INVESTCORP

Business Review

Fiscal Year 2018
For the period July 1, 2017 to December 31, 2017

“We are pleased to report strong growth in profitability during the period, driven by positive underlying performance across all asset classes and supportive market conditions in the US and Europe. Whilst potential pockets of risk remain, mainly stemming from geopolitical factors, our robust balance sheet, experience and expertise enable us to take advantage of interesting investment opportunities globally. We have started receiving some interest as a consequence of our recently established presence in Asia, whilst total fundraising from clients and institutional investors globally stood at $3.6 billion. During the period, distributions to clients and the Firm from realizations and other distributions totaled $3.5 billion. We look forward to the rest of 2018 and beyond with great confidence as a multi-asset class, more geographically diversified firm with a broader range of products which we hope will see us continue to deliver value to our clients and shareholders.”

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:

- The firm announced its minority investment in an independent Swiss-regulated private bank based in Geneva and Luxembourg, subject to regulatory and other approvals which are expected to be received shortly

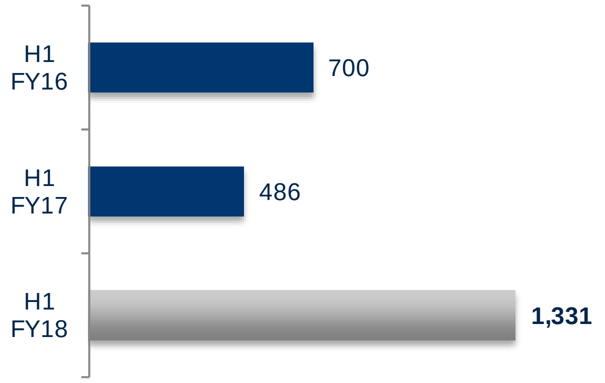
Fundraising platform:

- Continued progress on implementation of a Global Distribution capability across the Firm's current markets
- Firm starting to receive some interest as a consequence of recently established presence in Asia
- New investment programs helping the Firm to gain traction with institutional investors in the Gulf

Investment platform:

- Completed the formation of first European real estate portfolio with the acquisition of seven additional logistics assets in UK, and the portfolio was substantially placed with investors
- Third investment made by Investcorp's Technology Fund IV, which was launched last year
- Completed acquisition of two office buildings in midtown Manhattan for Investcorp's third real estate club deal offering in the last two years

Investment Activity ($m)

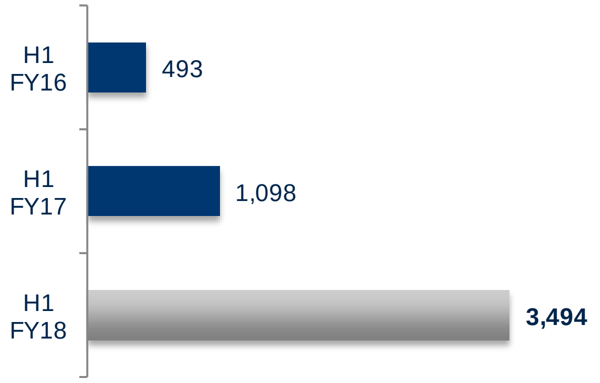


Strong levels of activity with $1.3 billion of aggregate investment across Investcorp's businesses, a 174% year-on-year increase

Deal-by-deal placement ($m)

Good, stable placement activity in the Gulf, albeit with longer lead times and overall cautious investor sentiment against backdrop of higher geopolitical and economic uncertainty. New offerings include two corporate investments, one real estate club deal, one European real estate portfolio and one US real estate portfolio

Realizations and distributions ($m)



Distributions to Investcorp and its clients from investment realizations and other distributions more than tripled to $3.5 billion

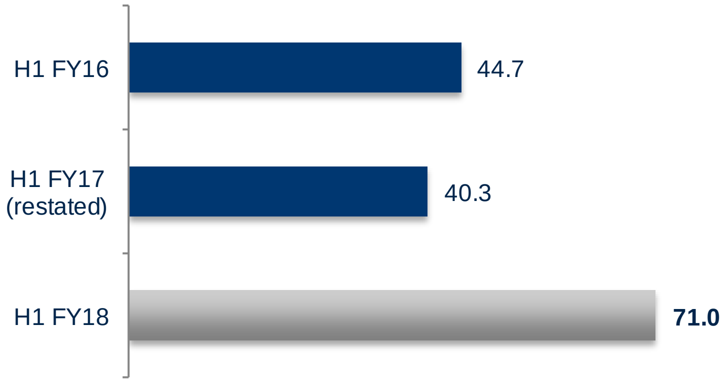
Profit for the year ($m)

The rise in profit for the year is predominantly attributable to the contribution of the credit management business and improved returns in corporate investments

Fee income ($m)

Steady levels of fee income with an increasing proportion coming from recurring AUM fees in line with the increase in the Firm's AUM

Asset-based income ($m)



Asset-based income reflects improved returns from the corporate investment portfolio and additional returns generated by the credit management business acquired in H2 FY17

Cost-to-income

Increase in operating expenses reflects investment in growth of the business, including the acquisition of the credit management business

Interest expense of $30.5 million is higher by 7% primarily due to higher LIBOR rates

1 FY18 Key Business Highlights

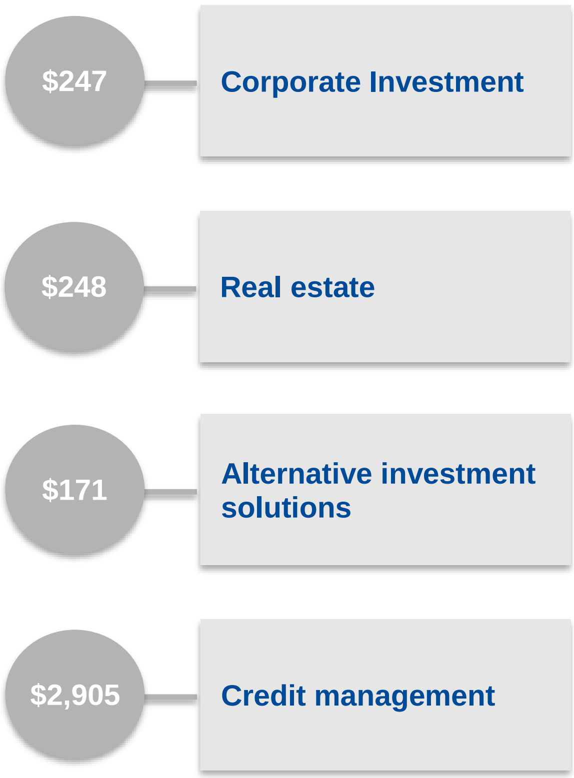
Shareholder KPIs

$0.70	**Fully diluted EPS**
9%	**Return on equity (annualised)**
$11.52	**Book value per share**

Balance sheet KPIs

Jun-17	Dec-17	
$2.7b	**$2.7b**	**Total assets** stable
$1.1b	**$1.1b**	**Total equity** stable
$984m	**$871m**	**Accessible liquidity** more than covers next four years of debt
0.4x	**0.5x**	**Net leverage** remains well below 1.0x
31.7%	**29.8%**	**Basel III regulatory capital** well above CBB minimum requirements
0.7x	**0.7x**	**Co-investments** / **permanent & long-term capital** well below 1.0x

Fundraising ($m)



*Total fundraising was **$3.6 billion** (H1 FY17: $1.0 billion)*

***$215 million** placed with clients in corporate investments including new commitments into institutional investor programs*

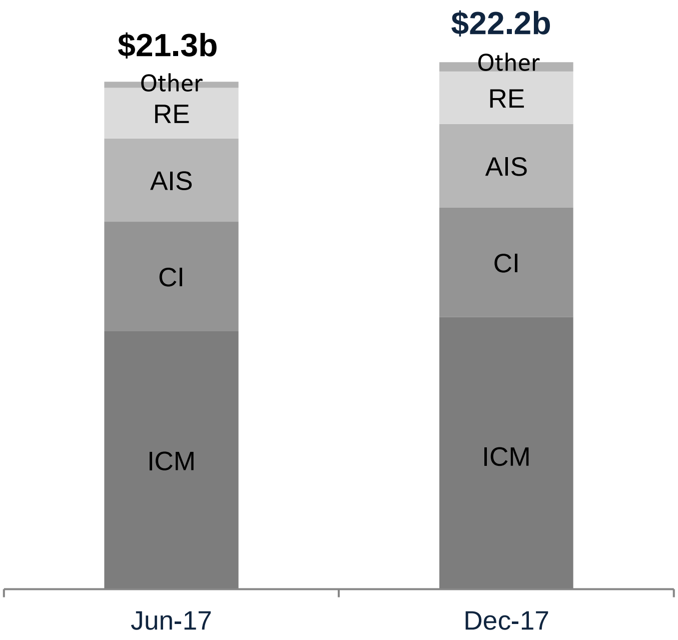
*An additional **$32 million** raised for Technology Fund IV*

***$248 million** placed with clients across two new portfolios, one new club deal and residual amounts in four portfolios carried over from last year*

***$171 million** of new subscriptions for AIS*

***$2.9 billion** raised in credit management for one new US CLO, and five refinancings and two resets of older CLOs*

Total AUM ($b)



Corporate investment and real estate AUM stayed relatively flat with new fundraising activity largely offset by exits during the period

AUM in AIS was also steady at $3.5 billion with new fundraising almost completely offset by redemptions net of performance

AUM in credit management increased by 5.5% from $10.8 billion to $11.4 billion

Investment Activity

$300 million…

*…the aggregate capital deployed in **two new corporate investments**; and four existing portfolio companies*

$252 million…

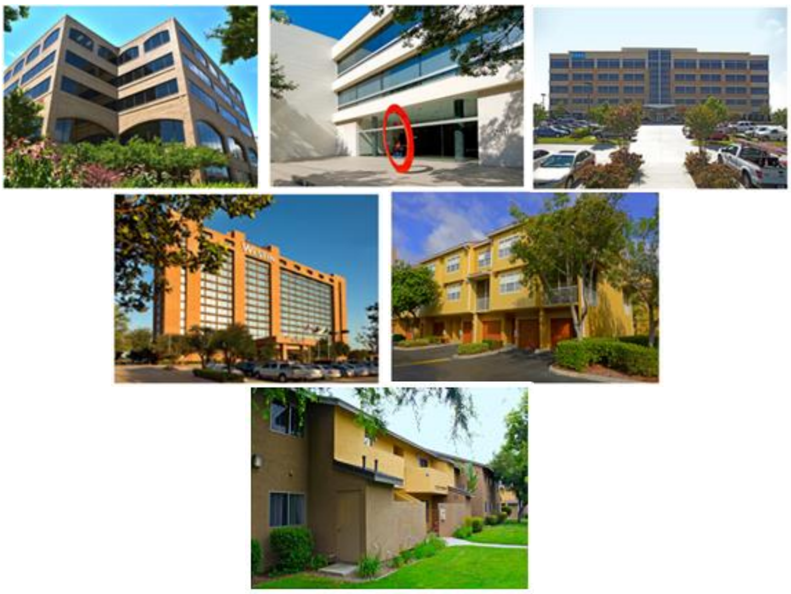
*…the aggregate capital deployed in two new **real estate portfolios, one new real estate club investment** and twelve new properties which will form parts of portfolios for placement in H2 FY18*

Exits & Distributions

*Corporate investment exits included the sale of **Esmalglass**, a leading worldwide producer of ceramic colors and glazes; and the sale of **CEME,** a global leading manufacturer of fluid control solutions serving critical functions in a diverse range of niche consumers and industrial applications.*

*Significant real estate exits included the sale of the following properties: **Orion at Orpington** student housing property in Florida; one portfolio, **2014 Diversified** in Texas and Florida; **Westleaf Apartments** in California and **Westin DFW and Marriott Palm Beach Gardens** hotels in Texas and Florida.*

Total realization proceeds and other distributions to Investcorp and its clients were $3.5 billion, including $2.8 billion related to the credit management business.



Investcorp's key performance indicators:

	H1 FY14	H1 FY15	H1 FY16	H1 FY17*	H1 FY17 (restated)	H1 FY18
Gross operating income ($m)	158.1	154.0	178.4	153.3	168.3	208.5
Cost-to-income ratio	66%	63%	64%	71%	65%	69%
Return on average assets **	3.6%	4.1%	4.5%	2.7%	3.6%	4.1%
Return on ordinary shareholders' equity **	8.7%	10.4%	12.1%	6.1%	9.2%	9.4%

* As reported prior to the early adoption of IFRS 9
**Annualized return

Business Environment[1]

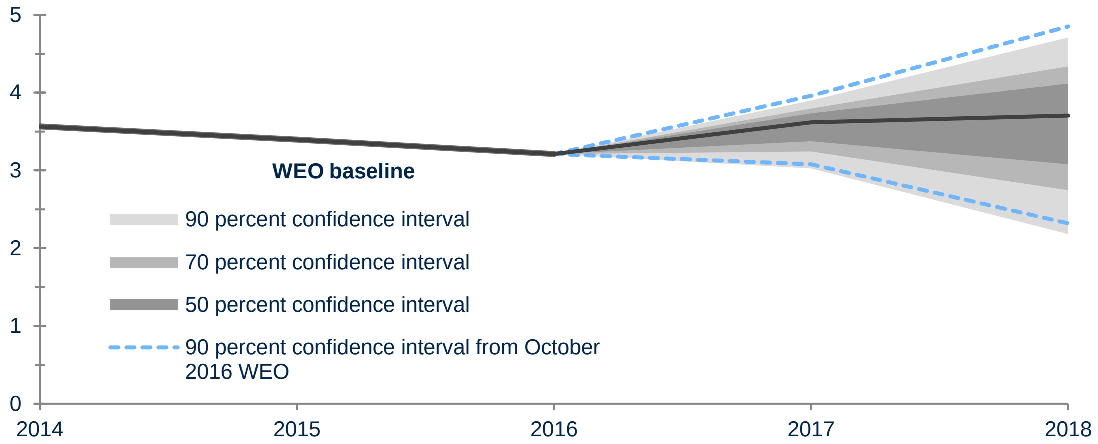
Global economic activity is expected to continue strengthening in 2018 as the global pickup in activity that started in the first half of 2016 gains further momentum, with rapid and synchronized expansion across a broad cross-section of regions and sectors. While the global economy surprised to the upside in 2017, inflation was largely absent, with prices failing to gain much traction relative to expectations. Indeed, the measure remains below central bank targets across most developed countries and has shown little sign of a sustained acceleration.

Taken together, these diverging dynamics created the perfect backdrop for risky assets in 2017. It was a 'Goldilocks' environment, where investors could reap the benefits of earnings growth that was unspoiled by concerns over margin pressures or rising real interest rates. The Trump administration's success in shepherding through a tax reform package added fuel to the fire, forcing the last of the skeptics to capitulate and jump on board the bull market train.

The International Monetary Fund (IMF World Economic Outlook, October 2017) expects global growth to reach 3.6% in 2017 and 3.7% in 2018. Of this, economic activity is expected to pick up speed in all country groups, save for the Middle East as geopolitical risks continue to affect the region. Other potential catalysts for upheaval include the ongoing Brexit negotiations, NAFTA trade deal discussions, and upcoming elections in Italy, Mexico, Brazil and South Africa.

