

NAV per Share
440.5p

Share Price
420.5p

Market Capitalisation
£1.9bn

Net Assets
£2.0bn

LTM Sales Growth*
+27%

LTM EBITDA Growth*
+30%

“As I noted in my last review, HGT and its portfolio have coped well with the challenges presented by the COVID-19 pandemic. The defensive nature of the businesses within the portfolio and the operational skill of Hg have both contributed to the success of HGT in weathering this challenging period. I am happy to report that our full-year results continue to see the portfolio delivering strong growth and excellent returns.”

Jim Strang, Chairman, HgCapital Trust plc

Investment objective

The objective of HgCapital Trust (HGT) is to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change. HGT provides investors with exposure to a fast-growing network of unquoted investments, primarily in software and service businesses, across the globe.

Investment opportunity

HGT provides investors with a unique opportunity to participate in the growth in value of a portfolio of more than 40 private companies sourced by Hg. Value is created through implementing an investment strategy focused on software and business service companies with resilient, recurring revenue streams and from leveraging the network and expertise of Hg to support management teams to deliver the full potential of their respective businesses.

With highly predictable and stable cash flows, the top 20 businesses (representing 78% by value of HGT's investments) reported aggregate sales of £6.3 billion¹ and EBITDA of £2.2 billion over the last 12 months, equating to an EBITDA margin of 35%.

Hg brings to HGT an experienced team of more than 280 employees, including more than 160 investment and portfolio management professionals, supported by a network of portfolio

Performance as at 31 December 2021

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	20 years % p.a.
NAV per share	43.9	29.2	24.5	17.8	15.6
Share price	39.8	35.6	25.3	18.9	17.3
FTSE All-Share Index	18.3	8.3	5.4	7.7	6.2
NAV per share performance relative to the FTSE All-Share Index	25.6	20.9	19.1	10.1	9.4
Share price performance relative to the FTSE All-Share Index	21.5	27.3	19.9	11.2	11.1

partners, all of them seasoned senior managers from across industry, who work with the management teams of the companies in which we are invested to create value for shareholders. At the centre of this network, Hg builds and shares knowledge and expertise by facilitating the active collaboration of management teams across sector clusters and geographies.

HGT's funds are invested pro rata alongside those of Hg's other institutional clients. This enables shareholders to invest, on similar terms, alongside some of the world's largest investors in private equity, in high-growth private companies, which would otherwise be inaccessible. This allows HGT to achieve diversification across markets and geographies and gain exposure to fast growing portfolio companies at different stages of their development and size – from an enterprise value of £100 million to over £10 billion.

Why Invest

HGT provides investors with liquid exposure to Hg's portfolio of unquoted software and service businesses. Hg predominantly seeks controlling equity buyout investments in businesses headquartered in Europe and North America, though such companies will often have a global footprint and customer base.

Hg's long standing investment in establishing and maintaining deep sector expertise is a key differentiator in the European Private Equity environment which has delivered superior returns over the long term.

Based on HGT's share price at 31 December 2021 and allowing for all historic dividends being reinvested, an investment of **£1,000 twenty years ago would now be worth £24,134, a total return of +2,313%**. An equivalent investment in the FTSE All-Share Index would be worth £3,360.

¹Source Hg: LTM December 2021 revenue for the Top 20 investments.

*Top 20 investments (78% of portfolio value)

Long-term performance to 31 December 2021

20-year performance

+2,313%

Total share price return

+17.3% p.a.

Annualised share price total return

+15.6% p.a.

