Investcorp Holdings B.S.C.

Key Rating Drivers

Strong Gulf Franchise: Investcorp Holdings B.S.C.'s (Investcorp) ratings reflect the locked-in nature of most of its fee streams, strong client franchise and high degree of brand name recognition in the Gulf, supported by its investment track record and long-term relationships in the region.

Business Model Susceptible to Downturn: Rating constraints include the firm's increased earnings volatility and placement risk relative to peers, given its business model of offering investments to clients on a fully underwritten deal-by-deal (DBD) basis and its sizable co-investment portfolio, which is subject to fair value changes. Activity fees, which are earned from transactional activities and have comprised almost half of Investcorp's core fees over the past several years, are also susceptible to market volatility.

Coronavirus Impact: The global spread of the coronavirus had a material impact on investment valuations, given stock market declines and credit spread widening, in early 2020. In fiscal year (FY) 2020 (ending June 30), Investcorp incurred losses of $110 million on its balance sheet investments, compared with asset-based income of $89 million in FY19, due to valuation declines in certain U.S. retail sector exposures. The firm also suspended fees on certain private equity (PE) investments due to the valuation impact of the coronavirus pandemic.

Reduced Earnings: Investcorp's operating performance, as measured by fee-related EBITDA (FEBITDA), deteriorated in FY20 due to the economic impact of the coronavirus. The FEBITDA margin was 28.1% in FY20, which is in line with Fitch Ratings' quantitative benchmark range of 20%-30% for 'bbb' category alternative investment managers (IMs) but down from 43.7% in FY19.

AUM Growth Likely to Slow: Assets under management (AUM) totaled $33.3 billion at Sept. 30, 2020, up 7% from Dec. 31, 2019, driven by a combination of organic and inorganic growth. Still, Fitch believes fundraising activity will be less certain during FY21, given the continued economic impact of the coronavirus.

Resilience to Oil Price Volatility: While the impact of oil price volatility on Investcorp's portfolio companies is limited, depressed oil prices will likely have fiscal impacts in the region. Still, Investcorp's Gulf investors have demonstrated relatively low sensitivity to oil price movements, as evidenced by record levels of DBD placement activity during previous periods of volatility in the energy sector. While Fitch believes Gulf investors will continue to explore opportunities to diversify outside of the region, potential liquidity challenges could disrupt efforts in the near term.

Rating Sensitivities

Factors that Could Lead to Negative Rating Action/Downgrade: Material declines in AUM, which impair the firm's management fee generating capacity; a reduction in liquidity; or material changes in leverage and/or interest coverage resulting from a material degradation of balance sheet assets and/or weaker investment performance that adversely impacts the firm's ability to generate FEBITDA. More specifically, increases in balance sheet and/or cash flow leverage, such that these metrics approach or exceed 1.0x and 6.0x, respectively, under Fitch's hybrid leverage analysis, could negatively affect ratings.

Factors that Could Lead to Positive Rating Action/Upgrade: Growth in fee-paying AUM, enhanced scalability of the platform and AUM diversity, institutionalizing the investor base, an increase in management fee contribution from committed capital fund structures, a reduction in leverage and strengthened interest coverage, while maintaining adequate liquidity and co-investment funding, could lead to positive rating momentum.

Ratings

Investcorp Holdings B.S.C.

Long-Term IDR	BB

Outlook

Stable

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (February 2020)

Corporate Hybrids Treatment and Notching Criteria (November 2020)

Related Research

Fitch Ratings 2021 Outlook: Global Investment Managers (November 2020)

Fitch Ratings Completes Alternative Investment Manager Peer Review (November 2020)

Alternative Investment Managers: 2Q20 Earnings Wrap-Up (Valuations Recover; Investment Opportunities Expected to Emerge Over Extended Period)

Alternative Investment Managers: 1Q20 (Coronavirus Impacts Valuations but Yields Potential Investment Opportunities)

U.S. Non-Bank Financial Institution Refinancing Risk: Coronavirus Impact Examined (March 2020)

Alternative Investment Manager Rating Navigator Compendium (January 2020)

Alternative Investment Manager Trends (January 2020)

Fitch Affirms Investcorp's Ratings at 'BB'; Outlook Stable (November 2020)

Financial Data

Investcorp Holdings B.S.C.

(UDS Mil.)	6/30/20	6/30/19
AUM	32,166	28,153
FEBITDA	80	150
Distributable Income[a]	(82)	191

[a]Represents cash earnings. Note: Fiscal year end is June 30.
Source: Fitch Ratings.

