and supply have not kept pace with the positive demand and are slowly starting to react. In 2018, in the 'Big 7' German office markets, completions amounted to 843,000 sq. m. which is approximately 7% below the five-year average. The strong demand is also reflected in continued positive net absorption in the 'Big 7' German office markets. This figure is quoted at more than 1.6 million sq. m. for 2018, which refers to the amount by which occupied office space has increased (source: Colliers).

Investor appetite for office assets remained strong in 2018; total German office transaction volume amounted to €30.9 billion, representing an increase of 16% year-on-year, the highest for 10 years (source: Colliers).

Real Estate Investment – India

The real estate sector in India is expected to reach a market size of $1 trillion by 2030 from $120 billion in 2017 and contribute 13% of the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

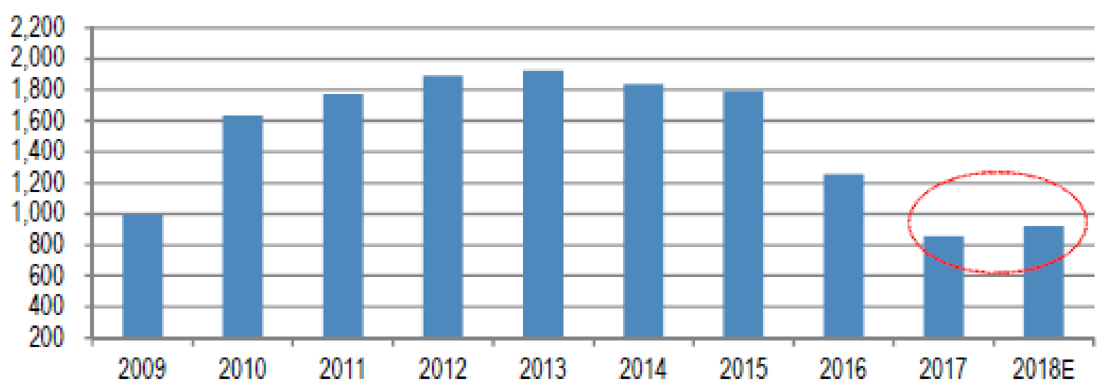
Sectors such as IT and IT enabled services, retail, consulting and e-commerce have registered high demand for office space in recent times. Commercial office stock in India is expected to exceed 600 million square feet by 2018 end while office space leasing in the top eight cities (Mumbai Metropolitan Region, National Capital Region, Pune, Bengaluru, Ahmedabad, Hyderabad, Kolkata and Chennai) is expected to exceed 100 million square feet during 2018-20. Co-working space across the top seven cities (top eight cities excluding Ahmedabad) has increased sharply in 2018 (up to September), reaching 3.44 million square feet, compared to 1.11 million square feet for the same period in 2017.

The residential real estate market in the top seven cities is now going through a phase of consolidation, with absorption, supply and prices displaying a downward trend in many micro markets. The implementation of the following three key policy decisions/reforms have had a negative immediate impact on an already slow residential market:

1. Demonetization - All INR 500 and INR 1,000 notes were demonetized in November 2016, causing people to be wary of spending, leading to a decline in demand for housing. Property registrations saw a decrease of up to 40% (source: Kotak Mahindra Bank Report), giving rise to an air of fear among developers. This led to them putting many projects on hold to avert losses and risk.
2. The Real Estate Regulation (and Development) Act ("RERA") came into effect in May 2017. It aims to boost investments in the real estate sector and create a more transparent environment for property buyers by increasing the accountability of builders
3. Goods and Services Tax ("GST") - this tax reform has been implemented with the intent of simplifying the indirect tax

As seen in the chart below, sales declined in 2016/17 following demonetization and the implementation of RERA and GST. Pre-sales at listed developers over H1 FY19, however, are starting to revert to normalized levels.

Residential sales (Rs billion)



Source: PropEquity, J.P. Morgan

Some of the major investments and developments in this sector recently are as follows:

- Commercial real estate saw the highest ever leasing absorption of over 47 million sq. ft with institutional inflows of over $3.3 billion in 2018
- Residential property sales rose 58% from a year ago to ~78,000 apartments during the quarter ended March across the top seven cities
- In April 2019, India implemented goods and services tax reform in the real estate sector, seeing rates drop to 1%-5%. This is against earlier rates of 8-12%

The Government of India along with the governments of the respective states has taken several initiatives to encourage development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for real estate companies. Below are some of the other major Government initiatives:

- Under the Pradhan Mantri Awas Yojana (PMAY) Urban, more than 6.85 million houses have been sanctioned up to December 2018.

- In February 2018, creation of the National Urban Housing Fund was approved with an outlay of INR 600 billion ($9.3 billion).
- Under the Pradhan Mantri Awas Yojana (PMAY) Urban 1.4 million houses have been sanctioned in 2017-18. In March 2018, construction of an additional 320,000 affordable houses was sanctioned under the scheme.

A further impetus to the sector has come from the recent proposal by the Reserve Bank of India to allow banks to invest in real estate investment trusts and infrastructure investment trusts.

Source: Media Reports, Press releases, Knight Frank India, VCCEdge, JLL Research, CREDAI-J, Kotak Mahindra Bank Report, Prop Equity, JP Morgan, IBEF Report

Absolute Return Investments

Hedge funds delivered positive performance of +1.3% for FY19, as measured by the HFRI Fund of Funds Composite Index, compared to FY18 performance of +5.2%.

Performance was markedly different between the first and second halves of FY19. The HFRI Fund of Funds Composite Index was down 4.7% for H1 FY19 as global equity markets suffered significant volatility, particularly in October and December 2018. December 2018 was the worst performing December for the Dow Jones Industrial Average and the S&P 500 since 1931. The S&P 500 was down 6.9% and the MSCI World was down 8.9% in H1 FY19. Conversely, the HFRI Fund of Funds Composite Index was up 6.3% for H2 FY19. A strong rebound in risk assets led H2 FY19 to be the strongest period for risk assets in over ten years and the S&P 500 had the best H2 FY19 performance since 1997.

Global macro discretionary funds were marginally positive over FY19; the HFRI Macro index was up 2.8%. Performance was more challenged in H1 FY19 amid a challenging backdrop for both traditional asset classes and across most hedge fund styles with H2 FY19 proving to be more conducive for the strategy. The most successful macro players were those that successfully captured the movement in risk assets over this period - primarily it paid to be long risk assets (equities, credit) and long duration. Despite the overall muted returns for macro there was some excellent performance from several macro hedge funds. Emerging markets focused managers performed well, particularly if they risk managed well in Q4 2018 and then re-engaged in H1 2019, as well as directional and relative value rates specialists. The key trade for macro managers during H2 FY19 was to be long duration, as global bond yields tumbled across the world. Many leading bond markets, including Germany, France, Switzerland and Japan now have negative yields. German Bunds have negative sovereign yields out to as far as 20 years in maturity. Looking across the world there is now approximately $13.4 trillion of negative yielding debt. The US 10-year rallied 70bps (2.83% to 2.07%) between January and June to return +6.9%. Macro discretionary managers tend less to play equities, often using equities as a hedge or relative value. However, managers that were able to engage in late December/early January after the steep drawdown between October and December were well rewarded. Managers also saw plenty of opportunities in the commodity space with strong performance across energy, particularly gasoline and WTI/Brent. WTI rose steadily from the December lows of $42 to break above $65 in late April. Also, in precious metals – gold broke out of recent trading ranges to break $1,400 in June as the opportunity cost of yield bearing assets fell. There were also idiosyncratic moves in soft commodities due to both tariffs (soya beans) and weather conditions (e.g. corn had the slowest planting progress since records began).

Commodity trading advisors (‘CTA’) outperformed the broader hedge fund indices in FY19. Performance was particularly strong for pure trend followers in H2 FY19. CTA performance was primarily driven by managers that had exposure to fixed income duration and equity markets as CTA’s benefited from the strong rallies across equity and fixed income. Performance in commodity markets was mixed with several managers catching the strong moves up in energy but others were caught out in the sharp reversals in soft commodities such as corn.

Equity market neutral strategies underperformed in FY19. The Equity Market Neutral (EMN) strategy has struggled for much of the fiscal year primarily due to aggressive factor rotation and a persistent “growth” versus “value” factor bias that has hampered returns. There have been significant liquidations across the quantitative equity space in FY19 most likely emanating from large liquidations from multi-strategy and specialist quantitative managers and this has had a negative impact on the broader space.

Fixed income relative value strategies performed broadly in-line with broader hedge fund strategies during FY19. Managers that employ a long volatility bias have generally struggled in FY19 as all asset class volatilities trended lower in recent years with fixed income particularly subdued. Despite a pick-up in fixed income volatility in Q2 2019, levels preceding this in Q1 2019 hit all-time lows. Some managers were able to benefit from classic cash/futures basis trading in both the US and Europe. This strategy currently benefits from the regulatory induced reduction of bank proprietary trading desks, thereby increasing barriers to entry and limiting competition.

Convertible arbitrage strategies produced consistent returns over FY19 outperforming broader hedge fund indices. Performance was particularly strong in H2 FY19 as convertible arbitrage strategies benefitted from strong credit markets. Managers employing “synthetic put” structures were successfully able to trade gamma (volatility) opportunities. The new issuance calendar has also provided a positive backdrop to the strategy, particularly for those managers that have the ability to participate in new issuance and to take advantage of ensuing weakness in secondary pricing.

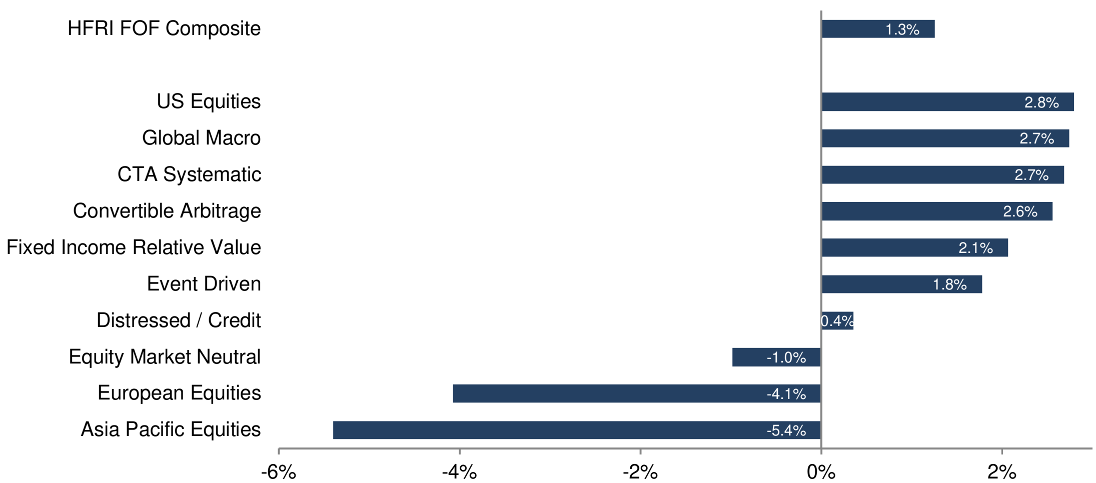
Credit funds were up 3.2% in FY19 as measured by the HFRI: Credit index. Within this category, funds focused on corporate credit led the way (HFRI: RV-FI Corporate Credit +5.7%), followed by structured credit funds (HFRI: RV-FI ABS +3.7%) and then distressed funds (HFRI: Event-Driven Distressed/Restructuring +0.3%). All benefited from a strong high yield (“HY”) market as the Bank of America Merrill Lynch HY Master Index returned +7.3% in FY19. Despite marginally wider spreads, high yield performance was driven largely by the receipt of coupon and lower risk-free rates as defaults remained well below the long run average. Managers parlayed higher yielding CCC bonds and an active refinancing market into attractive returns across corporate credit strategies. Distressed strategies lagged as CCC bonds finished the fiscal year with spreads as much as 100bps wider than at the start. ABS strategies finished somewhere in between on the backs of overall limited available carry for many RMBS trades and declining excess spread in the case of CLOs.

Equity long/short (L/S) hedge funds finished the fiscal year with positive performance as the HFRI: Equity L/S (Total) index was up 0.4%. A strong second half to the fiscal year turned performance around as equity focused hedge funds were down 8.2% in the first six months but up 9.4% in the latter six months. Hedge funds averaged a beta to the MSCI World Equity index of 0.55 during the fiscal year, corresponding to a negative alpha of 3.1% on the year vs. the index. Periods like FY19 where markets abruptly switch direction can be difficult for fund managers as they often get whipsawed and become defensive just as markets turn. Managers added some tactical gains by increasing their beta in the second half of the year as the MSCI World Equities Index went from losing 9.1% after the first six months to gaining 17.0% over the next six months. Against this backdrop, those funds focused on US markets tended to outperform those focused mostly elsewhere, just as those funds with a more long-biased approach easily outperformed those funds with a more muted market stance.

Event driven funds finished the fiscal year +1.75% as measured by the HFRI Event Driven (Total) index. Key sub-strategies such as merger-arbitrage (HFRI ED: Merger Arbitrage index, +3.7%), activism (HFRI ED: Activist index,

-1.8%) and special situations (HFRI ED: Special Situations index, +1.7%) were mixed. Unsurprisingly, merger-arbitrage led the way as, despite relatively low average annualized merger spreads, the space saw only limited deal breaks following Qualcomm's failed acquisition of NXP in July 2018. Meanwhile, merger investors revisited their risk tolerance for overseas deals with security or regulatory hurdles and increasingly either avoided, limited or hedged such positions.

Performance of hedge fund strategies (July 2018 – June 2019)



Source: PerTrac, Investcorp

Credit Management

Loan market overview

The Credit Suisse Leveraged Loan Index rose 0.47, or 1.58%, to 96.78 as at June 2019, with most of the gains coming in April.[1] The mixed performance over the May-June span can largely be attributed to ongoing concerns about a potential trade war and the Federal Reserve's pivot toward a dovish stance. Additionally, technical conditions deteriorated as retail investors continued to head for the exits. Loan mutual funds have seen redemptions for 32 straight weeks through June 2019; a total of $7.5 billion was withdrawn from April to June 2019.

That said, other factors served to make up the difference, leaving supply and demand roughly in balance.[2] One key driver was CLO issuance; $36.9 billion in new issues were priced in Q2 2019, which is on a par with last year's record pace. Additional support came from $17.1 billion in loan repayments, much of which emanated from high yield bond refinancings and IPOs. The supply of new loans, meanwhile, remained tepid; net priced volume was $48.6 billion, significantly below the $86.1 billion seen in Q2 2018. Generally speaking, issuance owed much to LBO and M&A financing, refinancing, and opportunistic dividend deals, which accounted for 45%, 20% and 10% of the total, respectively.

In terms of the market's fundamentals, conditions remained sound. While the trailing 12-month default rate rose to 1.34% at the end of June from 0.93% in the first quarter, it remained below the 1.63% level that prevailed at the end of December 2018.[3] The discount margin tightened by seven basis points to 460 basis points.

[1] Credit Suisse US Leveraged Loan Index Monthly data, June 28, 2019
[2] LevFin Insights, LFI Quarterly Insights Q2 2019, July 2, 2019
[3] LCD, an offering of S&P Global Market Intelligence, July 1, 2019

Sector-wise, only one group posted negative returns in Q2 2019 – metals and minerals, down 1.62% – though other economically-sensitive segments also disappointed, including energy, which was flat, and consumer durables, which drifted 0.21% higher. In contrast, defensive issues, including utilities and food and drug names – up 2.13% and 2.05%, respectively – more than held their own. Interestingly, the housing segment also fared well, gaining 2.08% on positive sector-specific data. As was the case in the first quarter, higher-rated credits led the pack: BB-rated and B-rate loans were up 1.66% and 1.57%, respectively, while CCC-rated counterparts rose just 0.58%.[4]

Across the Atlantic, the Credit Suisse Western European Leveraged Loan Index rallied 1.87% in Q2 2019.[5] While all three months witnessed positive returns, the bulk of the gain came in April, when the market rose 1.23%. Overall, the average loan price increased from 97.69 to 98.01, which was off its early-quarter peak of 98.38 and well below the September 2018 high of 99.07. Despite more favorable conditions in the region than elsewhere, the European loan market could not fully shake off the US-led decline in global risk sentiment that occurred during May and June.

In terms of supply and demand, the latter continued to outweigh the former. Despite sustained interest from investors, European loan issuance faltered; at EUR 34.9 billion for the year through June, the total was down 30% from the year-ago period.[6]

At the same time, CLO formation has been robust, with EUR 14.7 billion of new issues coming to market during the first six months of 2019, 6% more than in last year's first half. Since 2019 began, five new managers have entered the CLO space, with a further handful expected to debut new issues in coming months, and even with a more nervous tone in credit markets overall on the heels of continuing macro uncertainty, CLO demand has helped to keep things buoyant. Separately, the European discount margin tightened by 10 basis points to 420 basis points last quarter.

Amid strong demand for European loan assets, especially from CLO rampers, the best values continue to be found in the primary market, where issues have traded up strongly on the break because investors have been unable to get the allocations they want. In contrast, the secondary market remains a fairly expensive source of supply. Given that, primary market access and the ability to secure sufficient allocations remain the key to good performance.

