
INTERIM
REPORT
AND
ACCOUNTS
2016



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I am pleased to report that the six months ending 30 June 2016 has been a period of solid progress and growth for Oakley Capital Investments Limited (the "Company"). The strong performance of the Funds' portfolio companies and weakening of Sterling since 31 December 2015 contributed to a net asset value ("NAV") per share increase of 15p since 31 December 2015 and 33p since 30 June 2015.

In June 2016, Time Out Group plc was floated, raising £90 million (gross). As a result of the Initial Public Offering ("IPO"), the Company transferred its co-investments in Time Out Markets and Flypay to Time Out Group which, together with its direct investment in Time Out Group, valued the Company's direct holding at £47.2 million at the IPO price. The Company has further, indirect, exposure to Time Out Group plc through its investment in Oakley Capital Private Equity L.P. ("Fund I").

In the post balance sheet period, Oakley Capital Private Equity II ("Fund II") announced it had reached agreement to sell a controlling stake in Parship Elite Group, one of its portfolio companies, at a 3.6x money multiple, including the value of its retained interest. The sale is expected to return cash proceeds of approximately €44 million to the Company.

The Company has a capital commitment of €188 million to Fund I of which 95% had been called at 30 June 2016, making Fund I fully invested. During the first half of 2016, Fund I's fully owned subsidiary, Broadstone Holdco (Bermuda) Limited, sold its investment in Broadstone Finance Limited ("Broadstone"). The proceeds were receivable as at 30 June 2016.

The Company has a capital commitment of €200 million to Fund II, of which 57% had been called at 30 June 2016. At the date of

this statement, 65% of commitments have been called and 91% of commitments have been deployed, making Fund II also essentially fully invested.

The Company also made a capital commitment of €250 million to Fund III during the six-month period, of which 3% had been called at 30 June 2016. Fund III had no investments as at 30 June 2016.

PERFORMANCE

The NAV per share as at 30 June 2016 was £2.15, an increase of 7.5% since 31 December 2015, and an increase of 18.1% compared to 30 June 2015. Of the 15p uplift in NAV per share since 31 December 2015, 13p is attributable to the weakening of Sterling during the six-month period ending 30 June 2016. The strong performance of the Funds' portfolio companies contributed to an uplift of 9p which was partly offset by a fall in NAV per share of 7p due to the post-IPO share price of Time Out Group plc, which fell in the wake of the Brexit vote.

The Company's NAV increased by £25.3 million from £382.2 million at 31 December 2015 to £407.5 million at 30 June 2016. Of the total NAV as at June 2016, £59.5 million represents the fair value of its investment in Fund I, £125.9 million represents the fair value of its investment in Fund II, £4.5 million represents the fair value of its investment in Fund III and £110.4 million represents quoted and unquoted debt and equity securities provided directly to a number of the Funds' portfolio companies.

The Company also provided short-term revolving credit facilities to Fund I, Fund II, Oakley Capital GP II Limited ("GP II"), the general partner of Fund II and Oakley Capital GP III Limited ("GP III"), the general partner of

Fund III. As at 30 June 2016, an aggregate of £20.2 million of principal was outstanding under these facilities.

The remaining balance of £86.9 million was held by the Company as cash and cash equivalents and other net assets.

Whilst historically the Company has not generally invested directly in the Funds' portfolio companies, other than by the provision of debt finance, it is possible to "look through" each Fund to understand the impact of the performance of those portfolio companies on the investment values attributed to each Fund held by the Company.

From an investment portfolio perspective, the fair value of the Company's investment in Fund I increased during the reporting period from £56.3 million to £59.5 million as a result of FX movements, driven by the weakness in Sterling, and offsetting the underlying decline in the NAV of Fund I over the period, due to the fall in Time Out Group plc's share price. Fund I disposed of its investment in Broadstone during the reporting period and realised proceeds of €3.7 million for Fund I with expected deferred proceeds receivable of €5.4 million.

The fair value of the Company's investment in Fund II also increased during the period, from £102.1 million to £125.9 million. The main drivers for this increase was an uplift in fair value arising from improved trading performances in a number of Fund II's underlying portfolio companies and the weakening of Sterling over the reporting period.

During the period, the Company made follow-on equity co-investments in Time Out Mercado Limited ("Time Out Mercado") and Time Out Group HC Limited totalling £6.6 million.

On 14 June 2016, Time Out Group HC Limited completed its IPO and listed its shares on the Alternative Investment Market of the London Stock Exchange ("AIM"). On completion of the IPO and listing on AIM, Time Out Group HC Limited was re-registered as a public limited company and re-named Time Out Group plc. Immediately prior to the IPO, Time Out Group HC Limited re-organised its share capital into a single class of ordinary shares. Upon the re-organisation, Fund I received shares, through its fully owned subsidiaries, representing a 34.9% ownership interest in Time Out Group plc. The Company received shares in Time Out Group plc as repayment of loans to the Time Out Group companies and ordinary and preference shares held in Time Out Mercado, Flypay Limited ("Flypay") and Time Out Group HC Limited. The shares received by the Company represents a 24.2% ownership interest in Time Out Group plc. As at 30 June 2016, Time Out Group plc share price as quoted on AIM was £1.28 and the investment held directly by the Company had a market value of £40.1 million.

In addition to its investments in the Funds and co-investments, the Company has provided debt finance directly to a number of the Funds' portfolio companies. During the period, the Company provided debt financing of £5.2 million to Parship GmbH ("Parship") and follow-on debt financing to North Sails Apparel BV ("North Sails Apparel") of £10 million.

As part of the disposal of Broadstone by Fund I, the Company's loan to Broadstone of £11.2 million, including accrued interest, was repaid in full. During the period, the Company also received proceeds of £6.7 million as repayment for debt financing provided to Bellwood Limited and Damovo Holdco Limited ("Damovo").

POST BALANCE SHEET EVENTS

On 27 July 2016 Facile completed a refinancing of the business, raising a further €12.0 million of senior debt from its existing lenders. Together with excess cash, this resulted in a distribution to Limited Partners of €11.8 million. The Company received €4.5 million, representing 2.3% of commitments.

On 5 September 2016 it was announced that Fund II has reached an agreement to sell a controlling stake in Parship Elite Group, a leading online dating service in the German-speaking world, to ProSiebenSat.1 Media SE ("ProSiebenSat.1"), with Fund II and existing management retaining stakes totalling just under 50% of Parship Elite Group.

The transaction values the Company's indirect economic interest in Parship Elite Group at €67 million, including its expected net cash returns of approximately €44 million. This will result in an expected uplift of £25 million (77%) over the carrying value reported on 31 December 2015, equivalent to a 9.4p per share increase to the interim NAV previously announced for this reporting period.

This deal means that, since the initial acquisition 16 months ago, the equity investment has generated a 2.3x cash return and a money multiple of 3.6x overall, including Fund II's retained stake in the Group. In addition, the Company provided £5.2 million of debt to Parship Elite Group, which is to be repaid as part of the transaction.



FINANCIAL REPORT

THE COMPANY AND THE FUNDS

The Company currently achieves its investment objective primarily through its investments in three private equity funds (the "Funds"):

- Oakley Capital Private Equity L.P. ("Fund I");
- Oakley Capital Private Equity II-A L.P., which together with Oakley Capital Private Equity II-B L.P., Oakley Capital Private Equity II-C L.P. (collectively the "Fund II Feeder Funds") and OCPE II Master L.P. ("Fund II Master") comprise Oakley Capital Private Equity Fund II ("Fund II"); and
- Oakley Capital Private Equity III-A L.P., which together with Oakley Capital Private Equity III-B L.P., Oakley Capital Private Equity III-C L.P. (collectively the "Fund III Feeder Funds") and OCPE III Master L.P. ("Fund III Master") comprise Oakley Capital Private Equity Fund III ("Fund III").

The Funds are unlisted private equity funds established in Bermuda, which invest primarily in UK and European mid-market businesses with the aim of providing investors with significant long-term capital appreciation.

Oakley Capital (Bermuda) Limited (the "Manager"), a Bermudian company, acts as adviser and arranger to the Company and as the manager of Fund I. Oakley Capital Limited (the "Investment Adviser") acts as investment adviser to the Manager with respect to the Company, as the investment adviser to the Manager with respect to Fund I, and as the Investment Adviser to the general partner of the constituent limited partnerships of Fund II and Fund III.

The Investment Adviser is primarily responsible for advising the Manager (as the manager of Fund I), GP II (as general partner of the constituent limited partnerships of Fund II) and Oakley PE Management (Bermuda) Limited (as the manager of Fund III) on the investment and realisation of the assets of Fund I, Fund II and Fund III respectively.

The Funds' investment strategy is to invest in sectors that are growing or where consolidation is taking place. Within the core sector interests, the Funds invest in both performing and under-performing businesses, supporting buy-and-build strategies, businesses encountering rapid growth, or businesses undergoing significant operational or strategic change. Investing in a diverse range of portfolio companies, the Funds' objective is to work proactively with the portfolio companies' management teams, together with other stakeholders, in order to create substantial shareholder value.

The Funds look to acquire a controlling interest in companies with an enterprise value of between £20 million and £100 million, although companies with a lower enterprise value are considered where the Investment Adviser believes that anticipated returns justify the investment. The Funds aim to deliver in excess of 25% gross internal rate of return (IRR) per annum on investments. The life of each Fund is expected to be approximately 10 years, including a five year investment period.

MARKET BACKGROUND AND OUTLOOK

A week prior to the period end, the Brexit vote resulted in some initial shock and adverse market sentiment. Sterling fell to 1.1965 against the Euro by 30 June 2016. With a significant majority of the Company's investments denominated in Euros, the depreciation of Sterling has had a positive impact on the NAV of the Company.