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Issuer Ratings

	Long-Term IDR	Short-Term IDR	Outlook
Investcorp Holdings B.S.C.	BB	B	Stable
Investcorp S.A.	BB	B	Stable
Investcorp Capital Ltd.	BB	B	Stable

Source: Fitch Ratings.

Investcorp S.A. is the principal operating and asset owning subsidiary of the group and is a joint and several guarantor on debt issued by Investcorp Capital Ltd. Therefore, the Long-Term Issuer Default Ratings (IDRs) of each entity is equalized with Investcorp.

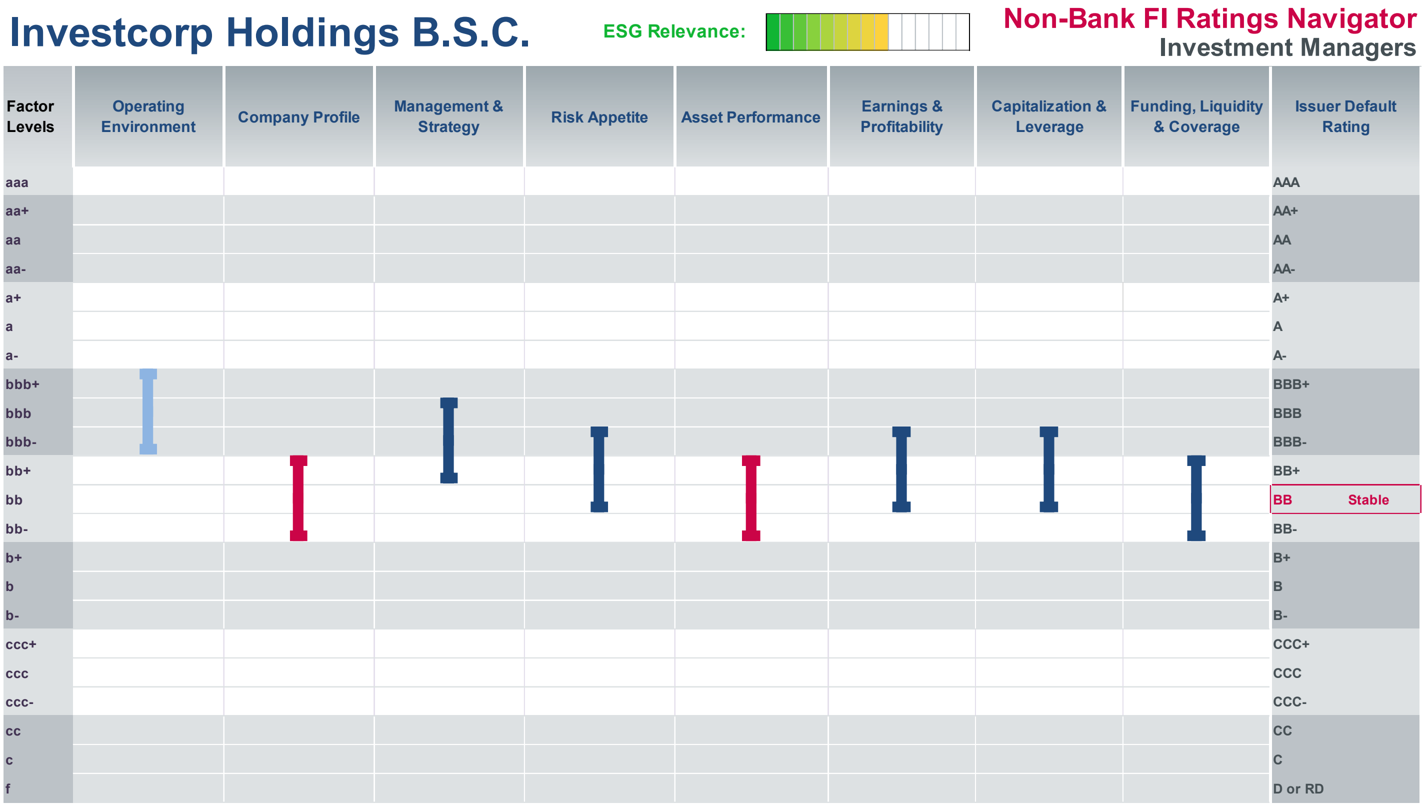
Debt Rating

	Senior Unsecured Debt
Investcorp Capital Ltd.	BB

Source: Fitch Ratings.

