THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (as amended) or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

This document comprises a prospectus relating to Oakley Capital Investments Limited (the "**Company**") prepared in accordance with the Prospectus Rules. This document has been approved by the FCA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the London Stock Exchange for all of the Ordinary Shares of the Company to be admitted to trading on the Specialist Fund Segment of the London Stock Exchange's main market. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 23 August 2019. Upon Admission, the admission of the Ordinary Shares to trading on AIM will be cancelled. The Ordinary Shares will not be dealt in on any other recognised investment exchange and no applications for Ordinary Shares to be traded on such other exchanges have been made or are currently expected.

Specialist Fund Segment securities are not admitted to the Official List of the Financial Conduct Authority. Therefore the Company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not required to comply with the Financial Conduct Authority's Listing Rules. The London Stock Exchange has not examined or approved the contents of this document.

The Company and each of the Directors, whose names appear on page 45 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Company is not offering any new Ordinary Shares or any other securities in connection with Admission. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, any Ordinary Shares or any other securities of the Company in any jurisdiction. The Ordinary Shares will not be generally made available or marketed to the public in the United Kingdom or in any other jurisdiction in connection with Admission.

OAKLEY CAPITAL INVESTMENTS LIMITED

(an exempted company limited by shares incorporated in Bermuda with registration number 40324 under the Bermuda Companies Act 1981, as amended)

ADMISSION OF ORDINARY SHARES TO TRADING ON THE SPECIALIST FUND SEGMENT OF THE LONDON STOCK EXCHANGE'S MAIN MARKET

Financial Adviser and Corporate Broker

Liberum Capital Limited

The Ordinary Shares are only suitable for investors: (i) who understand and are willing to assume the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment.

Liberum Capital Limited ("**Liberum**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and for no-one else in relation to Admission and the other arrangements referred to in this document. Liberum will not regard any other person (whether or not a recipient of this document) as its client in relation to Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to Admission, the contents of this document or any transaction or arrangement referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, Liberum does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Oakley Funds, the Ordinary Shares or Admission. Liberum accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might have in respect of this document or any other statement.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, US Persons

(as defined in Regulation S under the US Securities Act ("**Regulation S**")). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, (as amended) (the "**US Investment Company Act**"), and the recipient of this document will not be entitled to the benefits of that Act. This document must not be distributed into the United States or to US Persons. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a US criminal offence.

The Ordinary Shares have not been, and will not be, registered under the securities laws, or with any securities regulatory authority of, any member state of the EEA other than the United Kingdom or any province or territory of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from any member state of the EEA (other than the United Kingdom), Australia, Canada, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen or any person resident in any member state of the EEA (other than the United Kingdom), Australia, Canada, the Republic of South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe any such restrictions.

FCA-authorised firms conducting designated investment business with retail customers under the COB Rules are reminded that securities admitted to trading on the Specialist Fund Segment will be securities that may have characteristics such as: (i) variable levels of secondary market liquidity; (ii) sophisticated corporate structures; (iii) highly leveraged structures; and (iv) sophisticated investment propositions with concentrated risks and are therefore intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment.

18 July 2019

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A-E (A.1-E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings		
Element	*Disclosure Requirement*	*Disclosure*
A.1.	**Warning**	This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2.	**Subsequent resale of securities or final placement of securities through financial intermediaries**	Not applicable. The Company has not given consent to the use of this document for subsequent resale or final placement of the Ordinary Shares by financial intermediaries.

Section B – Company		
Element	*Disclosure Requirement*	*Disclosure*
B.1.	**Legal and commercial name**	Oakley Capital Investments Limited
B.2.	**Domicile and legal form**	The Company was incorporated in Bermuda on 28 June 2007 as an exempted company limited by shares with registration number 40324. The principal legislation under which the Company operates is the Bermuda Companies Act.
B.5.	**Group description**	OCI Financing (Bermuda) Limited is the Company's sole subsidiary and is wholly owned by the Company. The Subsidiary was incorporated in Bermuda on 19 April 2011 with registration number 45310 (under the name TONY OCIL (Bermuda) Limited).

B.6. **Major shareholders**

So far as is known to the Company, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date, the following persons held, directly or indirectly, three per cent. or more of the issued Ordinary Shares or the Company's voting rights:

Name	*Number of Ordinary Shares held*	*% of voting rights*
Invesco Perpetual	40,231,378	19.68%
Asset Value Investors	24,290,000	11.88%
Oakley Capital Investments Limited Directors and company related holdings	16,046,603	7.85%
Barwon Investment Partners Pty Limited	14,676,852	7.18%
Sarasin & Partners	14,388,118	7.04%
FIL Investment International	10,264,349	5.02%
Rothschild	7,294,499	3.57%
Jon Wood & Family	6,960,194	3.41%

All Shareholders have the same voting rights in respect of the share capital of the Company.

As at the Latest Practicable Date, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

B.7. **Key financial information**

The key figures that summarise the Group's financial condition in respect of the three financial years ended 31 December 2016, 2017 and 2018 (all audited), which have been extracted without material adjustment from the audited financial statements of the Group for those years, are set out below:

Balance Sheet

	As at 31 December (audited) (£'000)		
	2018	*2017*	*2016*
Non-current assets			
Investments	469,749	419,627	340,869
Current assets			
Trade and other receivables	11	668	673
Cash and cash equivalents	107,888	117,836	106,509
Total assets	577,648	538,131	448,051
Current liabilities			
Trade and other payables	2,826	36,091	9,619
Total liabilities	2,826	36,091	9,619
Net assets attributable to Shareholders	574,822	502,040	438,432
Basic and diluted net assets per share	£2.81	£2.45	£2.31

Income Statement

	As at or for the year ended 31 December (audited) (£'000)		
	2018	*2017*	*2016*
Interest income	6,629	7,722	11,637
Net realised gains/(losses) on investments	102,314	23,991	8,545
Net change in unrealised gains/(losses) on investments	(23,877)	20,316	46,196
Net foreign currency gains/(losses)	3,149	(839)	4,733
Other income	217	306	140
Total income	88,432	51,496	71,251
Expenses	(6,045)	(6,529)	(4,519)
Operating profit	82,387	44,967	66,732
Interest expense	(389)	(42)	(55)
Total comprehensive income	81,998	44,925	66,677
Basic and diluted earnings per share	£0.40	£0.22	£0.35