The rapid formation of a new government with Theresa May as Prime Minister, has helped to stabilise UK markets, but post-referendum uncertainty still remains in the UK economy. Significant challenges lie ahead for the new government as it navigates Europe's reaction to Brexit and begins negotiations. A number of the Funds' portfolio companies have limited direct involvement in the UK and their business activities have remained relatively sheltered from any Brexit influence.

SUMMARY OF INVESTMENT ACTIVITY

The total value of all investments held by the Company increased by £46.7 million from £273.9 million at 31 December 2015 to £320.6 million at 30 June 2016. Of the increase, £31.5 million represents an increase in the fair value of its investments in the Funds, and new quoted equity securities in Time Out Group plc account for £40.1 million which replaced previous investments in unquoted equity securities of £25.9 million and loan investments of £7.2 million and additional investments in the period pre-IPO of £8.6 million.

The exchange rates used by the Company as at 30 June 2016 were a GBP:USD exchange rate of 1.3254 and a GBP:EUR exchange rate of 1.1965.

Loans comprised mezzanine and senior finance loans to certain of the Funds' portfolio companies.

Denominated in British Pounds (million)

Investment	Opening cost	Opening fair value	Investment additions	Realisations (cost relieved)	Closing cost	Change in unrealised gain/(loss)	Closing fair value
Investments held at 30 June 2016							
Investments in Funds							
Fund I	79.2	56.3	—	—	79.2	3.2	59.5
Fund II	69.2	102.1	—	—	69.2	23.8	125.9
Fund III	—	—	5.9	—	5.9	(1.4)	4.5
Total	148.4	158.4	5.9	—	154.3	25.6	189.9
Quoted equity securities							
Time Out Group plc	—	—	47.5	—	47.5	(7.4)	40.1
Total	—	—	47.5	—	47.5	(7.4)	40.1
Unquoted equity securities							
Time Out Group	25.9	25.9	6.6	(32.5)	—	—	—
Total	25.9	25.9	6.6	(32.5)	—	—	—
Senior Loans							
Time Out Group	5.2	5.4	—	(5.2)	—	(0.2)	—
North Sails	10.0	10.0	10.0	—	20.0	—	20.0
Total	15.2	15.4	10.0	(5.2)	20.0	(0.2)	20.0
Mezzanine Loans							
Time Out Group	9.3	9.6	—	(3.1)	6.2	(0.3)	6.2
Daisy	14.0	14.0	—	—	14.0	—	14.0
Total	23.3	23.6	—	(3.1)	20.2	(0.3)	20.2
Financing Loans							
Bellwood Holdings	2.6	2.6	—	(2.6)	—	—	—
Broadstone	6.0	6.0	—	(6.0)	—	—	—
Daisy	25.0	25.0	—	—	25.0	—	25.0
Damovo	4.1	4.1	—	(4.1)	—	—	—
Parship	—	—	5.2	—	5.2	—	5.2
Time Out Group	—	—	2.0	(2.0)	—	—	—
Total	37.7	37.7	7.2	(14.7)	30.2	—	30.2
Revolving Loan Facilities							
Fund I	10.4	10.4	—	(0.3)	10.1	(0.0)	10.1
Fund II	—	—	3.6	—	3.6	—	3.6
GP II	2.5	2.5	—	(1.0)	1.5	—	1.5
GP III	—	—	5.5	(0.5)	5.0	—	5.0
Total	12.9	12.9	9.1	(1.8)	20.2	(0.0)	20.2
Total Investments	263.4	273.9	86.3	(57.3)	292.4	17.7	320.6

Denominated in British Pounds (million)

Investment	Cost realised	Proceeds	Realised loss
Investments realised 2016			
Time Out Group	42.8	41.9	(0.9)
Broadstone	6.0	6.0	—
Bellwood	2.6	2.6	—
Damovo	4.1	4.1	—
Fund I Revolver	0.3	0.3	—
GP II Revolver	1.0	1.0	—
GP III Revolver	0.5	0.5	—
Total	57.3	56.4	(0.9)

The fair value of the Company's investment in Fund I increased by £3.2 million in the first half of 2016 mainly due to foreign exchange movements.

The fair value of the Company's investment in Fund II increased by £23.8 million in the first half of 2016. This was mainly due to increases in the values of the underlying portfolio businesses following strong performances.

During the first half of 2016, the Company made a capital commitment to Fund III of €250 million (£208.9 million). As at 30 June 2016, Fund III had not made any investments.

The quoted equity securities of £40.1 million relate to the Company's shares held in Time Out Group plc. The shares held represents a 24.2% ownership interest in Time Out Group plc.

The unquoted equity securities realised during the reporting period relates to co-investments in Time Out Group HC, Time Out Mercado and Flypay. As part of the Time Out IPO, the Company transferred its preference shares and ordinary shares held in Time Out Mercado and

its preference shares held in Flypay and Time Out Group HC Limited in exchange for ordinary shares in Time Out Group plc.

Loans comprised mezzanine, senior and financing loans to certain of the Funds' portfolio companies and short-term revolving credit facilities provided to Fund I, Fund II Master, GP II and GP III, thereby ensuring that un-invested cash continues to work for the Company, earning a positive return. At 30 June 2016 the total value of loans outstanding was £90.6 million.

Within the senior loan portfolio, a facility was provided to North Sails Apparel of £20.0 million which was fully drawn at 30 June 2016, including £10.0 million drawn in the period. The loan carries interest of 8% per annum and matures in May 2019.

As part of the Time Out IPO, senior and mezzanine loans provided by the Company to Time Out MC LLC and Time Out Group BC Limited were repaid with shares in Time Out Group plc.

The Company provided a financing loan of £5.2 million to Parship during the reporting period. The loan carries interest of 6% per annum and matures in December 2016.

As part of the disposal of Broadstone by Fund I, the Company's loan to Broadstone of £11.2 million (£6.0 million principal plus accrued interest) was repaid in full. During the period, the Company also received proceeds of £6.7 million as repayment for debt financing provided to Bellwood Limited and Damovo.

The Company provides revolving credit facilities to Fund I and Fund II Master. Each drawing under these facilities is generally for a term of six months at an interest rate of 6.5% per annum. The loans are used by the Funds to fund short-term cash requirements. As at 30 June 2016, the principal amount available under the revolving credit facility for Fund I was £5.0 million,

of which £0.5 million had been drawn down, and the principal amount available under the revolving credit facility for Fund II Master was £15.0 million, of which £3.6 million has been drawn down. The Company also provided a £10.0 million refinancing facility to Fund I. The facility has the same terms as the revolving credit facilities and as at 30 June 2016, Fund I had drawn £9.6 million under this facility.

In relation to the loans made by the Company to GP II, £1.0 million was repaid during the reporting period, leaving an aggregate of £1.5 million outstanding at 30 June 2016. The loans carry interest of 6.5% per annum.

During the reporting period, the Company provided loans to GP III in aggregate of £5.5 million of which £5.0 million was outstanding at 30 June 2016. The loans also carry interest of 6.5% per annum.

REVIEW OF INVESTMENTS

FUND I PORTFOLIO INVESTMENT ACTIVITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016

The table below summarises the investment activity of Fund I during the first half of 2016. The values are denominated in Euros and as at 30 June 2016 the Company held a 65.5% interest in Fund I. The GBP:EUR exchange rate as at 30 June 2016 was 1.1965.

Denominated in Euros (million)

Investment	Opening cost	Opening fair value	Investment additions	Investment disposals	Closing cost	Change in unrealised gain/(loss)	Closing fair value
Investments held at 30 June 2016							
Time Out Group plc	70.9	82.0	–	–	70.9	(25.0)	57.0
Educas	17.6	26.6	–	–	17.6	17.6	44.2
Educas Australia	4.1	5.0	–	–	4.1	1.2	6.2
Other	0.1	0.1	–	–	0.1	–	0.1
Total	92.7	113.7	–	–	92.7	(6.2)	107.5

Investments realised for the six months ended 30 June 2016

Broadstone	34.2	9.8	–	(28.8)	5.4	24.4	5.4
Total	34.2	9.8	–	(28.8)	5.4	24.4	5.4
Total Investments	126.9	123.5	–	(28.8)	98.1	18.2	112.9

Investment	Cost	Proceeds	Realised loss	Distributions
Realisations				
Broadstone	28.8	3.7	(25.1)	–
Total	28.8	3.7	(25.1)	–
Total distributions to Limited Partners 2016				
				–

The total decrease in the fair value of the portfolio companies of Fund I for the six months ended 30 June 2016 was €10.6 million. The change in values of the portfolio companies is attributable to two key factors:

Decrease of €6.2 million as a result of a net decrease to the fair values of the underlying portfolio companies of Fund I held at 30 June 2016:

Educas Investments LLP ("Educas") and Educas Australia LLP ("Educas Australia") showed an increase in fair value of €18.8 million due to significant growth in profitability, especially in the South African schools.

Time Out Group plc decreased in fair value due the post IPO share price decline of Time Out Group plc.

Decrease of €4.4 million as a result of investments in the underlying portfolio companies sold by Fund I:

Broadstone's Corporate Pensions and Benefits business was sold in the first half of 2016 by Fund I, realising €3.7 million for Fund I. The proceeds were receivable as at 30 June 2016. As at 30 June 2016, the fair value of Broadstone was based on expected deferred consideration receivables of €5.4 million.

**FUND II PORTFOLIO INVESTMENT ACTIVITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016**

The table below summarises the investment activity of Fund II during the first half of 2016. The values are denominated in Euros. The Company holds 60.45% interest in Oakley Capital Private Equity II-A L.P. which in turn holds 63.10% in Fund II, providing an effective interest of 38.14% in Fund II. The GBP:EUR exchange rate as at 30 June 2016 was 1.1965.