Similar to what occurred in the US, cyclical and other industries that are susceptible to macro headwinds came up short in Q2 2019; shipping and aerospace fell 3.55% and 2.95%, respectively. Interestingly, consumer durables turned out to be the best performing group, with a gain of 3.92%, followed by utilities and housing, which rose 3.00% and 2.49%, respectively. Traditionally defensive sectors such as food and healthcare also fared well; both groups posted returns in excess of 2% for the period.

Credit-wise, riskier CCC-rated obligations generated subpar performance, with a gain of 1.18% over the April-June span, in contrast to BB-rated and B-rated loans, which rose 1.88% and 1.93%, respectively.

More broadly, underlying credit fundamentals in Europe have remained robust; the S&P European Leveraged Loan Index (ELLI) posted a 0% trailing 12-month default rate in the first half of 2019.[7] That said, the number of issues moving into stressed pricing territory has been rising, though, this has generally been for company-specific reasons,

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[4] Credit Suisse US Leveraged Loan Index Monthly data, June 28, 2019

[5] Credit Suisse Western Europe Leveraged Loan Index Monthly data, June 28, 2019.

[6] LCD, an offering of S&P Global Market Intelligence, July 1, 2019

[7] LCD, an offering of S&P Global Market Intelligence, July 1, 2019

rather than because of market or industry concerns. Investcorp continues to expect idiosyncratic mishaps to occur and will be quick to exit positions that it feels may encounter stress.

Loan market outlook

In the loan market – and in other asset classes, for that matter – the stance of central banks, most notably the Federal Reserve, is the primary focus. Since last year's fourth quarter, investors have shifted from expecting further Fed interest-rate hikes to anticipating multiple cuts, with the first such move in July. More recently, mixed economic data and the strength of the latest US jobs report have served to muddy the waters regarding the trajectory and timing of prospective rate cuts. That said, Fed dovishness could nonetheless help to prolong the current expansion and provide an earnings tailwind for the companies Investcorp invests in.

On the other side of the Atlantic, the ECB also looks increasingly likely to become more accommodative following its acknowledgement of the downside risks to the growth outlook. Typically, retail investors tend to flee the floating-rate loan segment when rates are expected to decline, creating a technical headwind. However, Investcorp agrees with a Credit Suisse strategist who notes that "while the prospect of Fed rate cuts certainly remains a challenge for the loan market, low all-in loan yields already factor in this negative outcome".[8] Investcorp also expects persistent demand from CLOs – which have already issued $65 billion and €14.7 billion of securities this year in US and European markets, respectively[9] – to remain a supporting factor.

In terms of Investcorp's outlook for the loan market going forward, Investcorp anticipates coupon-like returns that will, following the strong first quarter rally, lead to full-year performance in excess of 8%. In Investcorp's view, however, the path higher is unlikely to be smooth. Investcorp expects to see bouts of volatility as investors react to changes in perceived risks surrounding the economy, trade policies, and central bank policymaking.

[8] Credit Suisse Credit Strategy Daily Comment, July 3, 2019
[9] LCD, an offering of S&P Global Market Intelligence, July 1, 2019

Discussion of Results

Profit for the Year

Profit for the year includes fee income from client-centric activities and asset-based income from returns generated on balance sheet assets, including unrealized changes in fair value of co-investments in Investcorp's private equity ('PE') and real estate ('RE') products, accrued returns on credit management ('CM') exposures and realized changes in the fair value of absolute return investments ('ARI') products.

Despite a slowing macroeconomic backdrop and increasing trade and geopolitical tensions, profit for the year of $131 million for FY19 was 5% higher than profit for the prior fiscal year ('FY18'). Excluding the write down in value of a legacy investment the net income grew by 15%. Continued geographical diversification of the Firm's client base and product set has helped support record levels of investment activities and fundraising across all markets. This has resulted in higher gross operating income during the year, which grew to $465 million, reflecting a 2% increase over FY18. Investcorp's FY19 results represent a return on equity ('ROE') of 12% and fully diluted earnings per share ('EPS') of $1.47 per ordinary share.

Income ($ millions)	**FY19**	**FY18**	**% Change B/(W)**
Fee income	376	321	17%
Asset-based income	106	137	(23%)
Write-down of legacy investments	(17)	(4)	(>100%)
Gross operating income	**465**	**454**	**2%**
Provisions for impairment	(4)	(4)	0%
Interest expense	(51)	(56)	(9%)
Operating expenses	(268)	(256)	5%
Profit before tax	**142**	**138**	**3%**
Income tax expense	(11)	(13)	(15%)
Profit for the year	**131**	**125**	**5%**
Profit for the year excluding fair value changes of legacy investments	148	129	15%
Basic earnings per ordinary share ($)	1.52	1.34	13%
Fully diluted earnings per ordinary share ($)	1.47	1.30	13%

Fee income increased to $376 million (FY18: $321 million) with growth recorded in AUM fees as well as in deal fees. Asset-based income decreased to $106 million (FY18: $137 million) primarily driven by lower private equity returns.

Interest expense decreased by 9% due to a combination of lower average drawn balances and lower margins. Operating expenses increased by 5% to $268 million (FY18: $256 million) reflecting the expansion of Investcorp's distribution platform. The tax expense decreased by $2 million.

Fee Income

Fee income has two components: (i) AUM fees which include management and administrative fees on aggregate client investments under management in private equity and real estate deals, as well as fees from client investments in ARI and CM; and (ii) deal fees which are generated and earned from transactional activities related to direct investments (PE, RE and special opportunities portfolios ('SOPs')), including their initial acquisition, subsequent placement and eventual exit, plus performance fees for value added during the ownership period.

Summary of fees ($ millions)	FY19	FY18	% Change B/(W)
ARI fees	13	13	0%
CM fees	50	46	9%
Other management fees	118	114	4%
AUM Fees	**181**	**173**	**5%**
Activity fees	167	128	30%
Performance fees	28	20	40%
Deal fees	**195**	**148**	**32%**
Fee income	**376**	**321**	**17%**

Total fee income in FY19 increased to $376 million (FY18: $321 million).

AUM fees were $181 million in FY19, 5% higher than FY18. The increase reflects a higher level of client assets under management.

The increase in AUM fees was complemented by an increase in deal fees in FY19 to $195 million (FY18: $148 million), mainly driven by higher activity fees relative to FY18. Performance fees of $28 million increased by 40% (FY18: $20 million) reflecting the positive performance of the underlying PE and RE portfolios. Activity fees increased by 30% to $167 million (FY18: $128 million). The increase primarily reflects higher PE activity fees, driven by several deals exited during the year and the fee generated from the Firm's first investments in China and India.

Asset-based Income

Asset-based income is earned on Investcorp's PE, RE, CM and ARI co-investments held on the balance sheet, including invested liquidity. Asset-based income includes unrealized changes in the fair value of PE and RE co-investments, accrued returns on CM exposures and realized changes in the fair value of ARI co-investments.

Gross asset-based income during FY19 decreased by $31 million relative to FY18 to a net gain of $106 million, primarily driven by a significant decrease in the PE returns during the year.

Asset-based income ($ millions)	FY19	FY18	% Change B/(W)
Private equity investment	29	65	(55%)
Credit management investment	22	28	(21%)
Absolute return investment	8	10	(20%)
Real estate investment	29	24	21%
Investment in an associate	5	-	n.m.
Treasury and other asset-based income	13	10	30%
Gross asset-based income	**106**	**137**	**(23%)**

The tables below summarize the primary drivers of asset-based income for PE, ARI and RE.

PE asset-based income KPIs ($ millions)*	FY19	FY18	% Change B/(W)
Asset-based income	29	65	(55%)
Average co-investments	426	409	4%
Absolute yield	6.8%	15.9%	(9.1%)

* Excludes fair value change of legacy investments

PE asset-based income in FY19 was driven by steady growth across most of the US and European portfolio and successful realizations during the year. Positive returns were however offset by lower returns for investments in the Turkey region which were impacted by the depreciation in the Turkish Lira and by valuation declines in certain US retail sector exposures and in a legacy investment.

CM asset-based income KPIs ($ millions)	FY19	FY18	% Change B/(W)
Asset-based income	22	28	(21%)
Average co-investments	296	347	(15%)
Absolute yield	7.4%	8.1%	(0.7%)

The asset-based income for the CM business primarily represents returns on CLO co-investment exposures, which delivered steady returns and were supported by active management of the CLO funds by the credit management team. The CM asset-based return decreased by $6 million to $22 million as compared to FY18, primarily due to lower average co-investment exposures and the diversification of the Firm's co-investments to vertical tranches of CLO's which lowers risk as opposed to investing only in equity tranches of new CLO issuances.

ARI asset-based income KPIs ($ millions)	FY19	FY18	% Change B/(W)
Asset-based income	8	10	(20%)
Average co-investments	137	207	(34%)
Absolute yield	5.8%	4.8%	1.0%

ARI returns declined by 20% in FY19 to $8 million. The return was primarily affected by a lower average co-investment balance during the year.

RE asset-based income KPIs ($ millions)	FY19	FY18	% Change B/(W)
Asset-based income	29	24	21%
Average co-investments	306	325	(6%)
Absolute yield	9.5%	7.4%	2.1%

RE asset-based income is primarily driven by rental yields. The higher income in FY19 as compared to FY18 reflects higher yield on the co-investment balance which is mainly driven by strong performance of the entire portfolio across US and Europe. A large portion of the average co-investments relates to underwriting on which Investcorp earns the rental yield during the period of underwriting.

The table below shows the average yields on balance sheet co-investments for each of the last five fiscal years by asset class.

Asset yields	FY15	FY16	FY17	FY18	FY19	Average (FY15 – FY19)
Private equity *	6.8%	16.5%	3.5%	15.9%	6.8%	9.9%
Credit management	-	-	12.1%	8.1%	7.4%	9.2%
Absolute return investments	2.0%	(6.2%)	6.2%	4.8%	5.8%	2.5%
Real estate investment	5.5%	(0.6%)	7.8%	7.4%	9.5%	5.9%
Average co-investment yield	5.0%	5.4%	6.7%	9.9%	7.5%	6.9%

* Excludes fair value change of legacy investments for FY18 and FY19

Interest Expense

Total interest expense, including commitment fees on undrawn revolving credit facilities, decreased by 2% to $51 million in FY19 from $56 million in FY18. The decrease was due to lower average interest-bearing liabilities primarily due to repayment of the CHF 125 million bond that matured during the fiscal year, which was also complemented by a tightening of the spread on Investcorp's average borrowings

Interest expense ($ millions)	FY19	FY18	Change H/(L)
Total interest expense	**51**	**56**	**(5)**
Average short-term interest-bearing liabilities	605	504	101
Average medium- and long-term interest-bearing liabilities	602	775	(<100%)
Average interest-bearing liabilities	**1,207**	**1,279**	**(72)**
Interest expense on funded liabilities[(a)]	43	50	(7)
Average cost of funding on funded liabilities	**3.6%**	**3.9%**	**(0.3%)**
Average 1-month US LIBOR	2.3%	1.5%	0.8%
Spread over LIBOR	**1.2%**	**2.4%**	**(1.2%)**

(a) Does not include commitment fee cost on undrawn revolvers.

Operating Expenses

Operating expenses increased by 5% to $268 million in FY19 from $256 million in FY18. The staff compensation, which includes fixed and variable components, increased by 6%. Other personnel costs and charges such as training and recruitment increased by 27%. The increase in staff compensation and other personnel costs and charges is primarily due to the 4% increase in global headcount across all locations and higher staff compensation per FTE. Other operating expenses, comprising of professional fees, technology, travel and business development, administration and infrastructure costs decreased by 1%. Total expenses, as a percentage of net revenues, remained constant at 65%.

Operating expenses ($ millions)	FY19	FY18	Change H/(L)
Staff compensation	174	164	10
Other personnel costs and charges	14	11	3
Other operating expenses	80	81	(1)
Total operating expenses	**268**	**256**	**12**
Full time employees ('FTE') at end of period	419	402	17
Staff compensation per FTE ('000)	415	408	2%
Other operating expenses per FTE ('000)	191	199	(4%)
Total staff compensation / total operating expenses	65%	64%	1%
Operating expenses / Net revenue[a]	65%	65%	0%

(a) Net revenue represents gross operating income less provisions for impairment and interest expense

Balance Sheet

Key balance sheet metrics are shown in the table below.

Balance sheet metrics	Jun-19	Jun-18
Total assets	$2.4 billion	$2.5 billion
Leverage[a]	1.1x	1.3x
Net leverage ratio[b]	0.4x	0.5x
Shareholders' equity	$1.1 billion	$1.1 billion
Co-investments[c] / long-term capital[d]	0.5x	0.7x
Capital adequacy ratio	33.8%	31.5%
Residual maturity – medium- and long-term facilities	73 months	69 months

(a) Calculated in accordance with bond covenants.

(b) Calculated in accordance with bank loan covenants and is net of liquidity, underwriting and deferred fees.

(c) Excludes underwriting and is net of facilities secured against absolute return investments and credit management co-investments.

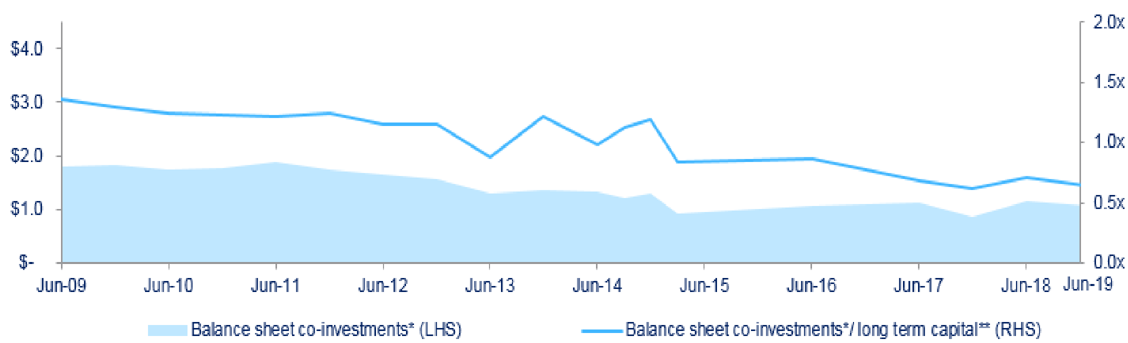
(d) JPY37 billion debt maturing in FY30, $41 million secured financings maturing in FY31, $42 million debt maturing in FY32, $50m debt maturing in FY33, deferred fees and total equity.

Assets

Assets ($ millions)	Jun-19	Jun-18	Change H/(L)
Cash and other liquid assets	390	371	19
PE, RE and ARI underwriting & CM warehousing	334	446	(112)
CM co-investments	332	272	60
ARI co-investments	112	189	(77)
PE and RE co-investments (excluding underwriting)	573	701	(128)
Investment in an associate	38	-	38
Other (working capital and fixed assets)	582	514	68
Total assets	**2,361**	**2,493**	**(132)**
Co-investment assets (excluding underwriting)	**1,017**	**1,162**	**(145)**

At June 30, 2019, total assets were $2.4 billion, 5% lower than at June 30, 2018. Total co-investments decreased by $145 million to $1,017 million, primarily driven by a $120 million decrease in PE co-investments resulting from two secondary sales and several other realizations. ARI co-investments also decreased by $77 million, but this was mostly offset by an increase in CM co-investments of $60 million. As at June 30, 2019, gross co-investments in CM were $332 million of which $84 million was utilized to secure amounts drawn under long term repo financing agreements.

Co-investments are funded entirely by a combination of long-term and permanent sources of capital



* Excludes underwriting and is net of the amount of a secured facilities (which are secured against CM co-investments)

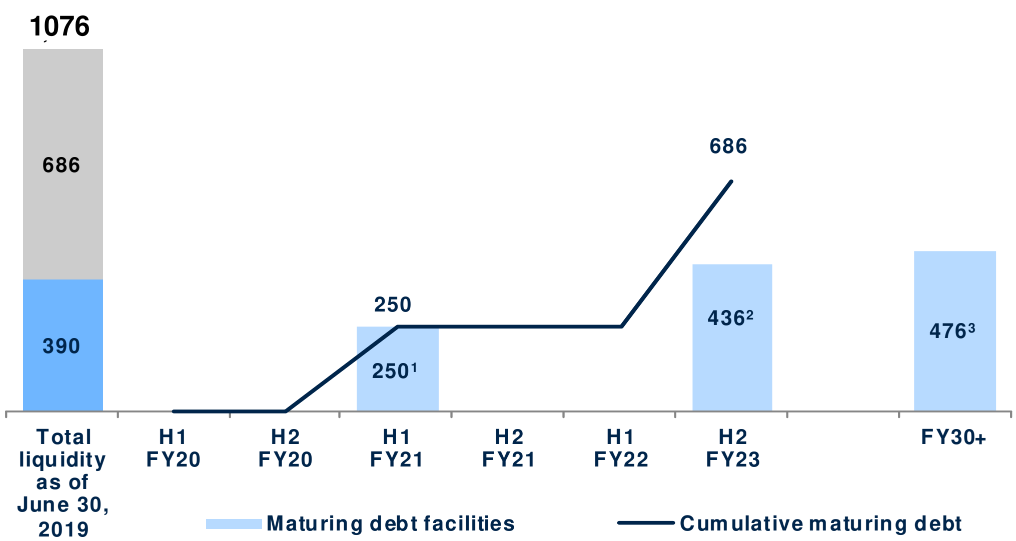
** Long term capital consists of JPY37 billion debt maturing in FY30, $41 million secured financings maturing in FY31, $42 million debt maturing in FY32, $50m debt maturing in FY33, deferred fees and total equity.