		During the year ended 31 December 2016, the Company bought back 1,274,279 Ordinary Shares for a total cash consideration of £1,853,928. On 24 January 2017, the Company sold 15,000,000 Ordinary Shares from treasury at a share price of £1.57 per share and a total net cash consideration of £23,290,950. The Company's average purchase price of the Ordinary Shares sold from treasury was £1.47 per share. Following this issue, the Company cancelled its remaining 2,108,843 treasury shares. Since 1 January 2019, the Company has bought back 404,100 Ordinary Shares for a total cash consideration of £763,624, which were subsequently cancelled. Dividends have been paid to Shareholders as follows: on 16 December 2016, the Board declared a final dividend of 4.5 pence per Ordinary Share, which was paid on 30 January 2017; on 11 September 2017, the Board declared an interim dividend of 2.25 pence per Ordinary Share, which was paid on 26 October 2017; on 14 March 2018, the Board declared a final dividend of 2.25 pence per Ordinary Share, which was paid on 26 April 2018; on 3 September 2018, the Board declared an interim dividend of 2.25 pence per Ordinary Share, which was paid on 25 October 2018; and on 13 March 2019, the Board declared a final dividend of 2.25 pence per Ordinary Share, which was paid on 18 April 2019. Pursuant to a subscription agreement entered into by the Company on 2 January 2019, the Company has made an irrevocable Commitment to Fund IV Feeder A of €400 million. Other than as disclosed above, there has been no significant change in the financial condition or operating results of the Group during or subsequent to the period covered by the historical key financial information.
B.8.	**Key pro forma financial information**	Not applicable. No pro forma financial information is included in this document.
B.9.	**Profit forecast**	Not applicable. No profit forecast or estimate has been made in this document.
B.10.	**Description of the nature of any qualifications in the audit report on the historical financial information**	Not applicable. The audited financial statements of the Group do not contain any qualifications.
B.11.	**Insufficiency of working capital**	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is, for at least 12 months from the date of the Prospectus.
B.34.	**Investment objective and policy**	**Investment objective** The investment objective of the Company is primarily to provide investors with long term capital appreciation by investing in a diversified portfolio of private mid-market UK and Western European businesses through its investments in the Oakley Funds, in successor funds managed by OCML and/or the General Partners and/or advised by the Investment Adviser (or their respective affiliates) and, over time, through co-investment opportunities alongside the Oakley Funds and such successor funds, either through debt or equity instruments. **Investment policy** The Company will seek to meet its investment objective primarily by investing in the Oakley Funds, in successor funds managed by OCML and/or the General Partners and/or advised by the Investment Adviser (or their respective affiliates) and, over time, in co-investment opportunities alongside the Oakley Funds and such successor funds, either through debt or equity instruments. Cash resources held by the Company that are not called upon by the Oakley Funds and their successor funds (or other investments) will be invested under investment guidelines set by the Board. These may include investing such funds in cash deposits or near cash deposits. The Company may hedge the foreign exchange exposure of any non-sterling cash deposit or investment.

		In connection with certain co-investment opportunities made available alongside the Oakley Funds and any successor funds thereto, the Board has been advised by OCML that, from time to time, OCML or (in the case of Fund IV) the Fund IV AIFM may invite one or more limited partners in the Oakley Funds (and successor funds) including the Company to co-invest alongside the Oakley Funds (and successor funds) on the same terms as such limited partnerships. In such event, OCML or (in the case of Fund IV) the Fund IV AIFM (or, as applicable, the AIFM of the successor fund) would make available to the Company copies of the due diligence and analysis prepared by OCML or the Investment Adviser and any other third parties in relation to such co-investment opportunities. The Board would then determine whether or not, and to what level, the Company should co-invest. *Investment strategy of the Oakley Funds* The Oakley Funds' investment strategy is to focus primarily on private mid-market Western European businesses, with the objective of delivering long term capital appreciation within the Oakley Funds. The life of each Oakley Fund is expected to be approximately 10 years, which includes a five-year investment period from the date of final closing. The Oakley Funds primarily focus on equity investments of at least €20 million per transaction (with certain of the Oakley Funds targeting a higher minimum transaction value) that enable them to secure a controlling position in the target company. The Oakley Funds typically invest in sectors that are growing or where consolidation is taking place, investing both in performing and under-performing companies, supporting buy and build strategies, rapid growth, or businesses undergoing significant operational or strategic change. The sectors targeted by the Oakley Funds have included, in particular, technology, media and telecommunications, consumer and education. However, the Oakley Funds' sector focus is flexible over time to reflect where the best investment opportunities emerge. *Re-investment* On any realisation of investments, the Company may re-invest funds in any of the following ways: ● in co-investment opportunities alongside the Oakley Funds and/or successor funds provided by OCML or (in the case of Fund IV) the Fund IV AIFM, or the AIFM of any successor fund; ● in cash, cash deposits and near cash deposits; or ● in successor funds, or new funds with successor strategies, in each case managed by OCML and/or advised by the Investment Adviser or their respective affiliates.
B.35	**Borrowing limits**	The Company has the power to borrow money in any manner. However, the Directors do not intend to borrow more than 25 per cent. of the net asset value of the Company determined at the time of draw down and in accordance with the valuation policies and procedures adopted by the Company from time to time. The Company may utilise leverage when deemed appropriate by the Board. The Company may be required to use its investments as security for any borrowings which it puts in place.
B.36.	**Regulatory status**	The Company is not regulated in Bermuda or elsewhere. However, it is subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules and MAR, and the rules of the London Stock Exchange.
B.37.	**Typical investor**	An investment in the Company is designed to be suitable for institutional, professional, professionally advised and knowledgeable investors primarily seeking exposure to private mid-market UK and Western European businesses through investment in the Oakley Funds (or successor funds) and (a) who understand and are willing to assume the potential risks of capital loss associated with investments in such companies, (b) who understand the illiquid nature of private equity compared to other asset classes, (c) for whom an investment in the Company's securities would be of a long-term nature constituting part of a diversified portfolio, and (d) who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment.