Denominated in Euros (million)

Investment	Opening cost	Opening fair value	Investment additions	Investment disposals	Closing cost	Change in unrealised gain/(loss)	Closing fair value
Investments held at 30 June 2016							
North Sails	70.4	97.3	3.2	–	73.6	(1.3)	99.2
Educas Europe	24.1	38.0	–	–	24.1	7.3	45.3
Facile	56.3	123.3	–	–	56.3	2.1	125.4
Host Europe	20.0	26.4	–	–	20.0	2.4	28.8
Damovo	10.5	16.3	–	–	10.5	1.1	17.4
Parship	55.8	107.9	–	–	55.8	26.5	134.4
Daisy	22.3	21.3	–	–	22.3	(2.5)	18.8
Educas Americas	2.8	2.8	–	–	2.8	–	2.8
Verivox	20.6	20.6	–	–	20.6	8.5	29.1
Total investments	282.8	453.9	3.2	–	286.0	44.1	501.2

The total increase in the fair value of the portfolio companies of Fund II for the six months ended 30 June 2016 was €47.3 million. The change in values of the portfolio companies is attributable to two key factors:

Increase of €3.2 million as a result of additional funding into existing portfolio companies made by Fund II:

Fund II made a follow-on investment of €3.2 million in the North Sails Group ("North Sails").

Increase of €44.1 million as a result of a net increase to the fair values of the underlying portfolio companies of Fund II held at 30 June 2016:

The portfolio companies generally performed very strongly, in particular Parship, resulting in significant increases in fair value as shown in the above table.

Foreign exchange movements account for the change in the fair value of Daisy Group Limited ("Daisy") and North Sails.

CO-INVESTMENT ACTIVITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016

The table below summarises the co-investment activity of the Company during the first half of 2016.

Denominated in British Pounds (million)

Investment	Opening cost	Opening fair value	Investment additions	Investment disposals	Closing cost	Change in unrealised gain/(loss)	Closing fair value
Investments held at 30 June 2016							
Time Out Group	40.4	40.9	8.6	(42.8)	6.2	(0.5)	6.2
Time Out Group plc	–	–	47.5	–	47.5	(7.4)	40.1
Broadstone	6.0	6.0	–	(6.0)	–	–	–
North Sails	10.0	10.0	10.0	–	20.0	–	20.0
Daisy	39.0	39.0	–	–	39.0	–	39.0
Damovo	4.1	4.1	–	(4.1)	–	–	–
Parship	–	–	5.2	–	5.2	–	5.2
Total investments	99.5	100.0	71.3	(52.9)	117.9	(7.9)	110.5

Investment	Cost	Proceeds	Realised gain
Realisations 2016			
Time Out Group	42.8	41.9	(0.9)
Broadstone	6.0	6.0	–
Damovo	4.1	4.1	–
Total	52.9	52.0	(0.9)

The total increase in the fair value of the Company's co-investments for the six months ended 30 June 2016 was £10.5 million. The change in values of the co-investments is attributable to three key factors:

Increase of £15.2 million as a result of new and follow-on investments made by the Company:

North Sails Apparel drew an additional £10.0 million on the financing facility provided by the Company. The loan carries interest of 8% per annum and matures in May 2019.

The Company provided a financing loan of £5.2 million to Parship during the reporting period. The loan carries interest of 6% per annum and matures in December 2016.

Decrease of £10.1 million as a result of a loan repayments to the Company:

As part of the disposal of Broadstone by Fund I, the Company's loan to Broadstone of £6.0 million (principal) was repaid in full. The Company also received proceeds of £4.1 million as repayment for debt financing provided to Damovo.

Net increase of £5.4 million as a result of follow-on investments made in Time Out Group and the IPO of Time Out Group plc:

The Company made follow-on co-investments in equity in Time Out Mercado Limited and Time Out Group HC Limited totalling £6.6 million and a financing loan to Time Out Group HC Limited of £2.0 million.

Upon the IPO of Time Out Group plc, the Company received 10 million shares in Time Out Group plc as repayment of loans to the Time Out Group companies and 21.4 million shares for ordinary and preference shares held in Time Out Mercado, Flypay and Time Out Group HC Limited.

At 30 June 2016, £6.2 million was outstanding on the Time Out Bermuda Limited mezzanine loan.

Christopher Wetherhill
Chairman
16 September 2016

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

STATEMENTS OF ASSETS AND LIABILITIES

FOR THE PERIODS ENDED 30 JUNE 2016 AND 2015
AND THE FISCAL YEAR ENDED 31 DECEMBER 2015

(Expressed in British Pounds)

	Notes	Unaudited six months ended 30.06.16 £	Unaudited six months ended 30.06.15 £	Audited year ended 31.12.15 £
Assets				
Investments	2c, 5, 7	320,543,420	189,040,465	273,888,150
Cash and cash equivalents	3	80,940,633	156,719,125	95,519,939
Accrued interest and accounts receivable		8,285,207	14,166,042	15,328,153
Other receivables		114,458	100,086	5,079
Total assets		409,883,718	360,025,718	384,741,321
Liabilities				
Accounts payable and accrued expenses		2,416,971	1,253,288	2,590,835
Total liabilities		2,416,971	1,253,288	2,590,835
Net assets attributable to shareholders		407,466,747	358,772,430	382,150,486
Represented by:				
Share capital		2,069,129	2,077,321	2,069,129
Share premium		246,235,037	246,412,310	246,244,260
Retained earnings		184,176,544	125,230,532	157,006,355
		432,480,710	373,720,163	405,319,744
Less: Treasury Stock		(25,013,963)	(14,947,733)	(23,169,258)
		407,466,747	358,772,430	382,150,486
Number of shares outstanding	9	189,804,036	197,097,941	191,078,315
Net asset value per share		2.15	1.82	2.00

The notes following form an integral part of these financial statements.

SCHEDULES OF INVESTMENTS

FOR THE PERIODS ENDED 30 JUNE 2016 AND 2015
AND THE FISCAL YEAR ENDED 31 DECEMBER 2015

(Expressed in British Pounds)

30 June 2016	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
Investments in funds					
Bermuda					
Oakley Capital Private Equity L.P.	14.61%	65.50%	79,164,917	59,527,417	
Oakley Capital Private Equity II-A L.P.	30.90%	60.45%	69,256,073	125,890,494	
Oakley Capital Private Equity III-A L.P.	1.11%	83.33%	5,934,750	4,505,270	
Total investments in funds	46.62%		154,355,740	189,923,181	
Quoted equity securities					
United Kingdom					
Time Out Group plc	9.84%		47,469,832	40,081,391	
Total quoted equity securities	9.84%		47,469,832	40,081,391	
Unquoted debt securities					
Investments in senior loan notes					
Netherlands					
North Sails					
Interest at 8% p.a.					
Maturity date May 2019	4.91%		£20,000,000	20,000,000	20,000,000
Total senior loan notes	4.91%		20,000,000	20,000,000	
Investments in mezzanine loans					
United Kingdom					
Daisy					
Interest rate at 15% p.a.					
Maturity date March 2022	3.45%		£14,000,000	14,060,588	14,060,588
Time Out (Bermuda)					
Interest rate at 10% p.a.					
Maturity date December 2017	1.52%		£6,200,000	6,200,000	6,200,000
Total mezzanine loans	4.97%		20,260,588	20,260,588	

30 June 2016 (continued)	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
Investments in financing loan facilities					
Germany					
Parship					
Interest at 6% p.a.					
Maturity date December 2016	1.27%		£5,172,059	5,172,059	5,172,059
United Kingdom					
Daisy					
Interest at 6.5% p.a.					
Maturity date August 2016	6.12%		£24,932,382	24,932,382	24,932,382
Total financing loan facility	7.39%		30,104,441	30,104,441	
Investments in revolving loan facilities					
Bermuda					
Oakley Capital Private Equity L.P.					
Interest at 6.5% p.a.	2.47%		£10,055,398	10,055,398	10,055,398
OCPE II Master L.P.					
Interest at 6.5% p.a.	0.89%		£3,629,700	3,629,700	3,629,700
Oakley Capital GP II Ltd					
Interest at 6.5% p.a.	0.37%		£1,500,000	1,500,000	1,500,000
Oakley Capital GP III Ltd					
Interest at 6.5% p.a.	1.22%		£4,988,721	4,988,721	4,988,721
Total revolving loan facilities	4.95%		20,173,819	20,173,819	
Total investments	78.68%		292,364,420	320,543,420	

The notes following form an integral part of these financial statements.