Prospects for World GDP Growth

(Percent change)

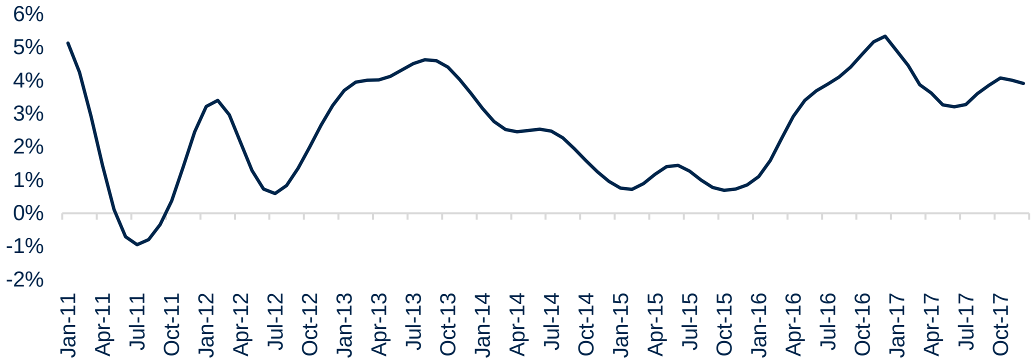


Source: World Economic Outlook October 2017, International Monetary Fund

1 Unless otherwise stated, all references to years are 'calendar year'.

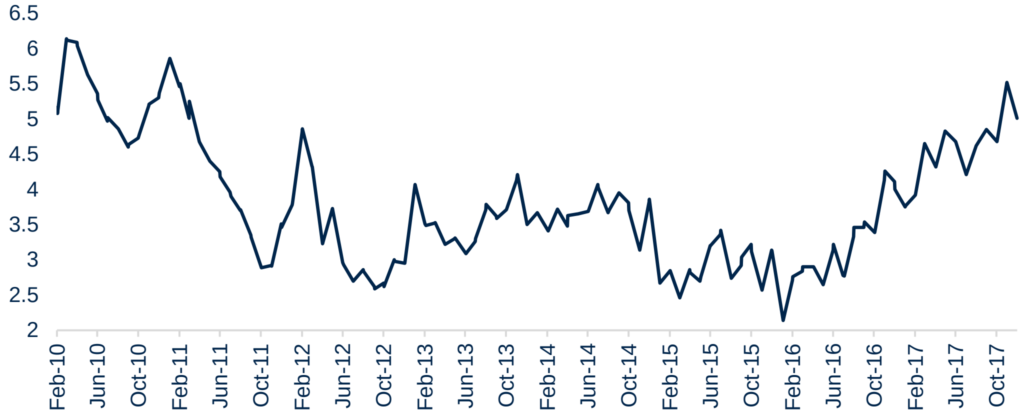
Global leading economic indicators have been signaling robust growth ahead, a development apparent in the following two charts.

Global Leading Economic Indicators – Three-Month Momentum



Source: Bloomberg, Investcorp

World Current Activity – Global GDP Nowcast



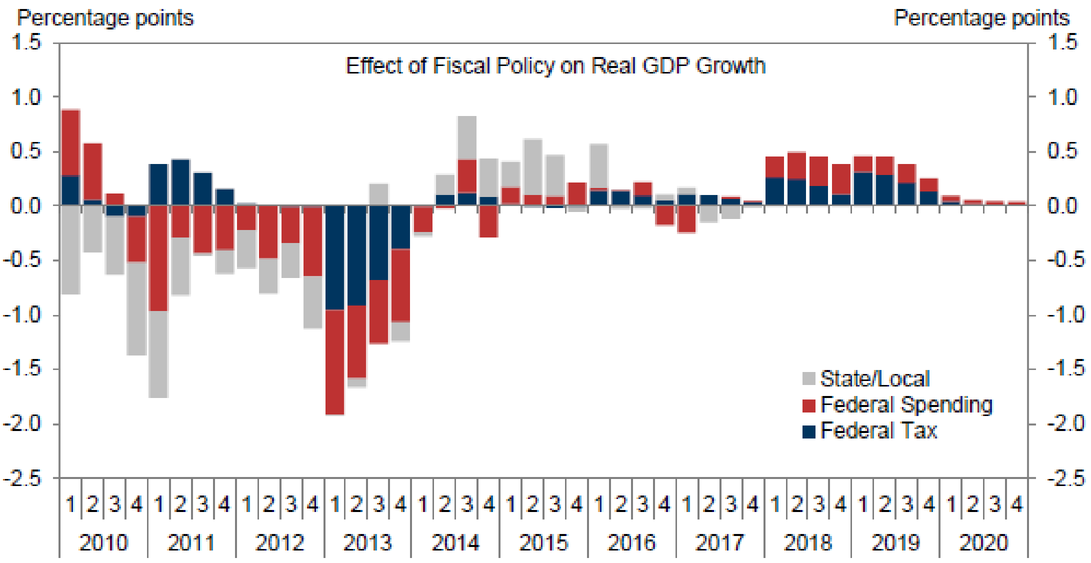
Source: Bloomberg, Goldman Sachs

Upward momentum is being fueled, in part, by a strong recovery in manufacturing, where higher energy prices, in particular, have been a key driver. In addition, consumer confidence and spending remain resilient, while businesses have been boosting capital expenditures. While we expect these positive dynamics to carry on for the time being, it is unlikely that we will see much in the way of acceleration going forward. In that sense, the bulk of the positive surprises are likely behind us.

In fact, monetary policy continues to be expansionary in most developed markets, with front-end rates remaining largely below neutral-rate estimates. Granted, the Federal Reserve is on a more hawkish path, but the impact of their efforts on broader financial conditions has thus far been limited. By most accounts, the European Central Bank is years away from raising its refinancing rate, though it could decide to alter its quantitative easing policy later in the year. In Japan, the Bank of Japan remains committed to its yield-targeting policy; and a major change in policy is not expected in coming quarters.

Developments outside the monetary arena are also supportive. Many countries are favoring expansionary fiscal policies, including the US, where the recent enactment of a major tax reform package is expected to provide a boost to the domestic economy. Consensus estimates suggest that the new legislation will add 0.3 points to 2018 GDP growth, as illustrated by the chart below, with the impact fading gradually over sub-sequent years. Government-sponsored efforts beyond the US are also aimed at boosting spending and overall economic activity.

Impact of Trump Tax Cuts



Source: Goldman Sachs

Recent developments in China also bear watching. With policymakers in that country prioritizing structural reforms and quality over quantity, the risk of more of the economic disappointments seen recently, looks to be growing by the day.

In fact, financial conditions have already begun to tighten amid government-led efforts to rein in credit growth. To be sure, policymakers in China wield greater control over economic activity than elsewhere, but the fact remains that their economy is in the midst of a transition that is fraught with policy-related-mistake risk. Given that China has long been the biggest driver of global growth, a poorly-managed slowdown could have far-reaching effects on a broad range of asset classes.

Finally, one of the biggest threats to the current equilibrium is geopolitical risk. Whilst the populist wave behind the 'yes' vote on Brexit and US President Donald Trump's election was seemingly stopped short by Emmanuel Macron's subsequent landslide victory in the French elections, the political temperature still seems to have changed for the worse. The times when the US has been a leading proponent of global cooperation and liberalism have been replaced by efforts to disavow the Trans-Pacific Partnership and the adoption of an aggressive posture in NAFTA negotiations. Questions have also been raised about the US's long-time role as global leader and its seemingly wavering support for longstanding allies. In fact, all existing relationships and agreements appear to be under review as the current administration pursues its 'America First' agenda.

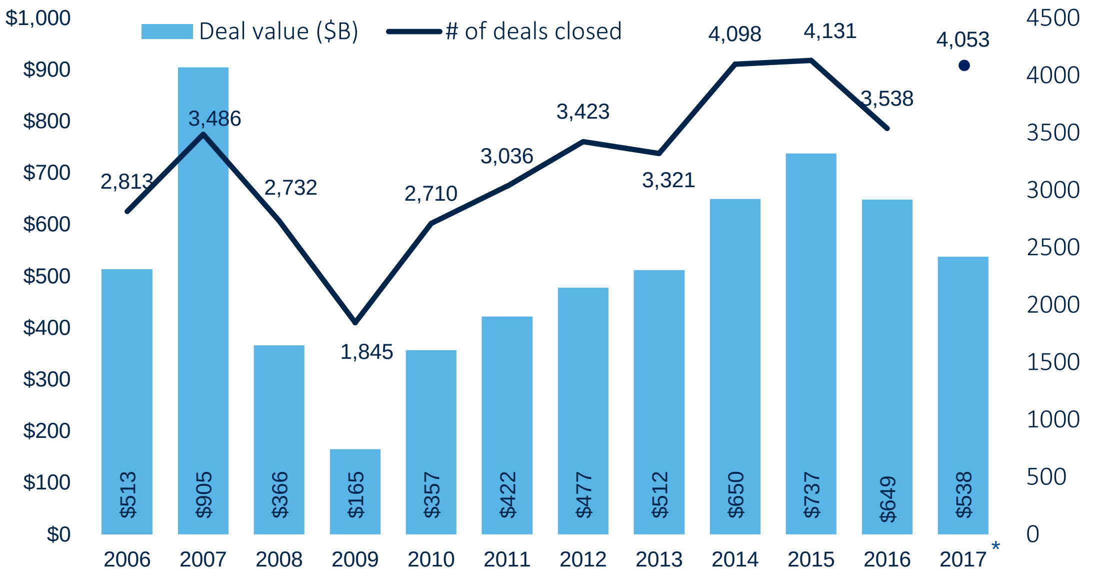
Not surprisingly, this new dynamic is engendering considerable confusion and uncertainty in regard to international relationships and affairs. One result has been an escalation of tensions in the Korean Peninsula, with both North Korea and the US adopting increasingly aggressive postures. Rising tension in that region and instability and confrontations in other areas of the world, such as the Middle East, pose some risk to the pace of regional and global economic growth.

Corporate investment – North America and Europe

The private equity market in 2018 is predicted to be as competitive as in 2017. Buyout multiples are expected to remain elevated, secondary buyouts to gain in stature, PE investments in software to proliferate further and niche fund raising to rise. Strong corporate balance sheets and plentiful dry powder, combined with relatively easy access to financing, will support continued M&A activity from both corporate acquisitions teams and PE firms.

In the US, capital of $538.2 billion was invested in 4,053 transactions in 2017, representing a 17.1% decrease in deal value and a 14.5% increase in number of transactions completed as compared to the prior year. After spiking in the third quarter of 2017, deal activity slowed in the fourth quarter. Even though there are increased amounts of dry powder available, prices are frothy and there is a lack of quality targets.

US PE deal flow

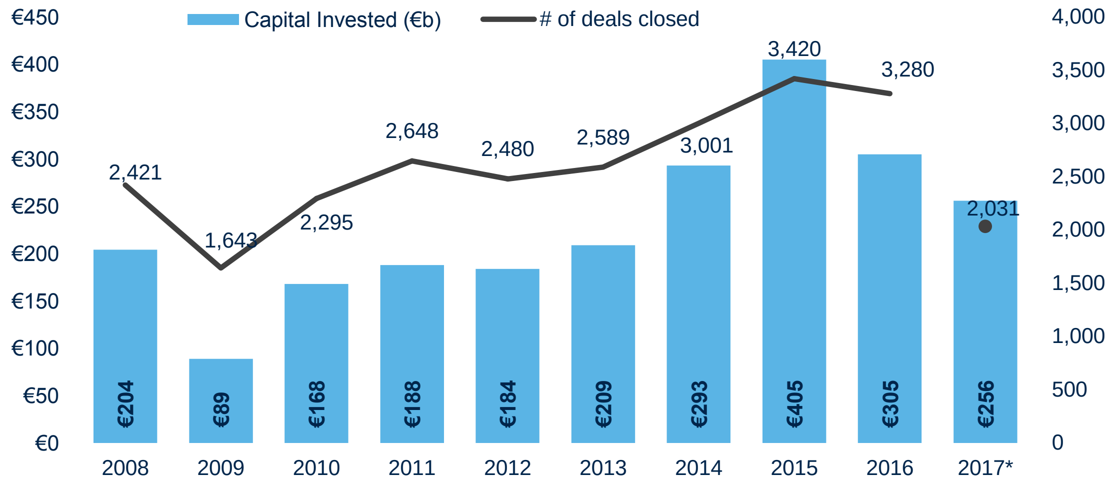


***As of September 30, 2017. Unknown values are estimated based on known figures**
Source: Pitchbook 3Q 2017 European Breakdown Report

The US median Enterprise Value/EBITDA multiple in 2017, 10.5x, remained unchanged from 2016. However, leverage increased, with the median debt percentage in overall M&A climbing from 50% to 54.3%. In addition, the median debt/EBITDA multiple climbed from 5.2x to 5.7x.

According to Pitchbook, in Europe, deal flow by Q3 2017 continued to trend downward. With 2,031 deals completed totaling €256.0 billion during the first nine months of the year, overall count is down 21% compared to the same period in 2016. Deal value, however, has moved in the opposite direction and is up 10% compared to the same period last year, signifying a shift toward the upper-end of the market. Whilst in Europe the PE activity broadly declined, PE investments in the UK remained strong during the first three quarters and nearly surpassed the amount of capital invested in all of 2016. Despite all the uncertainty concerning Brexit and any potential economic consequences, PE investments in the UK have not been deterred.

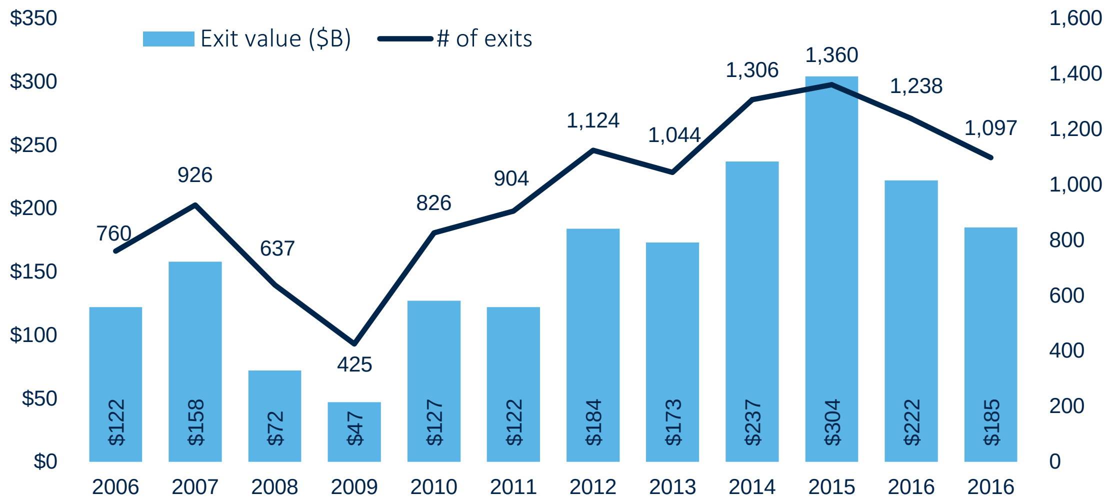
Europe PE deal flow



***As of September 30, 2017. Unknown values are estimated based on known figures**
Source: Pitchbook 3Q 2017 European Breakdown Report

US exit market value was at its lowest level in three years in 2017 with 1,097 transactions and an exit volume of $184.8 billion. This trend is expected to continue as most investments made prior to 2008 have already been sold and the majority of companies acquired from 2014-2016 are not yet ready for sale. All sectors saw a decline in exit volume, except for the technology sector which increased by 2%.