The alignment of the senior unsecured debt rating with that of the Long-Term IDR reflects the largely unsecured funding profile and expectations for average recovery prospects under a stress scenario. The ratings also reflect joint and several guarantees by Investcorp S.A., which is the principal operating and asset owning arm of the firm. The unsecured debt ratings are linked to the Long-Term IDR and would be expected to move in tandem. However, a sustained reduction in unsecured debt as a proportion of total debt could result in the unsecured debt rating being notched down from the IDR.

Ratings Navigator



Bar Chart Legend

Vertical bars – VR range of Rating Factor
Bar Colors – Influence on final VR

- Higher influence
- Moderate influence
- Lower influence

Bar Arrows – Rating Factor Outlook

⇧ Positive	⇩ Negative
⇳ Evolving	▫ Stable

Navigator Peer Comparison

Peer Group Summary	Operating Environment	Company Profile	Management & Strategy	Risk Appetite	Asset Performance	Earnings & Profitability	Capitalisation & Leverage	Funding, Liquidity & Coverage	Issuer Default Rating	Outlook/ Watch	Rating Action
Apollo Global Management, Inc.	aa-	a	a-	a	a	a	a	bbb+	A	Stable	11-Nov-20
Ares Management Corporation	aa-	a-	a-	a-	a	a-	a-	a-	A-	Stable	11-Nov-20
Blackstone Group (The)	aa-	a+	a+	a	a+	a+	a	a-	A+	Stable	11-Nov-20
Brookfield Asset Management, Inc.	aa-	a-	a-	a-	a	a	bbb+	bbb+	A-	Stable	11-Nov-20
Carlyle Group Inc. (The)	aa-	a	bbb+	a-	a-	a-	bbb	bbb	BBB+	Stable	11-Nov-20
Fortress Investment Group LLC	aa-	bbb	bbb-	bbb+	bbb	bbb-	bb-	bb+	BB	Stable	11-Nov-20
Investcorp Holdings B.S.C.	bbb	bb	bbb-	bb+	bb	bb+	bb+	bb	BB	Stable	12-Nov-20
KKR & Co. Inc.	aa-	a	a	a	a	a	a-	a	A	Stable	11-Nov-20
Oaktree Capital Group, LLC	aa-	a	a	a	a	a-	a-	bbb	A	Stable	11-Nov-20
Sculptor Capital Management, Inc.	a+	bb+	bb+	bbb-	bb+	b	b-	b-	B+	Stable	18-Nov-20

Source: Fitch Ratings.

Key Developments

Outlook Revision to Stable

The Outlook revision to Stable from Positive on April 3, 2020 reflected Fitch's view of the impact the global coronavirus pandemic would have on Investcorp's ability to make meaningful progress on its strategic initiatives during the Outlook horizon. Fitch believes the institutionalization of its investor base and the ability to expand committed capital fund structures will likely be delayed. Further, Fitch also believes execution risks are associated with the firm’s growth strategy to more than double AUM, to $50 billion, over the medium term through organic and inorganic growth. Specifically, integration risk associated with acquisitions and increased group complexity related to product and geographic expansion are notable considerations.

Inorganic Growth

In May 2020, Investcorp entered into a 50/50 joint venture (JV) with Tages Group, a leading European alternative asset management firm, which added $1.7 billion of AUM to the platform. The JV, Investcorp-Tages Limited, will manage the absolute return investments of the combined entities, which Fitch believes adds scale and expands Investcorp's investor base, product suite and geographic reach.

In September 2019, Investcorp entered the direct lending space with an acquisition of a majority stake (76%) in CM Investment Partners (CMIP), the investment advisor to CM Finance, a publicly traded business development company (BDC). As of June 30, 2020, the AUM relating to CMIP amounted to $270.6 million.

During the first half of 2020, Investcorp completed the acquisition of Mercury Capital Advisors (Mercury), a placement agent with over 2,500 institutional investors across the globe. The transaction is expected to strengthen Investcorp's capital raising efforts and further institutionalize its investor base over time.

Revolver Extension

In March 2020, Investcorp amended its $250 million revolving credit facility that was maturing in December 2020, resulting in an increase in facility size to $350 million, improved economics, and a maturity of March 2024, with a one-year extension option.