SCHEDULES OF INVESTMENTS

FOR THE PERIODS ENDED 30 JUNE 2016 AND 2015
AND THE FISCAL YEAR ENDED 31 DECEMBER 2015

(Expressed in British Pounds)

30 June 2015	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
Investments in funds					
Bermuda					
Oakley Capital Private Equity L.P.	22.24%	65.50%	73,297,935	79,807,407	
Oakley Capital Private Equity II-A L.P.	16.55%	60.45%	61,246,471	59,392,696	
Total investments in funds	38.79%		134,544,406	139,200,103	
Unquoted equity securities					
Portugal					
Time Out Mercado Limited	0.90%		€4,566,658	3,245,524	3,238,674
Total unquoted equity securities	0.90%			3,245,524	3,238,674
Unquoted debt securities					
Investments in senior loan notes					
Netherlands					
North Sails					
Interest at 8% p.a.					
Maturity date November 2018	0.35%		£1,250,000	1,250,000	1,250,000
United Kingdom					
Time Out London					
Interest at 10% p.a.					
Maturity date March 2016	0.86%		£3,070,482	3,070,482	3,070,482
United States					
Time Out New York					
Interest at 8.5% p.a.					
Maturity date May 2016	0.60%		\$3,400,000	2,109,020	2,162,060
Total senior loan notes	1.81%			6,429,502	6,482,542
Investments in mezzanine loans					
United Kingdom					
Broadstone					
Interest rate at 6% p.a.					
Maturity date November 2015	1.67%		£6,000,000	6,000,000	6,000,000

30 June 2015 (continued)	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
Time Out London					
Interest rate at 10% p.a.					
Maturity date November 2015	1.73%		£6,200,000	6,200,000	6,200,000
United States					
Time Out New York					
Interest rate at 15% p.a.					
Maturity date May 2018	0.89%		\$5,000,000	3,101,500	3,179,500
Total mezzanine loans	4.29%			15,301,500	15,379,500
Investments in financing loan facilities					
Germany					
Bellwood Holdings Ltd					
Interest at 6% p.a.					
Maturity date January 2016	0.73%		£2,625,000	2,625,000	2,625,000
Damovo					
Interest at 5.7% p.a.					
Maturity date May 2016	0.15%		£530,000	530,000	530,000
Total financing loan facilities	0.88%			3,155,000	3,155,000
Investments in revolving loan facilities					
Bermuda					
Oakley Capital Private Equity L.P.					
Interest at 6.5% p.a.	4.17%		£14,968,717	14,968,717	14,968,717
OCPE II Master L.P.					
Interest at 6.5% p.a.	0.87%		£3,115,929	3,115,929	3,115,929
Oakley Capital GP II Ltd					
Interest at 6.5% p.a.	0.98%		£3,500,000	3,500,000	3,500,000
Total revolving loan facilities	6.02%			21,584,646	21,584,646
Total investments	52.69%			184,260,578	189,040,465

The notes following form an integral part of these financial statements.

SCHEDULES OF INVESTMENTS

FOR THE PERIODS ENDED 30 JUNE 2016 AND 2015
AND THE FISCAL YEAR ENDED 31 DECEMBER 2015

(Expressed in British Pounds)

31 December 2015	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
Investments in funds					
Bermuda					
Oakley Capital Private Equity L.P.	14.74%	65.50%	79,164,916	56,317,561	
Oakley Capital Private Equity II-A L.P.	26.70%	60.45%	69,256,073	102,051,432	
Total investments in funds	41.44%		148,420,989	158,368,993	
Unquoted equity securities					
Portugal					
Time Out Mercado (ordinary)	0.00%		£18	18	18
Time Out Mercado (preferred)	1.46%		€7,715,973	5,490,090	5,563,649
United Kingdom					
Flypay (preferred)	1.86%		£7,115,360	7,115,360	7,115,360
Time Out London (preferred)	3.47%		£13,270,620	13,270,620	13,270,620
Total unquoted equity securities	6.79%		25,876,088	25,949,647	
Unquoted debt securities					
Investments in senior loan notes					
Netherlands					
North Sails					
Interest at 8% p.a.					
Maturity date November 2018	2.62%		£10,000,000	10,000,000	10,000,000
United Kingdom					
Time Out London					
Interest at 10% p.a.					
Maturity date December 2017	0.80%		£3,070,482	3,070,482	3,070,482
United States					
Time Out New York					
Interest at 8.5% p.a.					
Maturity date December 2017	0.60%		\$3,400,000	2,109,020	2,303,160
Total senior loan notes	4.02%		15,179,502	15,373,642	
Investments in mezzanine loans					
United Kingdom					
Daisy					
Interest rate at 15% p.a.					
Maturity date March 2022	3.68%		£14,000,000	14,060,588	14,060,588
Time Out London					
Interest rate at 10% p.a.					
Maturity date December 2017	1.62%		£6,200,000	6,200,000	6,200,000

31 December 2015 (continued)	Fair value as a percentage of net assets	Percentage interest	Principal amount	Cost £	Fair value £
United States					
Time Out New York					
Interest rate at 15% p.a.					
Maturity date May 2018	0.89%		\$5,000,000	3,101,500	3,387,000
Total mezzanine loans	6.19%		23,362,088	23,647,588	
Investment in financing loan facility					
United Kingdom					
Bellwood					
Interest at 6% p.a.					
Maturity date February 2016	0.69%		£2,625,000	2,625,000	2,625,000
Broadstone					
Interest at 6% p.a.					
Maturity date May 2016	1.57%		£6,000,000	6,000,000	6,000,000
Daisy					
Interest at 6.5% p.a.					
Maturity date June 2016	6.52%		£24,932,382	24,932,382	24,932,382
Damovo					
Interest at 5.7% p.a.					
Maturity date May 2016	1.08%		£4,130,000	4,130,000	4,130,000
Total financing loan facility	9.86%		37,687,382	37,687,382	
Investments in revolving loan facilities					
Bermuda					
Oakley Capital Private Equity L.P.					
Interest at 6.5% p.a.	2.51%		£9,587,398	9,587,398	9,587,398
OCPE II Master L.P.					
Interest at 6.5% p.a.	0.20%		£773,500	773,500	773,500
Oakley Capital GP II Ltd					
Interest at 6.5% p.a.	0.65%		£2,500,000	2,500,000	2,500,000
Total revolving loan facilities	3.36%		12,860,898	12,860,898	
Total investments	71.66%		263,386,947	273,888,150	

For details of the underlying investments of the Fund, please refer to Note 7.
The notes following form an integral part of these financial statements.

STATEMENTS OF OPERATIONS

FOR THE PERIODS ENDED 30 JUNE 2016 AND 2015
AND THE FISCAL YEAR ENDED 31 DECEMBER 2015

(Expressed in British Pounds)

	Notes	Unaudited six months ended 30.06.16 £	Unaudited six months ended 30.06.15 £	Audited year ended 31.12.15 £
Investment income				
Interest income		7,144,470	1,862,426	5,053,548
Withholding tax on interest		—	(204,485)	(235,297)
Miscellaneous		100,000	30,000	597,176
Total income		7,244,470	1,687,941	5,415,427
Expenses				
Management fees	4	2,304,173	888,534	5,175,574
Performance fees	4	606,701	—	—
Professional fees	6	454,168	830,250	1,431,806
Other		97,101	269,095	490,075
Interest expense		62	—	1,718
Total expenses		3,462,205	1,987,879	7,099,173
Net investment income/(loss)		3,782,265	(299,938)	(1,683,746)
Realised and unrealised gains and (losses) on foreign exchange and investments				
Net realised gain/(loss) on foreign exchange		9,260,459	(3,555,742)	(1,906,689)
Net change in unrealised loss on foreign exchange		(2,692,222)	(27,502)	(93,537)
Net realised (loss)/gain on investments		(858,110)	3,079,525	29,040,535
Net change in unrealised appreciation/(depreciation) on investments		17,677,797	(9,398,049)	(3,782,447)
Net realised and unrealised gain/(loss) on foreign exchange and investments		23,387,924	(9,901,768)	23,257,862
Net increase/(decrease) in net assets resulting from operations		27,170,189	(10,201,706)	21,574,116
Net gain/(loss) per share		0.14	(0.05)	0.10

The notes following form an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE PERIODS ENDED 30 JUNE 2016 AND 2015
AND THE FISCAL YEAR ENDED 31 DECEMBER 2015

(Expressed in British Pounds)

	Unaudited six months ended 30.06.16 £	Unaudited six months ended 30.06.15 £	Audited year ended 31.12.15 £
Net increase/(decrease) in net assets resulting from operations			
Net investment income/(loss)	3,782,265	(299,938)	(1,683,746)
Net realised gain/(loss) on foreign exchange	9,260,459	(3,555,742)	(1,906,689)
Net change in unrealised loss on foreign exchange	(2,692,222)	(27,502)	(93,537)
Net realised (loss)/gain on investments	(858,110)	3,079,525	29,040,535
Net change in unrealised appreciation/(depreciation) on investments	17,677,797	(9,398,049)	(3,782,447)
Net increase/(decrease) in net assets resulting from operations	27,170,189	(10,201,706)	21,574,116
Net (decrease)/increase in net assets resulting from capital transactions			
Ordinary shares sold	—	126,822,790	126,822,790
Treasury shares sold	—	1,421,399	1,421,399
Treasury shares repurchased	(1,853,928)	(16,192,891)	(24,590,657)
Net (decrease)/increase in net assets resulting from capital transactions	(1,853,928)	112,051,298	103,653,532
Net increase in net assets	25,316,261	101,849,592	125,227,648
Net assets at beginning of period/year	382,150,486	256,922,838	256,922,838
Net assets at end of period/year	407,466,747	358,772,430	382,150,486

The notes following form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED 30 JUNE 2016 AND 2015
AND THE FISCAL YEAR ENDED 31 DECEMBER 2015

(Expressed in British Pounds)

	Unaudited six months ended 30.06.16 £	Unaudited six months ended 30.06.15 £	Audited year ended 31.12.15 £
Cash flows from operating activities			
Net increase/(decrease) in net assets resulting from operations	27,170,189	(10,201,706)	21,574,116
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash used in operating activities:			
Net realised and unrealised (gain)/loss on foreign exchange and investments	(23,387,924)	9,901,768	(23,257,862)
Payments for purchases of investments	(38,830,243)	(22,066,253)	(133,335,581)
Proceeds on disposal of investments	14,571,779	34,854,526	92,852,781
Change in accrued interest and accounts receivable	1,465,827	28,716,120	27,554,009
Change in other receivables	(109,379)	(78,242)	16,765
Change in accounts payable and accrued expenses	(173,864)	242,641	1,580,188
Net cash used in operating activities	(19,293,615)	41,368,854	(13,015,584)
Cash flows from financing transactions			
Proceeds from ordinary shares sold	—	126,822,790	126,822,790
Proceeds from treasury shares sold	—	1,421,399	1,421,399
Payments for treasury shares repurchased	(1,853,928)	(16,192,891)	(24,590,657)
Cash used in financing transactions	(1,853,928)	112,051,298	103,653,532
Net effect of foreign exchange gain/(loss)	6,568,237	(3,583,244)	(2,000,226)
Net (decrease)/increase in cash and cash equivalents	(14,579,306)	149,836,908	88,637,722
Cash and cash equivalents at beginning of period/year	95,519,939	6,882,217	6,882,217
Cash and cash equivalents at end of period/year	80,940,633	156,719,125	95,519,939
Interest paid during the period/year	62	—	1,718

The notes following form an integral part of these financial statements.