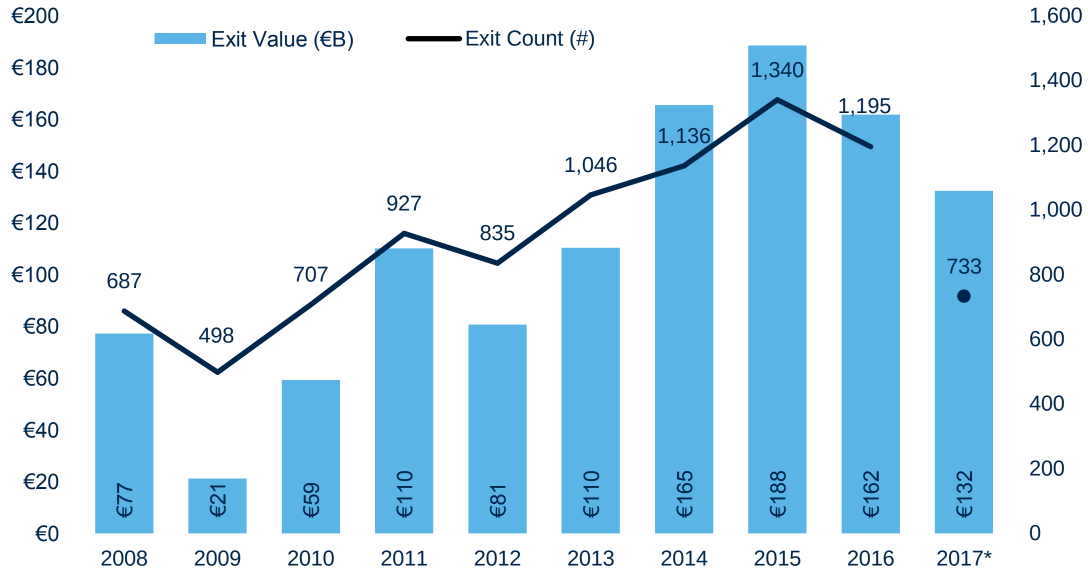
US PE-backed exits



Source: Pitchbook 2017 US Breakdown Report

European PE-backed exits continued at a healthy pace during 2017 and exceeded €150 billion for the fourth year in a row. Half of PE exits were in the form of secondary buyouts up from 45% in 2016 and 41% in 2015. In 2017, other PE funds became the largest buyer of PE-owned companies for the first time over the last decade. IPOs as an avenue to exit PE deals peaked in 2014 and have been declining since then.

European PE-backed exits



Source: Pitchbook 3Q 2017 European Breakdown Report

Overall, the private equity industry continues to see strong interest from investors in alternative assets with the emphasis on companies with strong top-line revenue growth.

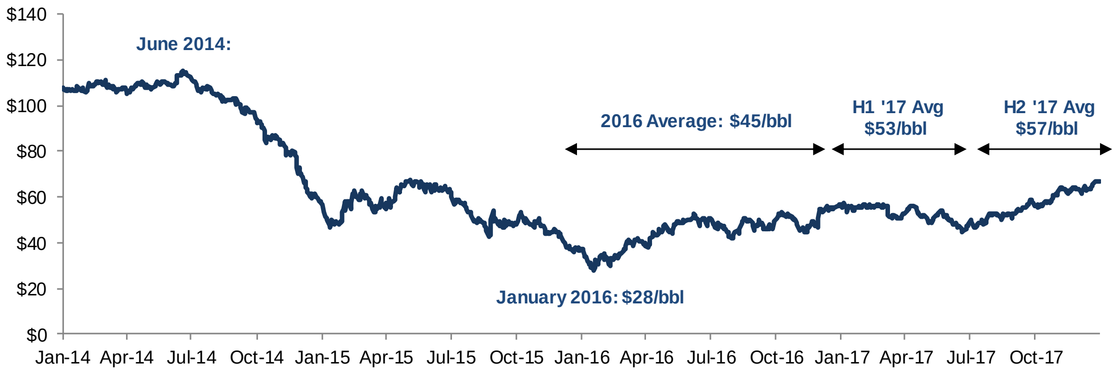
Corporate investment – MENA

Gulf Cooperation Council ('GCC') Business Environment

The slowdown in economic activity in the GCC region in 2016 continued throughout 2017 on the back of a sustained lower oil price environment and the resultant austerity measures implemented by the GCC governments in 2017, such as the suspension of allowances and financial benefits for civil servants in Saudi Arabia which were later reversed. Given this backdrop, the IMF estimates that the GCC economies grew at 0.5% in 2017 compared to 2.2% in 2016.

Crude oil prices fell from $115 per barrel in June 2014 to their lowest price since October 2003 at $28 per barrel in January 2016. Crude oil prices have since then gradually recovered and averaged at $45 per barrel during 2016 and $55 per barrel during 2017. During the second half of 2017 in particular, crude oil prices averaged at $57 per barrel, up 8% compared to the first half of 2017, amid falling inventories due to rising global demand, stabilizing US shale oil production and improved compliance by OPEC and non-OPEC producers to their crude oil output reduction agreement reached in November 2016. On November 30, 2017, the OPEC along with non-OPEC oil producers agreed to further extend the initial deal which was due to end in March 2018 by an additional nine months to December 2018. On this basis, the US Energy Information Administration ('EIA') projects oil prices to average at $60 per barrel in 2018.

Brent Crude Oil Price: January 1, 2014 – December 31, 2017 ($bbl)



Source: Bloomberg

In order to support economic activity, Saudi Arabia announced an expansionary budget of $261 billion for 2018, up 10% compared to the 2017 budget, while also announcing a $19.2 billion stimulus package for the private sector focusing primarily on small and medium enterprises. UAE also announced its 2018 federal budget of $14 billion, up 5.6% compared to the 2017 budget with a focus on education and healthcare.

Countries in the region continue to focus on diversifying the economy and increasing the role of the private sector within their economies. Saudi Arabia aims to raise $200 billion in the next several years through privatization programs in 16 sectors ranging from oil to healthcare, education, airports, utilities and grain milling. The country recently announced that it is on track to privatize 27 airports by mid-2018.

In the second half of 2017, Saudi Arabia announced plans to allow 100% foreign ownership in the healthcare and education sectors. The second half of 2017 also saw the Saudi Public Investment Fund ('PIF') announce plans to increase its assets under management to $400 billion by 2020 from $230 billion currently while increasing the fund's contribution to Saudi Arabia's GDP to 6.3% from 4.4%. As part of these plans, PIF plans to set up a $1.1 billion 'fund of funds' to support the growth of small and medium-sized enterprises by investing in venture capital and private equity funds and create 2,600 jobs by the end of 2020. Other key planned initiatives by the PIF include investing $56 billion in advanced technology sectors and research and development and investing in local projects including a Red Sea tourist hub, a $500 billion business and industrial zone extending into Jordan and Egypt called NEOM and an entertainment destination in Riyadh.

In order to mitigate the impact of low oil prices, GCC governments are resorting to non-oil revenue sources by implementing new taxes/levies and also reducing subsidies, albeit at a slower pace than initially envisaged. Saudi Arabia and the UAE have implemented a 5% Value Added Tax ('VAT') as of January 2018, with other GCC countries expected to follow suit by the end of 2018 or early 2019. In 2017, Saudi Arabia, UAE and Bahrain implemented excise taxes on select goods while Saudi Arabia also implemented an expat levy. In addition to taxes, most GCC countries have also reduced subsidies on fuel and electricity. Non-oil growth in the GCC is estimated to weaken slightly from an estimated 2.6% in 2017 to 2.4% in 2018.

Growth in the GCC in 2018 is projected to increase to 2.2% driven by an improved fiscal position and an improvement in the business environment as the reforms gain momentum.

Turkey Business Environment

Turkey's real GDP growth is expected to reach 6.5% in 2017 driven by an increase in private consumption, fiscal expansionary policies and the low base effect of last year's failed coup attempt. The country registered a 11.1% year-on-year GDP growth in the third quarter of 2017. During 2017, the Turkish Government implemented key fiscal stimulus efforts including temporary VAT cuts for durable consumer goods and a $70 billion Credit Guarantee Fund providing loans to small and medium-sized enterprises. The current account deficit however, remains an issue and is expected to widen to 4.8% of GDP in 2017 compared to 3.8% in 2016, reflecting the impact of higher oil prices and increasing domestic demand. Year-on-year inflation remains high at 11.9% as of December 2017 compared to 8.5% in the prior year.

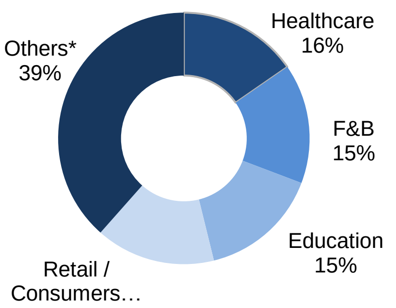
The Turkish Lira depreciated by a further 7% in 2017 to reach TL3.79:US$1 as of December 31, 2017, having remained vulnerable on account of a large current account deficit, high foreign-exchange-denominated corporate debt and investor concerns over geopolitical risks.

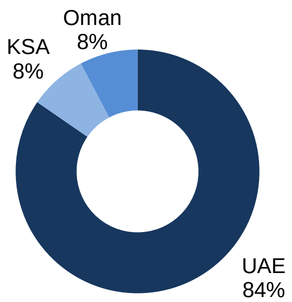
IPO and M&A Activities (GCC and Turkey)

During the calendar year 2017, the primary GCC stock exchanges registered nine Initial Public Offerings ('IPO') across Saudi Arabia (1), UAE (3), Muscat (4) and Qatar (1) in addition to six real estate investment trust ('REIT') issuances. The IPO of Emaar Development on the Dubai Financial Market contributed to $1.3 billion of the total $3.0 billion capital raised during the year. This compared to four IPOs in 2016 with total capital raised of $845 million. In Q1 2017, the Saudi Tadawul Stock Exchange launched the first parallel market ('NOMU') in the GCC. NOMU is an alternative equity market to the Tadawul, aimed at smaller cap companies. Since its launch, nine companies have been listed on the NOMU with total capital raised of approximately $200 million.

The calendar year 2017 recorded 85 M&A transactions in the GCC region compared to 77 transactions in 2016 (+10%). 13 of these transactions were led by a financial buyer in 2017 compared to 17 transactions in 2016. Healthcare, food & beverage ('F&B'), Education and Retail/Consumers were the most active sectors with the UAE being the most active market. During the same period, there were 14 exits by a financial investor compared to nine in 2016.

Breakdown of GCC Private Equity Transactions in 2017 (January – December)





Source: Merger Market, Investcorp Analysis as of January 3, 2017

***Others includes power, industrials, utilities, financial services and transportation**

There was also a resurgence of IPO activity in Turkey with a strong appetite for Turkish companies on the Istanbul and London Stock Exchange. In 2017, Turkey recorded three IPOs (>$100 million in value) with a total capital raised of $722 million compared to one in 2016 with $105 million capital raised.

During the calendar year 2017, Turkey recorded 86 M&A transactions compared to 101 transactions in 2016 (-15%). 18 of these transactions were led by a financial buyer compared to 24 transactions in 2016. During the same period, there were five exits by a financial investor compared to 11 in 2016.

In summary, despite the current lower oil price environment, the medium to long-term outlook of the GCC region remains positive, supported by favorable demographic trends, continued government expenditure in key sectors such as infrastructure, large public holdings of foreign assets, relatively low debt levels and favorable regulations to increase participation of the private sector and foreign direct investments as GCC governments aim to diversify their economies and reduce dependence on the oil sector.

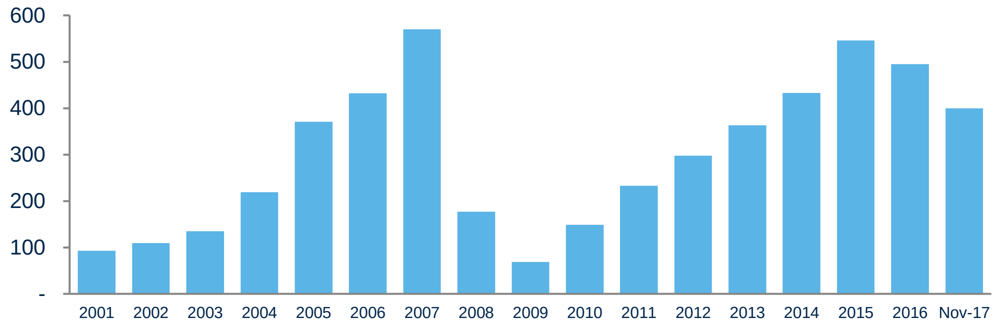
While near term risks remain, the medium to long-term outlook for the Turkish economy remains positive on account of the country's strong fundamentals such as its sizeable young population, its aspiring middle class, its entrepreneurial culture and its strategic geographical position as a trading hub.

Real estate investment – North America

Commercial real estate market fundamentals in the United States remain healthy across most asset classes in a majority of metropolitan areas. A relatively stable US economy continues to drive demand for US property with an increase in leasing activity, market rents and values. While job growth in the US remains solid, the rate of growth has slowed. The US added 2.0 million jobs through December 2017, down from 2.2 million for the same prior year period. However, the unemployment rate stands at 4.1% as of December 2017 (versus 4.7% in December 2016). In addition, US consumer confidence remains high. These mostly positive trends continue to have a favorable impact on the office, multifamily, retail, industrial and hospitality sectors.

US real estate transaction volume is down 7% from 2016 to 2017. However, while it is below the peak volume of 2015, overall activity is still at elevated levels compared to historical averages. In fact, prices have held steady and cap rates remain largely unchanged from a year ago. Further, operating fundamentals remain solid. Even though the Fed raised rates three times in 2017, the spread between cap rates and Treasuries is wide enough that the interest rate increase did not result in higher cap rates. 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 ($b)



Source: Real Capital Analytics, Inc. 2017

US **office market** fundamentals remained healthy through Q3 2017. Overall demand remained strong due to continued office-using growth and high business confidence. Southern markets topped the list of markets with the fastest year-over-year office-using job growth with Atlanta, Orlando, Charlotte, Tampa and Houston leading the way. According to CBRE, the overall vacancy rate increased slightly to 13.0% on both a quarter-over-quarter and a year-over-year basis, still remaining near the cyclical low. Central business district properties had the lower vacancy rate of 10.7% while suburban properties came in at 14.2%. Healthy tenant demand has offset higher levels of new supply over the past few years, resulting in steady vacancy rates. Rent growth slowed to 1.7% year-over-year. Seventy percent of the top 10 markets with the fastest rent growth were in the South or West. Suburban markets accounted for almost 75% of new construction in the quarter and year-to-date.