Coronavirus Vaccine Moves up Recovery Timetable, Albeit Still Sluggish

Fitch updated its “Global Economic Outlook” (GEO) report on Dec. 7, 2020, which forecasts global GDP will be down 3.7% in 2020, up from an expected 4.4% decline in the September 2020 GEO. Fitch also modestly revised up its annual global GDP growth forecast for 2021 to 5.3% from 5.2%, as the deteriorating outlook in the near term partially offsets a stronger outlook for the second half of 2021.

While the second wave of the virus is prompting renewed national lockdowns in Europe and tighter restrictions in the U.S., a vaccine rollout raises the prospect of a significant easing in the global health crisis by the middle of 2021 and a more certain economic recovery thereafter. Under Fitch’s base case assumption that an effective vaccine rollout will accelerate in the major economies in 2Q21 and reach the majority of those populations in 2H21, the agency expects the U.S. and the eurozone to regain pre-pandemic (4Q19) GDP levels earlier than previously anticipated, by 3Q21 (up from 4Q21) and 2Q22 (up from 4Q22), respectively. The key downside risk includes delays in a vaccine rollout that result in repeated lockdowns and extensive social distancing through 2021, weighing heavily on GDP.

Company Summary and Key Qualitative Assessment Factors

Market Dynamics Uncertain

Fitch remains cautious about the significant amount of capital the industry has available to invest, given competitive and uncertain market conditions. The investment environment could adversely affect Investcorp's ability to originate/syndicate investments and/or further reduce the valuation of balance sheet investments. That said, Investcorp had significant levels of investment activity totaling $3.1 billion during FY20, up from $2.9 billion in FY19. Fitch's 2021 sector outlook for alternative IMs is stable, as overall issuer fundamentals are expected to remain solid, given the locked-in nature of fees.

Capital Intensive Business Model

Fitch views Investcorp's business model as more capital-intensive than other alternative IMs in its rated universe, with approximately one quarter of its AUM sourced on a fully underwritten DBD basis as of FYE20. Investments are initially underwritten by Investcorp, with a significant portion earmarked for placement with investors and syndicated over a one- to six-month period. Adverse market conditions may result in the firm having to hold underwritten investments for a longer period, which presents elevated balance sheet risk.

That said, Investcorp has long-standing relationships with its Gulf clients and pre-markets transactions for syndication prior to closing. To further mitigate balance sheet risk, management tends to moderate investment activity during times of economic or market stress. Underwritten and warehoused investments not yet placed with investors totaled $192 million at FYE20, down approximately 43% from the prior year, as management curtailed its underwriting activities in light of the market uncertainty surrounding Covid-19. Fitch believes Investcorp has adequate capital buffers and an appropriate risk management framework to manage this exposure.

Also contributing to Investcorp's more capital-intensive model is its sizable co-investment portfolio, which is subject to fair value changes and increases the firm's earnings volatility relative to the peer group. While Investcorp has taken steps to reduce its balance sheet risk in recent years through asset sales and secondary transactions, the reduction in its co-investment portfolio also reflects unrealized investment losses.

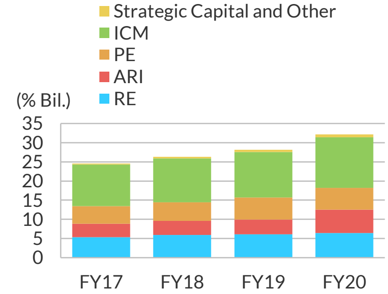
Strong Gulf Franchise

Investcorp maintains a strong client franchise and high degree of name recognition in the Arabian Gulf, demonstrated by record levels of DBD placement activity despite periods of volatility in the energy sector. The firm raised more than $1 billion in the region annually for the past five years. Further, client assets have proven sticky throughout various market and economic environments.

Structural Protection of Assets

Investcorp's shareholder structure is designed to ensure that assets are protected against Bahraini or Middle Eastern regional risk. In accordance with its debt covenants, at least 95% of consolidated assets are owned directly or indirectly by Investcorp S.A., a Cayman Islands company. As a result, substantially all of the company's commercial risks are held outside of Bahrain, and Fitch does not expressly cap its ratings by reference to those of Bahrain. However, Investcorp has investment exposure to the region, with 35% of client AUM in Gulf economies. While the impact of oil price volatility on Investcorp's portfolio companies is limited, depressed oil prices will likely have fiscal impacts in the region. Fitch believes continued pressure in the region could motivate Gulf-based clients to diversify investments outside the region, but potential liquidity challenges could disrupt efforts in the near term.