1. THE COMPANY

Oakley Capital Investments Limited (the “Company”) is a closed-end investment company incorporated under the laws of Bermuda on 28 June 2007. The principal objective of the Company is to achieve capital appreciation through investments in a diversified portfolio of private mid-market businesses, primarily in the UK and Europe. The Company currently achieves its investment objective primarily through its investments in three private equity funds (the “Funds”), Oakley Capital Private Equity L.P. (“Fund I”), an exempted limited partnership established in Bermuda, Oakley Capital Private Equity II-A L.P., which together with Oakley Capital Private Equity II-B L.P., Oakley Capital Private Equity II-C L.P. (collectively the “Fund II Feeder Funds”) and OCPPE II Master L.P. (the “Fund II Master”) comprise Oakley Capital Private Equity Fund II (“Fund II”), and Oakley Capital Private Equity III-A L.P., which together with Oakley Capital Private Equity III-B L.P., Oakley Capital Private Equity III-C L.P. (collectively the “Fund III Feeder Funds”) and OCPPE III Master L.P. (the “Fund III Master”) comprise Oakley Capital Private Equity Fund III (“Fund III”). The Company’s manager is Oakley Capital (Bermuda) Limited (the “Manager”), whose investment adviser in relation to the Company is Oakley Capital Limited (the “Investment Adviser”). The Company, the Manager, the Investment Adviser, the general partner of each Fund and the Company’s administrator, Mayflower Management Services (Bermuda) Limited (the “Administrator”) have directors in common.

The Company listed on the AIM market of the London Stock Exchange on 3 August 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles. The Company is an investment company and follows the accounting and reporting guidance contained within Topic 946 of the FASB Accounting Standards Codification (“ASC”).

b) Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets during the reporting period. Actual results could differ from those estimates.

c) Investment valuation

Funds

Security transactions are accounted for on a trade date basis based on the capital drawdown and distribution dates for proceeds received from the Funds. The Company’s investment in each Fund is valued at the balance of the Company’s capital account in that Fund as at the reporting date. Any difference between the net capital invested and the balance on the Company’s capital account in each Fund is recognised in the net change in unrealised appreciation and depreciation on investments in the Statements of Operations.

The Funds value their investments at fair value and recognise gains and losses on security transactions using the specific cost method.

Unquoted equity securities

Security transactions are accounted for on a trade date basis. Subsequent to initial recognition the securities are valued on a fair value basis.

Realised and unrealised gains and losses are determined by the specific cost method and are reflected in the Statements of Operations.

Unquoted debt securities (mezzanine loans, senior loans and revolving loan facilities)

Mezzanine loans, senior loans, finance loans and revolving loan facilities are initially valued at the price the loan was granted. Subsequent to initial recognition the loans are valued on a fair value basis taking into account market conditions and the operating performance and financial condition of the borrower.

Realised gains and losses are recorded when the acquired security is subsequently realised. The net realised gains and losses on sale of securities are determined using the specific cost method and are reflected in the Statements of Operations.

The Company is subject to the provisions of the FASB guidance on Fair Value Measurements and Disclosure (ASC 820). ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with U.S. generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 establishes a hierarchical disclosure framework which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active market quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring their fair value.

The hierarchy of inputs is summarised below.

Level 1 – quoted prices in active markets for identical investments.

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit spreads, etc.).

Level 3 – significant unobservable inputs (including the Investment Adviser's own assumptions in determining the fair value of investments).

The inputs and methodologies used in valuing securities are not necessarily an indication of the risks associated with investing in those securities.

Securities traded on a national stock exchange are valued at the last reported price on the valuation date and are categorised as Level 1 within the fair value hierarchy.

When prices are not readily available, or are determined not to reflect fair value, the Company may value these securities at fair value as determined in accordance with the procedures approved by the Investment Adviser.

Level 2 securities are valued using representative brokers' prices, quoted prices for similar investments, published reports or third-party valuations.

Level 3 securities are valued at the discretion of the Investment Adviser. In these circumstances, the Investment Adviser will use consistent fair valuation criteria and the Company may obtain independent appraisals.

The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

d) Income recognition

Interest income and expenses are recognised on the accruals basis.

e) Foreign currency translation

Investments and other monetary assets and liabilities denominated in foreign currencies are translated into British Pound amounts at exchange rates prevailing at the reporting date. Capital drawdowns and proceeds of distributions from the Fund and foreign currencies and income and expense items denominated in foreign currencies are translated into British Pound amounts at the exchange rate on the respective dates of such transactions.

Foreign exchange gains and losses on other monetary assets and liabilities are recognised in net realised and unrealised gain or loss on foreign exchange in the Statements of Operations.

The Company does not isolate unrealised or realised foreign exchange gains and losses arising from changes in the fair value of investments. All such foreign exchange gains and losses are included with the net realised and unrealised gain or loss on investments in the Statements of Operations.

f) Cash and cash equivalents

The Company considers all short-term deposits with a maturity of 90 days or less as equivalent to cash.

g) Treasury stock

Treasury shares are included at cost as a reduction in shareholder's equity. Gains or losses resulting from the subsequent sale of treasury shares are recorded as an adjustment to equity.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	Unaudited six months ended 30.06.16 £	Unaudited six months ended 30.06.15 £	Audited year ended 31.12.15 £
Cash	45,717,153	156,496,589	67,296,902
Short-term deposits	35,223,480	222,536	28,223,037
Total cash and cash equivalents	80,940,633	156,719,125	95,519,939

4. MANAGEMENT AND PERFORMANCE FEES

- a) The Company has entered into a Management Agreement with the Manager to manage the Company's investment portfolio. The Manager does not receive a management fee from the Company in respect of funds either committed or invested by the Company in the Funds or any successor fund managed by the Manager. The Manager does receive a management fee at the rate of 1% per annum in respect of assets that are not committed to the Funds or any successor fund (but including the proceeds of any realisations), which are invested in cash, cash deposits or near cash deposits and a management fee at the rate of 2% per annum in respect of those funds which are invested directly in co-investments. The management fee is payable monthly in arrears.

As part of the Company's investment in Fund III, the Company agreed to pay Oakley PE Management (Bermuda) Limited, the Manager of Fund III, an option fee of €1,500,000 to secure the option to increase the Company's commitment in Fund III by an additional €150,000,000 at any time on or prior to 31 December 2016. The option fee is included in management fees for the period ending 30 June 2016.

During the period ended 30 June 2016, the Company incurred management fees of £2,304,173 (30 June 2015: £888,534; 31 December 2015: £5,175,574). During October 2015, the Company undertook a review of management fees paid to the Manager since inception. Following such review, it was determined that management fees had been underpaid by £2,797,887, primarily as a result of certain co-investments made by the Company being excluded from the management fee calculation or being included in the management fee calculation but charged at a rate of 1% instead of 2%. This amount is included in the 31 December 2015 management fee expense of £5,175,574.

The Manager also receives a performance fee of 20% of the excess of the amount earned by the Company over and above an 8% per annum hurdle rate on any monies invested as a co-investment with the Funds. Any co-investment is treated as a segregated pool of investments by the Company. If the calculation period is greater than one year, the hurdle rate is compounded on each anniversary of the start of the calculation period for each segregated co-investment.

If the amount earned does not exceed the hurdle rate on any given co-investment, that co-investment is included in the next calculation so that the hurdle rate is measured across both co-investments. No previous payments of performance fee will be affected if any co-investment does not reach the hurdle rate of the return. During the period ended 30 June 2016, the Company incurred performance fees of £606,701 (30 June 2015: £nil; 31 December 2015: £nil).

- b) The Manager has entered into an Investment Adviser Agreement with the Investment Adviser to advise the Manager on the investment of the assets of the Company. The Investment Adviser does not receive a management or performance fee from the Company. Any fees due to the Investment Adviser are paid by the Manager out of the management fees it receives from the Company.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following is a summary of the inputs used in valuing the Company's assets carried at fair value:

	30.06.16 £	30.06.15 £	31.12.15 £
Investments in securities	320,543,420	189,040,465	273,888,150

The instruments comprising investments in securities are disclosed in the Schedules of Investments. The Company has investments in private equity limited partnerships. The investments are included at fair value based on the Company's balance of its capital account in each Fund. The valuation of non-public investments requires significant judgment by the Funds' investment adviser in consultation with the Funds' manager and/or general partner due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such investments. Private equity investments are valued initially based upon the transaction price. Valuations are reviewed periodically utilising available market data to determine if the carrying value of these investments requires adjustment. Such market data primarily includes observations of the trading multiples of public companies considered comparable to the private companies being valued. A variety of additional factors are considered by the Funds' investment adviser, including, but not limited to, financing and sales transactions with third parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third-party financing environment. Due to the inherent uncertainty of valuing unquoted private equity investments, the estimated fair values may differ from the values that would have been used had a ready market for such investments existed and such differences may be material.

Unquoted equity investments are valued initially based upon transaction price. Subsequent to initial recognition, the equity investments are valued on a fair value basis taking into account market conditions and the operating performance and financial condition of the investment.