Investcorp focuses on maintaining a co-investment to long-term capital ratio of 1.0x or lower, such that the entire balance sheet co-investment portfolio is fully funded through permanent or quasi-permanent capital and does not rely on medium-term debt financing. As at June 30, 2019 the aggregate level of co-investments net of a $84 million repo credit facility secured against CM co-investments remained fully covered by permanent and long-term sources of capital.

Liquidity

Despite the repayment of the CHF 125 million bond that matured during the fiscal year and the buyback of ordinary shares, accessible liquidity, comprising undrawn committed revolving facilities plus balance sheet cash and other liquid assets of $1.1 billion was maintained at a higher level as compared to FY18 (June 30, 2018: $996 million) and covers all outstanding debt maturing over the next ten years.

Liquidity cover ($ millions)



1 Syndicated revolving facilities

2 Syndicated revolving facilities- includes €76 million ($87m as at June 30th 2019 exchange rates)

3 JPY 37 billion ($343 million as at 30th June 2019 exchange rates) debt maturing in FY30, €36 million ($41 million as at 30th June 2019 exchange rates) debt maturing in FY31, €37 million ($42 million as at 30th June 2019 exchange rates) debt maturing in FY32 & $50 million debt maturing in FY33

Liabilities

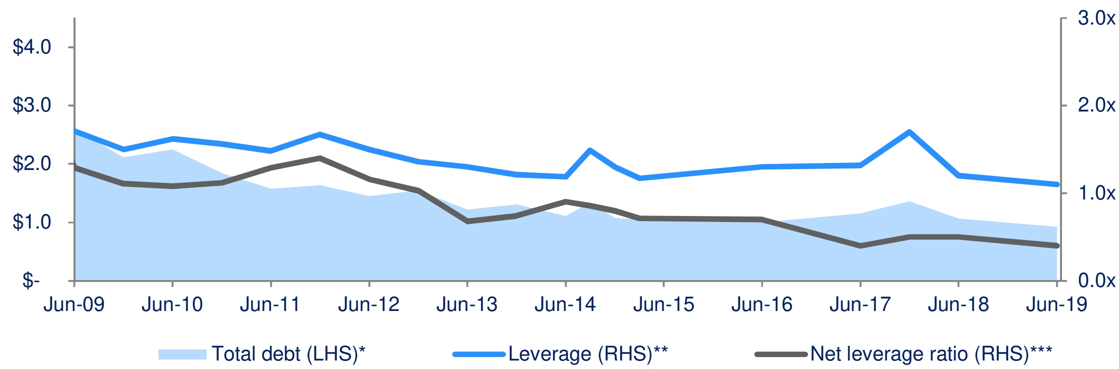
Total liabilities decreased by $154 million to $1,216 million at June 30, 2019.

Liabilities ($ millions)	Jun-19	Jun-18	Change H/(L)
Term and institutional accounts	151	300	(149)
Call accounts	263	116	147
Medium and long-term debt	514	617	(103)
Total debt	**928**	**1,033**	**(105)**
Deferred fees	63	72	(9)
Other liabilities[(a)]	225	265	(40)
Total liabilities	**1,216**	**1,370**	**(154)**

(a) Payables and accrued expenses, negative fair value of derivatives

The decrease in medium and long-term debt was primarily due to the repayment of a CHF 125 million bond that matured during the fiscal year, which was partially offset by a new repo credit facility secured against CM co-investments. Currency translation risks are fully hedged, and hence there is no material impact on profit for the year from this or other exchange rate movements.

Financial leverage



* Total debt is defined as call accounts, term and institutional accounts, medium and long-term debt

** Calculated in accordance with bond covenants. Liabilities are net of transitory balances

*** Calculated in accordance with bank loan covenants, net of liquidity, underwriting and deferred fees

Leverage, as defined for financial covenants principally in Investcorp's outstanding bond and note issues, is calculated after deducting any transitory liabilities from the aggregate level of liabilities on the balance sheet, and has remained low in line with Investcorp's medium-term objectives to maintain comfortable covenant headroom.

Net leverage, as defined in the 4-year syndicated revolving credit facility, is calculated by deducting cash, underwriting balances and deferred fees (arising from the introduction of IFRS 15) from liabilities.

Credit Ratings

Investcorp held its annual rating review with both Moody's and Fitch in October 2018. Moody's reaffirmed the Ba2 rating and 'Stable' outlook. This reflects the Firm's solid market position in the GCC region as a leading investment provider, its healthy operating margins and good asset retention. The rating incorporates the Firm's adequate liquidity profile and the ongoing improvement in earnings quality due to the growth in more stable and predictable asset management fees. Following the yearly review, Fitch Ratings re-affirmed Investcorp's credit ratings at BB and brought the outlook back to "Stable'.

Agency	Rating grade	Comment
Moody's Investor Service	Ba2 / Stable outlook	Rating and outlook confirmed in October 2018
Fitch Ratings	BB / Stable outlook	Rating confirmed and outlook brought back to "Stable" in October 2018

Equity

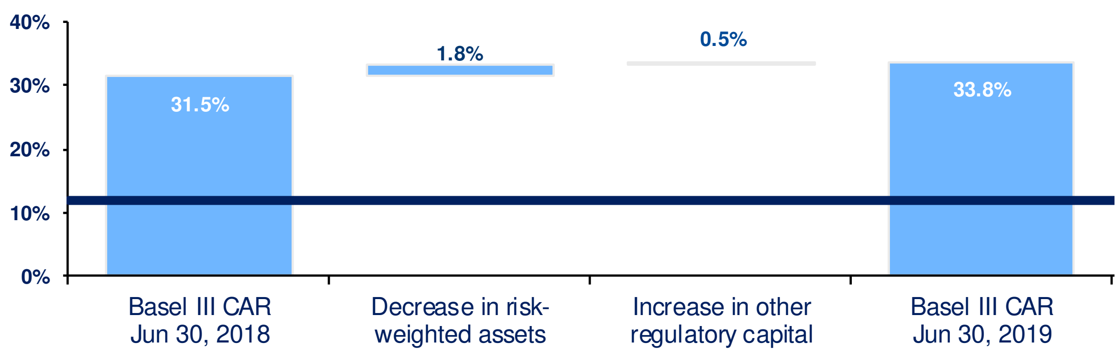
Equity ($ millions)	Jun-19	Jun-18	Change H/(L)
Ordinary shareholders' equity	987	964	23
Preference share capital	123	123	-
Proposed appropriations	38	41	(3)
Other reserves	(3)	(5)	2
Net book equity	**1,145**	**1,123**	**22**

Net equity at June 30, 2019 was $1.1 billion, reflecting an increase in equity from the profit for the year partially offset by the treasury shares purchased during the year. Book value per ordinary share as of June 30, 2019 increased by 9% to $13.26 (FY18: $12.13).

Capital Adequacy

Investcorp's capital adequacy ratio ('CAR') at June 30, 2019 was 33.8% (June 30, 2018: 31.5%), reflecting lower risk-weighted assets and a marginal increase in regulatory capital during the year. The CAR is comfortably in excess of the Central Bank of Bahrain's ('CBB') regulatory minimum requirement of 12.5%.

Regulatory capital adequacy ratio (CAR)



The CBB has designated Investcorp as a Domestic Systemically Important Bank ('DSiB'). As a result of this designation, Investcorp is subject to an increased frequency of prudential meetings and inspections by the CBB.

Investment Activity

New Acquisitions: Private Equity

Investcorp targets the acquisition of attractive private equity opportunities in North America, Europe, Asia, the Gulf and MENA regions, including Turkey. In addition, it continues to support its existing portfolio companies to increase their market share and expand their operational footprint through selected add-on acquisitions. The Firm seeks private equity investments that it believes offer its investors the potential for an attractive return profile, driven by proactive value creation initiatives, including revenue growth through expansion in new territories, business efficiency improvements and the strengthening of management teams.

The aggregate capital deployed in private equity investments during FY19 was $750 million. $609 million was deployed across four new private equity investments and one new special opportunity portfolio investment, $78 million was invested through or alongside Investcorp's technology funds in two new investments, $6 million was invested in IDFC Private Equity Fund IV ("IDFC PE Fund IV") and $57 million of additional capital was invested in five existing portfolio companies.

New acquisitions

United Talent Agency

The third largest talent agency in the world

Date of Investment	**August 2018**
Investors	**Deal-by-deal**
Industry Sector	**Business services - Media**
Headquarters	**California, US**

softgarden

A fast-growing Human Resource software provider

Date of Investment	**September 2018**
Investors	**Investcorp Technology Partners IV**
Industry Sector	**Technology – Big data**
Headquarters	**Berlin, Germany**

China Pre-IPO Technology Portfolio

A highly diversified portfolio that invests in leading pre-IPO technology companies

Date of Investment	**September 2018**
Investors	**Deal-by-deal**
Industry Sector	**Technology**
Headquarters	**Predominantly in China**

Ubisense

A market leader in enterprise location intelligence solutions

Date of Investment	December 2018
Investors	Investcorp Technology Partners IV
Industry Sector	Technology – Big data
Headquarters	Cambridge, UK

Health Plus Management

A provider of business management and operations services for independent physician practices in the physical medicine and rehabilitation market

Date of Investment	January 2019
Investors	Deal-by-deal
Industry Sector	Business services - Healthcare
Headquarters	New York, US

Revature

A leading technology talent development company

Date of Investment	February 2019
Investors	Deal-by-deal
Industry Sector	Business services – Technology enabled services
Headquarters	Washington, US

Cambio

Operates in the Electronic Health Records ("EHR") market, offering software solutions for acute, primary, social and person-centred care

Date of Investment	February 2019
Investors	Deal-by-deal Investcorp European Buyout Fund A, L.P.
Industry Sector	Business services - Healthcare
Headquarters	Stockholm, Sweden

Citykart Retail Private Limited

A value apparel retail chain

Date of Investment	February 2019
Investors	IDFC Private Equity Fund IV
Industry Sector	Consumer & retail
Headquarters	New Delhi, India

Other private equity activity

A number of Investcorp's private equity portfolio companies made add-on investments to increase value as part of their business plans. Such add-on investments enable the companies to increase revenues, for example by developing market share, by entering new markets and geographies, or by extending services or product ranges.

August 2018: PE-Tech portfolio company **Impero** acquired Safeguarding Monitor, Impero's first add-on, marking the first inorganic step on the pathway to the broader well-being strategy.

FY2019: Over the course of the year, Investcorp invested €30 million in its buy-and-build platform in the German dental sector for the acquisition of additional practices and to support operational expenses while further investments as part of its wider consolidation and buy-and-build strategy are progressed.

March 2019: PE-Tech portfolio company, **Calligo,** acquired Connected Technologies Inc. based in Brampton, Ontario, a Canadian specialist in outsourced IT and cloud services, including Microsoft Azure and Office 365. The acquisition complements two previous acquisitions in Canada – cloud services provider, 3 Peaks, in October 2017 and Mico Systems, an outsourced IT services company, in May 2020.

Investcorp also provides support funding to its portfolio companies from time to time to help stabilize and turn around companies that are facing challenging market conditions.

September 2018: PE-Tech portfolio company, **Impero**, received a further $2 million in follow-on investment, increasing the fully diluted ownership to 71.1%. Impero is the UK's number one provider of online student safety, classroom and school network management software.

November 2018: PE-Tech portfolio company, **Ageras**, received additional funding to support the continued growth of the core business and new product, Meneto. Founded in 2012, Ageras is a fast-growing online marketplace matching SMEs and micro-businesses with professional services providers such as accountants and lawyers.

June 2019: Investcorp provided support capital to PE North America portfolio company **Sur La Table** as part of a refinancing to help right-size the capital structure and extend debt maturities

Other add-on investments are summarized below. No additional equity from Investcorp or its investors was required for these investments.

July 2018: Investcorp and The Riverside Company added German replacement parts supplier, Ratioparts, to the platform of PE North America's portfolio company **Arrowhead**. Based in Euskirchen, Germany, Ratioparts is a leading European distributor of aftermarket replacement parts for outdoor power equipment and forestry applications.

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October 2018: PE MENA portfolio company **L'azurde,** closed the acquisition of 100% of the equity of Izdiad, the Saudi Franchisee of the TOUS international jewellery brand, operating 26 TOUS franchise stores in Saudi Arabia. TOUS is an international lifestyle brand focused on affordable luxury jewelry with more than 620 stores in over 53 countries.

November 2018: PE North America partner company **AlixPartners**, acquired independent financial advisory and interim management firm Zolfo Cooper. The transaction follows AlixPartners' successful acquisition of Zolfo Cooper's European franchise in February 2015 and will further bolster the Firm's turnaround and restructuring credentials.

November 2018: PE North America portfolio company **KSI Trading Corp** acquired Richmond Bumper, a leading distributor of automotive aftermarket parts to collision repair shops in Virginia and North Carolina.

January 2019: PE North America portfolio company **ICR** closed its first add-on acquisition in its more than 20-year history with its acquisition of Westwicke Partners. Westwicke is a healthcare-focused strategic communications firm providing investor relations and capital markets advisory services. Westwicke will expand ICR's presence in the healthcare market, while ICR will provide Westwicke with several add-on service offerings, including PR and digital.

January 2019: PE Europe portfolio company **Kee Safety,** acquired Scotland-based APS which provides Kee Safety with a leading market position in Scotland.

February 2019: PE North America portfolio company **UTA**, acquired leading influencer firm Digital Brand Architects (DBA). DBA is the leading independent company representing many of the world's most impactful and engaging digital influencers. The acquisition further strengthens and expands UTA's market-leading efforts in the Digital Media sector and in the fast-growing Digital Talent marketplace.

February 2019: PE MENA portfolio company **NDT CCS**, closed the acquisition of International Inspection Center Co., Kuwait's largest provider of industrial non-destructive testing and inspection services.

March 2019: PE Europe portfolio company **Kee Safety,** acquired UK-based Planet Platform which provides Kee Safety with an additional product assortment.

June 2019: PE Europe portfolio company **Kee Safety,** acquired Canada-based Safeguard which marks its fifth add-on acquisition under Investcorp ownership.

New Acquisitions: Real Estate

Investcorp focuses on the acquisition of existing core and core-plus commercial and residential real estate assets situated in many of the largest and most diversified markets in the US and Europe. The Firm seeks properties that can offer investors an attractive current return and the potential for capital appreciation through hands-on asset management, revenue improvements, expense rationalization and value-added capital improvements. The majority of real estate investments are structured in a Shari'ah compliant manner.

The aggregate equity deployed in new real estate investments in FY19 was $670 million.

2018 Multifamily Portfolio

Shari'ah compliant equity ownership interests in an apartment property in Tampa, Florida (Amberly Place), an apartment property in Clearwater, Florida (Four Lakes at Clearwater*), three apartment properties in Houston, Texas (Baybrook Village, Lodge on El Dorado* and Richmond Chase*), and one apartment property in Salt Lake City, Utah (Country Lake).

* signed and purchased in FY18

Number of properties	**6**

2019 Multifamily Portfolio

Shari'ah compliant equity ownership interests in an apartment property in Raleigh, North Carolina (Stonehenge), an apartment property in Atlanta, Georgia (Village West), two apartment properties located in Jacksonville, Florida (Vista Grande & Autumn Cove), two properties located in Phoenix, Arizona (Highland Park & Park View), and two properties located in Dallas, Texas (Bel Air Plano & Bel Air Park).

Number of properties	**8**

UK Industrial & Logistics Portfolio III

Shari'ah compliant equity ownership interests in nine industrial and logistics properties. One property is located in each of the following locations; St Helens*, Uddingston, Blantyre, Manchester, Leeds, Birmingham and three properties in Livingston.

* Signed and purchased in FY18

Number of properties	**9**

US Distribution Center Portfolio

Shari'ah compliant equity ownership interests in eight industrial properties located in Cleveland, Ohio; Jacksonville, Florida; Phoenix, Arizona; Charlotte, North Carolina; Chicago, Illinois; St. Louis, Missouri; Cincinnati, Ohio; and San Antonio, Texas.

Number of properties	**8**

Frankfurt and Hamburg Properties Portfolio		
Shari'ah compliant equity ownership interests in two office properties located in Frankfurt and Hamburg.		
Number of properties	**2**	

In addition, 14 residential properties were acquired in the U.S. These properties will form parts of two new portfolios and a fund which are expected to be offered to clients in FY20.

Credit Management

The aggregate amount of new investments activities associated with CLO assembly during FY19 was $1.5 billion. This included $436 million related to the assembly and issuance of two new US CLOs, Jamestown XI and Jamestown XII. It also included $729 million related to the assembly and issuance of two new European CLOs, Harvest XX and Harvest XXI. In addition, the aggregate amount included warehousing of $305 million for one new US CLO and two new European CLO which are all expected to close in H1 FY20.