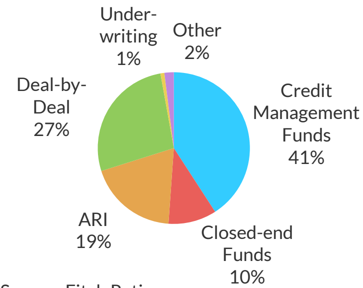
AUM Growth



FY – Fiscal year.
Source: Fitch Ratings.

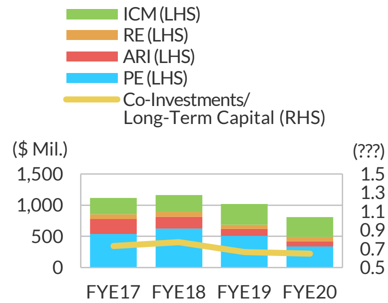
AUM by Products

(Fiscal Year End 2020)



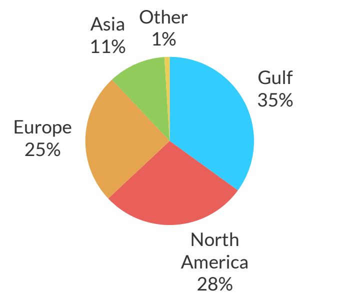
Source: Fitch Ratings.

Co-Investment Assets



FYE – Fiscal year end.
Source: Fitch Ratings.

Client AUM by Geography



Source: Investcorp.

Key Financial Metrics – Latest Developments

Client Flows Remain Strong but Uncertainty Looms

AUM increased 14.4% during FY20, driven by a combination of organic and inorganic growth. Fundraising and placement activity remained solid during the year, with net client flows representing 7.6% of beginning AUM and averaging 4.5% of beginning AUM over the past four years, which is within Fitch's 'bbb' category benchmark range of negative 5% to 5% for alternative IMs. That said, Fitch believes fundraising activity will be less certain during FY21, given the continued economic impact of the coronavirus.

Fundraising activity primarily included capital raised from collateralized loan obligation (CLO) issuances, hedge fund partnerships and DBD placements in PE and real estate. Investcorp is in the market with its inaugural North American PE fund, and is developing a successor European PE fund, the timing of which has been delayed by the coronavirus.

Operating Performance Deterioration

Core operating performance, as measured by FEBITDA, which excludes investment income from co-investments, performance fees and performance-related compensation, deteriorated in FY20, due to the economic impact of the coronavirus. FEBITDA was almost halved at $80 million in FY20, compared with $150 million in the prior year, primarily driven by a significant reduction in activity fees, lower management fees and slightly higher expenses. The firm's FEBITDA margin was 28.1% in FY20, which is in line with Fitch's quantitative benchmark range for 'bbb' category alternative IMs of 20%-30% but was down from 43.7% in FY19.

Management fees declined 5.6% in FY20, which was primarily driven by fund maturities, fee reductions on fund extensions and, to a lesser extent, the suspension of fees on certain PE investments, due to the valuation impact of the coronavirus pandemic. Also, in FY19, PE management fees were boosted by catch-up fees and the acceleration of deferred fees for deals exited during the year. Activity fees were down 29% in FY20, reflecting reduced levels of acquisitions, placements and exit activity during the year.

In FY20, Investcorp incurred losses of $110 million on its balance sheet investments, compared with income of $89 million in FY19, due to valuation declines in certain U.S. retail sector exposures. Realized net performance fees, which tend to be lumpy from period to period due to deal activity and market volatility, totaled $2 million in FY20, down from $32 million in FY19.

Leverage Remains within Expectations

When assessing Investcorp's leverage, Fitch takes a hybrid approach, allocating a portion of the company's debt to its balance sheet and a portion of its debt to the fee-generating business. On this basis, leverage is in line with Fitch's 'bb' category quantitative benchmark range for alternative IMs.