Mezzanine loans, senior loans, finance loans and revolving loan facilities are valued at the principal amount for which the relevant loan was granted. For the purposes of these financial statements, the Investment Adviser conducted a fair value exercise of the loans taking into account market conditions and the operating performance and financial condition of the borrower to ensure that valuing the loans at their principal amount was not materially different to their fair values. Such fair values were determined based on a discounted cash flow valuation approach consistent with prior years. The discount rate used to value the mezzanine loans was 15%, the discount rate for the secured loans was 8.5% and the discount rate for the revolving loan facilities was 6.5%. A discount rate of 10% was used for the mezzanine and secured loans provided to Time Out (Bermuda) Limited and Time Out Group BC Limited. A discount rate of 6% was used for the financing loan provided to Bellwood Holdings Ltd, Broadstone and Parship. A discount rate of 5.7% was used for the financing loan provided to Damovo. A discount rate of 8% was used for the senior loan to North Sails. A discount rate of 6.5% was used for the financing loan provided to Daisy. A discount rate of 8% was used for the financing loan provided to Time Out Group HC Limited.

The Company's policy is to recognise transfers into and out of the various levels as of the end of the period or the date of the change in circumstances that caused the transfer.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Investment in securities 30.06.16 £	Investment in securities 30.06.15 £	Investment in securities 31.12.15 £
Investment in the funds			
Fair value at beginning of period/year	158,368,993	151,856,188	151,856,188
Purchases	5,934,750	8,524,800	27,146,097
Proceeds on realisation	—	(14,918,853)	(45,518,862)
Realised gain on realisation	—	3,079,525	29,040,535
Net change in unrealised appreciation/(depreciation) on investments	25,619,438	(9,341,557)	(4,154,965)
Fair value at end of period/year	189,923,181	139,200,103	158,368,993
Unquoted equity securities			
Fair value at beginning of period/year	25,949,647	—	—
Purchases	6,593,734	3,245,524	25,876,087
Accrued interest capitalised in share conversion	1,417,561	—	—
Realised loss on share conversion	(1,417,551)	—	—
Shares transferred to quoted equity securities (Level 1)	(32,469,832)	—	—
Net change in unrealised (depreciation)/appreciation on investments	(73,559)	(6,850)	73,560
Fair value at end of period/year	—	3,238,674	25,949,647
Unquoted debt securities			
Fair value at beginning of period/year	89,569,510	56,291,074	56,291,074
Purchases	26,301,759	10,295,929	80,313,397
Proceeds on disposal	(14,571,779)	(19,935,673)	(47,333,919)
Accrued interest capitalised in share conversion	4,159,558	—	—
Realised gain on share conversion	559,440	—	—
Debt transferred to quoted equity securities (Level 1)	(15,000,000)	—	—
Net change in unrealised (depreciation)/appreciation on investments	(479,640)	(49,642)	298,958
Unquoted debt securities, fair value at end of period/year	90,538,848	46,601,688	89,569,510
Fair value of Level 3 investments at end of period/year	280,462,029	189,040,465	273,888,150

The following is a reconciliation of Level 1 investments.

	Investment in securities 30.06.16 £	Investment in securities 30.06.15 £	Investment in securities 31.12.15 £
Quoted equity securities			
Fair value at beginning of period/year	—	—	—
Shares transferred from unquoted equity securities	47,469,832	—	—
Net change in unrealised depreciation on investments	(7,388,441)	—	—
Fair value of Level 1 investments at end of period/year	40,081,391	—	—

During the period ended 30 June 2016, the Time Out Group unquoted debt and equity securities classified as Level 3 were exchanged for listed shares of Time Out Group plc as part of the reorganisation in the Initial Public Offering ("IPO") of Time Out Group plc (refer to note 7).

Of the investments held by the Funds, 12.5% are classified as Level 1 investments and 87.5% are classified as Level 3 investments for the period ended 30 June 2016 (30 June 2015: 100% Level 3, 31 December 2015: 100% Level 3).

6. ADMINISTRATION FEE

Under the terms of the Company Administration Agreement dated 30 July 2007 between Mayflower Management Services (Bermuda) Limited (the "Administrator") and the Company, the Administrator receives an annual administration fee at prevailing commercial rates. During the period ended 30 June 2016, the Company incurred administration fees of £202,386 (30 June 2015: £99,406, 31 December 2015: £381,249), which is included in professional fees in the Statements of Operations.

7. INVESTMENTS

Funds

The Company has committed substantially all of its capital to the Funds. The Funds' primary objective is to invest in a diversified portfolio of private mid-market UK and European businesses, aiming to provide investors with significant long-term capital appreciation. The investments in the Funds are denominated in Euros. Fund I has an initial period of ten years from its final closing date of 30 November 2009, Fund II has an initial period of ten years from its final closing date of 29 December 2014 and Fund III has an initial period of ten years from its final closing date (which is yet to be determined); however the life of each Fund may be extended, at the discretion of its general partner, by up to three additional one-year periods, to provide for the orderly realisation of investments. The Funds will make distributions as their investments are realised.

The Company's share of the total capital called by Fund I to 30 June 2016 was £149,590,103 (£178,978,348) (30 June 2015: £124,927,263 (£176,152,373); 31 December 2015: £131,745,962 (£178,978,348)). In November 2015, Fund I recycled 3.0% (£3,981,797 (£5,651,948)) of the capital commitments that had been previously distributed. Of the Company's total capital commitments in Fund I, 95% has been called.

The Company's share of the total capital called by Fund II to 30 June 2016 was £95,281,200 (£114,000,000) (30 June 2015: £68,083,200 (£96,000,000); 31 December 2015: £83,915,400 (£114,000,000)). Of the Company's total capital commitments in Fund II, 57% has been called.

The Company's share of the total capital called by Fund III to 30 June 2016 was £6,268,500 (£7,500,000). Of the Company's total capital commitments in Fund III, 3.0% has been called.

The Company also makes co-investments alongside the Funds.

At 30 June 2016 all the Funds' investments are carried at fair value.

Fund I

Prior to Time Out's IPO (refer to below), Fund I made follow-on investments in Time Out Group during the period ended 30 June 2016. Fund I funded the follow-on investments using loans drawn under a revolving loan facility made available by the Company to Fund I.

Fund I, through its wholly owned subsidiary Broadstone Holdco (Bermuda) Limited, sold its investment in Broadstone Finance Limited ("Broadstone") during the period ended 30 June 2016.

Time Out Group

The Time Out Group consisted of investments in Time Out Group HC Limited ("Time Out London") and Time Out America LLC ("Time Out New York").

Fund I through its wholly owned subsidiary, TO (Bermuda) Limited, acquired 50% of Time Out London, an international multi-channel publisher. Time Out London provides services across traditional print, digital channels and live events.

Fund I through its wholly owned subsidiary, TONY (Bermuda) Limited, acquired 65.7% of Time Out New York. In combination, the Time Out Group control the worldwide rights to the Time Out brand (excluding Chicago).

In September 2014, Time Out London and Time Out New York were merged into a single group structure under Time Out Group HC Limited ("TOG HC") and shares in TOG HC were issued to Fund I's subsidiaries.

On 14 June 2016, TOG HC completed its Initial Public Offering ("IPO") and listing of its shares on AIM. Upon completion of the IPO and listing on AIM, TOG HC was re-registered as a public limited company and re-named "Time Out Group plc."

Immediately prior to the IPO, TOG HC re-organised its share capital into a single class of ordinary shares. Upon the re-organisation, TO (Bermuda) Limited received £2,650,936 in cash and 741,342 ordinary shares in Time Out Group plc as repayment for its loan to TOG HC, and was allotted and issued a further 36,423,175 ordinary shares in Time Out Group plc in respect of

the ordinary shares and preference shares previously held by TO (Bermuda) Limited in TOG HC. TONY (Bermuda) Limited was allotted and issued 8,196,498 ordinary shares in Time Out Group plc in the re-organisation in respect of the ordinary shares and preference shares previously held by TONY (Bermuda) Limited in TOG HC. As a result, Fund I through TO (Bermuda) Limited and TONY (Bermuda) Limited holds 45,361,015 shares in Time Out Group plc, representing a 34.9% ownership interest.

Educas

Fund I acquired 51% of Educas Investments LLP ("Educas"), an entity investing in private schools in several countries.

Educas Australia

Fund I acquired 51% of Educas Australia Investments LLP ("Educas Australia"), an entity which owns an early learning school in Australia.

Broadstone

Fund I, through its wholly owned subsidiary, Broadstone Holdco (Bermuda) Limited, held an 84.4% interest in Broadstone, a UK-wide independent provider of investment advice and solutions to private individuals and corporates, acquired from BDO LLP. The date of the initial investment in Broadstone was November 2010. During May 2016, Broadstone Holdco (Bermuda) Limited disposed of its interest in Broadstone.

Verivox

Fund I, through VVX (Bermuda) Limited, held a 51.0% interest in Verivox Holdings Limited ("Verivox"), an online consumer energy price comparison service in Germany. The company receives commissions from energy suppliers when consumers elect to switch providers through its website. Fund I disposed of its investment in Verivox to ProSiebenSat.1 Media SE during the year ending 31 December 2015.

Certain directors of the Company, the Manager and the general partner of Fund I are also directors of the investee companies in which Fund I has an interest.

Fund II

The Company invests in Fund II through its investment in Oakley Capital Private Equity II-A L.P. All investments of Fund II are owned directly or indirectly by Fund II Master.

North Sails

North Sails is a leading marine technology group which includes a worldwide leading sail maker.

On 10 March 2014 Fund II Master, through its wholly owned subsidiary, Oakley NS (Bermuda) LP, acquired a 65.2% stake in North Sails Technology Group LLC. Additionally on 30 June 2014 Fund II Master acquired a 70.3% interest in North Sails Europe LLC. On 11 March 2015, Fund II Master made a follow-on investment to fund the acquisition of NSG Apparel BV ("NSG Apparel") and Future Fibres. On 27 June 2016, Fund II Master made a follow-on investment to fund working capital requirements in NSG Apparel. As at 30 June 2016, Fund II Master held a 67.4% holding in the North Sails Group ("North Sails").