US **retail market** fundamentals remained strong through the third quarter of 2017 due to consistent demand, relatively low supply, low unemployment and strong consumer sentiment. According to CBRE, net absorption was positive in Q3 2017, driven primarily by main-street and single-tenant retailers. The overall availability rate increased slightly to 7% in Q3 2017, which is still lower than a year ago. Availability rates were largely unchanged across the major retail property types. Rent growth increased for a 14th consecutive quarter by 4.1% year-over-year. Non-store retailers continued to lead revenue growth, as e-commerce accounted for more than 9% of total retail sales in Q3 2017. Post-hurricane rebuilding activity in Florida and Texas led to a strong sales increase in the building materials and supplies category. Overall, new supply remains limited. Despite the relatively stable fundamentals in the retail space, investors cannot ignore the multitude of store closings, weak in-store sales and other negative effects of the uptick in global e-commerce.

Growth in the **industrial market** continued throughout the third quarter of 2017. Per CBRE, demand outpaced supply for the 28th time in the past 30 quarters, pushing rents to even higher levels. Net asking rents were up 1.6% for the quarter and 6.3% year-over-year to $6.88 per square foot – the highest mark since CBRE began tracking this metric in 1989. The industrial market's availability rate fell to 7.7% - the lowest level since Q1 2001, with Chicago and Minneapolis availability rates coming in at <7%. Net absorption had its 30th consecutive quarter of positive demand – the longest streak in over 20 years. Strong consumer confidence and spending continue to help drive industrial demand. Industrial leasing demand continues to be led by three industries – e-commerce, food and beverage, and third party logistics companies. New supply was down 9.3% year-over-year. Lack of developable land sites have helped to keep construction in check.

US market fundamentals in the **'for rent' multifamily market** remained very healthy through Q3 2017. According to CBRE, demand was at its highest level in three years. The Q3 2017 national vacancy rate of 4.6% was unchanged from Q2 2017 and up only marginally from a year ago. Minneapolis, New York Metro, Sacramento, San Diego and Los Angeles all had vacancy rates of less than 4%. Average monthly rent fell by 0.5% year-over-year, marking the second quarter where year-over-year rent change was negative. However, the average rent change is skewed by a handful of large markets (New York Metro, Houston, Philadelphia and Boston); the majority of markets (85%) are experiencing rent growth. New supply remains at elevated levels, primarily in the Class A sector, but construction starts are trending down moderately. Two-thirds of all units completed over the past year were in only 15 markets. New York metro, Dallas/Fort Worth, and Los Angeles/Southern California were the top three markets for completions; they were also the leading markets for net absorption. As of yet, the supply in the Class A space does not seem to have been negatively impacted.

The US **hospitality market** grew at a moderate pace in Q3 2017. According to STR, Inc., demand growth grew by 2.4% year-over-year and supply increased by 1.9%, which pushed up national occupancy to 71.4% - the highest quarterly occupancy level since STR began collecting data in 1987. However, Average daily rate (‘ADR’) grew by only 1.4% nationally, the slowest rate of growth since the Great Recession, resulting in modest revenue per available room (‘RevPAR’) growth of 1.9% in Q3 2017 (down from 2.7% in Q2 2017). Of the 60 markets tracked by CBRE, over 30 had supply gains of more than 2% in Q3 2017 and 35 of the markets had declines in occupancy. Houston had the largest demand increase (16.5%) and largest RevPAR increase (16.4%) driven by displaced residents and relief workers in the wake of Hurricane Harvey. Tampa and Orlando also saw significant demand and RevPar increases due to Hurricane Irma. Markets that saw the biggest increase in supply year-over-year were Austin, Charlotte, Nashville and Denver.

Real estate investment – Europe

In the UK, the uncertainty over Brexit continues to affect the economic and political climate. Some progress has been made in the Brexit negotiations, but most commentators expect that it will take longer than the April 2019 deadline to establish the new working relationship between the UK and Europe. In 2017, real estate transaction volumes recovered from 2016, and are expected to be up 19%. These volumes are distorted by two £1 billion trophy acquisitions in 2017; the ‘Cheesegrater’ and ‘Walkie Talkie’ buildings, which were both acquired by Asian capital. Retail sentiment remains challenging, while there continues to be growth in online spending. The UK manufacturing sector performed well in 2017, taking advantage of the fall in Sterling. Although it only represents approximately 10% of the UK economy, the manufacturing sector grew faster than the service sector for the second time in 20 years.

The City of London continues to face new supply while demand for space is tempered by Brexit uncertainty. The major demand drivers in London in 2017 were serviced offices (predominantly WeWork), Fintech and other service providers. Logistics/distribution and the light manufacturing sector remain the asset classes of choice in the UK, with very favorable supply/demand dynamics. There continues to be rental growth and low levels of vacancy in most geographic areas of the UK, off a low rental base. The financing markets continue to function well with good levels of liquidity for income producing assets at moderate levels of leverage. Pricing for the logistics assets in the UK continues to rise as investors look for good yielding, defensive assets.

Economic growth in Europe in the second half of 2017 performed above most forecasts. The ECB upgraded its forecasts of 2017 GDP growth to 2.4% and 2.3% in 2018. The ECB expects that households and businesses will continue to keep spending and investment activity is also forecast to grow. GDP growth rates were at healthy levels in spite of continued uncertainty regarding the impact of Brexit on Europe, the 2017 June elections in France and September elections in Germany that created some political uncertainty in the two largest markets in Europe and a resurgent independence movement in Catalonia.

In Europe, Investcorp has continued to focus on the two largest markets, France and Germany. In these markets, Investcorp has also concentrated on the office and logistics/industrial sectors. The fundamentals in these sectors and these markets are strong, with low levels of new supply in most markets, and good levels of leasing activity. The French and in particular, the German economy performed very well in 2017 and this strength is expected to continue in 2018. The German economy continues to benefit from a very strong ‘Mittelstand’ performance (small and medium sized businesses in Germany). While transaction volumes in Germany were up 10% in 2017, transaction volumes were down in France in 2017, primarily as a result of the uncertainty around the French election in June 2017. The office markets in Paris and the top seven cities in Germany (Berlin, Frankfurt, Munich, Dusseldorf, Cologne, Hamburg, and Stuttgart) are expected to continue to exhibit good rental growth in 2018 and beyond. The financing markets in Europe remain strong, with both margins and Euribor/Swap rates at very accretive levels. German banks are active in the markets. Yields for most real estate assets in France and Germany continue to fall as investors search for yield in a very low Euro rate environment.

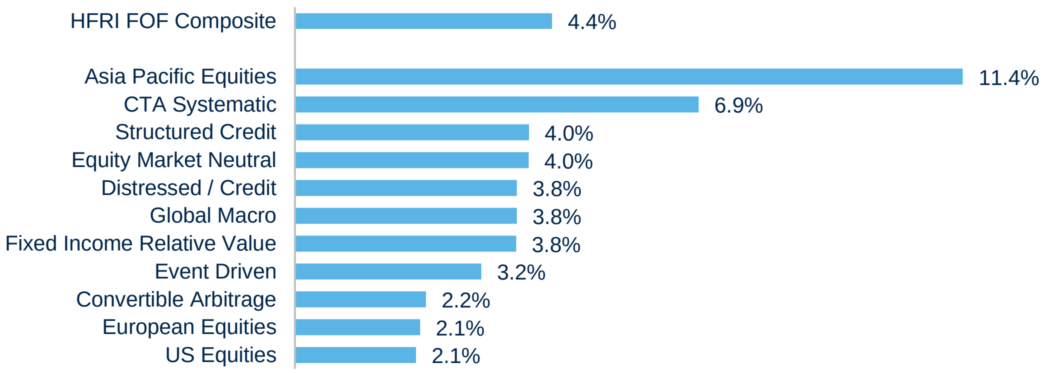
Alternative investment solutions

In a supportive economic and political environment that helped drive risk assets higher, the S&P 500 was up 11.4% in H2 2017 and up 21.8%, including dividends, in 2017. The rally in US stocks that started in 2009 and continued throughout 2017 – now the second-longest bull market in history – was buoyed by a confluence of positive factors that included synchronized global growth acceleration, declining unemployment rates, strong corporate earnings, and the earlier-than-expected US tax reform announcement.

Hedge funds delivered positive performance of 4.4% for the second half of 2017 and 7.7% for the year, outpacing 2016 results of 3.2% and 0.5% for the same periods as measured by the HFRI Fund of Funds Composite index. 2017 hedge fund performance was the strongest since 2013 and these results, combined with continued positive investor sentiment, propelled industry assets to approximately $3.1 trillion[2], an increase of approximately $190 billion[3] that was almost evenly split between performance gains and inflows.

Almost three quarters of hedge fund managers posted positive returns in 2017[3], with the Asia Pacific Equities and CTA Systematic strategies delivering the strongest results in the second half of the year.

Performance of hedge fund strategies (July – December 2017)

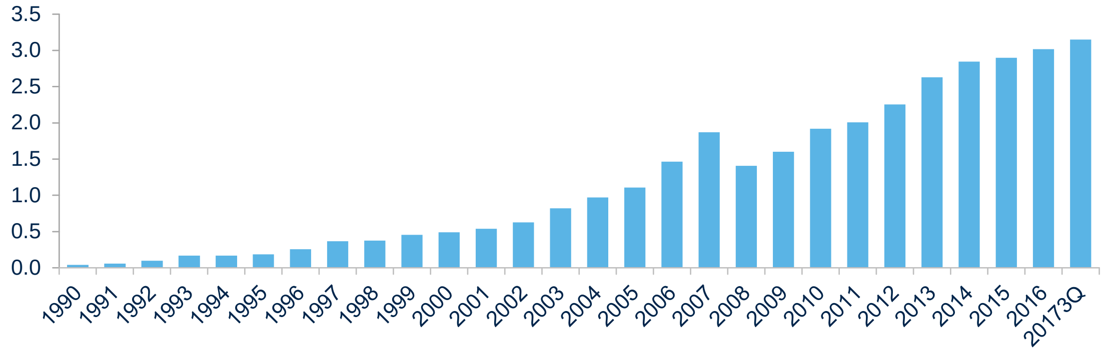


Source: Strategy benchmark returns are sourced from various external providers.

2. Historical hedge fund industry assets under management data (1990 through 2017) is from the HFR® Global Hedge Fund Industry Report – Q3 2017, www.HedgeFundResearch.com

3. The Eurekahedge Report, December 2017

Hedge fund industry assets under management ($t)



Source: Historical hedge fund industry assets under management data (1990 through 2017) is from the HFR® Global Hedge Fund Industry Report – Q3 2017, www.HedgeFundResearch.com

Hedge Funds Strategy Outlook

Equities

- Neutral on equity strategies

Credit

- Modestly negative on corporate credit
- Neutral on corporate distressed and structured credit

Event Driven

- Neutral on event-driven strategies

Global Macro

- Positive on macro discretionary
- Neutral on macro systematic

Relative Value

- Positive on fixed income relative value and equity market neutral
- Neutral on convertible arbitrage and volatility arbitrage

Credit management

Global loan market commentary

While US and European loan market strength continued for much of the first half of the fiscal year, there was a slight divergence in December as heavy new issuance weighed on European loans. Increasing economic growth, solid credit fundamentals and demand for yield supported a repeat of the US capital markets strength experienced in our first fiscal quarter. Loans benefitted from these conditions as well as Federal Reserve efforts to stay in front of potential inflationary pressure by raising rates over the course of 2017. Although headlines trumpeted record loan issuance for the year, much of this activity represented refinancings and repricings of existing loans as borrowers took advantage of very accommodating markets to lower financing costs and extend maturities. Only $260 billion of over $900 billion of primary market offerings was new money for LBOs, corporate M&A and other financing needs. Net new supply was even lower as loans experienced significant repayments from bond issuance, acquisitions, IPOs and free cash flow generation. Even though retail flows proved relatively flat in the latter half of the year, demand from new CLOs and other forms of institutional investment outstripped supply, pushing prices up modestly from already lofty levels and credit spreads down over 50bp. For the year, the Credit Suisse US Leveraged Loan Index returned 4.25%, with the majority of that occurring in the last six months of the year. Defaults of 1.8% for the calendar year remained well below the long term historical average of almost 3.0%

The European loan market experienced many of the same dynamics through the final six months of 2017. Solid credit fundamentals driven by improving economic conditions as well as low or negative interest rates created by central bank liquidity and stimulus served to increase investors' appetite for risk and yield-generating investments. Institutional demand for loans exceeded supply throughout most of the year, driving prices higher and credit spreads lower. December, however, saw a flood of new issuance, capping a record breaking fourth calendar quarter. This primary market activity dampened secondary market demand for loans and resulted in the Credit Suisse Western European Leveraged Loan index losing 0.06% for the month and dragging down the yearly total return to 4.04%. As in the US, European defaults trended well below historical averages.

All signs point to a strong loan market start in 2018 and into the second half of the Investcorp fiscal year. Low defaults, solid demand and limited new money supply will keep US loan prices high and push credit spreads slightly tighter. With the market projecting Federal Reserve rate increases of another 50 to 75 basis points, the higher short-term rates of which loans are set is expected to offset spread tightening and lead to an expected US loan market return of 4.75 to 5.25%. European supply and demand appear to be somewhat better balanced, suggesting the European loan market could experience slightly more volatility in returns as the year progresses. Nonetheless, in both markets, loans are expected to continue to offer attractive absolute and relative value, particularly when compared with high yield bonds that offer yields and credit spreads in line with loans but exhibit greater credit risk and interest rate risk.

Global CLO market commentary

CLO market conditions continued to strengthen through the fourth calendar quarter, capitalizing on the increase in demand, improving price and tighter financing cost trends exhibited throughout much of 2017. Growing acceptance of CLO debt and equity tranches as attractive long term investments resulted in growing demand for CLOs from a wide variety of investors around the globe. Secondary market prices increased across all tranches, with the most dramatic improvement coming in the BB and B rated notes. Spreads tightened as prices improved and lowered the overall cost of financing of new issue CLOs. By year end, new issue CLO AAA note spreads were approaching 100bp in the US and 75bp in Europe, both levels not seen since before the credit crisis. Lower financing costs largely offset declining loan credit spreads, allowing CLOs to continue to generate equity distributions and attract equity investors. US CLO managers took advantage of these conditions to issue $35.6 billion of new CLOs and refinance or reset another $38 billion of existing CLOs in the fourth quarter of 2017, while Europe saw €7.8 billion of new issuance and a similarly healthy volume of refinancings and resets. Total 2017 global new issue volume exceeded $140 billion, with Europe experiencing a post crisis record of €21.2 billion. Refinancings and resets added another $194 billion of issuance activity. Market participants expect 2018 to start on a strong note, although new issuance could be negatively impacted if CLO tranche spreads fail to continue the tightening trends that largely offset loan spread compression in the second half of 2017.

Discussion of Results

Profit for the Period

Profit for the period 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 corporate investment ('CI') and real estate ('RE') products, accrued returns on credit management ('CM') exposures and realized changes in the fair value of alternative investment solutions ('AIS') products.

Profit for the period of $55.3 million for H1 FY18 was 16% higher than profit for the period of $47.7 million for the prior fiscal year ('H1 FY17'). Investcorp's H1 FY18 results represent a return on equity ('ROE') of 9% and fully diluted earnings per share ('EPS') of $0.70 per ordinary share.