B.38.	**Investment of 20 per cent. or more of gross assets in single underlying asset or collective investment undertaking**	The Company may invest in excess of 20 per cent. of its Gross Assets in Fund III. A summary note for Fund III is provided below. The Company may invest in excess of 20 per cent. of its Gross Assets in Fund IV. A summary note for Fund IV is provided below.
B.39.	**Investment of 40 per cent. or more of gross assets in another collective investment undertaking**	The Company may invest in excess of 40 per cent. of its Gross Assets in Fund III. A summary note for Fund III is provided below. The Company may invest in excess of 40 per cent. of its Gross Assets in Fund IV. A summary note for Fund IV is provided below.
B.40.	**Applicant's service providers**	**Administrative Agent** The Company has appointed Oakley Capital Manager Limited as its Administrative Agent to provide operational assistance and services to the Board with respect to the Company's investments and the general administration and administrative operation of the Company's assets. Under the Operational Services Agreement, OCML is entitled to receive from the Company a service fee equal to 2 per cent. per annum of the Net Asset Value of all Co-investments held by the Company as at the last business day of each calendar month (before deduction of any accrued performance fees). With effect from 1 January 2020, the service fee shall be an amount equal to 2 per cent. per annum of the Net Asset Value of all Equity Co-investments held by the Company as at the last business day of each calendar month (before deduction of any accrued performance fees). The fee is prorated for partial periods and payable quarterly in arrears. OCML is also entitled to receive an advisory fee based on the successful buy-side and sell-side transactions of the Company for any Equity Co-investments equal to 2 per cent. of the equity transaction value. Under the Operational Services Agreement, OCML is also entitled to receive a performance fee equal to 20 per cent. of the excess of any proceeds from the full or partial realisation on disposal of each of the Company's Co-investments once a hurdle rate of 8 per cent. per annum has been met after the deduction of the original cost of the Co-investment and the attributable proportion of all other expenses incurred by the Company in respect of the Co-investment (including advisory fees paid to OCML). OCML may also recharge costs and expenses incurred on behalf of the Company, either directly or indirectly, in the performance of its obligations under the Operational Services Agreement, including the fees of external consultants, lawyers, auditors and valuers. For these purposes: "**Co-investment**" means any investment or investments acquired by the Company (either directly or indirectly) including but not limited to shares, debentures, convertible loan stock, options, warrants or other securities and loans (whether secured or unsecured) made to any body corporate or other entity and interests or participations or commitments in a limited partnership or other collective investment scheme where an Oakley Fund or any Successor Fund also invests, but excluding any loans made by the Company to an Oakley Fund or to the general partner of an Oakley Fund. The Company will not make any loans to any manager of an Oakley Fund and accordingly no such loan could or shall constitute a Co-investment for these purposes; "**Equity Co-investment**" means any Co-Investment (or part of a Co-Investment) which is not a loan made by the Company; and "**Successor Fund**" means any limited partnership (other than an Oakley Fund) or other collective investment scheme in which the Company invests, directly or indirectly, for which OCML or any its associates is engaged to provide administrative, operational or management services, or in respect of which the Investment Adviser

has been appointed to provide investment advice, whether directly by such limited partnership or other collective investment scheme, or indirectly through OCML.

Financial Adviser

Liberum Capital Limited has been appointed as financial adviser to the Company in connection with Admission pursuant to the Financial Advisory Agreement entered into between the Company, the Investment Adviser, the Directors and Liberum. Under the Financial Advisory Agreement, Liberum is entitled to a corporate finance fee plus the reimbursement of certain expenses.

Administrator and Registrar

The Company has appointed Mayflower Management Services (Bermuda) Limited to act as the administrator and registrar of the Company, pursuant to the Administration Agreement. The Administrator is responsible for providing administrative services to the Company, including general fund administration services, bookkeeping, and accounts preparation, and for providing share registration services in Bermuda. The Administrator is also responsible for calculating the Net Asset Value of the Company and the NAV per Ordinary Share on a semi-annual basis.

Under the terms of the Administration Agreement, the Administrator is entitled to an annual administration fee at prevailing commercial rates agreed annually between the Investment Adviser (on behalf of the Company) and the Administrator. Administration fees for the year ended 31 December 2018 totalled £326,743.

The Administrator is also entitled to obtain reimbursement from the Company of all out of pocket expenses properly incurred in the performance of its duties.

Company Secretary

The Company has appointed OCML to provide corporate secretarial services to the Company in Bermuda. OCML does not charge any fees for the provision of such services but may obtain reimbursement from the Company of all disbursements reasonably incurred in connection therewith.

CREST Depositary

The Company has appointed Computershare Investor Services PLC to provide certain depositary and custody services in connection with the Depositary Interests and the Ordinary Shares underlying the Depositary Interests.

Under the Depositary and Custody Services Agreement, the CREST Depositary is responsible for, *inter alia*, maintaining a register of Depositary Interests in the UK, issuing Depositary Interests to Shareholders in exchange for Ordinary Shares, executing instructions received from holders of Depositary Interests ("**DI Holders**") in relation to the Ordinary Shares it holds on their behalf and distributing dividends, if any, to DI Holders.

The CREST Depositary is entitled to an annual fee of £6,682 (exclusive of VAT), payable quarterly in advance, for the provision of depositary, custody and ancillary services in connection with the Depositary Interests. The CREST Depositary is also entitled to a fee of £1.00 for each transfer, deposit or cancellation of Depositary Interests, exclusive of VAT and payable quarterly in arrears and to reimbursement of all out of pocket expenses.

Branch Registrar

The Company has appointed Computershare Investor Services (Jersey) Limited to provide certain branch registry and associated services to the Company in Jersey, including maintaining and administering the Company's register of members in Jersey. Under the terms of the Branch Registrar Agreement, the Branch Registrar is entitled to a fixed annual fee of £5,160 per annum (exclusive of goods and services tax ("**GST**") and any similar tax or duty), calculated *pro rata* and payable monthly in arrears. The Branch Registrar is also entitled to certain activity fees and to reimbursement for certain disbursements, including an insurance charge of £594.82 per annum, and all reasonable out of pocket expenses (all exclusive of GST or any similar tax or duty). The Branch Registrar may increase its fees annually in line with the percentage increase in the retail price index.

Auditors

The Company has appointed KPMG Audit Limited as the auditors of the Company.