Educas Europe

On 27 August 2014, Fund II Master acquired 50.5% of Educas Europe Investments LLP ("Educas Europe"), an entity established to invest in private schools in Europe. During 2015, Fund II Master made follow-on investments to fund the acquisition of private schools in Kenya and Switzerland.

Educas Americas

On 21 August 2015, Fund II Master acquired 50.5% of Educas Investments Americas LLP ("Educas Americas"), an entity established to acquire private schools in South America.

Facile

On 19 September 2014, Fund II Master, through its wholly owned subsidiary, Facile.it (Bermuda) Limited, acquired a 68.2% stake in Facile.it SpA ("Facile"), Italy's largest price comparison website. On 23 July 2015, Facile.it (Bermuda) Limited repurchased a portion of its shares from Fund II Master.

Host Europe

On 19 January 2015, Fund II Master acquired a minority stake in Host Europe Group ("Host Europe"), a leading provider of domains and hosting services in Europe. Fund II Master invested in Host Europe through a wholly owned subsidiary, HEG Holdings (Bermuda) Limited.

Damovo

On 23 January 2015, Fund II Master acquired a 60.0% stake in Damoco Holdco Limited ("Damovo"), a provider of enterprise information communication technology (ICT) services and solutions. Fund II Master invested in Damovo through a wholly owned subsidiary, Damoco (Bermuda) Limited.

Parship

On 14 April 2015, Fund II Master acquired an 80.0% stake in Parship GmbH ("Parship"), a leading online matchmaking company in Europe. At the same time, Fund II Master provided a bridge loan facility to Parship through a wholly owned subsidiary, THMMS (Bermuda) Limited. The bridge loan facility was repaid by Parship on 9 June 2015. Fund II Master made a follow-on investment in Parship on 26 October 2015.

Daisy

On 30 July 2015, Fund II Master acquired a minority stake in Daisy Group Limited ("Daisy"), one of the UK's leading business communication providers to the SME and mid-market sector.

Fund II Master made the investment through a wholly owned subsidiary, Ellisfield (Bermuda) Limited. At the same time, Fund II Master provided a loan note to Daisy. The loan note carries interest of 15% and is repayable on 21 March 2022.

Verivox

On 17 September 2015, Fund II Master acquired a minority stake in Verivox GmbH ("Verivox"), Germany's largest independent online consumer energy price comparison site. Fund II Master acquired the investment in Verivox through a wholly owned subsidiary, Velocity SPV II Limited.

Fund III

The Company invests in Fund III through its investment in Oakley Capital Private Equity III-A L.P. All investments of Fund III will be owned directly or indirectly by Fund III Master.

As at 30 June 2016, no investments had been made by Fund III.

Quoted equity securities**Time Out Group plc**

On 14 June 2016, the Company received 31,436,385 shares in Time Out Group plc. The shares received consisted of 10,000,000 shares as repayment of loans and accrued interest, and 21,436,385 shares for ordinary shares and preferences shares held in Time Out Mercado, Flypay and TOG HC. At 30 June 2016 the Company's investment in Time Out Group plc is carried at fair value. As Time Out Group plc is a listed company, the fair value of the Company's investment has been valued at market value with a share price of £1.275 as quoted on AIM on 30 June 2016.

Unquoted equity securities**Time Out Mercado**

On 27 May 2015, the Company invested €4,566,658 (£3,245,542) in ordinary and preferred shares of Time Out Mercado Limited ("Time Out Mercado"). Time Out Mercado is part of the Time Out Group and holds an investment in Mercados da Capital, Lda, a Portuguese company that operates a cultural hub encompassing the best of Lisbon's food, drink and events which has quickly become one of the leading tourist destinations in Lisbon. On 15 July 2015, 17 August 2015, 23 October 2015 and 12 November 2015, the Company made follow-on investments totalling €3,113,967 (£2,209,218). On 22 February 2016 and 29 March 2016, the Company made follow-on investments totalling €3,515,171 (£2,754,443). On 14 June 2016, as part of the Time Out Group plc IPO, the Company transferred its ordinary and preference shares in Time Out Mercado to Time Out Group plc in exchange for 6,353,281 ordinary shares in Time Out Group plc.

Flypay

On 10 July 2015, the Company invested £6,989,999 in preferred shares of Flypay Limited ("Flypay"). Flypay is a leading company in the UK hospitality mobile payments and loyalty sector allowing mobile payment for bills and tabs in restaurants, bars and other venues and forms part of the Time Out Group. On 14 June 2016, as part of the Time Out Group plc IPO, the Company transferred its preference shares in Flypay to Time Out Group plc in exchange for 4,660,000 ordinary shares in Time Out Group plc.

Time Out Group HC

On 16 July 2015, the Company invested £3,500,000 in preferred shares of TOG HC. On 17 September 2015, 13 November 2015 and 15 December 2015, the Company made follow-on investments totalling £9,770,620. On 24 February 2016, the Company made follow-on investments totalling £4,000,000. On 14 June 2016, as part of the Time Out Group plc IPO, the Company was issued 10,423,104 ordinary shares in Time Out Group plc in respect of the preference shares previously held by the Company in TOG HC.

Mezzanine loans

Daisy

Through OCIL Investments L.P. and as part of Fund II's acquisition of Daisy, the Company provided a loan of £14,000,000 to Daisy Group Holdings Limited. The instrument carries a fixed interest rate of 15% per annum. The instrument matures on 21 March 2022. The balance outstanding as at 30 June 2016 was £14,000,000 with a fair value of £14,060,588 (inclusive of deal costs). The fair value of the loan is considered to approximate its amortised cost at 30 June 2016.

Time Out (Bermuda) Limited

As part of Fund I's acquisition of Time Out London, the Company provided debt finance of £6,200,000 in the form of a mezzanine loan to TO (Bermuda) Limited. The instrument carried a fixed interest rate of 10% per annum, maturing in December 2017. The balance outstanding as at 30 June 2016 was £6,200,000. The fair value of the loan is considered to approximate its amortised cost at 30 June 2016.

Time Out New York

Through its wholly owned subsidiary OCIL Financing (Bermuda) Limited ("OCIL Financing") and as part of Fund I's acquisition of Time Out New York, the Company provided debt finance of \$5,000,000 (£3,101,500) to TONY MC LLC in the form of a mezzanine loan. The instrument carried a fixed interest rate of 15% per annum before withholding tax and 10.5% per annum after withholding tax. On 14 June 2016, as part of the Time Out Group plc IPO, the Company was allotted and issued 3,935,596 ordinary shares in Time Out Group plc as repayment of the mezzanine loan and accrued interest.

Senior loan notes

North Sails

On 19 December 2014, the Company provided, through its wholly owned subsidiary OCIL Financing, a £5,000,000 loan facility to NSG Apparel at an interest rate of 8% per annum. On 22 July 2015, the Company provided, through OCIL Financing, a further £5,000,000 loan facility to NSG Apparel at an interest rate of 8% per annum. As at 30 November 2015, the total amount drawn under these facilities was £6,250,000.

On 30 November 2015, the Company provided, through OCIL Financing, a senior loan facility of £15,000,000 to NSG Apparel at an interest rate of 8% per annum. This facility was used to refinance the above two £5,000,000 facilities.

On 13 May 2016, the Company amended and restated the senior loan facility to £20,000,000 at an interest rate of 12% per annum. The instrument matures no later than 31 May 2019.

The balance outstanding as at 30 June 2016 was £20,000,000. The fair value of the loan is considered to approximate its amortised cost at 30 June 2016.

Time Out London

As part of Fund I's acquisition of Time Out London, the Company provided a secured senior loan of £3,070,482 to Time Out Group BC Limited, a wholly owned subsidiary of Time Out London. The instrument carried a fixed interest rate of 10% per annum. On 14 June 2016, as part of the Time Out Group plc IPO, the Company was allotted and issued 2,807,653 ordinary shares in Time Out Group plc as repayment of the senior loan and accrued interest.

Time Out New York

Through its wholly owned subsidiary OCIL Financing and as part of Fund I's acquisition of Time Out New York, the Company provided a secured senior loan of \$3,400,000 (£2,109,020) to TONY MC LLC. The instrument carried a fixed interest rate of 8.5% per annum before withholding tax and 5.95% per annum after withholding tax. On 14 June 2016, as part of the Time Out Group plc IPO, the Company was allotted and issued 2,123,061 ordinary shares in Time Out Group plc as repayment of the senior loan and accrued interest.

Financing loan facilities

Parship

On 26 May 2016, the Company provided a loan of £5,172,059 to Parship. The instrument carries a fixed interest rate of 6% per annum and matures no later than December 2016. The balance outstanding as at 30 June 2016 was £5,172,059. The fair value of the loan is considered to approximate its amortised cost at 30 June 2016.

Daisy

As part of Fund II's acquisition of Daisy, the Company provided a loan of £24,932,382 to Ellisfield (Bermuda) Limited. The instrument carries a fixed interest rate of 6.5% per annum and matures on 31 August 2016. The balance outstanding as at 30 June 2016 was £24,932,382. The fair value of the loan is considered to approximate its amortised cost at 30 June 2016.

Bellwood Holdings Ltd

On 12 November 2014, the Company provided a loan of £2,625,000 to Bellwood Holdings Ltd. The instrument carried a fixed interest rate of 6% per annum. The loan was fully repaid in January 2016.

Damovo

As part of Fund II's acquisition of Damovo, the Company provided a loan of £4,130,000 to Damoco Holdco Ltd. The instrument carried a fixed interest rate of 5.7% per annum. The loan was fully repaid in May 2016.