Income ($m)	H1 FY18	H1 FY17	% Change B/(W)
Fee income	137.5	128.0	7%
Asset-based income	71.0	40.3	76%
Gross operating income	**208.5**	**168.3**	**24%**
Provisions for impairment	(1.4)	(2.9)	52%
Interest expense	(30.5)	(28.4)	(7%)
Operating expenses	(117.3)	(87.5)	(34%)
Profit before tax	**59.3**	**49.5**	**20%**
Income tax expense	(4.0)	(1.8)	(>100%)
Profit for the period	**55.3**	**47.7**	**16%**
Basic earnings per ordinary share ($)	0.71	0.67	6%
Fully diluted earnings per ordinary share ($)	0.70	0.65	8%

Operating performance in terms of fee income increased to $137.5 million as compared to $128.0 million in H1 FY17. Asset-based income increased significantly to $71.0 million from $40.3 million in H1 FY17 reflecting good returns across all business lines.

Interest expense increased by 7% due to higher average LIBOR rates, partly offset by lower average leverage during the period. Operating expenses increased to $117.3 million (H1 FY17: $87.5 million). The provisions for impairment went down by in H1 FY18 to $1.4 million (H1 FY17: $2.9 million).

Fee Income

Fee income has two components: (i) AUM fees which includes management and administrative fees on aggregate client investments under management in corporate and real estate deals, as well as fees from client investments in AIS and CM; and (ii) deal fees which are generated and earned from transactional activities related to direct investments (CI, 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 ($m)	H1 FY18	H1 FY17	% Change B/(W)
AIS fees	5.4	5.7	(4%)
CM fees	23.1	-	100%
Other management fees	50.8	49.2	3%
AUM Fees	**79.3**	**54.9**	**45%**
Activity fees	48.4	63.1	(23%)
Performance fees	9.7	10.0	(3%)
Deal fees	**58.1**	**73.1**	**(20%)**
Fee income	**137.5**	**128.0**	**7%**

Total fee income in H1 FY18 increased to $137.5 million (H1 FY17: $128.0 million).

AUM fees were $79.3 million in H1 FY18, 45% higher than H1 FY17. The increase reflects a higher level of client assets under management, primarily driven by the acquisition of the CM business in H2 FY17.

Deal fees decreased in H1 FY18 to $58.1 million. The decrease reflects the impact of regional and global political and economic factors causing uncertainty and temporarily affecting investor sentiment and the pace of placement in the Gulf.

Asset-based Income

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

Gross asset-based income during H1 FY18 increased to $71.0 million from $40.3 million in H1 FY17, primarily driven by a significant improvement in corporate investment returns and the addition of income from the credit management business.

Asset-based income ($m)	H1 FY18	HY1 FY17	% Change B/(W)
Corporate investment	31.6	9.5	>100%
Alternative investment solutions	8.6	6.5	32%
Real estate investment	15.2	15.3	(1%)
Credit management investment	9.8	-	100%
Treasury and other asset-based income	5.9	9.1	(35%)
Gross asset-based income	**71.0**	**40.3**	**76%**

The tables below summarize the primary drivers of asset-based income for CI, AIS, RE and CM.

CI asset-based income KPIs ($m)	H1 FY18	H1 FY17	% Change B/(W)
Asset-based income	31.6	9.5	>100%
Average co-investments	518.2	562.2	(8%)
Absolute yield	6.1%	1.7%	4.4%

CI asset-based income in H1 FY17 was negatively impacted by economic softness in the Gulf and Turkey and in the US retail sector. Portfolio performance in H1 FY18 rebounded to more normalized levels.

AIS asset-based income KPIs ($m)	H1 FY18	H1 FY17	% Change B/(W)
Asset-based income	8.6	6.5	32%
Average co-investments	224.9	279.8	(20%)
Absolute yield	3.8%	2.3%	1.5%

The positive performance was primarily driven by Investcorp's hedge fund partnership investments and the Emerging Alpha multi-manager portfolio. The liquid, special opportunity portfolios, SSARIS and alternative risk premia investments all contributed positively inH1.

RE asset-based income KPIs ($m)	H1 FY18	H1 FY17	% Change B/(W)
Asset-based income	15.2	15.3	(1%)
Average co-investments	346.8	338.2	3%
Absolute yield	4.4%	4.5%	(0.1%)

RE asset-based income is primarily driven by rental yields. The business has continued to provide a steady source of income for Investcorp with both a similar return and a similar invested balance this year as compared to the same period last year. A large portion of the average co-investments relates to underwriting on which Investcorp earns the rental yield during the period of underwriting.

CM asset-based income KPIs ($m)	H1 FY18	H1 FY17	% Change B/(W)
Asset-based income	9.8	-	100%
Average co-investments	327.4	-	100%
Absolute yield	3.0%	-	100%

The asset-based income for the credit management business primarily represents returns on CLO co-investment exposures, which were supported by active management of the CLO funds by the credit management team.

Treasury and other asset-based income decreased to $5.9 million as prior year reported income of $9.1 million included one off gains on a treasury position.

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

Asset yields	H1 FY16	H2 FY16	H1 FY17	H2 FY17	H1 FY18
Corporate investment	6.2%	10.6%	1.7%	1.9%	6.1%
Alternative Investment Solutions	(0.4%)	(5.8%)	2.3%	4.2%	3.8%
Real estate investment	2.4%	3.6%	4.5%	3.6%	4.4%
Credit management	-	-	-	12.0%	3.0%
Average co-investment yield	3.3%	3.4%	2.6%	4.9%	4.6%

Interest Expense

Total interest expense, including commitment fees on undrawn revolving credit facilities, increased by 7% to $30.5 million in H1 FY18 from $28.4 million in H1 FY17. The increase was due to a higher average cost of funding on outstanding interest-bearing debt in H1 FY18 which increased to 4.2% (H1 FY17: 3.2%), reflecting the increase in LIBOR rates, that was partly offset by the lower levels of average interest-bearing liabilities during the current period as compared to the same period in the prior year.

Interest expense ($m)	H1 FY18	H1 FY17	Change H/(L)
Total interest expense	**30.5**	**28.4**	**2.1**
Average short-term interest-bearing liabilities	418.5	640.3	(221.8)
Average medium- and long-term interest-bearing liabilities	840.4	849.3	(8.9)
Average interest-bearing liabilities	**1,258.8**	**1,489.6**	**(230.8)**
Interest expense on funded liabilities[a]	26.1	23.8	2.3
Average cost of funding on funded liabilities	**4.2%**	**3.2%**	**1.0%**

(a) Does not include commitment fee and other facility costs on undrawn revolvers.

Operating Expenses

Operating expenses increased 34% to $117.3 million (H1 FY17: $87.5 million) as a result of continued investment in broadening the Firm's product capabilities and client-facing resources, including the integration of CM, and higher variable compensation accruals in line with the higher income for the period. Staff compensation, which includes fixed and variable components, increased by $23.6 million. Other expenses, comprising professional fees, travel and business development, administration and infrastructure costs and non-compensation personnel costs such as training and recruitment also increased as compared to last year.

Income tax expense increased to $4.0 million from $1.8 million in H1 FY17. The increase was due to the 20% increase in profit before tax to $59.3 million (H1 FY17: $49.5 million) and an increase in the effective tax rate from 3.6% to 6.7% as a greater proportion of income is now earned in taxable jurisdictions following the acquisition of the credit management business.

The cost-to-income ratio, calculated as operating expenses including income tax expense as a percentage of net income before operating expenses and income tax expense, increased to 69% in H1 FY18 from 65% in H1 FY17.

Operating expenses ($m)	**H1 FY18**	**H1 FY17**	**Change**
Staff compensation	72.1	48.5	23.6
Other personnel costs and charges	6.1	5.1	1.0
Other operating expenses	39.2	33.9	5.2
Total operating expenses	**117.3**	**87.5**	**29.8**
Income tax expense	4.0	1.8	2.2
Total operating expenses incl. income tax expense	**121.3**	**89.3**	**32.0**
Full time employees ('FTE') at end of period	392	342	50.0
Staff compensation per FTE ('000)	183.9	141.8	42.1
Other operating expenses per FTE ('000)	109.9	104.3	5.6
Total staff compensation / total operating expenses	61%	55%	6%
Cost-to-income ratio[a]	69%	65%	4%

(a) Cost-to-income ratio calculated as operating expenses including income tax expense divided by net income before operating expenses and income tax expense.

Balance Sheet

Key balance sheet metrics are shown in the table below.

Balance sheet metrics	**Dec-17**	**Jun-17**
Total assets	$2.7 billion	$2.7 billion
Leverage[a]	1.4x	1.3x
Net leverage ratio[b]	0.5x	0.4x
Shareholders' equity	$1.1 billion	$1.1 billion
Co-investments[c] / long-term capital[d]	0.7x	0.7x
Capital adequacy ratio	29.8%	31.7%
Residual maturity – medium- and long-term facilities	74 months	69 months

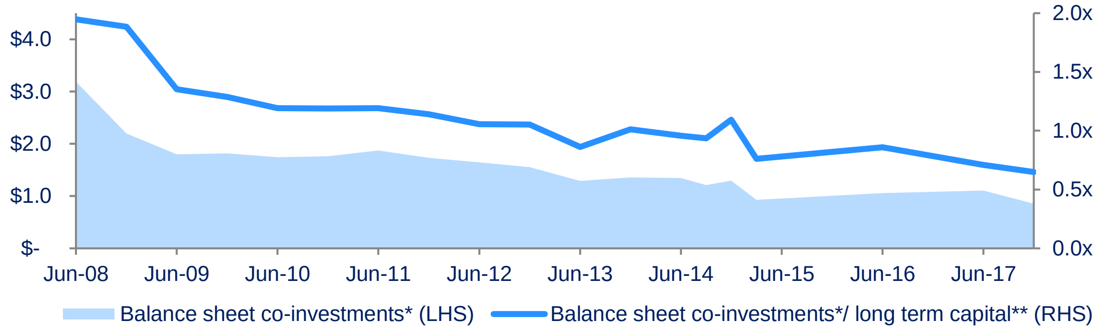
(a) Calculated in accordance with bond covenants.
(b) Calculated in accordance with bank loan covenants and is net of liquidity, underwriting and deferred fees.
(c) Excludes underwriting and is net of revolving facilities secured against alternative investment solutions co-investments.
(d) JPY37 billion debt maturing in 2030 and $50 million debt maturing in 2032, deferred fees and total equity.

Assets

Assets ($m)	Dec-17	Jun-17	Change H/(L)
Cash and other liquid assets	534	562	(28)
CI RE and AIS underwriting & CM warehousing	508	460	48
CM co-investments	315	259	57
AIS co-investments	244	236	8
CI and RE co-investments	594	618	(24)
Other (working capital and fixed assets)	540	521	20
Total assets	**2,736**	**2,656**	**80**
Co-investment assets **(excluding underwriting)**	**1,154**	**1,113**	**41**

At December 31, 2017, total assets were $2.7 billion, 3% higher than at June 30, 2017, primarily due to new warehousing funded for future CLOs for the CM line of business. The decrease in CI and RE co-investments reflects realizations net of new acquisitions.

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 bilateral revolving facility (which is secured against AIS co-investments when drawn)

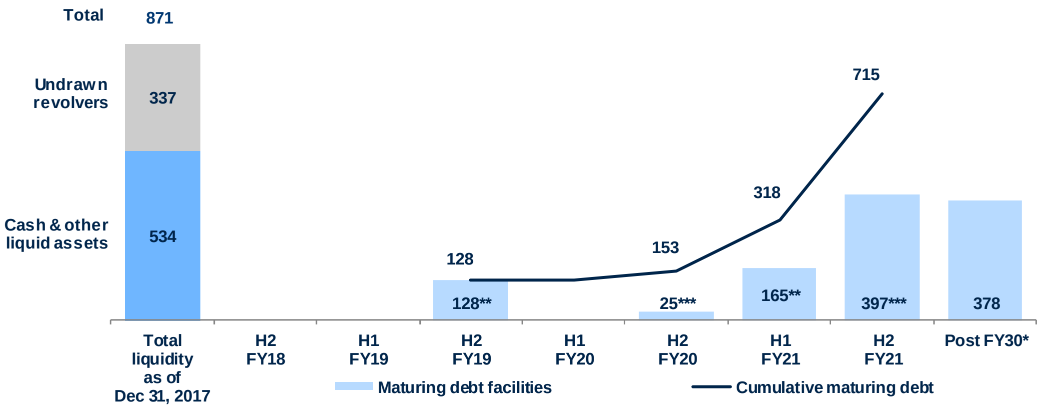
** Long-term capital consists of JPY 37 billion debt maturing in 2030, $50 million debt maturing in 2032, total equity and deferred fees

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 December 31, 2017, the aggregate level of co-investments remained fully covered by permanent and long-term sources of capital.

Liquidity

Accessible liquidity, comprising undrawn committed revolving facilities plus balance sheet cash and other liquid assets was $871 million and more than covers all outstanding medium-term debt maturing over the next four years.

Liquidity cover ($m)



*JPY 37 billion ($328 million at current exchange rates) debt maturing in 2030 and $50 million maturing in 2032
**CHF 125 million ($128 million at current exchange rates)
***Syndicated undrawn revolving facilities

Liabilities

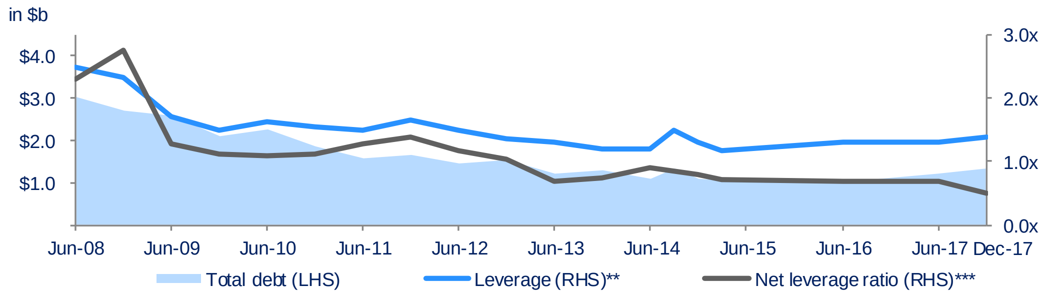
Total liabilities increased marginally by $78 million to $1.6 billion at December 31, 2017.

Liabilities ($m)	Dec-17	Jun-17	Change H/(L)
Term and institutional accounts	391	185	206
Call accounts	158	249	(92)
Medium-term debt	368	382	(14)
Long-term debt	406	410	(4)
Total debt	**1,322**	**1,225**	**97**
Deferred fees	81	87	(6)
Other liabilities[(a)]	187	199	(12)
Total liabilities	**1,589**	**1,511**	**78**

(a) Payables and accrued expenses, negative fair value of derivatives less prepaid transaction costs of borrowings.

The increase in liabilities was driven by an increase in term and institutional accounts placed with Investcorp on call. The increase in short-term debt was partially offset by a decrease in call accounts and medium-term and long-term debt. The small decrease in medium-term debt was primarily due to repayment of a secured drawn revolver during the period. During H1 FY18, the Bank repaid $250 million bonds on maturity, the payment of which was partially financed by a new three year syndicated revolver facility of $165 million. The new three year syndicated revolver facility was further increased to $250 million in January 2018.