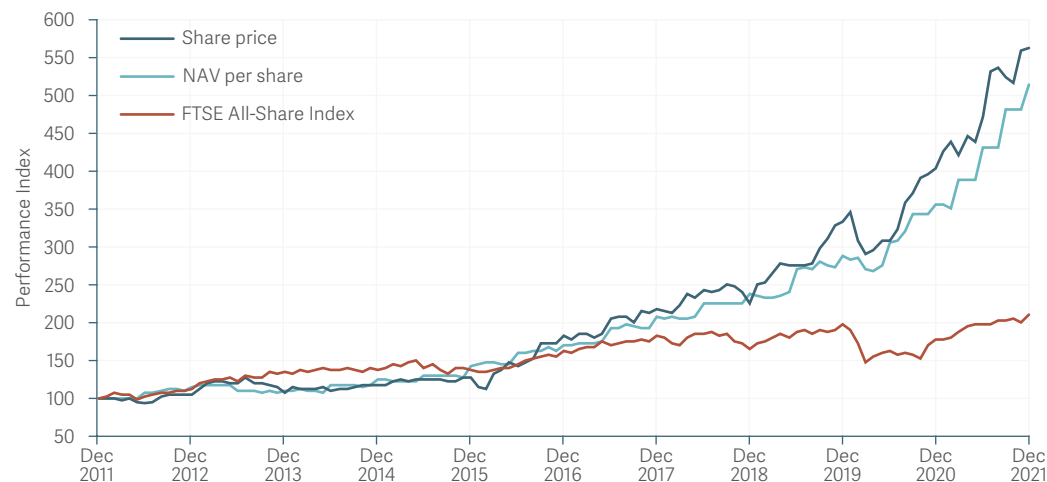
Annualised NAV per share total return

+11.1% p.a.

Share price performance relative to the FTSE All-Share Index

Long-term performance

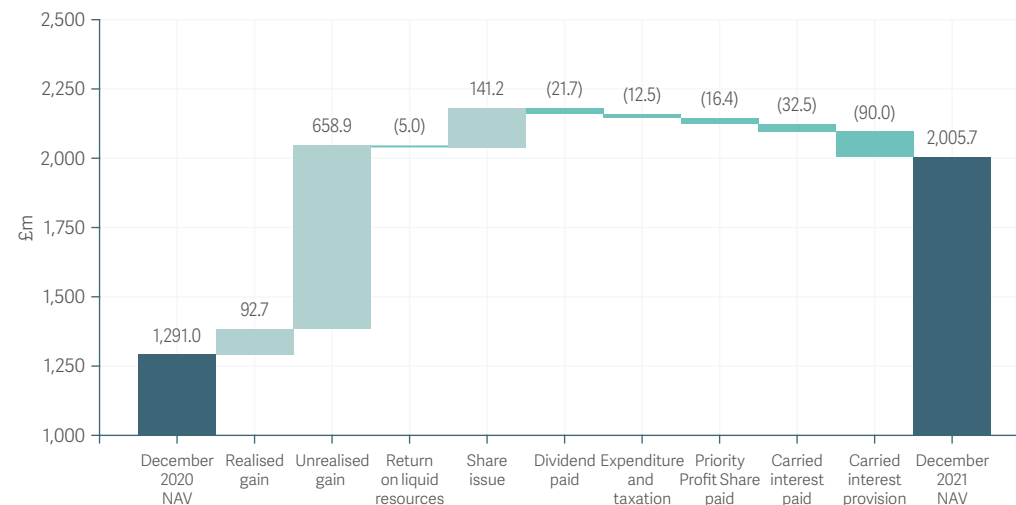
10-year share price total return: +18.9% p.a.



Performance record rebased to 100 at 31 December 2011. (Source: Factset, Hg). Total return assumes all historic dividends have been reinvested.