The European team worked on one reset during this period. The Harvest XVI CLO (originally issued in June 2014) was reset in September 2018; the total value of this transaction was in excess of $478 million.

Reset activity is beneficial both to clients wanting liquidity and/or an extended investments horizon and also to the business as a reset effectively allows the CLO manager to extend the lives of the deals, thereby extending the period over which management fees will be generated. In addition, resets typically provide additional returns to equity investors.

Realizations & Distributions

Total realization proceeds and other distributions to Investcorp and its clients were $4.0 billion in FY19.

Private Equity Realizations

Total private equity realization proceeds and other distributions to Investcorp and its clients were $2.2 billion in FY19.

Nobel Learning Communities

A leading provider of private education in the US

Date of Investment	**April 2015**
Date of Realization	**August 2018**
Investors	**Deal-by-deal**
Industry Sector	**Business services – Knowledge & professional services**

Gulf Cryo

A leading manufacturer, distributor and services provider of industrial gases

Date of Investment	**November 2009**
Date of Realization	**August 2018**
Investors	**Gulf Opportunities Fund I**
Industry Sector	**Industrial products**

ATC Telecom Infrastructure Limited (previously "Viom Networks")

A leading independent passive telecom infrastructure provider

Date of Investment	**August 2009**
Date of Realization	**March 2019 / June 2019**
Investors	**IDFC Private Equity Fund III**
Industry Sector	**Telecom**

Manipal Integrated Services (previously "Manipal Education and Medical Group India Private Limited")

A holding company of the Manipal Group's healthcare and education businesses in India

Date of Investment	**October 2013**
Date of Realization	**March 2019**
Investors	**IDFC Private Equity Fund III**
Industry Sector	**Healthcare, Education**

Deepak Cables (India) Limited

One of the leading players in the power Transmission & Distribution (T&D) space in India

Date of Investment	**December 2008**
Date of Realization	**March 2019**
Investors	**IDFC Private Equity Fund III**
Industry Sector	**Power**

The Wrench Group

A national leader in home maintenance and repair services

Date of Investment	**March 2016**
Date of Realization	**April 2019**
Investors	**Deal-by-deal**
Industry Sector	**Consumer services**

Leejam

A leading fitness chain operator in Saudi Arabia

Date of Investment	**July 2013**
Date of Realization	**May 2019**
Investors	**Gulf Opportunities Fund I / Deal-by-deal investors**
Industry Sector	**Consumer services**

SecureLink

A leading cybersecurity infrastructure and managed services provider

Date of Investment	**December 2015**
Date of Realization	**Signed in May 2019**
Investors	**Deal-by-deal**
Industry Sector	**Technology – Security**

In August 2018, Investcorp announced it had completed the sale of **Nobel Learning Communities** ('Nobel Learning') to Spring Education Group, the leading Pre K-12 private school operator in the US and a portfolio company of Primavera Capital Group, a leading Asia-based investment firm. Since acquiring Nobel Learning in 2015, Investcorp has worked closely with the company to achieve significant growth, acquiring 25 schools, opening nine greenfields and driving organic enrollment thereby collectively achieving EBITDA growth of 50% during its period of ownership.

Also, in August, Investcorp completed the sale of its remaining 15.65% equity shareholding in **Gulf Cryo Holding Company K.S.C.C** ('Gulf Cryo') to other shareholders of the company. Established in 1953, Gulf Cryo is a leading manufacturer, distributor and service provider of industrial gases in the Middle East. Gulf Cryo manufactures industrial, medical and specialty gases for a wide range of industries and applications such as metal fabrication, welding, cutting, oil and gas, healthcare, and food and beverage. Gases include oxygen, nitrogen, argon, and CO2, and are delivered by pipeline, in bulk or in cylinders. Gulf Cryo is dual-headquartered in the UAE and Kuwait with operations in Kuwait, the UAE, Saudi Arabia, Oman, Jordan, Egypt, Turkey and Iraq. Since acquiring Gulf Cryo in 2009, Investcorp has worked closely with the company to deliver notable achievements, institutionalizing Gulf Cryo and supporting its regional expansion plan, both organically and through a series of acquisitions.

In March and June, IDFC Private Equity Fund III ("IDFC PE Fund III") completed the sale of its shareholding in **ATC Telecom Infrastructure Limited** ("ATC India") by exercising its exit rights as part of the shareholding agreement with American Tower, a global leader in telecom infrastructure.

In March, IDFC PE Fund III exercised its rights as part of its shareholder agreement to exit its investment in **Manipal Integrated Services**. The investment was used by the Manipal Group to invest in their healthcare business which operates hospitals on a pan India basis.

In March, IDFC PE Fund III announced it had completed the sale of its remaining stake in **Deepak Cables (India) Limited** ("Deepak Cables") through sale to a promoter entity. Since investing in Deepak Cables in 2008, IDFC Private Equity Fund III had worked closely with the company in setting up initial systems and processes, MIS for business processes and recruitment of senior management team.

In April 2019, Investcorp announced it has agreed to the sale of **The Wrench Group** ("Wrench"), a leading provider of home maintenance and repair services in the United States, to Leonard Green & Partners, a Los Angeles-based private equity firm. Investcorp, in partnership with management, formed Wrench in 2016. At the time of acquisition, Wrench was comprised of four like-minded, locally operated companies with market leading positions in Atlanta, Dallas, Houston and Phoenix. The management owners' collaborative approach and entrepreneurial spirit helped transform the business from a group of local businesses to a leading integrated national platform. Today, Wrench is a market leader with divisions in Atlanta, Dallas, Denver, Houston, Phoenix, Sarasota and Tampa markets.

In September 2018, Investcorp realized a partial exit in Leejam selling a 22.5% equity stake through an IPO on the Tadawul. Subsequently, in May 2019, Investcorp sold the remaining 2.6% equity stake of its 25.1% investment in **Leejam Sports Company** ("Leejam") through a series of off-market block trade transactions on the Saudi Arabia Stock Exchange ("Tadawul"). Leejam is a leading fitness chain operator in Saudi Arabia, operating under the 'Fitness Time' brand. Established in 2007 and headquartered in Riyadh, Leejam operates over 112 fitness clubs and has over 220,000 active members. Employing over 3,400 personnel, Leejam offers fitness clubs across three main segments targeting affluent (Fitness Time Plus), regular (Fitness Time) and budget (Fitness Time Pro) customers. The company offers a wide range of facilities, including cardiovascular and weight training activities, in addition to swimming pools, and sports facilities catering for football, basketball, volleyball, tennis, squash and billiards, positioning Fitness Time as a 'social club' rather than simply a 'fitness gym'.

In May 2019, Investcorp announced that it has agreed to the sale of **SecureLink Group** ("SecureLink") one of the largest dedicated cybersecurity infrastructure and managed services providers in Europe, to global telecoms group Orange for an enterprise value of €515 million. Investcorp first acquired SecureLink, a leading player in the Benelux region, in December 2015 with a view to consolidating the highly attractive but fragmented European cybersecurity market. Over the last three years, SecureLink has experienced strong organic growth, added leading providers in Scandinavia, the UK and Germany to its platform and expanded in China. Investcorp, in partnership with management and founders of the Company, has successfully executed a targeted buy-and-build strategy and transformed SecureLink from a regional leader to a leading pan-European provider of cybersecurity services. The sale closed in July 2019.

Other Transactional Activities

December 2018:	PE-Tech received an offer from **HarbourVest** to acquire 100% of the remaining portfolio companies in Investcorp Technology Partners III, L.P. at the June 2018 valuation. Following the conclusion of an offer period, HarbourVest and Investcorp entered into a binding agreement and the transfer of the assets completed in December 2018. Investcorp Technology Partners will remain manager of the assets.
March 2019:	PE North America portfolio company **PRO Unlimited** successfully upsized existing facilities to pay a dividend to investors.
April 2019:	PE Europe has successfully closed a secondary transaction with Coller Capital where Investcorp has transferred some of its assets from its European private equity portfolio, under a new fund arrangement. The new fund was capitalized with approximately $1 billion of aggregate commitments with Investcorp retaining a continued interest in the portfolio through a meaningful GP commitment to the fund. The transaction also includes fresh capital for any follow-on investments, future investments and co-investments.
May 2019:	PE North America portfolio company **AlixPartners** successfully refinanced existing facilities to pay a dividend to investors. The refinancing is consistent with Investcorp's initial investment thesis of deriving significant cash yield from interim distributions given the company's high cash flow generation.
May 2019:	PE North America portfolio company **Paper Source** completed a debt refinancing.
May 2019:	PE Europe portfolio company **POC** successfully completed its refinancing at attractive market conditions. The package comprises of a term loan, revolving credit facility and a seasonal facility.
June 2019:	PE North America portfolio company **Sur La Table** completed a debt refinancing.

Real Estate Realizations

Total real estate realization proceeds and other distributions to Investcorp and its clients were $662 million in FY19.

Six portfolios were fully realized in FY19 with the sale of Fairways at Towson from **2015 Residential I Portfolio**, the sale of Newark Hilton from **National Hotel Portfolio**, the sale of Highlands Campus Tech from **2014 Office and Industrial Portfolio,** the sale of Oracle & International Centre from **2013 Commercial Properties Portfolio** and **2014 Office**, and the sale of **Villas at Green Valley**,

A complete list of real estate properties realized in FY19 can be found below.

Mountaingate Plaza

A grocery-anchored retail center and a medical office building.

Date of Investment	**August 2013**
Date of Realization	**July 2018**
Portfolio Name	**2013 US Commercial and 2014 Office Properties Portfolios**
Location	**Simi Valley, California**

114 Old Country Road

One of 3 buildings in the Long Island Office Portfolio

Date of Investment	**November 2013**
Date of Realization	**August 2018**
Portfolio Name	**2013 US Commercial and 2014 Office Properties Portfolios**
Location	**Long Island, New York**

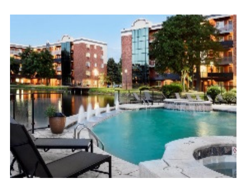
Fairways at Towson

An 828-unit multifamily property.

Date of Investment	**March 2015**
Date of Realization	**August 2018**
Portfolio Name	**2015 Residential I Portfolio**
Location	**Towson, Maryland**

Cherry Creek

A 561-unit multifamily property



Date of Investment	**September 2015**
Date of Realization	**September 2018**
Portfolio Name	**2015 Residential II Portfolio**
Location	**Denver, Colorado**

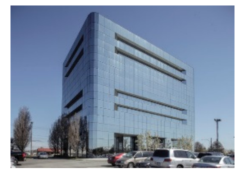
Rosemont at Vinings Ridge

A 494-unit multifamily property

Date of Investment	August 2015
Date of Realization	October 2018
Portfolio Name	2015 Residential II Portfolio
Location	Atlanta, Georgia

666 Old Country Road

120,000 square foot office building. Part of Long Island Office Portfolio



Date of Investment	October 2013
Date of Realization	October 2018
Portfolio Name	2013 US Commercial and 2014 Office Portfolios
Location	Long Island, New York

Newark Hilton

A 253-room hotel

Date of Investment	August 2011
Date of Realization	October 2018
Portfolio Name	National Hotel Portfolio
Location	Newark, New Jersey

Highlands Campus Tech

A 201,766 square foot mixed-use campus that includes two flex-use and/or research and development buildings and one office building

Date of Investment	September 2014
Date of Realization	December 2018
Portfolio Name	2014 Office and Industrial Portfolio / 2014 Office and Industrial Expanded Portfolio
Location	Bothell, Washington

Canal Center / Building 11

A 77,000 square foot office building

Date of Investment	October 2014
Date of Realization	December 2018
Portfolio Name	Canal Center and 2014 Office & Industrial Expanded
Location	Alexandria, Virginia

University View

A 165-bed "for-rent" student housing property

Date of Investment	**January 2016**
Date of Realization	**January 2019**
Portfolio Name	**Boca Raton & Minneapolis**
Location	**Boca Raton, Florida**

Oracle / International Center

A two building 622,173 square foot office complex

Date of Investment	**September 2013**
Date of Realization	**February 2019**
Portfolio Name	**2013 US Commercial and 2014 Office**
Location	**Minneapolis, Minnesota**

University Square

A 128-bed "for-rent" student housing property

Date of Investment	**January 2016**
Date of Realization	**February 2019**
Portfolio Name	**Boca Raton & Minneapolis**
Location	**Boca Raton, Florida**

Bel Air Ridge

A 160-unit "for-rent" apartment property

Date of Investment	**August 2015**
Date of Realization	**March 2019**
Portfolio Name	**2015 Residential II**
Location	**Dallas, Texas**

Bel Air Ranch

A 208-unit "for-rent" apartment property

Date of Investment	**August 2015**
Date of Realization	**March 2019**
Portfolio Name	**2015 Residential II**
Location	**Dallas, Texas**

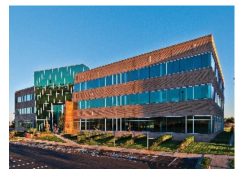
Towne Lake

A 320-unit "for-rent" apartment property

Date of Investment	August 2015
Date of Realization	March 2019
Portfolio Name	2015 Residential II
Location	Dallas, Texas

Westmoor Place

A three-property office park



Date of Investment	April 2013
Date of Realization	April 2019
Portfolio Name	2013 Office II Portfolio
Location	Denver, Colorado

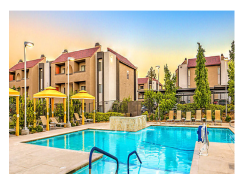
Villa Blanco

A 379-unit "for-rent" apartment property

Date of Investment	May 2016
Date of Realization	May 2019
Portfolio Name	2016 Residential
Location	Tempe, Arizona

Villas at Green Valley

A 609-unit "for-rent" apartment property



Date of Investment	December 2016
Date of Realization	May 2019
Portfolio Name	Villas at Green Valley
Location	Las Vegas, Nevada

Stone Mountain Portfolio

A 4.1 million square foot industrial park comprised of 69 buildings

Date of Investment	December 2015
Date of Realization	May 2019
Portfolio Name	2015 Office & Industrial Portfolio
Location	Atlanta, Georgia

Blackstone Science Square

A 76,123 square foot lab/office property

Date of Investment	**October 2016**
Date of Realization	**June 2019**
Portfolio Name	**Boston & Denver Commercial**
Location	**Cambridge, Massachusetts**

Ballardvale Office Portfolio

A three-building suburban office complex

Date of Investment	**October 2015**
Date of Realization	**June 2019**
Portfolio Name	**2015 Office & Industrial Portfolio**
Location	**Boston, Massachusetts**

Paces West

A seventeen-story suburban office complex

Date of Investment	**November 2015**
Date of Realization	**June 2019**
Portfolio Name	**2015 Office & Industrial Portfolio**
Location	**Atlanta, Georgia**

Other Realizations and Distributions

A total of $65 million of distributions to Investcorp and its clients was made across all Special Opportunities Portfolios, primarily from Special Opportunities Portfolios IV and VI.

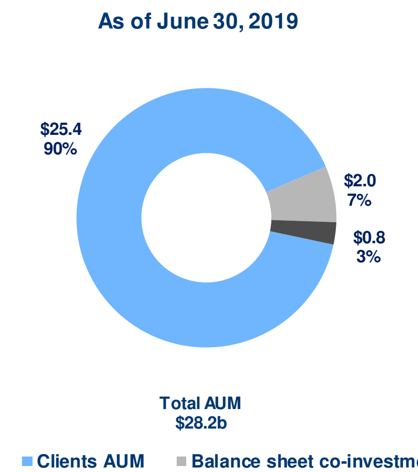
Total credit management realization proceeds and other distributions to Investcorp and its clients amounted to $1.0 billion over the period.

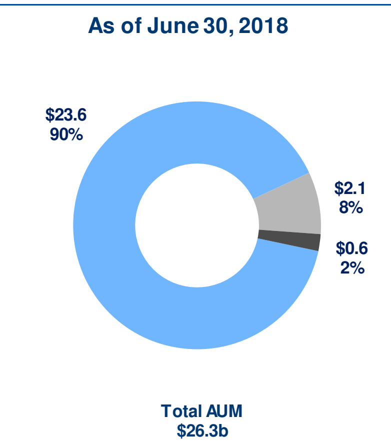
AUM & Fundraising

Assets under management ('AUM') [1] [2]

Please refer to the table in Note 2 of the Consolidated Financial Statements of Investcorp Bank B.S.C., which summarizes total assets under management in each of the reporting segments.