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 $420 million revolving credit facility due in 2020, 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 2017. Moody's affirmed the Ba2 rating and revised the outlook to 'Stable' from 'Negative', reflecting the company's strong ability to raise and reinvest investors' money in the GCC. This also reflects the company's strong profitability as well as the ongoing improvement in earnings quality due to the growth of more stable and predictable asset management fees. Following the yearly review, Fitch Ratings re-affirmed Investcorp's credit ratings at BB in December 2017. The ratings outlook remains 'Positive'.

Agency	Rating grade	Comment
Moody's Investor Service	Ba2 / Stable outlook	Rating confirmed and outlook upgraded to Stable in October 2017
Fitch Ratings	BB / Positive outlook	Rating and outlook confirmed in December 2017

Equity

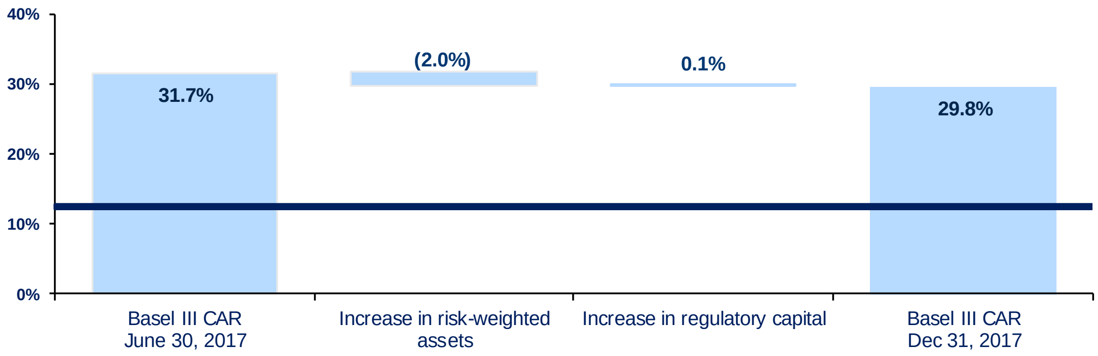
Equity ($m)	Dec-17	Jun-17	Change H/(L)
Ordinary shareholders' equity	931	884	47
Preference share capital	223	223	-
Proposed appropriations	-	44	(44)
Other reserves	(8)	(6)	(1)
Net book equity	**1,147**	**1,145**	**2**

Net equity at December 31, 2017 was $1.1 billion. The small increase from June 30, 2017 is due to the income generated during H1 FY18, which was offset by dividend distributions and other equity movements during the period.

Capital Adequacy

Investcorp's capital adequacy ratio ('CAR') at December 31, 2017 was 29.8%, reflecting a slight increase in risk-weighted assets partially offset by an increase in regulatory capital. The CAR is comfortably in excess of the Central Bank of Bahrain's ('CBB') regulatory minimum requirement of 12.5%.

Regulatory capital adequacy ratio



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

Portfolio Activity

Corporate Investment

Investcorp targets the acquisition of attractive corporate investment opportunities in North America, Europe, the Gulf region, and 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 corporate investments that it believes offer its investors 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 corporate investments during H1 FY18 was $300 million. $221 million was deployed in one new corporate investment, $59 million was invested through Investcorp's technology funds in one new investment and three add-on investments and $20 million of additional capital was invested in two existing portfolio companies.

New acquisitions

Impero

A leading school network and monitoring software provider

Date of Investment	**August 2017**
Investors	**Technology fund**
Industry Sector	**Technology**
Headquarters	**Nottingham, United Kingdom**

Kee Safety

The leading global provider of fall protection solutions and products associated with working at height

Date of Investment	**October 2017**
Investors	**Deal-by-deal**
Industry Sector	**Consumer products**
Headquarters	**Birmingham, United Kingdom**

In August 2017, Investcorp announced that it had completed the acquisition of **Impero Holdings Limited** ('Impero'), the third investment of Investcorp's Technology Fund IV. Founded in 2002, Impero has become the UK market leader 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. Globally, the software is accessed by over 1.5 million devices in over 90 countries, including schools in more than 500 US districts. Investcorp plans to support Impero's international growth both organically and through add-on acquisitions, further expanding its customer base into new geographies as it becomes increasingly important to address parents' and teachers' concerns around the online safeguarding of children in the school environment.

In October, Investcorp announced that it had agreed to acquire **Kee Safety LTD** ('Kee Safety'), a global supplier of safety solutions and products designed to protect people from hazards. Established in the UK in 1934 and headquartered in Birmingham, Kee Safety is the leading global provider of fall protection solutions and products associated with working at height. The company'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. The company employs 480 people and has established operations in 10 countries, including the US and China. Investcorp plans to support Kee Safety's international growth strategy both organically and by considering further add-on acquisitions, expanding the company's geographic footprint and strengthening its presence in existing markets. Operating in a highly fragmented market, Kee Safety is well positioned to leverage its strong reputation for the reliability of its products and its scalable business model to benefit from increasing levels of safety regulation and enforcement around the world, and to deliver above market growth rates.

Other corporate investment activity

Two of Investcorp's corporate investment portfolio companies made add-on acquisitions to increase value as part of their business plans. Such add-on acquisitions 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 2017: CI-Tech portfolio company **eviivo** acquired its French competitor Xotelia, based in Lyon. Through this strategic transaction the company now serves a total of approximately 11,000 accommodation providers across Europe with market leader positions in both the U.K. and France.

October 2017: CI-Tech portfolio company **Calligo** acquired Canadian-based 3 Peaks to accelerate its North American market entry.

November 2017: CI-Tech portfolio company **Calligo** completed its fourth add-on acquisition: Toronto-based HyperT Systems, further expanding its North American footprint.

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 2017: Investcorp provided the second of two tranches of support funding, after the first in May 2017, to CI North America portfolio company **totes>>ISOTONER** to support the incoming senior management team and facilitate the implementation of growth initiatives.

December 2017: Investcorp provided support capital to CI MENA portfolio company Hydrasun to help stabilize its capital structure so that the management team can focus on returning the company to a growth trajectory.

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

December 2017: In December, CI Europe portfolio company **ABAX** completed the add-on acquisition of Fleetfinder, doubling its subscription base in Denmark. The acquisition will add approximately 7,000 subscriptions to ABAX Group's existing portfolio and bring the total base up to 220,000 vehicles. For the Danish branch of ABAX this amounts to a nearly 100 percent increase of its current portfolio and makes ABAX a clear market leader in Denmark.

December 2017: CI MENA portfolio company Al Borg Medical Laboratories completed the add-on acquisition of Proficiency Healthcare Diagnostics ('PHD'). Established in 2010, PHD is the leading private independent laboratory network in Abu Dhabi, UAE, and operates six laboratories across Abu Dhabi, Dubai, Sharjah and Al Ain. PHD offers a range of routine and specialty tests mainly to clinics and hospitals.

Recent realizations

Total corporate investment realization proceeds and other distributions to Investcorp and its clients were $432 million in H1 FY18.

Esmalglass

A leading producer of intermediate products for the global ceramic industry.

Date of Investment	**July 2012**
Date of Realization	**July 2017**
Investors	**Deal-by-deal**
Industry Sector	**Industrial products**

CEME

A manufacturer of fluid control components for consumer applications.

Date of Investment	**July 2008**
Date of Realization	**December 2017**
Investors	**Deal-by-deal**
Industry Sector	**Industrial products**

In July, Investcorp agreed to sell portfolio company **Esmalglass-Itaca** ('Esmalglass') to global private equity firm Lone Star Fund X for an enterprise value of €605 million. Esmalglass is the leading worldwide producer of ceramic colors and glazes. Investcorp acquired Esmalglass in July 2012 and has worked with the management team to solidify the company's position across international markets and extend its product offering, establishing it as the leading business in the ceramic colors and glazes sector. Under Investcorp's ownership, EBITDA has doubled, with strong organic growth in the color business complemented by the company's acquisition of Fritta in 2015, which enabled Esmalglass to strengthen its position in the glazes market.

In December, Investcorp agreed to sell **CEME Group** ('CEME') to private equity firm Investindustrial for an enterprise value of €285 million. CEME is a global manufacturer of fluid control solutions serving critical functions in a diverse range of niche consumer and industrial applications, including single serve coffee, steam cleaning and ironing systems, air conditioning, medical and water dispensing. The company provides a wide portfolio of highly engineered and innovative solutions to its customers, each tailored for their critical requirements. Headquartered in Trivolzio (Italy), CEME sells its products in more than 70 countries worldwide and has a strong presence in emerging markets. Under Investcorp's ownership, CEME has entered the US market, reinforced its presence in China and expanded into new fast-growing markets, including medical, water dispensing and sanitary applications.

Other corporate investment news

July 2017: CI-Tech portfolio company **Calligo** became a global launch partner for Microsoft's new Azure partnership model. As part of its internationalization strategy Calligo also acquired two businesses, Fusions Systems (based in Guernsey) and AMS Systems (based in Luxembourg).

July 2017: CI Europe portfolio company **POC's** helmets, were worn by the Cannondale-Drapac Pro Cycling Team in the Tour de France 2017. Currently POC's 'kit partnership' with the Cannondale-Drapac team sees the riders equipped with POC jerseys, shorts, socks, helmets and eyewear. It was also chosen as 'Brand of the Year 2017' by the Bicycle Brand Contest ('BBC').

August 2017: CI North America portfolio company **Sur La Table** announced the appointment of Billy May as Chief Executive Officer. Mr. May, a fourth-generation retailer with over two decades of retail, digital marketing, and eCommerce experience, will also join the Board of Directors.

August 2017: CI Europe portfolio company **Dainese** launched its new Retail Store Concept opening the first store with the new design and layout in Berlin followed by a further store opening in New York. Upgrades of existing stores with the new design started at the same time in Vicenza, the headquarters of Dainese.

August 2017: CI Europe portfolio company **Dainese** presented its 2018 bike product range at this year's Eurobike in Friedrichshafen, Germany. From August 30 to September 2, journalists from the bike world were introduced to Dainese's brand new product range for the new season.

October 2017: CI Europe portfolio company **SPGPrints** opened its digital textile printing technology experience centre in the Netherlands: a 700 sq. m. demonstration and training facility at the Boxmeer (Netherlands) HQ. It is part of an €8 million investment programme that includes a 3000 sq. m. expansion and the building of a larger factory for the production of inkjet inks to enable the company to boost capacity in response to the growth of the digital textile printing sector.

October 2017: CI Europe portfolio company **Dainese** revealed the newest brand name to join the Group's family of brands. Dainese Settantadue presented itself as a contemporary interpretation of iconic motorcycle clothing. The brand features technical garments inspired by the extensive design legacy of the parent company and made specifically for cult followers of motorcycles.

November 2017: CI Europe portfolio company **SecureLink**, opened a cyber defense center ('CDC') in Shanghai, China. The CDC is based on an advanced technology, powered by a strong combination of artificial and human intelligence-driven solutions. The intelligent foundation, combined with a strong focus on best practice ensures integrity, quality and security for all CDC customers.

November 2017: CI MENA portfolio company **Orka Group**, signed a fashion sponsorship agreement with Yildirim Demiroren, the President of the Turkish Football Federation. As per the agreement, Damat, Orka's brand, will provide clothing supplies to the Turkish National Football team players for one full year.

November 2017: CI North America portfolio company **Paper Source** united with Paperless Post to merge the best of digital and paper invitations and greeting cards for customers' most meaningful events. Paperless Post, a platform focused on design-driven digital and printed invitations and stationery, including greeting cards and announcements, named Paper Source as their exclusive print partner.

December 2017: In December, **Dainese** was awarded the Compasso D'Oro Excellence Award. The Association for Industrial Design ('ADI') awarded the prestigious Compasso d'Oro to the Pro-Armor system, for the quality of the technical and stylistic solutions adopted and for the structure, which was inspired by the fractal geometry of the family of protective products developed by Dainese to protect the back, elbows and knees.

Real Estate

New acquisitions

The aggregate equity deployed in new real estate investments in H1 FY18 was $252 million.

UK Industrial and Logistics Portfolio

Shari'ah compliant equity ownership interests in nine industrial and logistics properties located in Hull*, Doncaster*, High Wycombe, Leeds, South Elmsall, Liverpool, Warrington, Glasgow and Edinburgh.

* signed and purchased in FY17

Number of properties	**9**

2018 Residential Properties Portfolio

Shari'ah compliant equity ownership interests in a student housing property in Orlando, Florida (Mercury 3100*), two apartment properties in Dallas, Texas, (Bel Air Keystone Ranch and Bel Air Willow Bend), an apartment property in Suburban Atlanta, Georgia (Overlook at Berkeley Lake), and an apartment property in Westmont Illinois (Brook Hill*).

*signed and purchased in FY17

Number of properties	**5**

Midtown Manhattan Office Portfolio

Shari'ah compliant equity ownership interests in two multitenant office properties in New York, New York.

Number of properties	**2**

24 additional properties were acquired during the first half of FY18 – one in the US and 23 in Europe. These properties will form parts of portfolios for placement in the second half of FY18.

Recent realizations

Total real estate realization proceeds and other distributions to Investcorp and its clients were $244 million in H1 FY18.

One portfolio was fully realized in the first half of FY18 with the sale of 3400 Carlisle, 2811 McKinney, One Allen Center and San Remo from **2014 Diversified Properties Portfolio**.

A complete list of real estate properties realized in H1 FY18 can be found below.

3400 Carlisle

A 76,000-square foot office property.

Date of Investment	**June 2014**
Date of Realization	**July 2017**
Portfolio Name	**2014 Diversified Properties Portfolio**
Location	**Dallas, Texas**

2811 McKinney

A 94,095-square foot office property.

Date of Investment	**April 2011**
Date of Realization	**August 2017**
Portfolio Name	**2014 Diversified Properties Portfolio**
Location	**Dallas, Texas**

Orion on Orpington

A 624-bed student housing property.

Date of Investment	October 2014
Date of Realization	September 2017
Portfolio Name	2015 Residential Properties Portfolio
Location	Orlando, Florida

One Allen Center

A 150,501-square foot office property.

Date of Investment	April 2014
Date of Realization	October 2017
Portfolio Name	2014 Diversified Properties Portfolio
Location	Allen, Texas

San Remo

A 180-unit apartment property.

Date of Investment	April 2014
Date of Realization	November 2017
Portfolio Name	2014 Diversified Properties Portfolio
Location	Coral Springs, Florida

Waterleaf Apartments

A 456-unit apartment property.

Date of Investment	January 2015
Date of Realization	December 2017
Portfolio Name	2015 Residential Properties Portfolio
Location	Vista, California

Westin DFW and Marriott Palm Beach Gardens

Two hotels (785 rooms combined).