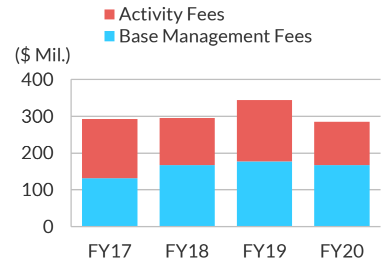
Investcorp's leverage, as measured by debt to tangible equity, amounted to 0.9x at FYE20, up from 0.4x at FYE19. The increase reflects the valuation impact of balance sheet investments and a change in Fitch's classification of debt following Investcorp's conversion from a bank to a holding company. Client bank deposits (which were excluded from prior leverage calculations) were transferred into a client trust, which subsequently extended a revolving loan facility to the company. The outstanding balance amounted to $452 million at Sept. 30, 2020. There are no changes to the economics of these liabilities, as balances and client distributions are typically retained and primarily used to fund new investments. Debt to FEBITDA increased to 9.3x in FY20 from 2.6x at FY19.

Adequate Liquidity

Fitch believes Investcorp maintained adequate liquidity at Sept. 30, 2020, with $317 million of cash and other liquid assets, along with $718 million of borrowing capacity on its corporate revolvers and $42 million of available liquidity from client trusts. Aside from client assets, which are due on demand, the firm's nearest debt maturity is June 2023.

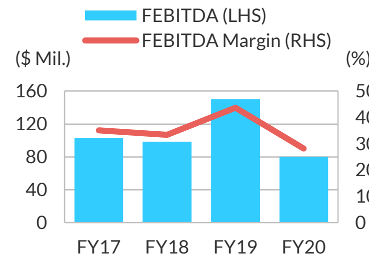
Fitch believes the extension of credit offered by Investcorp's clients provides flexibility to the firm to execute on investment opportunities, although the withdrawal of client assets would reduce the firm's liquidity. Still, Investcorp has long-standing client relationships that have proven to be sticky throughout various market cycles.

Core Fee Breakdown



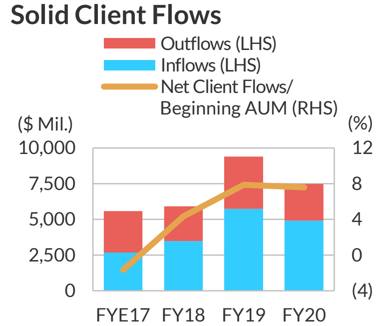
FY – Fiscal year.
Source: Fitch Ratings.

FEBITDA Declines



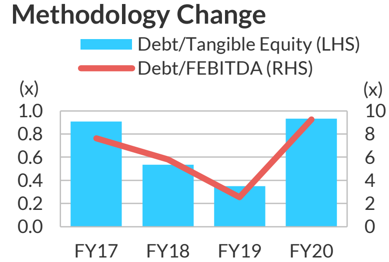
FY – Fiscal year.
Source: Fitch Ratings.

Solid Client Flows



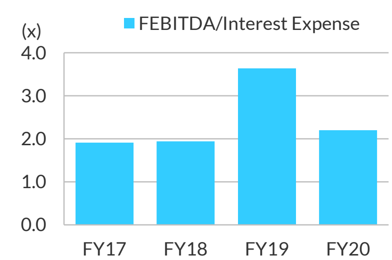
Source: Fitch Ratings.

Leverage Increases on Methodology Change



FY – Fiscal year.
Source: Fitch Ratings.

Coverage Ratio Deteriorates



FY – Fiscal year.
Source: Fitch Ratings.

Environmental, Social and Governance Considerations

FitchRatings **Investcorp Holdings B.S.C.**

Non-Bank FI Ratings Navigator
Investment Managers

Credit-Relevant ESG Derivation

Investcorp Holdings B.S.C. has 6 ESG potential rating drivers

- Investcorp Holdings B.S.C. has exposure to fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above but this has very low impact on the rating.
- Investcorp Holdings B.S.C. has exposure to shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	6	issues	3
not a rating driver	3	issues	2
	5	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	1	Regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc.	Operating Environment	5
Energy Management	1	Investments in or ownership of assets with below-average energy/fuel efficiency which could impact future valuation of these assets	Risk Appetite	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Company Profile; Asset Performance	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above	Operating Environment; Risk Appetite; Asset Performance	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile; Management & Strategy; Earnings & Profitability; Capitalization & Leverage; Funding, Liquidity & Coverage	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities	Company Profile; Earnings & Profitability	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Management & Strategy	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Management & Strategy	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile	3
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Management & Strategy	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Balance Sheet — Investcorp Holdings B.S.C.