Total assets under management ($ billions)

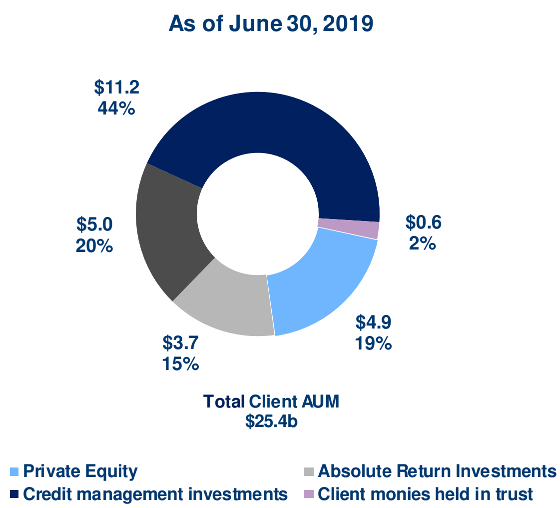


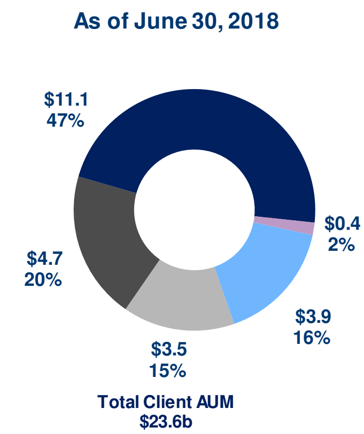


Total AUM increased to $28.2 at June 30, 2019 from $26.3 billion at June 30, 2018, largely driven by growth in PE & CM AUM.

Associate's assets under management, which is not included in the total AUM numbers shown above, stands at $5.7 billion as at June 30, 2019. This represents AUM managed by Banque Paris Bertrand, in which Investcorp holds an indirect ownership and is entitled to a net return based on its ownership.

Total client assets under management ($ billions)





Total client AUM increased by 8% to $25.4 billion at June 30, 2019 from $23.6 billion at June 30, 2018.

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[1] Includes $2.9 billion (June 30, 2018: $2.4 billion) of hedge fund partnerships (including exposure through multi-manager solutions) managed by third party managers and assets subject to a non-discretionary advisory mandate where Investcorp receives fees calculated on the basis of AUM.
[2] Real estate investments AUM is stated at gross asset value.

The most dominant asset class in client AUM continues to be credit management with 44% of the total. The increase in total client AUM in FY19 is largely attributable to the 29% increase in private equity client AUM from $3.8 billion to $4.9 billion, largely due to strong fundraising for the Firm's first China-focused investment offering, the final closing of Investcorp's fourth technology fund, the closing of Investcorp's European Buyout Fund 2019 in partnership with Coller Capital and the addition of AUM following the acquisition of IDFC's private equity business in India. ARI client AUM has increased by 4% to $3.7 billion, primarily due to strong fundraising for the Firm's hedge funds partnerships platform particularly for Nut Tree Capital Management and Shoals Capital Management, partially offset by the anticipated roll-off of older, less profitable AUM. Real estate client AUM increased by 6% to $5.0 billion with strong fundraising for new portfolios as well as the addition of AUM following the acquisition of IDFC's real estate business in India. Credit management client AUM has increased by 1% to $11.2 billion.

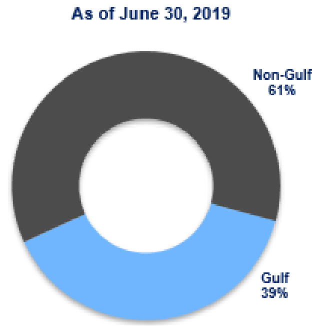
Private equity investments ($ millions)	**Jun-19**	**Jun-18**	**% Change B/(W)**
Client AUM			
Closed-end funds	2,217	1,098	>100%
Deal-by-deal investments	2,544	2,749	(7%)
Special opportunities portfolios	181	-	n.m.
Total client AUM – at year-end	**4,942**	**3,847**	**29%**
Average client AUM	4,394	3,760	17%

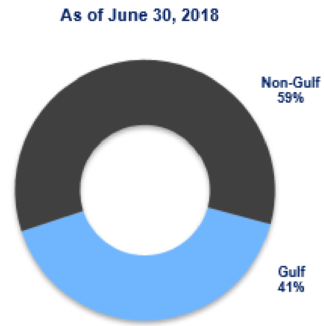
Real estate investments ($ millions)	**Jun-19**	**Jun-18**	**% Change B/(W)**
Client AUM			
Closed-end funds (Mezzanine/debt)	134	6	>100%
Deal-by-deal investments	4,820	4,654	4%
Total client AUM – at year-end	**4,954**	**4,660**	6%
Average client AUM	4,807	4,360	10%

Credit management investments ($ millions)	**Jun-19**	**Jun-18**	**% Change B/(W)**
Client AUM			
Closed-ended funds	10,975	10,772	2%
Open-ended funds	258	355	(27%)
Total client AUM – at year-end	**11,233**	**11,127**	1%
Average total client AUM	11,180	10,855	3%

Absolute returns investments ($ millions)	**Jun-19**	**Jun-18**	**% Change B/(W)**
Client AUM			
Multi-manager solutions	1,605	2,004	(20%)
Hedge funds partnerships	1,949	1,371	42%
Special opportunities portfolios	96	121	(21%)
Alternative Risk Premia	38	38	0%
Total client AUM – at year-end	**3,688**	**3,534**	4%
Average total client AUM	3,610	3,396	6%

Geographical split of client assets under management ($ billions)





As at June 30, 2019 61% of the Firm's client assets under management are from outside of the Gulf region, broadly in line with 2018.

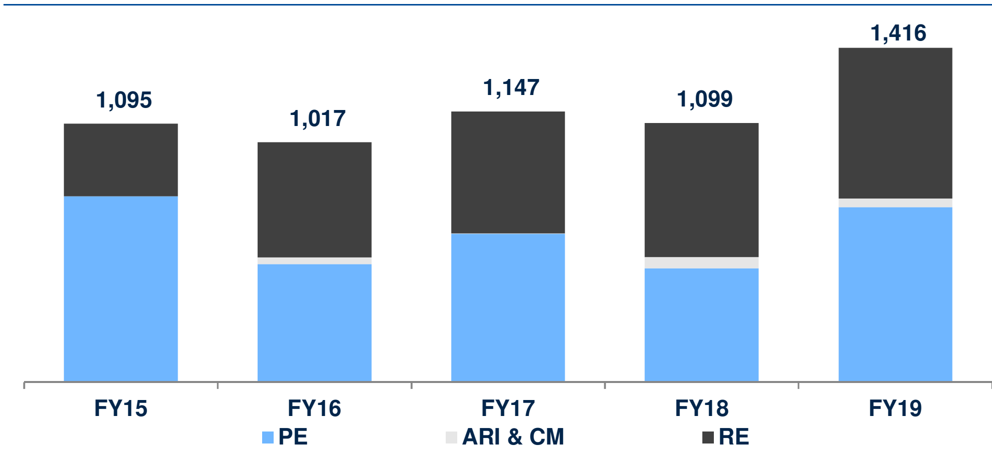
Fundraising

During FY19, fundraising in Investcorp's core Gulf markets was strong, despite the challenging macro-economic and political conditions. The strength in fundraising was driven by continued client appetite for attractive alternative investments. Total deal-by-deal fundraising including new commitments into institutional investor programs increased by 29% to $1.4 billion, which is an all-time record and marks the fifth consecutive year that Investcorp has crossed the significant threshold of $1 billion in deal-by-deal placement activity.

Total private equity deal-by-deal placement was up 54% to $742 million in FY19 from $482 million in FY18. Private equity placement included for the first time the full placement of United Talent Agency, a US portfolio company, in the United States, the placement of the Firm's debut China-focused investment offering in partnership with China Everbright Limited and the placement of the Firm's first India-focused investment offering, the India Consumer Growth Portfolio. It also included new offerings for Cambio, Health Plus Management and Revature.

Total real estate deal-by-deal placement across six new portfolios and three portfolios carried over from the previous year increased by 12% to $639 million in FY19 from $569 million in FY19.

Total deal-by-deal placement ($ millions)

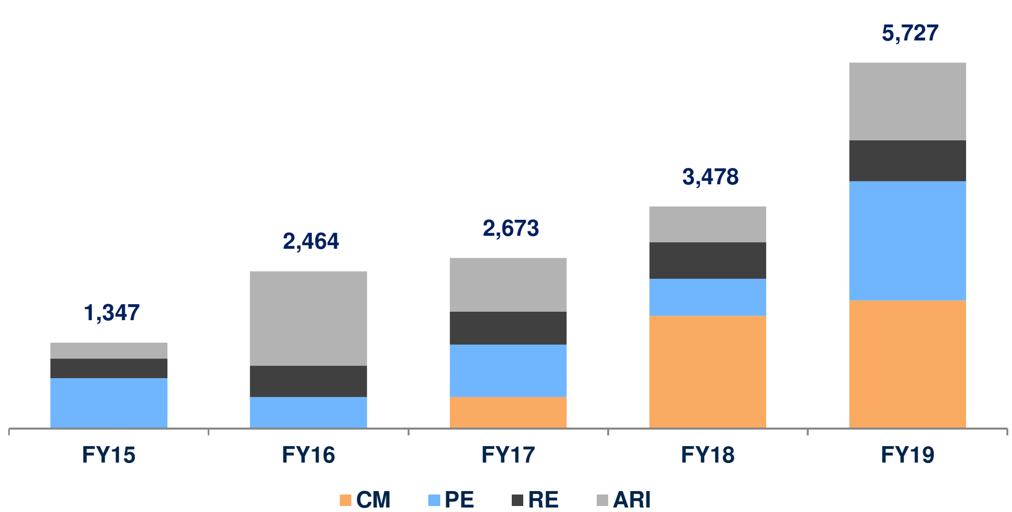


Fundraising continued in FY19 for Investcorp's fourth technology fund, established to invest in European lower middle market tech-enabled companies, with the focus shifting to investors outside of the Gulf. An additional $77 million in new commitments was raised during the first half of FY19. The fund is fully subscribed as at December 31, 2018 with a final close of $403 million. Furthermore, the Firm has successfully closed the transfer of its remaining two portfolio companies in ITP Fund III, with a combined enterprise value of $185 million, to a continuation vehicle, Investcorp Technology Secondary Fund 2018 L.P. which is supported by HarbourVest. In addition, the Firm has successfully closed a fund of approximately $1 billion with Coller Capital where Investcorp has transferred some of its European private equity investments that it had previously acquired through various deal-by-deal transactions and obtained new commitments for follow-on investments, future investments and co-investments.

Fundraising in credit management totaled $2.0 billion in FY19. A total of $1.8 billion was raised from the issuance of two new CLOs in the US and two new CLOs in Europe. New subscriptions into the two open-ended senior secured loan funds, the ICM Senior Loan Fund and the ICM Global Floating Rate Income Fund, totaled $125 million. An additional $86 million (€75 million) was raised from clients at the first close of a new European risk retention fund for CLOs. The risk retention fund will act as an originator and invest in CLO warehouse first loss tranches and hold the minimum 5% equity tranche investment required to meet European risk retention rules for CLOs. The target total fund size for this fund is €200 million with final close expected in FY20.

Total new subscriptions for ARI products in FY19 amounted to $1.2 billion. ARI fundraising includes $27 million for a new strategic capital product focused on acquiring minority equity stakes in the general partners of established, mid-sized alternative asset managers, including private equity, private debt, real estate, venture capital and hedge fund managers. The increase in client AUM during the year of $154 million compared to the $1.2 billion fundraising reflects redemptions in the period largely related to the anticipated roll-off of older, less profitable AUM. In addition, $267 million of new subscriptions during the year are client commitments that were not funded at year-end and therefore were not included in year-end AUM.

Total Fundraising – by product ($ millions)

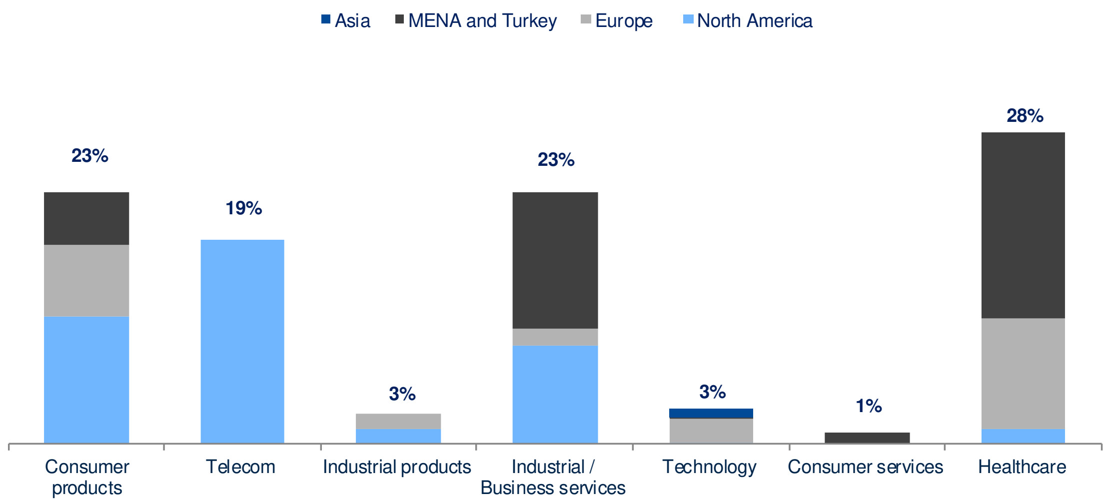


Portfolio Performance

Private Equity

At June 30, 2019, the carrying value of Investcorp's balance sheet co-investment in PE, excluding strategic investments and underwriting, was $491 million (invested in 41 companies) compared with $609 million at June 30, 2018 (invested in 40 companies). This represents 48% of total balance sheet co-investments at June 30, 2019 (FY18: 52% at June 30, 2018). PE underwriting at June 30, 2019 was $51 million (FY18: $123 million at June 30, 2018).

The private equity portfolio is diversified by sector and geography across North America, Europe, Asia and the MENA region, including Turkey.



Please refer to the table in Note 12 (A) of the Consolidated Financial Statements of Investcorp Bank B.S.C., which summarizes the June 30, 2019 and June 30, 2018 carrying values of PE co-investments by region and investment sector.

At June 30, 2019, Investcorp's aggregate PE North America co-investments were $207 million invested in 13 portfolio companies (FY18: $242 million at June 30, 2018 invested in 13 portfolio companies). Aggregate PE Europe co-investments were $106 million invested in 16 portfolio companies and an initial investment in a special opportunity in the German dental sector (FY18: $216 million at June 30, 2018 invested in 13 portfolio companies). Aggregate PE MENA co-investments were $174 million invested in 12 portfolio companies (FY18: $151 million at June 30, 2018 invested in 14 portfolio companies). Aggregate PE Asia co-investments were $4 million invested in a special opportunity.

For investments in the technology sector, clients participate on a portfolio basis through dedicated technology funds, in which Investcorp is a co-investor, as well as through direct investments on a deal-by-deal basis. Investcorp has raised four technology funds to date of which two are currently active. In December, Investcorp announced that it had successfully closed the transfer of its remaining two portfolio companies in its Technology Fund III to a continuation vehicle supported by HarbourVest. Investcorp will continue to manage the remaining investments, however the balance sheet and Investcorp's clients have fully realized their investments in the fund.

For PE MENA investments, clients participate on a portfolio basis through a dedicated fund, the Gulf Opportunity Fund I, in which Investcorp is a co-investor, as well as through direct investments on a deal-by-deal basis.

Please refer to the Private Equity Portfolio Listing section in this Business Review which describes each of the PE North America, PE Europe, PE MENA and PE Asia portfolio companies. Please refer to the Investments and Realizations section for portfolio company activities during FY19.

On average, Investcorp's direct investments in mid-market companies in the US and Europe increased their aggregate EBITDA by 7% year-on-year, benefiting from a supportive economic environment as well as from Investcorp's post-acquisition efforts to grow value. Aggregate EBITDA for the MENA portfolio companies also increased by 7% during the year on a constant currency basis, however companies in Turkey were negatively impacted on a USD basis by the significant depreciation in the Turkish Lira versus the dollar during the year. Aggregate EBITDA across the portfolio in all regions was approximately $1.3 billion and the average debt across the portfolio is relatively modest at 3.5x.

The FY19 add-on investments discussed previously in *Investment Activity* and realizations discussed previously in *Realizations & Distributions* reflect Investcorp's strong post-acquisition focus during its period of ownership.