<table>
<tr><td>B.41.</td><td>Regulatory status of OCML and the Investment Adviser</td><td>The Company is self-managed. The Investment Adviser, Oakley Capital Limited, is authorised and regulated by the Financial Conduct Authority (registration number 195029). OCML is licensed by the Bermuda Monetary Authority to carry on investment business.

The Company has not appointed a custodian in respect of its investments.</td></tr>
<tr><td>B.42.</td><td>Calculation and publication of Net Asset Value</td><td>The Net Asset Value of the Company is calculated by the Administrator as at 30 June and 31 December in each year based on valuations provided by the Investment Adviser. The Net Asset Value of the Company is published in the Company's half-yearly and annual reports and made available through the Company's website.</td></tr>
<tr><td>B.43.</td><td>Cross liability</td><td>Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.</td></tr>
<tr><td>B.44.</td><td>No financial statements have been made up</td><td>Not applicable.</td></tr>
<tr><td>B.45.</td><td>Portfolio</td><td>As at the Latest Practicable Date, the Company's portfolio comprised its investments in the Oakley Funds (including the provision of revolving credit facilities) and 5 co-investments, being:

<table>
<tr><th>Investment</th><th>Sector</th><th>Fair value as at 31 December 2018 (audited) (£m)</th><th>Percentage of value of total portfolio*</th></tr>
<tr><td>Oakley Funds</td><td></td><td></td><td></td></tr>
<tr><td>Fund I</td><td>Various</td><td>18.2</td><td>4%</td></tr>
<tr><td>Fund II</td><td>Various</td><td>71.8</td><td>15%</td></tr>
<tr><td>Fund III</td><td>Various</td><td>208.6</td><td>44%</td></tr>
<tr><td>Fund IV</td><td>Various</td><td>0**</td><td>0%**</td></tr>
<tr><td>Fund Facilities (debt)</td><td>Various</td><td>30.6</td><td>7%</td></tr>
<tr><td>Co-investments</td><td></td><td></td><td></td></tr>
<tr><td>Time Out (equity)</td><td>Consumer</td><td>22.3</td><td>5%</td></tr>
<tr><td>Inspired (equity)</td><td>Education</td><td>41.8</td><td>9%</td></tr>
<tr><td>Time Out (debt)</td><td>Consumer</td><td>20.9</td><td>4%</td></tr>
<tr><td>Daisy (debt)</td><td>TMT</td><td>14.9</td><td>3%</td></tr>
<tr><td>North Sails (debt)</td><td>Consumer</td><td>40.6</td><td>9%</td></tr>
<tr><td>Total investments</td><td></td><td>469.7</td><td>100%</td></tr>
</table>

* Based on 31 December 2018 valuations.

** As at the latest balance sheet date (31 December 2018) the Company had not made any investment in Fund IV. On 2 January 2019, the Company made an irrevocable Commitment to Fund IV of €400 million. On 15 April 2019, Fund IV made a capital call of 0.05 per cent. of which the Company's proportion was €2.0 million (£1.7 million) and, on 12 June 2019, Fund IV made a capital call of 1.75 per cent. of which the Company's proportion was €7.0 million (£6.2 million).

The Company's outstanding commitments to the Oakley Funds as at the Latest Practicable Date were approximately €560.3 million (£502.2 million). This includes an outstanding commitment to Fund IV of €391.0 million (£350.5 million).

There has been no material change in the Company's investments since the Latest Practicable Date.</td></tr>
<tr><td>B.46.</td><td>Net Asset Value</td><td>As at 31 December 2018, the (audited) Net Asset Value per Ordinary Share was £2.81.</td></tr>
</table>

THE FOLLOWING INFORMATION RELATES TO FUND III. IT HAS BEEN INCLUDED HERE AS THE COMPANY MAY INVEST IN EXCESS OF 40 per cent. OF ITS GROSS ASSETS IN FUND III AND IS REQUIRED TO EXPLAIN BRIEFLY THE EXPOSURE, THE IDENTITY OF FUND III AND TO PROVIDE SUCH INFORMATION AS WOULD BE REQUIRED IN A SUMMARY NOTE ISSUED BY FUND III.

Section B – Fund III		
Element	*Disclosure Requirement*	*Disclosure*
B.1.	**Legal and commercial name**	Oakley Capital Private Equity III-A L.P., a Bermuda exempt limited partnership, which acts as a feeder vehicle for OCPE III Master L.P., also a Bermuda exempt limited partnership. The commercial name of Fund III is "Oakley Capital III".
B.2.	**Domicile and legal form**	Fund III is a Bermuda-domiciled investment fund structured as a series of Bermuda exempt limited partnerships, including OCPE III Master L.P., in which the Company invests through the feeder vehicle Oakley Capital Private Equity III-A L.P. OCPE III Master L.P. is an exempt limited partnership established in Bermuda pursuant to the Bermuda Partnership Acts and registered with the Registrar of Companies in Bermuda with registration number 51201. Oakley Capital Private Equity III-A L.P. is an exempt limited partnership established in Bermuda pursuant to the Bermuda Partnership Acts and registered with the Registrar of Companies in Bermuda with registration number 50751.
B.5.	**Group description**	Fund III is structured as a series of Bermuda exempt limited partnerships, comprising OCPE III Master L.P. (the "**Fund III Master**"), Oakley Capital Private Equity III-A L.P. ("**Fund III Feeder A**"), Oakley Capital Private Equity III-B L.P. ("**Fund III Feeder B**") and Oakley Capital Private Equity III-C L.P. ("**Fund III Feeder C**" and, together with Funder III Feeder A and Fund III Feeder B, the "**Fund III Limited Partners**"). The Fund III Limited Partners invest substantially all of their assets in the Fund III Master. Oakley Capital III Limited, a Bermuda-incorporated company, acts as the general partner of the Fund III Master and each of the Fund III Limited Partners. Fund III structures its investments through a number of special purpose vehicles (which may be wholly or partly owned by Fund III) but does not otherwise have any subsidiaries.
B.6.	**Major shareholders**	So far as is known to Fund III as at the Latest Practicable Date, no person holds, directly or indirectly, a notifiable interest in Fund III's capital or voting rights. Save for the Fund III GP, which is responsible for managing the business affairs of Fund III, Fund III is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over Fund III.
B.7.	**Key financial information**	**Fund III Master** The key figures that summarise the Fund III Master's financial condition in respect of the financial period ended 31 December 2016 and the financial years ended 31 December 2017 and 2018 (all audited), which have been extracted without material adjustment from the audited financial statements of the Fund III Master for those periods, are set out in the following table:

Assets and liabilities	*As at 31 December (audited) (€)*		
	2018	*2017*	*2016*
Assets			
Investments	756,314,395	317,789,890	–
Cash and cash equivalents	472,130	5,176,181	4,900,312
Due from related parties	19,258,572	17,721,493	–
Called capital receivable	–	80,000,000	–
Other receivables	561,987	179,715	14,161
Total assets	776,607,084	420,867,279	4,914,473
Liabilities			
Loan facility	131,335,722	112,997,355	–
Revolving loan facility	4,467,751	–	–
Accounts payable and accrued expenses	524,836	811,563	156,312
Total liabilities	136,328,309	113,808,918	156,312

Statement of operations	To 31 December (audited) (€)		
	2018	*2017*	*2016*
Net assets represented by Partners' capital	640,278,775	307,058,361	4,758,161
Dividend income	2,130,026	–	–
Interest income	8,807	45,641	3,375
Total income	2,138,833	45,641	3,375
Total expenses	(7,704,173)	(6,412,696)	(2,096,164)
Net investment loss	(5,565,340)	(6,367,055)	(2,092,789)
Net realised and unrealised gains/ (losses) on investments and foreign exchange	260,407,745	74,250,946	(10,050)
Net increase/(decrease) in Partners' capital resulting from operations	254,842,405	67,883,891	(2,102,839)

During the period covered by the historical key financial information, the Fund III Master received Commitments of €800 million and made capital calls of €392 million. Since 31 December 2018, the Fund III Master has not received any further Commitments and has made no further capital calls.

Other than as disclosed above, there has been no significant change in the financial condition or operating results of the Fund III Master during or subsequent to the period covered by the historical key financial information.

Fund III Feeder A

The key figures that summarise Fund III Feeder A's financial condition in respect of the financial period ended 31 December 2016 and the financial years ended 31 December 2017 and 2018 (all audited), which have been extracted without material adjustment from the audited financial statements of Fund III Feeder A for those periods, are set out in the following table:

Assets and liabilities	As at 31 December (audited) (€)		
	2018	*2017*	*2016*
Assets			
Investments in the Fund III Master	355,618,835	170,544,052	2,982,780
Cash and cash equivalents	4,199	11,614,239	636,246
Called capital receivable	–	41,973,600	–
Other receivables	2,499,356	1,983,833	–
Total assets	358,122,390	226,115,724	3,619,026
Liabilities			
Amounts due to the Fund III Master	10,735,216	10,217,484	–
Investments waiting to settle	–	44,433,000	–
Other payables	–	265,946	–
Total liabilities	10,735,216	54,916,430	–
Net assets represented by Partners' capital	347,387,174	171,199,294	3,619,026

		Statements of operations

	To 31 December (audited) (€)		
	2018	*2017*	*2016*
Dividend income	1,183,043	–	–
Interest income	4,892	25,108	2,115
Income allocated from the Fund III Master	1,187,935	25,108	2,115
Expenses allocated from the Fund III Master	(4,278,995)	(3,411,891)	(1,314,035)
Net investment loss allocated from the Fund III Master	(3,091,060)	(3,386,783)	(1,311,920)
Total Partnership expenses	(8,886,903)	(9,152,203)	(7,965,754)
Net investment loss	(11,977,963)	(12,538,986)	(9,277,674)
Net realised and unrealised gains/(losses) on investments and foreign exchange allocated from the Fund III Master	144,633,717	41,240,621	(6,300)
Net increase/(decrease) in Partners' capital resulting from operations	132,655,754	28,701,635	(9,283,974)

During the period covered by the historical key financial information, Fund III Feeder A received Commitments of approximately €444.3 million and made capital calls of approximately €235.5 million. Since 31 December 2018, Fund III Feeder A has not received any further Commitments and has made no further capital calls.

Other than as disclosed above, there has been no significant change in the financial condition or operating results of Fund III Feeder A during or subsequent to the period covered by the historical key financial information.

B.8.	**Key pro forma financial information**	Not applicable. No pro forma financial information is included in this document.
B.9.	**Profit forecast**	Not applicable. No profit forecast or estimate has been made.
B.10.	**Description of the nature of any qualifications in the audit report on the historical financial information**	Not applicable. The audited financial statements of the Fund III Master and Fund III Feeder A do not contain any qualifications.
B.11.	**Insufficiency of working capital**	Not applicable. No working capital statement is being made for Fund III.
B.34.	**Investment objective and policy**	**Investment Strategy and Restrictions** Fund III's primary objective is to invest in a diversified portfolio of private mid market Western European businesses, aiming to provide investors with significant long term capital appreciation. Fund III primarily focuses on making equity investments that secure it a controlling position, or in situations from which Fund III may obtain a strategic financial advantage. **Geographic Scope** Fund III focuses primarily on acquisitions of, or investments in, European companies. Fund III will not invest (i) more than 30 per cent. of total Commitments in entities that are not European companies, or (ii) more than 10 per cent. of total Commitments in entities that are neither European companies nor North American companies, in each case without the prior approval of the Fund III Investor Committee.