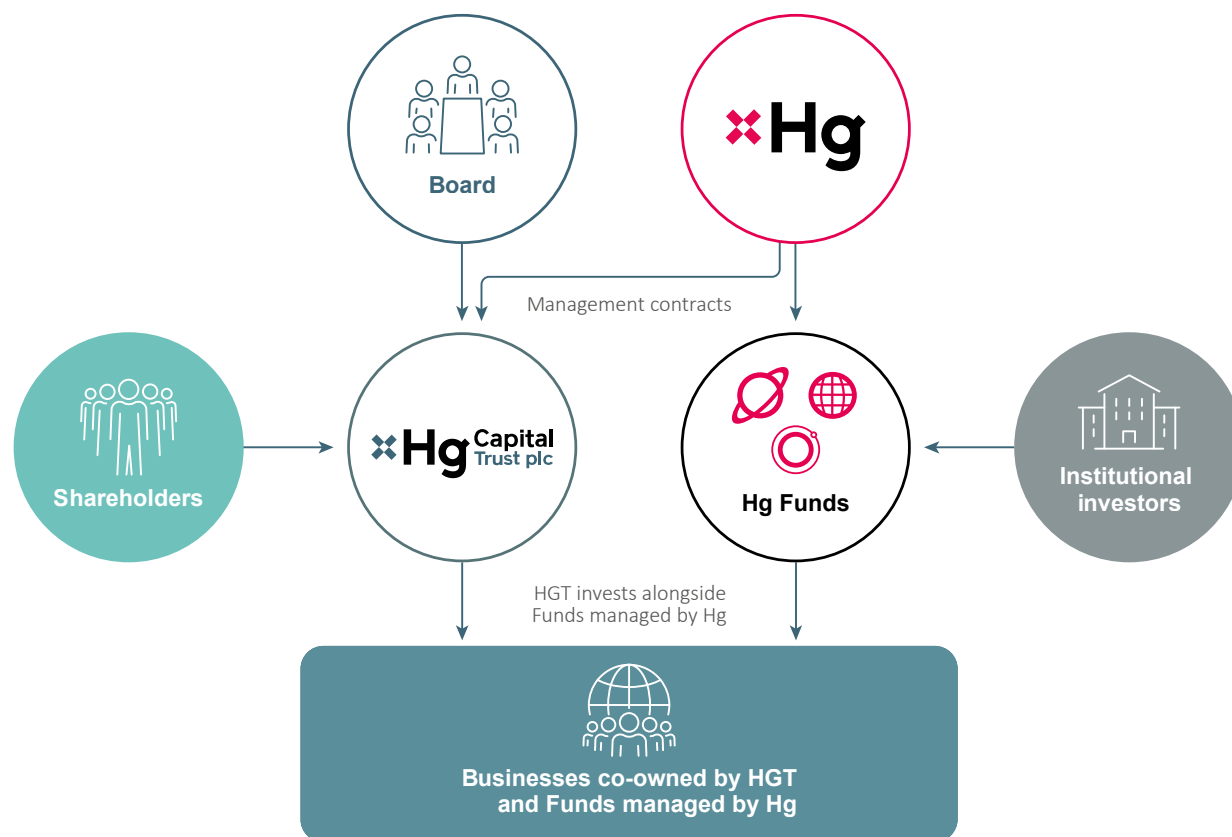
Analysis of NAV movements

for the year to 31 December 2021



The NAV breakdown is an estimate. Please note that amounts in the month are adjusted as final valuations are received from prior quarters.

HgCapital Trust plc is the largest client of Hg



20 largest investments

	Total valuation ¹ £'000	Net asset value %
1 Access	309,541	15.4%
2 Visma	227,829	11.4%
3 Litera	102,229	5.1%
4 IRIS	91,378	4.6%
5 P&I	86,352	4.3%
6 Transporeon	86,075	4.3%
7 Sovos	78,553	3.9%
8 MeinAuto	72,342	3.6%
9 Howden	69,998	3.5%
10 Intelrad	69,358	3.5%
11 Septeo	67,266	3.4%
12 insightsoftware	66,608	3.3%
13 Argus Media	48,435	2.4%
14 FE fundinfo	44,489	2.2%
15 Lyniate	42,925	2.1%
16 Azets	40,872	2.0%
17 team.blue	40,218	2.0%
18 MMIT Evaluate	37,705	1.9%
19 Benevity	36,055	1.8%
20 Caseware	33,956	1.7%
Total	1,652,184	82.4%
Other buyout investments	456,095	22.7%
Renewable energy investments	314	–
Total all investments	2,108,593	105.1%
Provision for carried interest	(171,579)	(8.6%)
Cash and other liquid assets	371,489	18.5%
Bank facility	(151,142)	(7.5%)
Fund level facilities	(156,839)	(7.8%)
Net current assets/(liabilities)	5,202	0.3%
Net asset value	2,005,724	100.0%

¹including investment valuation and accrued interest.