Date of Investment	March 2007
Date of Realization	December 2017
Portfolio Name	US Hotels Portfolio
Location	Dallas, Texas and Palm Beach Gardens, Florida

Alternative Investment Solution

In H1 FY18, Investcorp completed its first co-seeding deal. In partnership with another large institution, Investcorp provided acceleration capital to **Steamboat Capital Management LLC** ('Steamboat Capital'), a $290 million New York-based long-short equity, fundamental, value-oriented investment firm founded by Parsa Kiai in July 2012. Steamboat Capital seeks to capitalize on market dislocations while maintaining a margin of safety for its investors. Since inception, Steamboat Capital has generated annualized returns of 13.4%[1] versus 15.5% for the S&P 500 index while carrying approximately half of the risk (average net equity exposure of 45%). Mr. Kiai is supported by a team of four and brings a strong pedigree that includes Goldman Sachs, Perry Capital and Sonterra Capital.

Investcorp launched a **Co-Seeding Club** with select institutions and family offices which has already enabled Investcorp to diversify balance sheet exposure to the firm's hedge fund partnership investments.

Credit Management

The aggregate amount of investments during H1 FY18 related to the issuance of new CLOs amounted to $780 million. This included the final amounts invested in the new US CLO, Jamestown X, which closed in July. It also includes warehousing for two new European CLOs and one new US CLO which are all expected to close in H2 FY18.

H1 FY18 has also been a very active period in terms of the refinancing and resets of existing CLOs. This activity is beneficial 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, both refinancings and resets typically provide additional returns to equity investors.

The European team worked on two resets during this period. The Harvest IX CLO (originally issued in 2014) was reset in August and the Harvest XII CLO (originally issued in 2015) was reset in October. The total value of both transactions was in excess of €800 million.

Two European CLOs and three US CLOs were also refinanced during this period. In Europe, Harvest X (originally issued in 2014) was refinanced in August and Harvest XIV (originally issued in 2015) was refinanced in October. In the US, Jamestown VI (originally issued in 2015) was refinanced in July, Jamestown IV (originally issued in 2014) was refinanced in November, and Jamestown VII (originally issued in 2015) was refinanced in December. The total value of these refinancings was over €700 million in Europe and over $1.4 billion in the US.

Total credit management realization proceeds and other distributions to Investcorp and its clients amounted to $2.8 billion over the period. Over $2.3 billion of this amount relates to the amounts returned to investors as the result of refinancing and reset activity net of any amounts that were reinvested. The

[1] Steamboat Capital Management LLC returns are shown net of 2% management fee and 20% performance allocation and expenses. Results may differ for investors in the Funds due to timing of investments or particular factors affecting an investor. Accordingly, the information is intended to provide investors with generalized performance and exposure statistics for the Funds. Although the annual financial statements of the Funds are audited, performance returns and calculations based on those returns are unaudited and subject to change upon final NAV calculation and verification by the Administrator of the Funds. Attributions and exposures are estimates prepared by Steamboat Capital Partners.

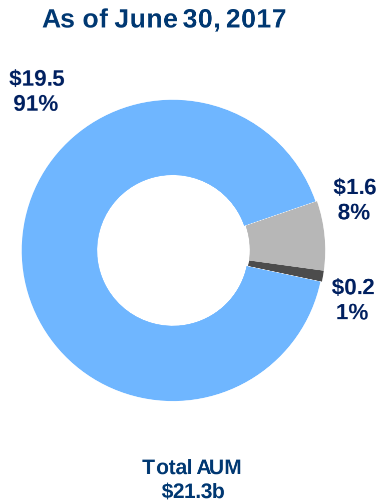
remaining $459 million relates to regular distributions to investors in the CLOs and other credit products in the form of interest income and principal repayments.

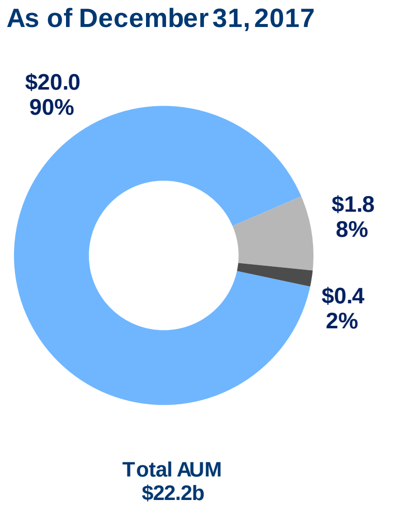
AUM & Fundraising

Assets under management ('AUM')[4]

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.

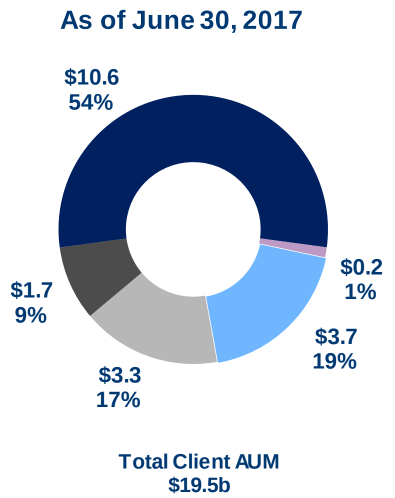
Total assets under management ($b)

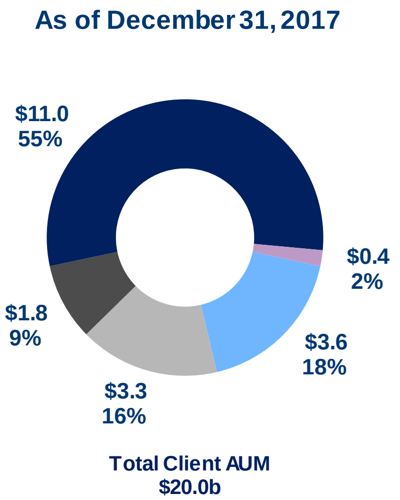




Total AUM increased to $22.2 billion at December 31, 2017 from $21.3 billion at June 30, 2017.

Total client assets under management ($b)





4 Includes $1.9 billion (June 30, 2017: $2.0 billion) of hedge fund partnerships (including exposure in 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.

Total client AUM increased by 2.5% to $20.0 billion at December 31, 2017 from $19.5 billion at June 30, 2017.

The most dominant asset class in client AUM continues to be credit management with 55% of the total. The increase in total client AUM in H1 FY18 is largely attributable to the 3.5% increase in credit management client AUM from $10.6 billion to $11.0 billion. The client AUM for both corporate investments and real estate was relatively flat with new fundraising activity largely offset by exits during the period, which included Esmalglass and CEME. Client AUM in AIS was also steady at $3.3 billion with $171 million of new fundraising almost completely offset by redemptions, net of performance, of $156 million.

Key AUM metrics (by asset class)

Corporate investment ($m)	Dec-17	Jun-17	% Change B/(W)
Client AUM			
Closed-end committed funds	313	191	64%
Closed-end invested funds	717	753	(5%)
Deal-by-deal investments	2,548	2,728	(7%)
Total client AUM – at period end	**3,578**	**3,672**	**(3%)**
Average client AUM	3,625	3,583	1%

Real estate investment ($m)	Dec-17	Jun-17	% Change B/(W)
Client AUM			
Closed-end funds (Mezzanine/debt)	31	33	(6%)
Deal-by-deal investments	1,771	1,716	3%
Total client AUM – at period end	**1,802**	**1,749**	**3%**
Average client AUM	1,776	1,577	13%

Credit management investment ($m)	Dec-17	Jun-17	% Change B/(W)
Client AUM			
Closed-end invested funds	10,698	10,186	5%
Open-end invested funds	261	398	(34%)
Total client AUM – at period end	**10,959**	**10,584**	**4%**
Average client AUM[5]	**10,772**	**10,744**	**0%**

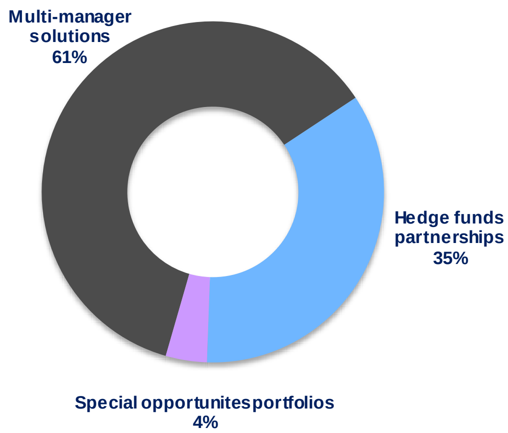
5 The average shown for Jun-17 represents the period from closing of the acquisition in March 2017 to June 2017

Alternative investment solutions ($m)	Dec-17	Jun-17	% Change B/(W)
Client AUM			
Multi-manager solutions	1,995	1,927	4%
Hedge funds partnerships	1,152	962	20%
Special opportunities portfolios	127	107	19%
Alternative Risk Premia	-	263	(100%)
Total client AUM – at period end	**3,274**	**3,259**	**0%**
Average total client AUM	3,267	3,472	(6%)

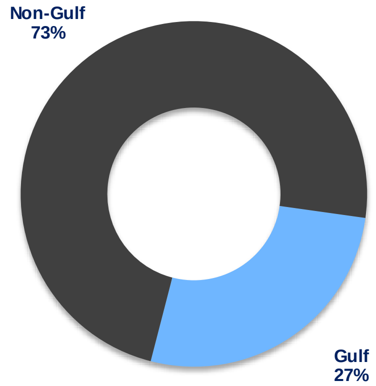
At December 31, 2017, AIS AUM in total was $3.5 billion, of which $3.3 billion represented client assets and $0.2 billion represented Investcorp's balance sheet co-investment.

Alternative investment solutions client assets under management

By product type



By geography



As at December 31, 2017, 73% of client assets in AIS were from US, European and Asian institutional investors with the balance held by Gulf private and institutional investors. At December 31, 2017, substantially all of AIS client assets under management were managed for a range of institutional clients including pension funds, insurance companies, endowments and foundations, and funds of hedge funds.

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

Fund Name[1]	Cash returned to equity to date %[2]	Total AUM Dec-17	Investcorp Co-investment Dec-17
1.0 Funds	129.55%	412	6
FY 2014	68.01%	852	33
FY 2015	55.10%	1,640	70
FY 2016	29.99%	1,455	64
FY 2017	10.96%	1,009	48
European CLO Funds		**5,369**	**220**
FY 2013	81.37%	314	0
FY 2014	57.40%	1,017	0
FY 2015	47.63%	1,132	24
FY 2016	29.07%	1,009	22
FY 2017	9.03%	400	19
FY 2018	n/a	600	30
US CLO Funds		**4,472**	**95**
CLO under construction		680	51
Other Funds[3]		914	110
Other		**1,594**	**161**
Total		**11,435**	**476**

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

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

[3] Other funds include the Senior Loan Fund, Global Fund, European Middle Market Fund and Vintage Funds

Fundraising

Investcorp's history, commitment and track record in the GCC region means it is trusted by Gulf investors to provide them with unique and non-traditional investment opportunities and services that are suitable for their risk return preferences. Investcorp is committed to ensuring its clients receive a 'best in class' service both regionally and internationally as it continues to strive to deliver strong, optimal and well-balanced investment returns.

Total deal-by-deal fundraising in the Gulf in H1 FY18 including new commitments into institutional investor programs was $463 million as compared to $453 million raised in H1 FY17. Corporate investment placement was $215 million. This included the placements of ABAX and Kee Safety and new commitments into institutional investor programs. Real estate placement across two new portfolios, one new club investment and four portfolios carried over from the previous year was $248 million. Real estate placement included for the first time the placement of a European real estate portfolio.

Investcorp's fourth technology fund, established to invest in European lower middle market tech-enabled companies, continued fundraising in H1 FY18 with the focus shifting to investors outside of the Gulf. An additional $32 million in new commitments was raised during the period including the first commitment from an Asian investor.

Fundraising in ICM totaled $2.9 billion in H1 FY18. This included the issuance of one new CLO in the US and net new investments in five refinancings and two resets of older CLOs. Fundraising also included $28 million of new subscriptions into the two open ended senior secured loan funds, the ICM Senior Loan Fund and the ICM Global Floating Rate Loan Fund.

Total new subscriptions for AIS products during the first half of the fiscal year amounted to $171 million Redemptions net of performance over the same period were $156 million resulting in a net increase in client AUM of $15 million.

New appointments to Investcorp’s Advisory Board

In July, Investcorp announced that Dr. Mohamed A. El-Erian, Chief Economic Advisor at Allianz and chair of its International Advisory Board, has been appointed to Investcorp's Advisory Board. Dr. El-Erian, one of the most high-profile figures in global business and investment, has a distinguished career that includes senior roles in academia, international institutions and the private sector. He joins Investcorp's Advisory Board at a time when the Firm is achieving significant growth driven by an ambitious strategy.

In September, Investcorp announced that Deepak Parekh, Chairman of HDFC Limited, India’s leading Financial Services conglomerate, has also been appointed to Investcorp’s Advisory Board. Mr. Parekh has played a significant role in the development of the financial sector in India, playing a leading role in the diversification of the business into banking, asset management, insurance, real estate and education. Mr. Parekh has been a leading advisor to the government of India and was an active member of the committees that shape policy in critical insurance, banking and infrastructure reforms.

Investcorp’s Shareholder’s Conference

Investcorp’s Shareholder Conference also took place in September. The conference began with a welcome note and opening remarks by the Firm’s Co-Chief Executive Officer Rishi Kapoor followed by a briefing by representatives from all Lines of Business offering their forecasts and strategic goals for FY18. The discussions encompassed the business environment of the year ahead as well as an FY18 financial outlook. The shareholders in attendance had the opportunity to raise matters of interest and the conference led to a productive discussion regarding the agenda for the coming year.

Corporate Investment Portfolio Listing

As of December 31, 2017, Investcorp's aggregate balance sheet co-investment was $479.8 million across 38 companies. The below sections provide an overview of these portfolio companies.

CI North America

As of December 31, 2017, Investcorp's aggregate balance sheet co-investment in North America was $234.1 million across 12 companies.

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 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 pioneered providing consulting services to companies in or near bankruptcy. Over time, AlixPartners has expanded its capabilities and now currently offers five different types of services across a wide range of industries and geographies: Enterprise Improvement, Financial Advisory Services, Information Management, Leadership & Organizational Effectiveness and Turnaround & Restructuring. The company has nine locations in the US and 16 other locations around the globe including South America, Europe, the Middle East and Asia. AlixPartners has over 1, 600 employees, approximately 1,100 of whom are professionals, and over 160 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 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 markets including Utility/Powersports/Motorcycle, Agriculture, Industrial, Outdoor Power Equipment, Marine, Auto and Heavy Duty. Arrowhead has acquired three companies since Investcorp's investment in November 2016: Stens, J&N Electric, and Interparts. These add-on acquisitions significantly increase Arrowhead's scale in the aftermarket replacement parts market.

www.arrowheadep.com

Portfolio Company Name	**The Wrench Group**
Acquired	**March 2016**
Industry Sector	**Consumer services**
Headquarters	**Georgia, US**

Wrench is a provider of home maintenance and repair services specializing in heating, ventilation and air conditioning ('HVAC'); plumbing and electrical services. The company provides services to residential customers across four of the fastest-growing metropolitan areas in the United States (Atlanta, Georgia; Dallas, Texas; Houston, Texas; and Phoenix, Arizona).

www.wrenchgroup.com

Portfolio Company Name	**Nobel Learning Communities**
Acquired	**April 2015**
Industry Sector	**Business services – knowledge & professional services**
Headquarters	**Pennsylvania, US**

Founded in 1984, Nobel Learning operates a network of schools for private education in the US, from preschool through high school, with a commitment to outstanding education. The company also has an accredited online private school that offers college preparatory programs to students from countries worldwide. Nobel Learning is one of the largest private education operators in the US.

www.nobellearning.com

Portfolio Company Name	**PRO Unlimited**
Acquired	**October 2014 / May 2017**
Industry Sector	**Business services – tech 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 the world's leading 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 multi-channel retailer offering a premium selection of uniquely designed and curated gifts, stationery and crafting supplies. The company operates 123 stores, which average 2,800 square feet of selling space. The company goes to market through retail stores, direct-to-consumer and wholesale channels. Paper Source offers over 8,300 stock keeping units ('SKUs') across five main categories: gifts and toys, stationery, crafting, fine paper and gift wrap, and single greeting cards.