		For these purposes: "**Europe**" means the geographical area forming the member states of the European Union as at the Fund III Initial Closing Date, and any other country admitted to the European Union from time to time, together with Norway, Switzerland and Turkey; "**European companies**" and "**North American companies**" mean, as applicable, companies headquartered in Europe or North America, companies whose business is principally conducted or has substantial operations or assets in Europe or North America, or is reasonably expected to be principally conducted or to have substantial operations or assets in Europe or North America, or companies whose principal source of revenues is or is reasonably expected to be from Europe or North America; and "**North America**" means the United States of America and Canada. **Investment Restrictions** Fund III will not invest more than 10 per cent. of total Commitments in publicly listed securities without the approval of the Fund III Investor Committee save that Fund III is, however, permitted to invest in and hold such securities without restriction: (i) with a view to taking private the underlying investee company; (ii) where such investment otherwise has the nature of a private equity investment, such as an investment in an investee company with respect to which Fund III is expected to acquire control (or similar contractual rights such as board representation) within six months of the acquisition; (iii) in an investee company that is not publicly listed at the time of the investment; or (iv) where such securities are paid in consideration for the disposal of all or part of an investee company. Fund III will not engage in speculative investment in activities such as commodities, commodity contracts or forward currency contracts save with a view to hedging currency or interest rate risk. **Diversification** No more than 20 per cent. of total Commitments may be invested by Fund III in any single portfolio company (including follow-on investments) without the approval of the Fund III Investor Committee. However, in each case (subject as provided below), Fund III may invest (i) up to a further 10 per cent. of total Commitments in no more than one portfolio company; and (ii) up to a further 5 per cent. of total Commitments in an investment by way of a Bridge Investment. Any proceeds arising from the disposal of a Bridge Investment within eighteen months of the date of acquisition will not form part of the distribution waterfall but will be payable solely to investors *pro rata* to their Commitments, and the original acquisition cost of the Bridge Investment (or, if less, the distribution proceeds) will be subject to recall. Any Bridge Investment which is not realised within eighteen months of the date of acquisition will be treated as a permanent investment. **Reinvestment** To the extent that an investment (including any Bridge Investment) is realised by Fund III within eighteen months following the date of making such investment then an amount equal to the original acquisition cost of such investment may be retained by Fund III out of the proceeds of realisation and applied for any of the purposes of Fund III, or, if returned to investors, may be subject to recall. **Co-investment opportunities** Opportunities may arise for individual investors to invest in parallel with Fund III on terms to be agreed. OCML (as manager) may offer such co-investment opportunities in its absolute discretion, including to third parties.
B.35	**Borrowing limits**	Fund III may make borrowings for any of the purposes of Fund III provided that, in the case of Fund III Feeder A, such borrowings do not at the time of their incurrence exceed the lesser of: (i) 25 per cent. of total Commitments in relation to Fund III Feeder A; and (ii) 100 per cent. of undrawn Commitments in relation to Fund III Feeder A. Fund III may enter into guarantees, indemnities, covenants and undertakings in connection with an investment. In the case of Fund III Feeder A, the maximum outstanding liability under such guarantees, indemnities, covenants and undertakings, together with any outstanding borrowings made by Fund III Feeder A, shall not at the time of their incurrence exceed the lesser of: (i) 25 per cent. of total Commitments in

		relation to Fund III Feeder A; and (ii) 100 per cent. of undrawn Commitments in relation to Fund III Feeder A. Obligations under such borrowings, guarantees, indemnities, covenants and undertakings may, where appropriate, be secured upon the assets of Fund III, including undrawn Commitments. In relation to Fund III Feeder A, while any borrowings or any liabilities under guarantees, indemnities, covenants and undertakings are outstanding, then an amount equal to the liability under such borrowings, guarantees, indemnities, covenants and undertakings (less any cash reserves of Fund III Feeder A) will not be available for drawdown from undrawn Commitments for any other purpose.
B.36.	**Regulatory status**	Fund III is not regulated in the United Kingdom, Bermuda or in any other jurisdiction.
B.37.	**Typical investor**	An investment in Fund III is suitable for sophisticated investors only. The Company invests in Fund III.
B.38.	**Investment of 20 per cent. or more of gross assets in single underlying asset or collective investment undertaking**	Based on the most recent valuation of Fund III's portfolio (as at 31 December 2018), Fund III's investment in WebPros B.V. represents 28 per cent. of its gross assets (12.4 per cent. of the Company's gross assets on a look-through basis). The securities of WebPros B.V. are not admitted to any market.
B.39.	**Investment of 40 per cent. or more of gross assets in another collective investment undertaking**	Not applicable.
B.40.	**Fund III's service providers**	**Fund III GP** Oakley Capital III Limited acts as the general partner to Fund III. From the Fund III Initial Closing Date until the end of the Fund III Investment Period, the Fund III GP receives a priority share of profits of 2 per cent. per annum of the total Commitments received by Fund III (excluding certain Commitments received from the Fund III Founder Partner) (the "**Fund III GP's Share**"). After the end of the Fund III Investment Period, the Fund III GP's Share will be reduced to 2 per cent. of the total acquisition cost of investments that have not been realised (including any distribution in specie) or written off. The Fund III GP's Share, or drawings on account thereof, is payable semi-annually in advance. The Fund III GP is also entitled to a fee of €1,000 per annum for its role as general partner to the Fund III Master. **Fund III Founder Partner** Pursuant to the Fund III Constitution, OCPE III Founder Member L.P. is entitled to carried interest equal to 20 per cent. of proceeds available for distribution after the Fund III GP has received the Fund III GP's Share and the investors have received the Fund III Preferred Return. **Investment Manager** Oakley Capital Manager Limited has been appointed as the manager of Fund III, with responsibility for portfolio management and risk management pursuant to the terms of the Fund III Management Agreement. The appointment of OCML is without further charge to Fund III, and any fees payable to OCML shall be borne by the Fund III GP, the Fund III Founder Partner, any of their respective associates and/or any member of the Oakley Group.

		Investment Adviser Oakley Capital Limited has been appointed by OCML (as manager of Fund III) to provide investment advisory services in respect of Fund III. The appointment of the Investment Adviser will be without further charge to Fund III, and any fees payable to the Investment Adviser shall be borne by the Fund III GP, the Fund III Founder Partner, any of their respective associates and/or any member of the Oakley Group. **Administrator** Mayflower Management Services (Bermuda) Limited has been appointed as the administrator to Fund III, to provide certain administration, accounting and corporate director services to the Fund III Master, each of the Fund III Limited Partners and certain entities affiliated with them. Pursuant to the Fund III Administration Agreement, the Administrator is entitled to receive an administration fee, to be agreed annually between the Investment Adviser and the Administrator, and to the reimbursement of certain expenses. The annual fee for 2018 was US$550,000.
B.41.	**Regulatory status of OCML and the Investment Adviser**	OCML is an exempt company incorporated in Bermuda with limited liability. OCML is licensed by the Bermuda Monetary Authority to carry on investment business. The Investment Adviser is authorised and regulated in the UK by the Financial Conduct Authority (registration number 195029). Fund III has not appointed a custodian in respect of its investments.
B.42.	**Calculation and publication of net asset value**	Fund III's policy is to review valuations of its portfolio companies twice a year. Valuations of Fund III's investments will be included in the audited annual accounts and unaudited interim reports provided to investors. Valuations are established by OCML, in consultation with the Investment Adviser, at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (subject to any adjustments that OCML deems appropriate and explains by way of a note to such valuation).
B.43.	**Cross liability**	Not applicable. Fund III is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investments in another collective investment undertaking.
B.44.	**No financial statements have been made up**	Not applicable.
B.45.	**Portfolio**	As at the Latest Practicable Date, Fund III's portfolio comprised 8 investments, being:

Investment	*Sector*	*Fair value as at 31 December 2018 (audited) (€m)*	*Percentage of value of total portfolio**
Casa & atHome	Consumer	122.0	16%
WebPros	TMT	221.0	29%
TechInsights	TMT	43.6	6%
Schülerhilfe	Education	113.0	15%
AMOS	Education	44.0	6%
Career Partner Group	Education	132.4	18%
Facile	Consumer	80.4	11%
Ekon	TMT	0**	0%**
Total investments		756.3	100%

** Based on 31 December 2018 valuations.*

*** As at the latest balance sheet date (31 December 2018) Fund III had not made any investment in Ekon. On 21 June 2019, Fund III completed its investment in Ekon for €49.6 million (unaudited).*

		As at the date of this document, Fund III has received aggregate Commitments (including undrawn Commitments) of €800 million. No further Commitments will be raised. There has been no material change in Fund III's investments since the Latest Practicable Date.
B.46.	**Net Asset Value**	As at 31 December 2018, the net asset value of Fund III Feeder A (audited) was €347,387,174. As at 31 December 2018, the net asset value of the Fund III Master (audited) was €640,278,775.

THE FOLLOWING INFORMATION RELATES TO FUND IV. IT HAS BEEN INCLUDED HERE AS THE COMPANY MAY INVEST IN EXCESS OF 40 per cent. OF ITS GROSS ASSETS IN FUND IV AND IS REQUIRED TO EXPLAIN BRIEFLY THE EXPOSURE, THE IDENTITY OF FUND IV AND TO PROVIDE SUCH INFORMATION AS WOULD BE REQUIRED IN A SUMMARY NOTE ISSUED BY FUND IV.

Section B – Fund IV		
Element	*Disclosure Requirement*	*Disclosure*
B.1.	**Legal and commercial name**	Oakley Capital IV-A SCSp, a Luxembourg special limited partnership, which acts as a feeder vehicle for Oakley Capital IV Master SCSp, also a Luxembourg special limited partnership. The commercial name of Fund IV is "Oakley Capital IV".
B.2.	**Domicile and legal form**	Fund IV is a Luxembourg-domiciled investment fund structured as a series of Luxembourg special limited partnerships (sociétés en commandite spéciales), including Oakley Capital IV Master SCSp, in which the Company invests through the feeder vehicle Oakley Capital IV-A SCSp. Oakley Capital IV Master SCSp is a special limited partnership registered in Luxembourg pursuant to the Luxembourg law of 10 August 1915 on commercial companies, as amended, with registered number B232.077. Oakley Capital IV-A SCSp is a special limited partnership registered in Luxembourg pursuant to the Luxembourg law of 10 August 1915 on commercial companies, as amended, with registered number B229.402.
B.5.	**Group description**	Fund IV is a Luxembourg-domiciled investment fund structured as a series of Luxembourg special limited partnerships (sociétés en commandite spéciales), currently comprising Oakley Capital IV Master SCSp (the "**Fund IV Master**"), Oakley Capital IV-A SCSp ("**Fund IV Feeder A**"), Oakley Capital IV-B SCSp ("**Fund IV Feeder B**") and Oakley Capital IV-C SCSp ("**Fund IV Feeder C**" and, together with Fund IV Feeder A and Fund IV Feeder B, the "**Fund IV Limited Partners**"). The Fund IV Limited Partners will invest substantially all of their assets in the Fund IV Master. Oakley Capital IV S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated in Luxembourg, acts as the general partner of the Fund IV Master and each of the Fund IV Limited Partners. Fund IV structures its investments through a number of special purpose vehicles (which may be wholly or partly owned by Fund IV) but does not otherwise have any subsidiaries. These include a wholly-owned subsidiary, Oakley Capital IV Master Holdco S.à r.l., through which Fund IV proposes to structure all of its investments. Oakley Capital IV Master Holdco S.à r.l. was incorporated in Luxembourg as a limited liability company on 20 May 2019 with registered number B234.459.
B.6.	**Major shareholders**	So far as is known to Fund IV as at the Latest Practicable Date, no person holds, directly or indirectly, a notifiable interest in Fund IV's capital or voting rights. Save for the Fund IV GP, which is responsible for managing the business affairs of Fund IV, Fund IV is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over Fund IV.

B.7.	**Key financial information**	**Fund IV Master** The Fund IV Master was established on 13 February 2019. The key figures that summarise the Fund IV Master's financial condition in respect of the financial period from the date of establishment to 30 April 2019, which have been extracted without material adjustment from the audited financial statements of the Fund IV Master for that period, are set out in the following table:

Statement of Financial Position	*As at 30 April 2019 (audited) (€)*
Current liabilities	
Accounts payable and accrued operating expenses	1,655,815
Total current liabilities	1,655,815
Total net assets attributable to the Partners	(1,655,815)
Loss for the period	(1,655,815)
Total Partners' accounts	(1,655,815)

Statement of Comprehensive Income	*13 February 2019 to 30 April 2019 (audited) (€)*
Legal and professional fees	74,785
Formation expenses	1,581,030
Total operating expenses	1,655,815
Operating loss for the period	(1,655,815)
Total comprehensive loss	(1,655,815)

During the period covered by the historical key financial information, the Fund IV Master received Commitments of approximately €1.18 billion but made no capital calls in this period. Since 30 April 2019, the Fund IV Master has received further Commitments of approximately €220.8 million and has made capital calls of approximately €3.5 million.

Other than as disclosed above, there has been no significant change in the financial condition or operating results of the Fund IV Master during or subsequent to the period covered by the historical key financial information.

Fund IV Feeder A

Fund IV Feeder A was established on 15 November 2018.