Balance sheet as at 31 December 2021

Balance sheet analysis

Liquid resources
(23% of NAV)

£470m

As of 31 December 2021, HGT has a bank facility of £250m of which £99 million was undrawn at the year end.

Outstanding commitments
(49% of NAV)

£992m

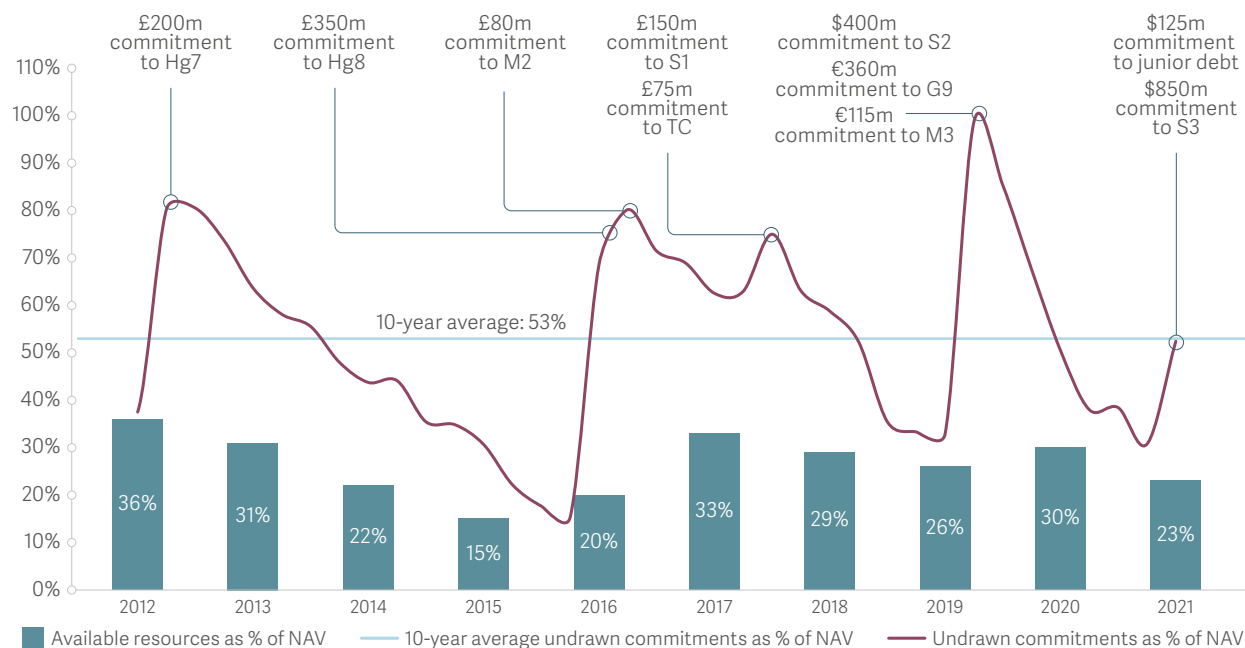
HGT can opt out of a new investment without penalty, should it not have the cash available to invest.

Equity issued

£141m

during the year.

Outstanding commitments unfunded by available resources as % of NAV



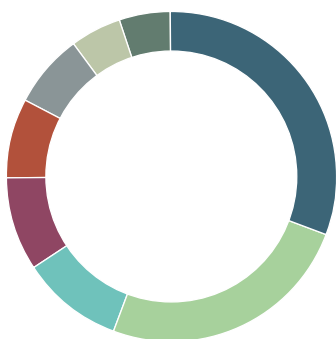
HGT has a bank facility of £250 million, of which £99 million was undrawn at 31 December. The Board continues to review HGT's future facility arrangements. HGT expects commitments to be drawn down over the next four to five years.

Hg expects to see a return of capital to HGT in the next 12 months and these commitments are likely to be partly financed by cash from these future realisations.