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 136 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 100,000 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	**Wazee Digital**
Acquired	**March 2011**
Industry Sector	**Technology – internet / mobility**
Headquarters	**Colorado, US**

Wazee Digital (formerly T3 Media) is a leading provider of cloud-based video management services to premium video content rights holders. The company operates through two primary lines of business, Licensing and Platform Services. In the Licensing business, Wazee Digital represents major video content rights owners and employs an active sales force to license footage in exchange for a percentage of the royalty payments received. In the Platform Services business, Wazee Digital ingests, digitizes and hosts video content on behalf of content rights owners. Wazee Digital provides content rights owners with virtual access and distribution capabilities in exchange for an annual subscription fee. The two business lines are complementary with many customers utilizing both offerings.

www.wazeedigital.com

Portfolio Company Name	**OpSec Security Group**
Acquired	**March 2010**
Industry Sector	**Technology – security**
Headquarters	**Colorado, US**

OpSec Security Group is the global leader in providing anti-counterfeiting technologies, as well as solutions and services for physical and online brand protection, to over 300 brand owners and over 50 governments 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 the world's largest 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. Furthermore, in the UK, kgb’s 'The Number' 118 has become Britain's leading directory assistance service for consumers and businesses. The company also has operations in France, Germany, Ireland, Switzerland, Austria and Italy.

www.kgb.com

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

TPx Communications (formerly TelePacific) is a leading provider of network and communications services headquartered in Los Angeles. In business since 1998, the Company provides services on self-owned switches and network infrastructure, including local and long-distance voice, dedicated internet access, private networking, and data transport services as well as bundled voice and internet solutions. Since its acquisition of TelWest, the company has continued its growth plan for the Texas business through implementation of its product suite and operating practices.

In September 2016, TelePacific acquired DSCI, a hosted communications provider in the United States. The transaction transformed TelePacific into a managed services platform enabling the company to offer a full suite of products to its customers. In April 2017, TelePacific rebranded itself as TPx Communications.

www.tpx.com

CI Europe

As of December 31, 2017, Investcorp's aggregate balance sheet co-investment in Europe was $138.4 million across 12 companies.

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. The Company employs 460 people and has established operations in 10 countries, including the US and China.

www.keesafety.com

Portfolio Company Name	**Impero**
Acquired	**August 2017**
Industry Sector	**Business services – technology enabled services**
Headquarters	**Nottingham, UK**

Founded in 2002, Impero has become the UK market leader in integrated safeguarding software with its comprehensive education solution that enables schools to keep students safe, improves the teaching environment and maximises efficiency for school network managers. Headquartered in Nottingham, UK, the Company has a >20% share of the UK secondary school market, currently serving more than 1,400 secondary schools across the country. Globally, the software is accessed by over 1.5 million devices in over 90 countries, including schools in more than 500 US districts.

www.imperosoftware.com

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

Founded in 2003, ABAX has become one of Europe's fastest growing technology businesses and the leading telematics solution provider in the Nordics by developing and delivering sophisticated fleet tracking, electronic triplogs, equipment & vehicle control systems and digital project management systems. Headquartered in Larvik, Norway, the Company has approximately 420 employees and established operations across the Nordic region as well as in Poland, the Netherlands, the UK and China.

www.abax.co.uk

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. Still run by its founders, the Company has successfully entered five markets (Norway, Sweden, the Netherlands and Germany alongside its home market of Denmark). Ageras' proprietary matching algorithm allows it to combine automation with high levels of service ensuring maximum customer satisfaction and an attractive ROI to its partners.

www.ageras.com

Portfolio Company Name	**Agromillora**
Acquired	**December 2016**
Industry Sector	**Consumer 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 technology of super-high-density planting and has since been promoting similar agronomic improvements for a complete portfolio of high quality plants. With a global network of 11 production facilities and a commercial presence in nine countries, Agromillora reaches clients in over 25 countries.

www.agromillora.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	**Corneliani**
Acquired	**June 2016**
Industry Sector	**Consumer products – specialty retail**
Headquarters	**Mantova, Italy**

Founded in 1958, Corneliani is a luxury clothing 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 65 countries through 10 directly operated stores, approximately 850 multibrand stores, more than 75 franchise stores and approximately 50 store-in-stores, including Harrods, Harvey Nichols, Saks Fifth Avenue and Bloomingdale's.

www.corneliani.com

Portfolio Company Name	**SecureLink**
Acquired	**December 2015**
Industry Sector	**Technology – security**
Headquarters	**Wommelgem, Belgium** **Sliedrecht, Netherlands**

Founded in 2003, SecureLink is a leading cybersecurity infrastructure and managed services provider, offering integrated security solutions for corporates and institutions in the upper mid-market. The Company provides advanced security solutions as well as managed security services ('MSS'), helping its customers to handle complex security challenges and requirements, mitigating risk exposure and delivering a reliable, secure infrastructure that offers peace of mind to customers. In June and July 2016, Investcorp together with SecureLink acquired Coresec and Nebulas. Operating in very similar markets, Coresec was established in 2003 and provides relevant security advice and hands-on assistance to its diverse client base across Scandinavia and the Netherlands. Coresec operates across seven offices and multiple 24/7 manned Network & Security Operation Centres. Nebulas, founded in 2001, provides a broad range of IT security products and services to predominantly mid to large enterprises in the United Kingdom. In March 2017, SecureLink announced an agreement to acquire iT-Cube, Germany's leading cybersecurity and managed security services provider. Headquartered in Munich, iT-Cube Systems successfully operates as a full service provider for IT security for more than 15 years in the DACH (Germany, Austria, Switzerland) region.

www.securelink.net

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 centre for the study of protective technology, the Company strives to ensure 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 Holland, 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**

Based in Copenhagen, Georg Jensen is a global luxury brand that designs, manufactures and distributes jewellery, watches, fine silverware and high-end homeware. With a history that spans 110 years, the Georg Jensen brand has a deep heritage in silversmith and represents quality craftsmanship and timeless designs. The brand is also endorsed by the Queen of Denmark.

www.georgjensen.com

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

eviivo is the UK's leading 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 over 11,000 customers, eviivo's portfolio covers the breadth of the UK, French, German and Mediterranean markets and includes B&Bs, guest accommodation, inns, farmhouses, cottages, restaurants with rooms, and smaller boutique hotels.

www.eviivo.com

CI MENA

As of December 31, 2017, Investcorp's aggregate balance sheet co-investment in MENA was $107.3 million across 14 companies.

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

Established in 1999 in Jeddah, Al Borg has 54 laboratories across eight countries in the GCC and Africa, with a clear leadership position in Saudi Arabia. As the leading private medical laboratory chain in the GCC, Al Borg employs over 1,100 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 ('PHD'), the leading private independent laboratory network in Abu Dhabi, UAE, operating six 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 60 stores across Saudi Arabia, the Bindawood group is 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	**NDTCCS**
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 1,000 technicians in Saudi Arabia, UAE and Kuwait. 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 2017, NDTCCS acquired a majority stake in Hi-Tech Inspection Services LLC ('Hi-Tech'), Oman's largest provider of NDT and inspection services employing over 770 technicians.

www.ndtcorrosion.com

Portfolio Company Name	**Arvento**
Acquired	**March 2015**
Industry Sector	**Business services – technology enabled services**
Headquarters	**Istanbul, Turkey**

Established in 2005, Arvento Mobile Systems ('Arvento') 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 has established itself as the 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. According to independent research published by ABI Research, Arvento is recognized as the world's fifth biggest telematics business.

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 two farms in Urfa and Samsun with 40,000 livestock capacity supplying nearly 30% of the company's production needs; an important competitive advantage in quality and inventory management. The company processes and sells unpacked and packed fresh cut meat (e.g. cut, diced and minced meat), delicatessen products (e.g. sujuk, pastrami, salami, sausages), frozen products (e.g. burger patties) and further processed products (e.g. meatballs, burgers, doner/shawarma and other marinated 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	**AYTB**	
Acquired	**October 2013**	
Industry Sector	**Industrial services**	
Headquarters	**Jubail, Saudi Arabia**	

AYTB Al Yusr Industrial Contracting Company W.L.L. ('AYTB') was founded in 1979 in Jubail and over its 38-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, catering and accommodation services. AYTB's clients include many of the region's leading petrochemical and oil and gas companies, including SABIC and Saudi Aramco. The company employs over 6,000 people across its operations in Saudi Arabia and Qatar.

www.aytb.com

Portfolio Company Name	**Leejam**
Acquired	**July 2013**
Industry Sector	**Consumer services**
Headquarters	**Riyadh, Saudi Arabia**

Leejam is the leading fitness chain operator in Saudi Arabia, operating under the 'Fitness Time' brand. Established in 2007 and headquartered in Riyadh, Leejam operates over 110 fitness clubs and has over 220,000 active members. Employing over 3,200 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'.

www.fitnesstime.com.sa

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 the leading car rental company in Saudi Arabia primarily serving the 'individual' customer segment with short-term rental services and 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 12,400 vehicles with a wide network of 46 branches, including 13 at international and regional airports across Saudi Arabia. Over the years Theeb has built a strong local brand and membership program with over 180,000 members.

www.theeb.com.sa

Portfolio Company Name	**Hydrasun**
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 410 personnel and has state-of-the-art engineering, production, manufacturing, training and warehousing facilities. Clients include British Petroleum, AMEC, FMC and Aggreko.

www.hydrasun.com

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

Founded in 2002 by Al Kharafi Projects Co. W.L.L. and Mr. Ghazi Omar, Automak Automotive Company ('Automak') is one of the few major players in the vehicles rental and fleet leasing business in Kuwait. Automak operates a fleet of in excess of 8,500 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**
Acquired	**September 2012**
Industry Sector	**Consumer products – specialty retail**
Headquarters	**Istanbul, Turkey**

ORKA Holding ('Orka') is one of the largest menswear retailers in Turkey with 198 directly operated stores (170 in Turkey and 28 around the world). Founded in 1986 by Süleyman Orakçıoglu, Orka has become a respected provider of menswear in Turkey and in the region through its brands Damat, Tween and D'S Damat. All three of the Orka brands operate in menswear, presenting a sophisticated fit range – suited to a broad customer base. The strength of each brand lies in its ability to meet the needs of its particular market, with differences in their offerings. Orka targets the classic/high-end segment with the Damat brand as well as the contemporary/mid to high-end segment with the Tween brand. Orka also has a more affordable brand (D'S Damat) targeting 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**
Acquired	**September 2010**
Industry Sector	**Consumer products – trading and logistics**
Headquarters	**Istanbul, Turkey**

Tiryaki Agro ('Tiryaki') is the 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 (wheat, corn and barley), pulses (lentils, chickpeas, peas, beans, rice and bulgur), oil seeds (sunflower, sesame, canola and soybean), feed stuff and nuts (pistachios, almonds, walnuts and peanuts) across Europe, Africa, the Middle East, the CIS, America and Asia. The company has a team of approximately 545 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	**Gulf Cryo**
Acquired	**November 2009**
Industry Sector	**Industrial products**
Headquarters	**Kuwait and UAE**

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 CO_2, 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.

www.gulfcryo.com

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

L'azurde is a family owned business established in 1980 in Saudi Arabia and currently has two large state-of-the-art industrial plants in Riyadh and Cairo. L'azurde is the Arab world's leading designer, manufacturer and distributor of gold jewelry for the premium mass market, and one of the largest gold jewelry manufacturers globally. The company has high quality products and designs, a diversified regional distribution network, strong manufacturing capabilities, and significant economies of scale advantages with approximately 1,000 wholesale relationships that span the MENA region. The MENA region is one of the largest jewelry markets in the world, in part due to a strong cultural attraction to gold jewelry.

In June 2016, L'azurde successfully completed its IPO on the Saudi Stock Exchange (Tadawul). Investcorp, through its Gulf Opportunity Fund I, retains a 38.85% stake in the company and representatives of the Investcorp Gulf Opportunity Fund I remain on the Board.

www.lazurde.com

Real Estate Portfolio Listing

Investcorp co-investment by year ($m)	Properties # vs. current *	Sector	Geographic location	Carrying value end of Dec-17	Carrying value end of Jun-17
Diversified VI	3 / 1	Retail	SE		
Diversified VII	4 / 1	Industrial	E		
Hotel	9 / 2	Hotel	SW / MW		
Vintage FY07				**7.9**	**8.3**
Gallivant - Times Square **	1 / 1	Hotel	E		
Diversified VIII	5 / 1	Hotel	MW		
Weststate	1 / 1	Opportunistic	W		
Vintage FY08				**3.5**	**3.6**
Commercial VI	3 / 1	Office	E		
Vintage FY11				**2.1**	**2.1**
Southland & Arundel Mill Mezz	n.a. ***	Retail	SE		
Vintage FY12				**0.1**	**0.1**
2013 Office	16 / 16	Office	SW / MW		
2013 Office II	5 / 5	Office	SE / W / SW		
Vintage FY13				**3.4**	**3.5**
2013 US Commercial / 2014 Office	9 / 9	Office / Retail / Medical	W / MW / E		
2014 Diversified	4 / 0	-	-		
Vintage FY14				**10.0**	**12.1**
Canal Center	4 / 4	Office	E		
2014 Office and Industrial	24 / 21	Office / Industrial	E / SE / W		
2015 Residential	4 / 2	Residential	E		
Atlanta Multifamily	2 / 2	Residential	SE		
Vintage FY15				**6.5**	**8.0**
2015 Residential II	8 / 8	Residential	W / MW / SW / SE		
2015 Office & Industrial	79 / 78	Office / Industrial	SE / W / E		
Boca Raton & Minneapolis Residential	5 / 5	Residential	SE / MW		
733 Tenth Street	1 / 1	Office	E		
Vintage FY16				**9.6**	**9.7**
2016 Residential	10 / 10	Residential	SW / MW / SE / E		
Boston & Denver Commercial	20 / 20	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 / 1	Residential	W		
Chicago & Boston Industrial	6 / 6	Industrial	MW / E		
Vintage FY17				**10.0**	**14.1**
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		
Vintage FY18				**18.1**	**7.2**
Others				**10.0**	**10.3**
Sub-total	**249 / 221**			**81.2**	**79.1**
New portfolios under construction	24 / 24			**8.5**	**N.A.**
Total including new portfolios under construction	273 / 245			**89.7**	**79.1**

* 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.

** Previously known as Tryp by Wyndham. Includes support funding made after the initial acquisition date.

*** Mezzanine investments.

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