(USD Mil., as of June 30, Fiscal Year End)	2017	2018	2019	2020
Assets				
Cash, Placements and other Liquid Assets	561.9	371.0	390.0	309.0
FV of Derivatives	62.1	55.0	44.0	45.0
Receivables and prepayments	277.1	276.0	364.0	285.0
Loans and advances	85.6	92.0	82.0	158.0
Underwritten and Warehoused Investments	460.4	446.0	334.0	192.0
Co-investments				
Private Equity Investments	539.0	625.0	491.0	339.0
Credit Management Investments	258.7	272.0	332.0	317.0
Absolute Return Investments	236.3	189.0	112.0	81.0
Real Estate Investments	79.1	76.0	68.0	71.0
Strategic Capital Investment	—	—	—	2.0
Total Co-investments	**1,113.1**	**1,162.0**	**1,003.0**	**810.0**
Fixed Assets	37.7	36.0	37.0	135.0
Strategic Investments	—	—	52.0	118.0
Intangible Assets	58.1	55.0	55.0	71.0
Total Assets	**2,656.0**	**2,493.0**	**2,361.0**	**2,123.0**
Liabilities				
Call Accounts	249.2	116.0	—	—
Term and Institutional Accounts	184.7	300.0	—	—
Payables and Accrued Expenses	155.4	226.0	241.0	186.0
Other Liabilities	86.6	72.0	63.0	62.0
Financing	791.3	617.0	889.0	981.0
Negative FV of Derivatives	43.6	39.0	23.0	26.0
Total liabilities	**1,510.8**	**1,370.0**	**1,216.0**	**1,255.0**
Equity				
Preferred Stock	223.2	123.0	123.0	123.0
Common Stock (Par Value)	200.0	200.0	200.0	200.0
Reserves	320.3	322.0	321.0	296.0
Retained Earnings	367.0	447.0	540.0	335.0
Treasury Shares	(3.2)	(5.0)	(74.0)	(104.0)
Proposed Appropriations (Preferred Stock Dividend)	44.1	41.0	38.0	22.0
Other Reserves	(6.2)	(5.0)	(3.0)	(5.0)
Total Equity	**1,145.2**	**1,123.0**	**1,145.0**	**868**

FV – fair value. JV – joint venture.
Source: Fitch Ratings.

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Income statement — Investcorp Holdings B.S.C.

Income statement (USD Mil., Fiscal Year)	2017	2018	2019	2020
Fee income				
Management Fees	135.5	173.0	181.0	170.0
Activity Fees	161.3	128.6	166.9	118.3
Performance Fees	19.7	19.8	27.8	(0.8)
Asset Based Income				
Private Equity Investments	19.2	61.0	12.0	(96.0)
Credit Management Investments	33.5	28.0	22.0	(22.0)
Absolute Return Investments	15.8	10.0	8.0	(5.0)
Real Estate Investments	23.4	24.0	29.0	31.0
Strategic Investments	—	—	5.0	(27.0)
Treasury and Other	13.3	10.0	13.0	9
Gross Asset Based Income	**105.2**	**133.0**	**89.0**	**(110.0)**
Gross Operating Income	**421.7**	**454.4**	**464.8**	**178.0**
Provisions for Impairment	(4.1)	(4.0)	(4.0)	(26)
Interest Expense	(57.5)	(56.0)	(51.0)	(40)
Operating Expense	(233.1)	(256.0)	(268.0)	(275)
Profit before Tax	**127.1**	**138.4**	**141.8**	**(163.0)**
Income Tax Expense	(6.8)	(13.0)	(11.0)	(2.0)
Net income	**120.3**	**125.4**	**130.8**	**(165.0)**

Source: Fitch Ratings.

Summary Analytics —Investcorp Holdings B.S.C.

(USD Mil., Fiscal Year)	2017	2018	2019	2020
Management Fees[a]	131.6	167.0	177.0	167.0
Activity Fees	161.3	128.6	166.9	118.3
Core Fees	**292.9**	**295.6**	**343.9**	**285.3**
FEBITDA	**102.9**	**98.6**	**150.2**	**80.3**
AUM (USD Bil.)	**24.5**	**26.3**	**28.2**	**32.2**
Activity Fees/Fee Revenue (%)	55.1	43.5	48.5	41.5
FEBITDA/Fee Revenue (%)	35.1	33.4	43.7	28.1
Debt/FEBITDA (x)	7.6	5.8	2.5	9.3
Debt/Tangible Equity (x)	0.9	0.5	0.4	0.9
FEBITDA/Interest Expense (x)	1.9	1.9	3.6	2.2

[a]Excludes portion of management fees reported as performance fees.
Source: Fitch Ratings.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.