HGT can opt out of a new investment without penalty, should it not have the cash available to invest.

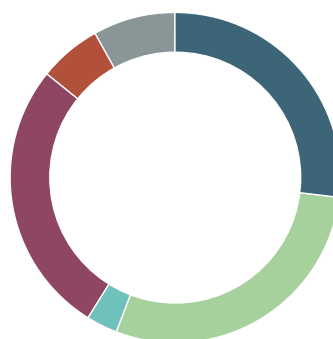
Portfolio at 31 December 2021

HGT achieves diversification across markets and geographies and gains exposure to fast growing portfolio companies at different stages of their development and size.



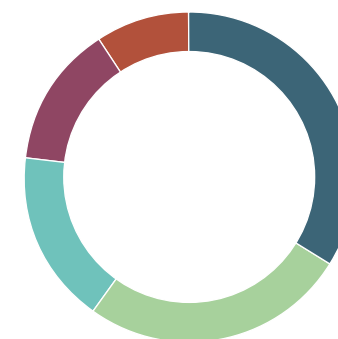
Hg cluster by value

- 31% Tax & Accounting
- 25% ERP & Payroll
- 10% Healthcare IT
- 9% Legal & Regulatory Compliance
- 8% Capital Markets & Wealth Management IT
- 7% SME Tech & Services
- 5% Automation & Engineering
- 5% Insurance



Investment vintage by value

- 27% 2021
- 29% 2020
- 3% 2019
- 27% 2018
- 6% 2017
- 8% pre-2017



Geographic spread by value

- 34% UK
- 26% North America
- 17% Germany
- 14% Scandinavia
- 9% Other Europe

Further information

Environmental, social and governance matters Socially responsible investment

The Board has endorsed Hg's policy to invest in a socially responsible manner. Hg's focus is on identifying high-quality and sustainable businesses, and supporting their growth for the benefit of shareholders and wider society. The Board monitors investment activity to ensure it is compatible with these policies. HGT has no employees and has limited direct impact on the environment. HGT aims to conduct itself responsibly, ethically and fairly and has sought to ensure that Hg's management of investments takes account of social, environmental and ethical factors where appropriate. The sectors in which the Manager invests do not generally raise material ethical issues.

Website

www.hgcapitaltrust.com is constantly updated to ensure that the you can always access HGT's latest data and information on your computer or mobile device in a transparent, convenient and intuitive manner.

If you have any suggestions on improvements we can make to the site, please do get in touch at: investorrelations@hgcapitaltrust.com

To view the HgCapital Trust website:

Key financials

NAV per Share:	440.5p
Share price (as at 31.12.21):	420.5p
Share price premium/ (discount) to NAV:	(4.6%)
Index:	FTSE 250
Net Assets:	£2.0 billion
Market capitalisation:	£1.9 billion
Shares in issue:	455,279,808
Continuation vote:	2025
Ticker code:	HGT

Management fee arrangements

For more information on the structure and fee arrangements for HgCapital Trust plc, please refer to the HgCapital Trust report and accounts, available at:
www.hgcapitaltrust.com

For further information regarding responsibility, please visit:

Calendar

AGM	10.05.22
Half-year	30.06.22
Interim results	12.09.22
Full-year	31.12.22
Final results	March 2023

Board of Directors

Jim Strang (Chairman)
Richard Brooman
Peter Dunscombe
Pilar Junco
Guy Wakeley
Anne West

Manager

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To view Hg's 2020/21 Responsible Investment report:

Important information

Please remember past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations. You may not get back the amount you invest. HgCapital Trust plc (HGT) is not authorised to give financial advice. This information should not be considered an offer, invitation, recommendation or solicitation to deal in investments. HGT has a long-term policy of borrowing money (gearing) in the expectation that this will improve returns but should stockmarkets fall, such borrowings would magnify losses on these investments. All sources are HGT unless otherwise stated. Issued and approved by Hg Pooled Management Limited, registered in England and Wales (company number 02055886) 2 More London Riverside, London, SE1 2AP. Authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN with firm reference 122466.