Other private equity news

July 2018:	PE Europe portfolio company **Dainese**, opened its London store on 56 Commercial Street, a trendy area close to Old Spitalfields Market. The store is the reference point for those who love dynamic sports and allows customers to get a hands-on look at Dainese's motorcycle, ski and bike collections.
August 2018:	PE North America portfolio company **ICR**, launched an Executive Advisory & Corporate Transformation practice through an exclusive partnership with Elm Street advisors. This practice will work with Boards, CEO's, CFO's and their teams as they navigate complex situations to accelerate value-creating strategies.
October 2018:	**Dainese** has joined the Altagamma Foundation, the prestigious association that, since 1992, has been bringing together high-end cultural and creative companies recognized globally as authentic ambassadors of Italian style. In becoming a member of the Altagamma Foundation, Dainese joins such Italian players as Ferrari, Maserati, Lamborghini, Riva, and Ducati, as well as many others from outside the automotive world - companies like Gucci, Cucinelli, Bulgari, and Versace, that, just like Dainese since 1972, are true ambassadors of Italian style at an international level.
December 2018:	PE Europe portfolio company **Dainese**, opens their first store dedicated to winter sports in Cortina, a fashionable resort in the Italian Dolomites. It is a pop-up store which will test the viability of Dainese's multi sports range to support a retail store.
December 2018:	PE MENA portfolio company **Theeb Rent A Car** was awarded the 2018 Enterprise Agility Award for "Best Car Rental Company in Saudi Arabia" by Entrepreneur Middle East. The event took place at the Habtoor Palace in Dubai, UAE, which honored businesses and individuals who have established themselves as clear industry innovators in their respective industries and made prominent contributions across the Middle East.
January 2019:	**POC**, Investcorp's portfolio company, which has built a reputation on safety, innovation and design, won esteemed ISPO awards for two of its freshly unveiled 2019/20 snow collections: an ISPO 'Gold winner' award for the POCito VPD air vest + TRAX POC edition, an integrated

protection, alert and tracking system, that will allow parents to monitor and keep children safer in the mountains, and an ISPO 'Winner' award for the new Obex BC with NFC chip helmet, which thanks to the integrated technology, allows the helmet to communicate for you and help first responders in the critical 'Golden hour' after an accident.

April 2019: PE Europe portfolio company **ABAX**, teamed up with Hitachi Construction Machinery (Europe) NV (HCME). The new partnership means that ABAX market-leading software solutions will be included in several of Hitachi's machinery to help owners access operational data via Global e-Service on their machines, simplifying asset management for Hitachi, their dealers and Hitachi end customers. This data also enables them to increase productivity, enhance efficiency, maximize availability and reduce their running costs.

May 2019: Forbes named PE North America portfolio company, **AlixPartners**, as one of America's best management consulting firms. Forbes partnered with market research company Statista to produce its annual ranking. The list was compiled by surveying 7,500 partners and executives of management consultancies, as well as 1,000 senior executives who worked with such firms over the last four years. AlixPartners was noted as a consulting firm best known for its work in performance improvement.

May 2019: PE Europe portfolio company **Dainese** opened their first flagship store in Graz, Austria, the reference point for those who love dynamic sports. Graz is the second Dainese store in Austria, the other one being located in Vienna. At the end of May, Dainese also extended its presence in the US by a store opening in Seattle, successfully continuing its retail activities. Further openings are scheduled in H2 2019.

June 2019: PE Europe portfolio company **POC**, teamed up with Volvo Cars for a series of world-first crash tests of bike helmets against cars. The project consists of a number of specially-designed crash tests at Volvo's safety research facilities in Gothenburg Sweden, and is part of a wider research project to understand the types of long-term injuries sustained by cyclists.

June 2019: PE North America portfolio company **ICR**, has been tapped by indoor fitness startup Peloton Interactive to handle all communications for its upcoming IPO. ICR will support Peloton, best known for its exercise bikes and treadmills, on Investor Relations (IR) and Public Relations (PR).

June 2019: PE MENA portfolio company **Bindawood**, was featured in the June 2019 issue of Forbes Middle East, where Ahmad Bindawood, CEO of Saudi-based retail brands Bindawood and Danube, led the push to digitize their old family-owned stores by embracing the latest trends in e-commerce while using AI and blockchain to transform the in-store experience.

June: 2019: PE Europe portfolio company, **Dainese**, has been developing airbag garments for 25-plus years and currently launched a line of D-Air® racing tracksuits and jackets and touring jackets. The new Smart Jacket builds on the same D-Air technology used by MotoGP racers and adds a new feature: stationary impact protection. Stationary impact protection isn't necessary on racetracks but offers significant additional protection to non-track riders. The latest innovation, the Smart Jacket, takes the D-air airbag vest and turns it into a multifunctional item that can be worn underneath or on top of any jacket, without requiring any form of connection to the bike.

The jacket feature, what Dainese are calling a ‘brain’ which is a small electronic control unit that analyses 1,000 times per second the data from seven sensors hidden within the product. When the system detects any ‘dangerous situations’ – such as extreme changes in angle, pitch or yaw – the system is activated.

Absolute Return Investments (‘ARI’)

At June 30, 2019, the balance sheet carrying value of Investcorp’s co-investment in ARI was $112 million compared with $189 million at June 30, 2018. The amount represents 11% of total balance sheet co-investments at June 30, 2019. Please refer to the table in Note 14 of the Consolidated Financial Statements of Investcorp Bank B.S.C., which summarizes the June 30, 2019 and June 30, 2018 carrying values.

Exposure Profile

Investcorp has consistently maintained a co-investment in the ARI business, in-line with its philosophy of co-investing alongside its clients. Allocations were further reduced from FY18 levels due to the challenges faced by underlying hedge fund managers in the current market environment.

The balance sheet co-investments in ARI consists of investments in managers who are on Investcorp’s hedge fund partnerships platform, multi-manager solutions platform, alternative risk premia and co-investments in Investcorp’s Special Opportunity Portfolios. As of June 30, 2019, Investcorp’s balance sheet co-investment in hedge fund partnerships was $30 million, investment in multi-manager solutions was $29 million, investment in Special Opportunities Portfolios was $43 million and investment in alternative risk premia was at $10 million,

Investcorp’s ARI exposure is primarily through customized accounts, similar to the structures created for Investcorp’s large institutional clients.

Performance

During FY19, Investcorp’s ARI co-investment portfolio delivered returns of +5.8%. During the same period, the industry benchmark, HFRI Fund of Funds Composite Index, returned +1.3%.

The market environment for Investcorp’s invested managers was mixed during this fiscal year. Conditions were favorable for fundamental strategies and more challenging for systematic and factor-based strategies. Managers with whom Investcorp has seed partnership arrangements delivered positive performance of 9.6% in FY19, led by Steamboat which returned +27.0%. Investments in Special Opportunity Portfolios returned 7.3% and Investcorp’s external liquid manager portfolio returned 0.7%. Investcorp’s Geo Risk investment generated negative performance during the fiscal year.

Liquidity

Investcorp’s ARI co-investment portfolio is constructed so that a significant portion of it is available for monetization within a three to twelve-month window. As of June 30, 2019, approximately 24% of Investcorp’s ARI co-investment was contractually available for monetization within a three-month window and 68% was available within a twelve-month window.

Absolute Return Investments Portfolio News

Investcorp's first co-seeding deal has delivered strong performance in FY19 (see above in Performance). Investcorp partnered with another large institution, that provided acceleration capital to Steamboat Capital Management LLC ('Steamboat'), a $300 million New York-based long-short equity, fundamental, value-oriented investment firm. Steamboat Capital seeks to capitalize on market dislocations while maintaining a margin of safety for its investors.

Shoals Capital Management ('Shoals'), an Investcorp hedge fund seed partnership, currently manages approximately $365 million (as of July 1, 2019). Investcorp and other institutional investors, including a large U.S. pension plan, provided strategic capital to Shoals. Shoals employs an event-driven strategy focused on investing across capital structure and sub-sectors in the financial sector, specifically targeting opportunities that arise from changes in regulatory and capital market conditions.

Investcorp hedge fund seed partnership, Nut Tree, which launched its credit fund in February 2016 with $100 million, continues to perform and investor in-flows fund assets have increased to over $1.3 billion as of July 1, 2019. Nut Tree pursues an all-weather fundamental credit strategy, focusing on mid-market stressed and distressed credit and value equities across North America.

Membership of Investcorp's Seeding Club, launched in 2017, now includes family offices, university endowments, and fund of funds. The club provides a select group of investment partners with potential benefits that include access to the broad ARI manager sourcing network; access to the ARI infrastructure, expertise and capabilities; enhanced returns through seed economics; and flexibility through a deal-by-deal opt-in structure.

In FY19 Investcorp launched the Strategic Capital Partners strategy within the Absolute Return Investments Group. The strategy will focus on acquiring minority equity stakes in the GPs of established, mid-sized alternative asset managers, including private equity, private debt, real estate, venture capital and hedge fund managers. To guide the Strategic Capital Partners business, Investcorp hired Anthony Maniscalco who has over 25 years of experience and was formerly Managing Director and Co-Head of Credit Suisse's Anteil Capital Partners business. Prior to Credit Suisse, Anthony was on the leadership team of Blackstone Strategic Capital Holdings, a vehicle focused on acquiring minority interests in alternative asset managers. Joining Anthony is David Lee, as a Partner, and Dhanraj Chandiramani, as a Vice President, two of his former colleagues at Credit Suisse.

Special Opportunities Portfolio IV ('SOP IV'), launched in January 2014, provides investors with access to US non-performing loans. Approximately 93% of the portfolio is now resolved or performing, and the primary focus is on returning cash to clients on a regular basis as the portfolio resolutions continue.

Special Opportunities Portfolio V ('SOP V') closed in August 2017 and is the first SOP tranche offered exclusively to institutional investors. SOP V's objective is to provide investors with access to Italian secured non-performing loans for commercial and residential real estate that are purchased from regional Italian banks. SOP V has successfully sourced and acquired twenty-eight (28) pools of NPLs at an aggregate cost of 31% of book value, deploying 95% of the fund's committed capital to date. Cash recoveries as at June 30, 2019, were currently in excess of the base case business plan.

Special Opportunities Portfolio VI ('SOP VI') was launched in April 2016 and, like SOP IV, provides investors with access to US non-performing loans. Approximately 91% of the portfolio is now resolved or performing and the primary focus is on returning cash to clients on a regular basis as the portfolio resolutions continue.

Investcorp launched the Investcorp Geo-Risk Fund in December 2017 from a group of prestigious international investors. The current AUM is $48 million. The fund is a UCITS-compliant, daily liquidity, discretionary global macro fund that seeks to dynamically combine quantitative financial models with discretionary macro geopolitical risk investments. This strategy is driven by a geopolitical risk assessment provided by a panel of global security experts.

Strategy Outlook

Strategy	Outlook	Rationale
Hedged equities	Neutral	Expected range bound markets, play managers with trading skills and be mindful of factor exposures to provide balanced exposure
US	Slightly negative	Path to further upside narrow as markets already price in aggressive Fed easing and limited trade risks here
Euro area ex UK	Neutral	Valuations, monetary support and robust earnings growth. But greater exposure to geopolitical risks (Trade, Italy), proceed carefully
Japan	Neutral	Reflation play attractive, support from valuations and strong exposure to global recovery
Asia ex Japan	Neutral	Positive momentum from global recovery but watch out for tightening in Chinese financial conditions and potential spill-over effects and developments over trade negotiations
Event driven	Neutral	Benchmark expectations for higher-beta event-driven managers
Special situations	Neutral	Potential for diversifying value exposure relative to fundamental L/S funds. Seek diversification from momentum/growth plays
Merger arbitrage	Neutral	Widening of volatility may offer tactical entry point but spreads have lagged a bit, stay neutral for now
Equity market neutral	Slightly positive	High factor volatility has been a headwind but could subside in coming weeks, find managers able to monetize higher volatility amid lower liquidity
Macro discretionary	Positive	Greater volatility should offer opportunities for RV/Trading managers but uncertainty over macro trends may limit upside potential near term. EM still has a place in a diversified portfolio
Macro systematic	Neutral	Trend following at risk in range bound environment: lower potential in rates with crowded shorts, maybe better in FX/alternative markets
FI relative value	Positive	Strategy has adapted to new environment, less sensitive to balance-sheet scarcity and positioned to profit from dislocations in funding
Corporate credit	Slightly negative	Limited carry and asymmetric liquidity profile leave us underweight. Few dislocations to capture; prefer niche plays or wait for better entry points
Corporate distressed	Neutral	Stay out of traditional corporate distressed plays as tight spreads leave very limited risk premium in distressed assets. Look for idiosyncratic themes & opportunities
Structured credit	Neutral	Traditional structured credit offers limited carry and upside optionality, however idiosyncratic opportunities across near CLO refi's and resets, callable RMBS, and near-maturity CMBS offer potentially attractive risk-adjusted reward
Convertible arbitrage	Neutral	Relatively cheap valuations should offer support. Tepid new issuance and liquidity remain a concern
Vol arb	Slightly positive	Higher volatility environment here to stay, cross-asset & cross region opportunities

Looking forward to H1 FY2020, Investcorp has a neutral outlook for **hedged equities** funds as markets are trading in a range bound environment. Investcorp has a slightly negative outlook on US equity managers; upside in equity is limited with a Fed dovish bias already priced in. Current equity outlook is translated into a neutral view for **special situation** managers as well, but the strategy offers diversification from traditional hedged equity funds. In the **merger arbitrage** space, spreads have lagged a bit so far and a widening of the volatility may offer a tactical entry point but Investcorp remains neutral for now. Outlook is slightly positive for **equity market neutral** as factor volatility is expected to subside in the coming weeks. **Macro discretionary** investment style is still a high conviction as a greater volatility environment offers opportunities for relative value/trading managers. Emerging market managers are preferred and have diversification potential in a portfolio.

Investcorp remains neutral on **macro systematic** as this strategy is at risk in a range bound environment. Opportunities are in foreign exchange and alternative markets rather than in rates where short positioning is crowded. Investcorp continues to overweight **fixed income relative value** as the strategy is now adapted to this environment and less sensitive to balance sheet scarcity.

Outlook for **corporate credit** managers is slightly negative and Investcorp prefers to wait for a better entry point given the limited carry and asymmetric liquidity profile. In **distressed**, Investcorp maintains its neutral stance. Spreads continued to tighten and leave very limited risk premium in these markets. Investcorp is also neutral on **convertible arbitrage** strategies. The current environment with tepid new issuances is still a headwind. Lastly, Investcorp keeps its slight overweight on **volatility arbitrage** managers. Macro and geopolitical uncertainties should help higher volatility to remain and create trading opportunities across products and geographies.

Real Estate Investment

At June 30, 2019, Investcorp's RE balance sheet co-investments excluding underwriting totaled $68 million compared with $76 million at June 30, 2018. The amount represents 7% of total balance sheet co-investments at June 30, 2019.

Please refer to the table in Note 15 of the Consolidated Financial Statements of Investcorp Bank B.S.C., which summarizes the June 30, 2019 and June 30, 2018 carrying values by portfolio type. For details on RE underwriting, please refer to the table in Note 11 of the Consolidated Financial Statements of Investcorp Bank B.S.C.

RE co-investments were comprised of $68 million of marked-to-market equity investments and $0.1 million of debt investments held at net amortized cost inclusive of any provisions for impairment.

Carrying values for Investcorp's real estate co-investment by vintage year are shown below. Carrying values reflect stable values for existing assets as well as the impact of exits and new acquisitions and placements during the period.

Investcorp currently has 26 active real estate investment portfolios. As at June 30, 2019, 23 properties had been acquired and were being warehoused for formation into new portfolios to be offered to clients in FY20. At June 30, 2019, 21 of these portfolios were on or ahead of plan. The remaining five have been written down significantly in value already, are rated behind plan and are generally those holding hotels or offices in regions where the economic environment has been generally subdued. Overall, the strategy for these portfolios is to position them for medium- to long-term ownership in stable capital structures with modest or no additional capital investment.

Investcorp co-investment by year ($m)	Properties # vs. current *	Sector	Geographic location	Carrying value end of Jun-19	Jun-18
Diversified VI	3 / 0	-	-		
Diversified VII	4 / 1	Industrial	E		
Hotel	9 / 1	Hotel	SW		
Vintage FY07				**3**	**3**
Commercial VI	3 / 0	-	-		
Vintage FY11				**0**	**1**
Southland & Arundel Mill Mezz	n.a. **	Retail	SE		
Vintage FY12				**0**	**0**
2013 Office II	5 / 2	Office	SE / SW		
Vintage FY13				**1**	**2**
2013 US Commercial / 2014 Office	9 / 0	-	-		
Vintage FY14				**0**	**8**
Canal Center	4 / 3	Office	E		
2014 Office and Industrial	24 / 0	-	-		
2015 Residential	4 / 0	-	-		
Vintage FY15				**1**	**3**
2015 Residential II	8 / 1	Residential	SW		
2015 Office & Industrial	79 / 5	Office	W		
Boca Raton & Minneapolis Residential	5 / 3	Residential	SE / MW		
733 Tenth Street	1 / 1	Office	E		
Vintage FY16				**5**	**9**
2016 Residential	10 / 9	Residential	MW / SE / E		
Boston & Denver Commercial	20 / 16	Office / Industrial	E / W		
901 Fifth Street	1 / 1	Office	W		
New York & California Multifamily	2 / 2	Residential	E / W		
Villas at Green Valley	1 / 0	-	-		
Chicago & Boston Industrial	6 / 6	Industrial	MW / E		
Vintage FY17				**9**	**10**
Florida & Arizona Multifamily	6 / 6	Residential	SE / SW		
UK Industrial Logistics	9 / 9	Industrial	UK		
Midtown Manhattan Office	2 / 2	Office	E		
2018 Residential	5 / 5	Residential	SE / SW / MW		
UK Industrial Logistics II	9 / 9	Industrial	UK		
2018 Warehouse	38 / 38	Industrial	SE / SW / MW		
Vintage FY18				**19**	**20**
German Office 2018	2 / 2	Office	GER		
US Industrial & Logistics	56 / 56	Industrial	E / SW / MW		
2018 Multifamily	6 / 6	Residential	SE / SW / W		
2019 Multifamily	8 / 8	Residential	SE / SW		
Frankfurt and Hamburg	2 / 2	Office / Industrial	GER		
US Distribution Center	8 / 8	Industrial	MW / SW / SE		
Vintage FY19				**21**	**8**
Others				**1**	**12**
Sub-total	**349 / 202**			**60**	**76**
New portfolios under construction	23 / 23			**8**	**N.A.**
Total including new portfolios under construction	372 / 225			**68**	**76**

* Portfolios which have been realized in this current reporting period, reflecting a current property count of 0 (zero), are retained in this chart as they contribute to the carrying value of the previous period.