Broadstone

As part of Fund I's acquisition of Broadstone, the Company provided a mezzanine loan of £6,000,000 to Broadstone Holdco (Bermuda) Limited. During June 2015, the instrument was restructured to a secured loan, carrying an interest rate of 6% per annum. The loan was fully repaid in May 2016.

Time Out Group HC

On 12 May 2016, the Company provided a loan of £2,000,000 to TOG HC. The instrument carried a fixed interest rate of 8% per annum. On 14 June 2016, as part of the Time Out Group plc IPO, the Company was allotted and issued 1,133,690 ordinary shares in Time Out Group plc as repayment of the financing loan and accrued interest.

Revolving loan facilities*Oakley Capital Private Equity L.P.*

On 19 March 2012, the Company provided a revolving loan facility of £23,000,000 to Fund I. Loans drawn under this facility carried an interest rate of 6.5% per annum. On 18 September 2015, the Company and Fund I cancelled the original revolving credit facility and replaced it with a £10,000,000 refinancing facility. On 18 September 2015, Fund I made its only drawing under the refinancing facility in the amount of £9,587,398. The balance outstanding as at 30 June 2016 under the refinancing facility was £9,587,398. The fair value of the loan is considered to approximate its amortised cost at 30 June 2016.

On 18 September 2015, the Company provided a revolving loan facility of £5,000,000 to Fund I. Loans drawn under this facility carry an interest rate of 6.5% per annum. As at 30 June 2016, £468,000 had been drawn under the facility. The fair value of the loan is considered to approximate its amortised cost at 30 June 2016.

OCPE II Master L.P.

In September 2014, the Company provided a revolving loan facility of £15,000,000 to Fund II Master at an interest rate of 6.5% per annum. As at 30 June 2016 £3,629,700 had been drawn down by Fund II Master under this facility. The fair value of the loan is considered to approximate its amortised cost at 30 June 2016.

Oakley Capital GP II Limited

On 2 December 2013, the Company provided a loan facility of £2,500,000 to Oakley Capital GP II Limited ("GP II") at an interest rate of 6.5% per annum. A further loan facility of £2,500,000 was made available to GP II at the same interest rate on 31 March 2014. As at 30 June 2016, an aggregate of £1,500,000 remains outstanding under these facilities. The fair values of these loans are considered to approximate their amortised cost at 30 June 2016.

Oakley Capital GP III Limited

On 22 March 2016, the Company provided a loan facility of £3,500,000 to Oakley Capital GP III Limited ("GP III") at an interest rate of 6.5% per annum. A further loan facility of £2,500,000 was made available to GP III at the same interest rate on 29 April 2016. As at 30 June 2016, an aggregate of £4,988,721 remains outstanding under these facilities. The fair values of these loans are considered to approximate their amortised cost at 30 June 2016.

8. CAPITAL COMMITMENTS

The Company has the following capital commitments:

	Capital commitments 30.06.16 €	Capital commitments 30.06.15 €	Capital commitments 31.12.15 €
Fund I			
Total capital commitments	188,398,260	188,398,260	188,398,260
Capital called at the beginning of the period/year	178,978,348	176,152,373	176,152,373
Capital calls during the period/year			
November 2015 1.5% call	–	–	2,825,975
Called capital at end of period/year	178,978,348	176,152,373	178,978,348
Unfunded capital commitment	9,419,912	12,245,887	9,419,912
Recycled commitment 3%	5,651,948	–	5,651,948
Fund II			
Total capital commitments	200,000,000	200,000,000	200,000,000
Capital called at the beginning of the period/year	114,000,000	84,000,000	84,000,000
Capital calls during the period/year			
June 2015 6% call	–	12,000,000	12,000,000
July 2015 9% call	–	–	18,000,000
Called capital at end of period/year	114,000,000	96,000,000	114,000,000
Unfunded capital commitment	86,000,000	104,000,000	86,000,000
Fund III			
Total capital commitments	250,000,000	–	–
Capital called at the beginning of the period/year	–	–	–
Capital calls during the period/year			
March 2016 3% call	7,500,000	–	–
Called capital at end of period/year	7,500,000	–	–
Unfunded capital commitment	242,500,000	–	–

Each Fund may call the unfunded portion of the Company's capital commitment to that Fund at any time, subject to two weeks' notice, on an as-needed basis.

9. SHARE CAPITAL

a) Share capital

In April 2015, the Company increased its authorised share capital to 280,000,000 Ordinary Shares of par value £0.01 each by authorising an additional 80,000,000 Ordinary Shares of par value £0.01 each. The Company's issued share capital was 189,804,036 Ordinary Shares as at 30 June 2016 (30 June 2015: 197,097,941; 31 December 2015: 191,078,315).

b) Share issuance

On 20 April 2015, the Company sold 78,787,879 shares at a price of 165p per share.

c) Share repurchase

On 10 February 2015, the Company authorised and repurchased 7,000,000 shares at a price of 152p per share. On 18 February 2015, the Company authorised the repurchase of up to 4,000,000 shares and repurchased 2,967,155 shares at a price of 151p per share. On 24 February 2015, the Company repurchased 667,033 shares at a price of 161p per share. On 22 April 2015, the Company sold 819,250 shares at a price of 174p per share from treasury stock. On 15 September 2015, the Company authorised the repurchase of an additional 500,000 shares. On 6 November 2015, the Company repurchased 169,626 shares at a price of 143p per share. On 26 September 2015, the Company authorised the repurchase of an additional 6,000,000 shares. On 27 November 2015, the Company repurchased 5,278,868 shares at a price of 139p per share. On 4 December 2015, the Company repurchased 181,132 shares at a price of 141p per share. On 11 December 2015, the Company repurchased 390,000 shares at a price of 144p per share.

On 29 January 2016, the Company repurchased 1,274,279 shares at a price of 145p per share.

As at 30 June 2016 there were 17,108,843 shares held in treasury stock at a cost of £25,013,963 (30 June 2015: 9,814,938 shares at a cost of £14,947,733; 31 December 2015: 15,834,564 shares at a cost of £23,169,258).

Ordinary shares outstanding are:

	Unaudited six months ended 30.06.16	Unaudited six months ended 30.06.15	Audited year ended 31.12.15
Ordinary shares			
Balance at beginning of period/year	191,078,315	128,125,000	128,125,000
Shares issued	–	78,787,879	78,787,879
Treasury shares repurchased	(1,274,279)	(10,634,188)	(16,653,814)
Treasury shares sold	–	819,250	819,250
Balance at end of period/year	189,804,036	197,097,941	191,078,315

10. RELATED PARTIES

Certain Directors of the Company are also directors, members and/or shareholders of the Manager, Oakley Capital Corporate Finance LLP, and the Administrator; entities which provide services to and receive compensation from the Company. These agreements are based on normal commercial terms.

11. TAXATION

Under current Bermuda law the Company is not required to pay any taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that in the event of such taxes being imposed, the Company will be exempt from such taxation at least until 31 March 2035.

The Company was not required to recognise any amounts for uncertain tax positions under FASB ASC 740-10 during the period ended 30 June 2016.

The Company may, however, be subject to foreign withholding tax and capital gains tax in respect of income derived from its investments in other jurisdictions.

12. INDEMNIFICATIONS AND WARRANTIES

In the ordinary course of business, the Company may enter into contracts or agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history, experience and assessment of existing contracts, management feels that the likelihood of such an event is remote.

13. SUBSEQUENT EVENTS

On 11 July 2016, GP II repaid £1,000,000 of its loan facility and accrued interest of £213,507.

On 14 July 2016, Fund II made a distribution to the Limited Partners of which the Company received €4,501,669. The distribution was due to Facile extending its existing bank lending facility enabling it to return capital to Fund II. Coincident with the distribution, Fund II issued a capital call of 7.5% of each Limited Partner's total commitment, amounting to €15,000,000 for the Company.

On 27 July 2016, Ellisfield repaid £10,771,113 of its loan facility and accrued interest of £1,766,451.

On 25 August 2016, the Company provided a short-term bridge facility of €25,000,000 to Fund II of which £19,000,000 was drawn down on 2 September 2016. The instrument carries a fixed interest rate of 6.5% per annum and is repayable on 31 October 2016.

On 2 September 2016, the Company provided a loan of £2,200,000 to Bellwood Holdings Ltd. The instrument carries a fixed interest rate of 8% per annum and is repayable on 31 January 2017.

On 5 September 2016, Fund II sold its controlling stake in Parship Elite Group. The sale is expected to return cash proceeds of approximately €44,000,000 to the Company.

14. FINANCIAL HIGHLIGHTS

	Unaudited six months ended 30.06.16	Unaudited six months ended 30.06.15	Audited year ended 31.12.15
Per share operating performance			
Net asset value per share, at start of year	2.00	2.01	2.01
Gains/(losses) from investment operations			
Net investment income/(loss)	0.02	–	(0.01)
Net realised and unrealised gains/(losses) on investments and foreign exchange	0.12	(0.05)	0.13
Total from investment operations	0.14	(0.05)	0.12
Shares issued and net shares repurchased to treasury stock	0.01	(0.14)	(0.13)
Net asset value per share, end of year	2.15	1.82	2.00
Total return	7.14%	(2.76)%	5.98%
Ratio of expenses to average net assets ¹	0.88%	0.65%	2.22%
Ratio of net investment income to average net assets ¹	0.96%	(0.10)%	(0.53)%

¹Expenses include interest expense of: 30 June 2016: £62; 30 June 2015 £nil; 31 December 2015 £1,718.





Oakley Capital Investments Limited is registered in Bermuda with company number 40324.
Registered office: 3rd Floor, Mintflower Place, 8 Par-La-Ville Road, Hamilton HM08, Bermuda