** Mezzanine investments.

W=West, E=East, SW =Southwest, SE=Southeast, MW=Midwest, UK=United Kingdom, GER=Germany

Credit Management

At June 30, 2019, Investcorp's CM balance sheet co-investments totaled $332 million compared with $272 million at June 30, 2018. The amount represents 33% of total balance sheet co-investments at June 30, 2019.

Please refer to the table in Note 13 of the Consolidated Financial Statements of Investcorp Bank B.S.C., which summarizes the June 30, 2019 and June 30, 2018 carrying values by geography.

The table below details the Investcorp co-investment exposure and total AUM by geography and by vintage year. Performance information consists of the cash returned to equity holders to date at a summarized level by vintage year.

Assets under management – Investcorp credit management ($m)

Fund Name[3]	Cash returned to equity to date %[1]	Total AUM Jun-19	Investcorp AUM Jun-19
FY 2014	83.26%	785	28
FY 2015	75.48%	1,468	56
FY 2016	51.28%	1,407	59
FY 2017	31.95%	945	40
FY 2018	19.40%	909	45
FY 2019	6.27%	910	46
European CLO Funds		**6,424**	**274**
FY 2013	95.14%	342	0
FY 2014	68.45%	346	0
FY 2015	10.39%	747	0
FY 2016	48.94%	995	0
FY 2017	40.79%	724	20
FY 2018	15.58%	997	13
FY 2019	N/a	446	15
US CLO Funds		**4,597**	**48**
CLO under construction		271	5
Other Funds[2]		578	44
Other		**849**	**49**
Total		**11,870**	**371**

[1] % of equity cash distribution over par value of equity at launch

[2] Other funds include Global Income Fund, European Middle Market Fund and Risk Retention Fund

[3] Fiscal year groupings are based on the closing date of a CLO

Collateralized Loan Obligations ('CLOs')

CLO equity continues to provide investors with attractive current income cash distributions. In Europe, the average annualized cash distribution on Investcorp's ongoing 2.0 CLOs as at June 30 were 15.7% and, in the US, were 12.8%.

Global Floating Rate Income Fund ('GIF')

The ICM GIF[1] produced a net return of 3.62% for FY 2019. Since inception in August 2015, the Fund's annualized net return is 4.11%.

Investcorp's credit team is positioning the portfolio somewhat defensively due to the record length of the US economic cycle. The team believes a US recession is unlikely this year, however it is carefully selecting loan issuers that it believes can withstand a trough in the economic cycle with sustainable cash flow and strong asset coverage to protect against downside risks. As such, the team has reduced the Fund's exposure to CCC-rated loans from 3.5% at year-end to 1.22% at the end of June. Likewise, loans rated B+ or higher increased from 40.1% to 44.0% over the same period (see Chart 1). In addition, the team has taken the view that the price stability of European loans currently offers superior risk-adjusted returns to more volatile US loans. At December 2018 the Fund's currency exposure was 78% USD, 17% EUR, and 5% GBP. The team has shifted over the course of the first six months of calendar 2019 to 72% USD, 24% EUR, and 4% GBP (see Chart 2). The team believes these portfolio adjustments have enhanced returns this year.

Chart 1: Quality Exposure

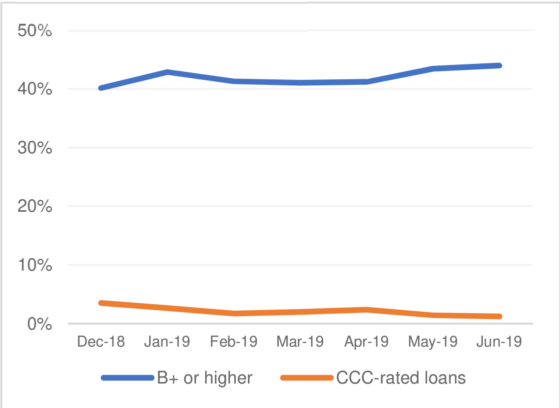
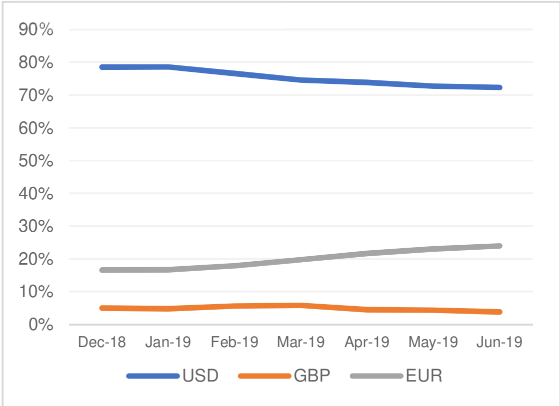


Chart 2: Currency Exposure



[1] USD Share Class

Private Equity Portfolio Listing

As of June 30, 2019, Investcorp's aggregate balance sheet co-investment amount in private equity investments was $491 million invested across 41 portfolio companies and three special opportunity investments. The below sections provide an overview of these portfolio companies and investments.

PE North America

As of June 30, 2019, Investcorp's aggregate balance sheet co-investment amount in private equity investments in North America was $207 million invested across 12 companies.

Portfolio Company Name	Revature
Acquired	February 2019
Industry Sector	Business services – Technology enabled services
Headquarters	Virginia, US

Revature is a technology talent development company providing a turn-key talent acquisition solution for corporate and government partners and no-cost coding immersion programs for university graduates. Revature recruits, develops and deploys enterprise-ready technology talent, enabling its corporate partners to succeed and grow. Through in-person, online and on-campus coding immersion programs, Revature creates a pathway for university graduates with diverse backgrounds to build the knowledge, skills and abilities to reach their potential as technology professionals. With its unique talent development strategy, Revature successfully serves a wide range of Fortune 500 enterprises, government organizations and top systems integrators.

https://revature.com

Portfolio Company Name	Health Plus Management
Acquired	January 2019
Industry Sector	Business services – Healthcare
Headquarters	New York, US

Health Plus Management ('Health Plus') is a market leader in clinical practice management in the physical medicine and rehabilitation market. Health Plus provides independent physician practices with business development, marketing and back-office support typically seen in much larger organizations, enabling its clients to start up and/or grow their private practice beyond what might otherwise be feasible while maximizing clinical service and patient care. Health Plus is based in Long Island, NY and employs approximately 250 dedicated team members.

http://www.healthplusmgmt.com

Portfolio Company Name	United Talent Agency	
Acquired	August 2018	
Industry Sector	Business services – Media	
Headquarters	California, US	

United Talent Agency ('UTA') is the 3rd largest talent agency in the world representing many of the world's most acclaimed figures in many current and emerging areas of entertainment and media, including motion pictures, television, music, digital, broadcast news, books, theatre, video games, fine art and live entertainment. UTA has offices in Los Angeles, New York, London, Nashville, Miami, and Malmo, Sweden.

www.unitedtalent.com

Portfolio Company Name	ICR	
Acquired	March 2018	
Industry Sector	Business services – Data & information services	
Headquarters	Connecticut, US	

ICR is a leading strategic communications and advisory firm. ICR helps companies manage credibility and reputational risk to optimize shareholder value. ICR specializes in investor relations, public relations, crisis and special situations communications, digital branding, social media management, and capital advisory solutions. The firm works with more than 550 clients across its six offices in the US and China.

www.icrinc.com

Portfolio Company Name	KS Group	
Acquired	March 2018	
Industry Sector	Industrial services – Supply chain services	
Headquarters	New Jersey, US	

KS Group is a value-added, industry-leading distributor of quality replacement auto body parts servicing over 10,000 collision repair shop customers across 25 locations in 14 states. The company provides automotive aftermarket body parts across several product categories, including headlights, front / rear bumper covers, fenders, hoods, tail lights, grills, radiators, and mirrors.

www.ksiautoparts.com

Portfolio Company Name	AlixPartners
Acquired	January 2017
Industry Sector	Business services – Knowledge & professional services
Headquarters	New York, US

AlixPartners is a leading global business advisory firm that specializes in creating value and restoring the performance of businesses around the world. Headquartered in New York City and founded in 1981 by Jay Alix to handle the turnaround of Electrical Specialties Company, it was a pioneer in providing consulting services to companies in or near bankruptcy. Over time, AlixPartners has expanded its capabilities and currently offers six different types of services across a wide range of industries and geographies: Digital Services; Investigations, Risk & Disputes Services; Mergers & Acquisitions Services; Organizational & Transformative Leadership Services; Performance Improvement; and Turnaround & Restructuring. The company has nine locations in the US and 15 other locations around the globe including in South America, Europe, the Middle East and Asia. AlixPartners has over 1,600 employees, approximately 1,150 of whom are professionals, and over 170 Managing Directors.

www.alixpartners.com

Portfolio Company Name	Arrowhead Engineered Products
Acquired	October 2016
Industry Sector	Industrial services – Supply chain services
Headquarters	Minnesota, US

Arrowhead Engineered Products (‘Arrowhead’) is a market leading supplier/distributor of mission critical aftermarket parts primarily for off-highway vehicles. Arrowhead offers the broadest selection of non-discretionary, replacement vehicle products and services to a diverse set of end users in different markets including Utility/Powersports/Motorcycle, Agriculture, Industrial, Outdoor Power Equipment, Marine, Auto and Heavy Duty. Arrowhead has acquired four companies since Investcorp’s investment in October 2016: Stens, J&N Electric, Interparts and Ratioparts. These add-on acquisitions have significantly increased Arrowhead’s scale in the aftermarket replacement parts market.

www.arrowheadep.com

Portfolio Company Name	PRO Unlimited
Acquired	October 2014 / May 2017
Industry Sector	Business services – Technology enabled services
Headquarters	Florida, US

Founded in 1991, PRO Unlimited delivers a full range of services to address procurement, management and compliance issues related to contingent workers, including independent contractors, consultants, temporary workers and freelancers. PRO Unlimited operates in over 50 countries and provides services to some of the world's largest and most prestigious companies through its integrated, vendor-neutral software and services platform.

Investcorp originally invested in PRO Unlimited in October 2014. In May 2017, Investcorp sold a majority stake in PRO Unlimited to Harvest Partners and retained a minority stake.

www.prounlimited.com

Portfolio Company Name	totes»ISOTONER
Acquired	May 2014
Industry Sector	Consumer products – Specialty retail
Headquarters	Ohio, US

Founded in 1923 and headquartered in Cincinnati, Ohio, totes»ISOTONER is a global designer, marketer and distributor of functional accessories in the rain, cold weather and footwear categories. The company's broad product portfolio includes umbrellas, gloves, hats, slippers and sandals. In 1997, totes and ISOTONER merged to form the totes»ISOTONER Corporation. The company offers quality products from two of the most recognized apparel brand names in the US and has a growing international presence in Europe and Asia.

www.totes-isotoner.com

Portfolio Company Name	Paper Source
Acquired	September 2013
Industry Sector	Consumer products – Specialty retail
Headquarters	Illinois, US

Paper Source is a vertically-integrated, cross-channel retailer, offering a premium selection of uniquely designed and curated gifts, stationery, and crafting supplies. The company operates 130 stores across the US. The company goes to market through retail stores, direct-to-consumer and wholesale channels. Stores offer workshop classes, demonstrations, and consultation appointments that drive high customer engagement, conversion, and customer loyalty.

www.paper-source.com

Portfolio Company Name	Sur La Table
Acquired	July 2011
Industry Sector	Consumer products – Specialty retail
Headquarters	Washington, US

Sur La Table is a specialty retailer of culinary merchandise and a leading provider of non-degree culinary courses in North America. Offering a broad selection of the best culinary brands and an assortment of innovative kitchenware products, Sur La Table currently operates 134 stores across the US with a widely distributed catalog and a premium online platform. The company provides items for cooking and entertaining and has a knowledgeable staff that provides high level service in its stores. Since acquisition, Sur La Table has almost doubled the number of its cooking class locations, serving well over 500,000 customers annually. Sur La Table has built a multi-channel business in which each channel is profitable on a standalone basis.

www.surlatable.com

Portfolio Company Name	TPx Communications
Acquired	April 2000
Industry Sector	Telecom
Headquarters	California, US

TPx Communications (formerly TelePacific) is a provider of network and communications services headquartered in Los Angeles. In business since 1998, the company is the nation's premier managed services provider, delivering unified communications, managed IT and network connectivity to 55,000 customer locations across the country.

www.tpx.com

PE Europe

As of June 30, 2019, Investcorp's aggregate balance sheet co-investment amount in private equity investments in Europe was $90 million invested across eight companies and an initial investment in a special opportunity in the German dental sector.

Portfolio Company Name	Cambio
Acquired	February 2019
Industry Sector	Business services - Healthcare
Headquarters	Stockholm, Sweden

Founded in 1993, Cambio is a Swedish-based provider of Electronic Health Record (EHR) software and services as well as eHealth solutions to the primary and social care (elderly and disabled care) sector. Cambio is the only Nordic EHR provider with a pan-European presence, and currently has operations in Sweden, Denmark and the UK. With a total customer base comprising 155,000 individual users, Cambio has a market share of approximately 30% across the Nordics. Cambio employs approximately 550 people.

www.cambio.se

Portfolio Company Name	Kee Safety
Acquired	October 2017
Industry Sector	Industrial products
Headquarters	Birmingham, United Kingdom

Founded in 1934, Kee Safety's products have a longstanding reputation for their quality, reliability and safety and include fall prevention equipment, roof edge protection, barrier and guardrail systems and safe access solutions. Today, the company has a global presence and sells its products across more than 60 countries worldwide to a broad range of customers, from multi-national corporations to distributors and installers. Kee Safety employs over 580 people and has established operations in 10 countries, including the US and China.

www.keesafety.com

Portfolio Company Name	ABAX
Acquired	June 2017
Industry Sector	Business services – Technology enabled services
Headquarters	Larvik, Norway

Founded in 2003, ABAX has become the leading telematics solution provider in the Nordics by developing and delivering sophisticated fleet tracking, electronic triplogs, and equipment & vehicle control systems. Headquartered in Larvik, Norway, the company has approximately 320 employees and established operations across the Nordic region as well as in Poland, the Netherlands and the UK.

www.abax.co.uk

Portfolio Company Name	Agromillora
Acquired	December 2016
Industry Sector	Agriculture products
Headquarters	Barcelona, Spain

Founded in 1986 in Barcelona, Agromillora is the leading global developer of high yielding plants and trees, with a key focus on permanent crops, including stone fruits, citrus, nuts, berries, olive trees and grape plants. The company pioneered the production and marketing of trees for high yielding olive orchards with the disruptive super-high-density planting solution and has since been promoting similar agronomic improvements for a complete portfolio of high-quality plants. With a global network of 11 production subsidiaries across nine countries, Agromillora sells to clients in over 25 countries.

www.agromillora.com

Portfolio Company Name	Corneliani
Acquired	June 2016
Industry Sector	Consumer products – Specialty retail
Headquarters	Mantova, Italy

Founded in 1958, Corneliani is a luxury menswear brand. Best known for its men's suits and chic casualwear, it is one of the oldest independent Italian luxury brands. Corneliani benefits from a global sales presence in more than 62 countries through 13 directly operated stores, approximately 850 multi-brand stores, more than 69 franchise stores and approximately 38 store-in-stores, including Harrods, Selfridges, Harvey Nichols, Saks Fifth Avenue and Bloomingdales.

www.corneliani.com

Portfolio Company Name	Dainese
Acquired	January 2015
Industry Sector	Consumer products
Headquarters	Vicenza, Italy

Founded in 1972, Dainese is the most recognized and respected brand for safety and quality in the motorcycle and other dynamic sports market. Originally known for its competitive motorcycling racing wear, Dainese has subsequently diversified its product range and today provides protective gear for road and racing use alike, as well as for use in winter sports, biking and horse riding. In addition, through the AGV brand name, Dainese is one of the leading protective helmet manufacturers for the motorcycle market. Through its Dainese Technology Centre ('D-Tec'), an R&D technical center for the study of protective technology, the company strives to ensure that it remains at the forefront of innovation.

In October 2015, Investcorp together with Dainese acquired POC, a pioneer in innovative safety concepts for sportswear to provide athletes and consumers with the highest standard of personal protection. POC's line of products includes helmets, body armor, goggles, eyewear, gloves and gear, which are currently sold across 25 countries worldwide. Through technical collaboration with partners such as Volvo, POC is pioneering innovative safety concepts and has won more than 40 prestigious international safety, design, innovation and business awards.

www.dainese.com / www.pocsports.com

Portfolio Company Name	SPGPrints
Acquired	August 2014
Industry Sector	Industrial products
Headquarters	Boxmeer, The Netherlands

Based in The Netherlands, SPGPrints is a leading global manufacturer of consumables for printed textiles and labels. The product offering primarily consists of consumables used in the printing process (rotary screens, lacquers, digital inks and digital engraving) complemented by a full range of printing systems/equipment and after sales spare-parts, installation and maintenance services. SPGPrints is represented in more than 100 countries worldwide and commands a leading market position in each of its segments.

www.spgprints.com

Portfolio Company Name	Georg Jensen
Acquired	November 2012
Industry Sector	Consumer products – Specialty retail
Headquarters	Copenhagen, Denmark

GEORG JENSEN
ESTABLISHED 1904

Based in Copenhagen, Georg Jensen is a global luxury brand that designs, manufactures and distributes jewelry, watches, fine silverware and high-end homeware. With a history that spans over 115 years, the Georg Jensen brand has a deep heritage in silversmithing and represents quality craftsmanship and timeless designs. The brand is also endorsed by the Queen of Denmark.

www.georgjensen.com

PE Technology

As of June 30, 2019, Investcorp's aggregate balance sheet co-investment amount in technology investments was $9 million invested across eight companies.

Portfolio Company Name	Ubisense
Acquired	December 2018
Industry Sector	Technology – Big data
Headquarters	Cambridge, UK

Ubisense is an enterprise software and sensor platform that generates and interprets vast amounts of location data to create digital visibility of real-world objects and their interactions in real time, enabling complex manufacturing processes with high levels of variability to be more flexible, easier to manage and easier to control. Ubisense's service solution generates meaningful and demonstrable return on investment to Ubisense's blue-chip customers. Ubisense is present in a number of verticals, including Aerospace, Commercial Vehicles, Passenger Vehicles, General Industry, and Transportation amongst many others.

www.ubisense.net

Portfolio Company Name	softgarden
Acquired	September 2018
Industry Sector	Technology – Big data
Headquarters	Berlin, Germany

Founded in 2005, softgarden offers an innovative recruitment technology platform to a diversified set of German mid-market and enterprise customers. The company's "Applicant Tracking System" (ATS) - a software-as-a-service (SaaS) platform covering the entire digital corporate recruitment process - enables companies to streamline and manage their entire recruitment process in a fully automated and data-privacy compliant manner. In addition to this, softgarden offers a proprietary jobseeker marketplace, as well as a tool to automate the posting of ads on job boards.

www.softgarden.io

Portfolio Company Name	Impero
Acquired	July 2017
Industry Sector	Technology – Security
Headquarters	Nottingham, UK

Founded in 2002, Impero has become a market leader in the UK in integrated safeguarding software with its comprehensive education solution that enables schools to keep students safe, improves the teaching environment and maximizes efficiency for school network managers. Headquartered in Nottingham, UK, with an office in Austin, Texas, the company has a greater than 20% share of the UK secondary school market, currently serving more than 1,400 secondary schools across the country, and with a significant footprint across more than 500 US districts. Globally, the software is accessed by over 1.5 million devices in over 90 countries, and during the course of 2018/19 the company transitioned from an on-premise solution to a cloud-based SaaS model.

www.imperosoftware.com

Portfolio Company Name	Ageras
Acquired	March 2017
Industry Sector	Technology – Internet/mobility
Headquarters	Copenhagen, Denmark

Founded in 2012, Ageras is a fast-growing online marketplace connecting SMEs and micro-businesses with professional service providers such as accountants and lawyers across Scandinavia and Western Europe. Run by its founders, the company has successfully entered seven markets (Norway, Sweden, The Netherlands, Germany, United Kingdom and the US alongside its home market of Denmark). Ageras' proprietary matching algorithm allows it to combine automation with high levels of service in order to ensure maximum customer satisfaction. During 2018, Ageras launched a new arm of its business to focus on monetizing high-simplicity projects through an automated accounting system. This new product is in start-up mode, but the initial results are showing good traction.

www.ageras.com

Portfolio Company Name	Calligo
Acquired	November 2016
Industry Sector	Technology – Big data
Headquarters	St Helier, Jersey

Calligo is a fast-growing provider of cloud solutions focused on serving the global mid-tier enterprise segment. Founded in 2012, with the aim of leveraging jurisdictions across the globe that offer a robust data protection framework, Calligo provides a trusted cloud platform for hosting mid-tier enterprises, their data and applications. The company's proprietary cloud platform offers the highest levels of data privacy along with application performance guarantees, commercial flexibility and a personalized support service.

www.calligo.cloud

Portfolio Company Name	eviivo	
Acquired	March 2011	
Industry Sector	Technology – Internet / mobility	
Headquarters	London, UK	

eviivo is a leading European software provider for small and medium-sized accommodation businesses to manage their online and offline bookings, allocate rooms, allow for flexible pricing, invoice and process payments. With approximately 14,000 customers, eviivo's portfolio covers the breadth of the UK, US, French, German and Mediterranean markets and includes B&Bs, guest accommodation, inns, farmhouses, cottages, restaurants with rooms, and smaller boutique hotels.

www.eviivo.com

Portfolio Company Name	OpSec Security Group	
Acquired	March 2010	
Industry Sector	Technology – Security	
Headquarters	Newcastle, UK	

OpSec Security Group is a global leader in providing anti-counterfeiting technologies, as well as solutions and services for physical and online brand protection, to over 400 brand owners worldwide. The company operates manufacturing facilities and laboratories in the US and the UK, and has sales operations in the Americas, Europe and Asia.

www.opsecsecurity.com

Portfolio Company Name	kgb	
Acquired	April 2006	
Industry Sector	Technology – Big data	
Headquarters	New York, US	

kgb (formerly InfoNXX) is a global independent provider of directory assistance and enhanced information services. kgb delivers solutions to wireless and landline carriers, corporations and educational institutions in North America, handling the majority of the '411' calls in the US that are delivered through a mobile phone. In the UK, kgb’s 'The Number' 118 has become Britain's leading directory assistance service for consumers and businesses. In addition to the US and UK, the company also has operations in Ireland, France, Austria, Switzerland, Germany, Morocco, and Philippines.

www.kgb.com

PE MENA

As of June 30, 2019, Investcorp's aggregate balance sheet co-investment amount in private equity investments in the MENA region was $182 million invested across 13 companies. The portfolio listing shown below includes Hydrasun, even though it is headquartered in Aberdeen, UK, as it is a portfolio company of the Gulf Opportunity Fund.

Portfolio Company Name	Reem Integrated Healthcare
Acquired	April 2018
Industry Sector	Healthcare
Headquarters	Abu Dhabi, United Arab Emirates

Reem Integrated Healthcare Holdings is developing a new landmark hospital complex on Reem Island, Abu Dhabi, UAE. The complex comprises a modern and highly specialized rehabilitation center combined with a children's and women's hospital and a family medical center. The development of the hospital complex will take place in phases: first, the construction of a more than one hundred bed rehabilitation center and a sizeable family medical center targeted to open at the end of 2019 and which will be built and operated by VAMED, a leading global provider of development, design and operational management services for hospitals; and second, the development of a more than one hundred bed children's and women's hospital, providing a full range of general and specialized pediatric surgery and treatments, as well as comprehensive gynecology and obstetrics services supported by a neonatal intensive care unit and which will be operated by VAMED in cooperation with Charité from Berlin, Germany, one of the leading university hospitals in Europe.

Operators website: www.vamed.com and www.charite.de

Portfolio Company Name	Al Borg Medical Laboratories
Acquired	November 2016
Industry Sector	Healthcare
Headquarters	Jeddah, Saudi Arabia

Established in 1999 in Jeddah, Al Borg Medical Laboratories ('Al Borg') has 64 laboratories across eight countries in the GCC and Africa, with a clear leadership position in Saudi Arabia. Al Borg employs over 1,200 personnel and offers a wide range of routine and specialty medical laboratory testing services to hospitals, clinics, corporates and individuals. In December 2017, Al Borg acquired Proficiency Healthcare Diagnostics, a leading private independent laboratory network in Abu Dhabi, UAE, operating five laboratories across Abu Dhabi, Dubai, Sharjah and Al Ain.

www.alborglaboratories.com

Portfolio Company Name	Bindawood Holding
Acquired	December 2015
Industry Sector	Consumer products – Grocery retail
Headquarters	Jeddah, Saudi Arabia

Established in 1984, with over 30 years of operations and a network of 68 stores across Saudi Arabia, the Bindawood group operates one of the largest chains of supermarkets and hypermarkets in Saudi Arabia. The company is predominately focused in the Western regions of Jeddah, Makkah and Madinah, with a growing presence in the Central and Eastern regions.

www.bindawood.com / www.danubeco.com

Portfolio Company Name	NDT Corrosion Control Services Co.
Acquired	July 2015
Industry Sector	Industrial services
Headquarters	Dammam, Saudi Arabia

Established in 1975, NDT Corrosion Control Services Co. LLC ('NDTCCS') is the largest non-destructive testing ('NDT') service provider in Saudi Arabia employing over 3,000 technicians in Saudi Arabia, Oman, UAE and Kuwait, and has recently entered the Bahrain market. NDT is an essential service which involves the evaluation and testing of pipes, pressure vessels, oil platforms and other key industrial components to identify faults, cracks or defects without causing damage. NDTCCS provides conventional and advanced NDT services for a range of industrial sectors including oil and gas, petrochemicals, mining, nuclear and utilities. In February 2019, NDTCCS acquired International Inspection Center Co. ("Intrex"), Kuwait's largest provider of industrial NDT and inspection services employing over 1,100 technicians.

www.ndtcorrosion.com

Portfolio Company Name	Arvento Mobile Systems
Acquired	March 2015
Industry Sector	Business services – Technology enabled services
Headquarters	Istanbul, Turkey

Established in 2005, Arvento Mobile Systems is a provider of telematics solutions, delivered as a software-as-a-service, which provide fleet operators with visibility into vehicle location, fuel usage, speed and mileage and other insights into their mobile workforce, enabling them to reduce their operating costs and increase their revenues. The company designs, develops and sells its own range of hardware products and software applications. The business is a market leader in Turkey as well as one of the leading players in the Kingdom of Saudi Arabia and the UAE. It is a multiple award winner for its technology and its rapid growth.

www.arvento.com

Portfolio Company Name	Namet
Acquired	December 2013
Industry Sector	Consumer products
Headquarters	Istanbul, Turkey

Established in 1998 and acquired in 2005 by the Kayar family, Namet Gida Sanayi ve Ticaret A.S. ('Namet') is the largest integrated producer of fresh cut and packaged processed red meat products in Turkey. The company operates an integrated cattle farm in Urfa with 45,000 livestock capacity supplying nearly 25% of the company's production needs. The company processes and sells unpacked and packed fresh cut meat, delicatessen products, frozen products and further processed products. Products are sold under the Namet and Maret (acquired in September 2014) brands or as private label products to the retail and B2B (hotels/restaurants/catering) channels.

www.namet.com.tr

Portfolio Company Name	Al Yusr Industrial Contracting Company W.L.L
Acquired	October 2013
Industry Sector	Industrial services
Headquarters	Jubail, Saudi Arabia

Al Yusr Industrial Contracting Company W.L.L. ('AYTB') was founded in 1979 in Jubail and over its 39-year history has made a significant contribution to the industrial growth of Saudi Arabia. The company supports the petrochemical and oil and gas sectors and supplies technical and logistical support, in addition to maintenance, construction, industrial cleaning as well as facility management, manpower supply, catering and accommodation services. AYTB's clients include many of the region's leading petrochemical and oil and gas companies. The company employs over 5,000 people across its operations in Saudi Arabia and Qatar.

www.aytb.com

Portfolio Company Name	Theeb Rent a Car Co.
Acquired	June 2013
Industry Sector	Consumer services
Headquarters	Riyadh, Saudi Arabia

Theeb Rent a Car Co. ('Theeb') is a leading car rental company in Saudi Arabia primarily serving the 'individual' customer segment with short-term rental services. The company has also recently started offering long-term leasing to the 'corporate' customer segment. Established in 1991 and headquartered in Riyadh, Theeb operates a fleet of over 14,800 vehicles with a wide network of 43 branches, including 11 at international and regional airports across Saudi Arabia. Over the years Theeb has built a strong local brand and membership program with over 220,000 members.

www.theeb.com.sa

Portfolio Company Name	Hydrasun Group Holdings Ltd.
Acquired	March 2013
Industry Sector	Industrial services
Headquarters	Aberdeen, Scotland

Founded in 1976 in Aberdeen, Scotland, Hydrasun Group Holdings Ltd. ('Hydrasun') has international operational bases in the UK, the Netherlands, the Caspian Sea, West Africa and the Gulf Coast of the US. Hydrasun is engaged in the integration, manufacture and testing of hydraulic equipment and fluid connectors for the offshore oil and gas sector. Its products and services are mainly used across the offshore oil and gas sector with further application in the petrochemical sector. The company employs around 420 personnel and has state-of-the-art engineering, production, manufacturing, training and warehousing facilities.

www.hydrasun.com

Portfolio Company Name	Automak Automotive Company
Acquired	October 2012
Industry Sector	Industrial services
Headquarters	Kuwait

Satisfaction is Standard

Founded in 2002 by Al Kharafi Projects Co. W.L.L. and Mr. Ghazi Omar, Automak Automotive Company ('Automak') is a leading player in the fleet leasing and rental business in Kuwait. Automak operates a fleet of in excess of 10,000 vehicles leased on a long-term basis (24-36 months) primarily to key companies in the oil, public and corporate sectors in Kuwait and on a short-term basis in the spot rental market. Automak also provides a wide spectrum of services and products including quick service and distribution of spare parts, tires and lube oil.

www.automak.com

Portfolio Company Name	ORKA Holding
Acquired	September 2012
Industry Sector	Consumer products – Specialty retail
Headquarters	Istanbul, Turkey

"FASHION IS OUR BUSINESS"

ORKA Holding ('Orka') is one of the largest menswear retailers in Turkey with 213 directly operated stores (162 in Turkey and 51 around the world). Founded in 1986 by Süleyman Orakçıoglu, Orka has three brands (Damat, Tween and D'S Damat) which are suited to a broad customer base. The Damat brand targets the classic/high-end segment, the Tween brand targets the contemporary/mid to high-end segment and the more affordable D'S Damat targets the classic and contemporary mid segment. Damat is the #1 apparel brand in Turkey with an estimated 97% brand awareness.

www.orkagroup.com

Portfolio Company Name	Tiryaki Agro
Acquired	September 2010
Industry Sector	Consumer products – Trading and logistics
Headquarters	Istanbul, Turkey

Tiryaki Agro ('Tiryaki') is a leading trader and supply chain manager of agro commodities in Turkey. Founded in Gaziantep, Turkey, in 1965 by the Tiryakioglu family, the company has expanded over two generations to become one of the most successful family businesses in Turkey with sales operations across the globe. Tiryaki's business is in the sourcing, processing, storage and trading of conventional and organic grains, pulses, oil seeds, feed stuff and nuts across Europe, Africa, the Middle East, the CIS, America and Asia. The company has a team of approximately 690 professionals, has processing and storage facilities in Turkey and serves a broad customer base including food processors, retailers, governmental agencies and other agro wholesalers.

www.tiryaki.com.tr

Portfolio Company Name	L'azurde
Acquired	March 2009
Industry Sector	Consumer products
Headquarters	Riyadh, Saudi Arabia

L'azurde, a family-owned business established in 1980 in Saudi Arabia, is a leading Arab designer, manufacturer and distributor of gold jewelry for the premium mass market, with two large state-of-the-art industrial plants in Riyadh and Cairo. The company has high quality products and designs, a diversified regional distribution network, strong manufacturing capabilities, and significant economies of scale advantages with approximately 1,300 wholesale relationships that span the MENA region. In October 2018, L'azurde acquired Izdiad, the Saudi franchisee of the TOUS international jewelry brand, operating 26 TOUS franchise stores in Saudi Arabia.

www.lazurde.com

PE Asia

As of June 30, 2019, Investcorp's aggregate balance sheet co-investment amount in private equity investments in the Asia region was $4 million.

Portfolio Company Name	China Pre-IPO Technology Portfolio
Acquired	September 2018
Industry Sector	Technology
Headquarters	Predominantly in China, together with one US-based company with significant China angle

China Pre-IPO Technology Portfolio is a diversified portfolio of leading high-growth pre-IPO technology companies in China or globally with a significant China angle, in partnership with China Everbright, a reputed sovereign-backed asset manager. The portfolio currently comprises nine high-growth companies and is expected to continue to grow and diversify by investing in its active deal pipeline in the Internet Services, Media & Entertainment, Artificial Intelligence and Consumption Upgrade sectors.

Portfolio Company Name	India Consumer Growth Portfolio
Acquired	February 2019
Industry Sector	Consumer & Retail / Financial Services / Healthcare
Headquarters	India

India Consumer Growth Portfolio is a diversified portfolio of leading high-growth consumer companies in India. The portfolio currently comprises four high-growth consumer companies and is expected to continue to grow and diversify by investing in its active deal pipeline in the Consumer & Retail, Financial Services and Healthcare sectors