The key figures that summarise Fund IV Feeder A's financial condition in respect of the financial period from the date of establishment to 30 April 2019, which have been extracted without material adjustment from the audited financial statements of Fund IV Feeder A for that period, are set out in the following table:

Statement of Financial Position	*As at 30 April 2019 (audited) (€)*
Current assets	
Receivables from Partners	74,918
Cash and cash equivalents	2,459,814
Total assets	2,534,732
Current liabilities	
Accounts payable and accrued operating expenses	271,930
Total current liabilities	271,930
Total net assets attributable to the Partners	2,262,802
Partners' Contributions	2,534,750
Partners' reserves	(271,948)
Total Partners' accounts	2,262,802

			15 November 2018 to 30 April 2019
		Statement of Comprehensive Income	*(audited) (€)*
		Legal and professional fees	221,890
		Administration fees	50,000
		General expenses	40
		Bank charges	18
		Total operating expenses	271,948
		Operating loss for the period	(271,948)
		Total comprehensive loss	(271,948)
		During the period covered by the historical key financial information, Fund IV Feeder A received Commitments of approximately €507 million and made capital calls of approximately €2.5 million. Since 30 April 2019, Fund IV Feeder A has received further Commitments of approximately €14.8 million and has made capital calls of approximately €9.2 million. Other than as disclosed above, there has been no significant change in the financial condition or operating results of Fund IV Feeder A during or subsequent to the period covered by the historical key financial information.
B.8.	**Key pro forma financial information**	Not applicable. No pro forma financial information is included in this document.
B.9.	**Profit forecast**	Not applicable. No profit forecast or estimate has been made.
B.10.	**Description of the nature of any qualifications in the audit report on the historical financial information**	Not applicable. The audited financial statements of the Fund IV Master and Fund IV Feeder A do not contain any qualifications.
B.11.	**Insufficiency of working capital**	Not applicable. No working capital statement is being made for Fund IV.
B.34.	**Investment objective and policy**	**Investment Policy** Fund IV primarily focuses on making equity investments in private companies, predominantly in Europe, which secure it a controlling position, or in situations from which Fund IV may obtain a strategic financial advantage, where typically the anticipated investment (including add-ons) is at least €50 million. **Geographic Scope** Fund IV focuses primarily on acquisitions of, or investments in, European companies. Fund IV will not invest at any time (i) more than 30 per cent. of total Commitments in entities that are not European companies, or (ii) more than 10 per cent. of total Commitments in entities that are neither European companies nor North American companies, in each case without the prior approval of the Fund IV Investor Committee. For these purposes: "**Europe**" means the geographical area forming the member states of the European Union as at the Fund IV Initial Closing Date (including, for the avoidance of doubt, the United Kingdom), and any other country previously or subsequently admitted to the European Union from time to time (regardless of whether it is or remains a member state of the European Union as at the Fund IV Initial Closing Date), together with Norway, Switzerland and Turkey; "**European companies**" and "**North American companies**" mean, as applicable, companies headquartered in Europe or North America, companies whose business

		is principally conducted or has substantial operations or assets in Europe or North America, or is reasonably expected to be principally conducted or to have substantial operations or assets in Europe or North America, or companies whose principal source of revenues is or is reasonably expected to be from Europe or North America; and "**North America**" means the United States of America and Canada. **Investment Restrictions** Fund IV will not invest more than 10 per cent. of total Commitments in publicly listed securities without the approval of the Fund IV Investor Committee save that Fund IV will, however, be permitted to invest in and hold such securities without restriction: (i) with a view to taking private the underlying portfolio company; (ii) where such investment otherwise has the nature of a private equity investment, such as an investment in a portfolio company with respect to which Fund IV is expected to acquire control or significant influence (including board representation or similar contractual rights) within 6 months of the acquisition; (iii) in a portfolio company that is not publicly listed at the time of the investment; or (iv) where such securities are paid in consideration for the disposal of all or part of a portfolio company. Fund IV will not engage in speculative investment in activities such as commodities, commodity contracts or forward currency contracts save with a view to hedging currency or interest rate risk. **Diversification** No more than 20 per cent. of total Commitments may be invested by Fund IV in any single portfolio company (including follow-on investments) without the approval of the Fund IV Investor Committee. However, this limit may be exceeded where the intention of the Fund IV AIFM (or the fund's portfolio manager, if appointed) at the time of investment is to invest on a temporary basis by way of a Bridge Investment provided that the total amounts invested in any single portfolio company (including follow-on investments) may not exceed 25 per cent. of total Commitments. Any proceeds arising from a Bridge Investment within 18 months of the date of acquisition will not form part of the distribution waterfall but will be payable solely to investors *pro rata* to their Commitments, and the original acquisition cost of the Bridge Investment (or, if less, the distribution proceeds) will be subject to recall. Any Bridge Investment which is not realised within 18 months of the date of acquisition will be treated as a permanent investment. **Reinvestment** To the extent that Fund IV receives proceeds in respect of an investment (including any Bridge Investment) within eighteen months following the date of making such investment then an amount equal to the original acquisition cost of such investment may be retained by Fund IV out of such proceeds and applied for any of the purposes of Fund IV, or, if returned to investors, will be subject to recall. **Co-investment opportunities** Opportunities may arise for individual investors to invest in parallel with Fund IV on terms to be agreed. Fund IV GP may offer such co-investment opportunities in its absolute discretion, including to third parties. **Transitional period** During the transitional period between the Fund IV Initial Closing Date and the Fund IV Final Closing Date, the Commitment-based restrictions referred to above will instead be calculated by reference to Benchmark Commitments. For this purpose, "**Benchmark Commitments**" means the higher of: (i) €1.2 billion; and (ii) total Commitments received by Fund IV. After the Fund IV Final Closing date, the Commitment-based restrictions will be calculated by reference to the total Commitments received by Fund IV.
B.35.	**Borrowing limits**	Fund IV may make borrowings for any of the purposes of Fund IV provided such borrowings do not at the time of their incurrence exceed the lesser of: (i) 30 per cent. of total Commitments; and (ii) 100 per cent. of drawable Commitments. Such borrowings may, where appropriate, be secured upon the assets of Fund IV, including drawable Commitments. Fund IV may enter into guarantees, indemnities, covenants and undertakings in connection with an investment. The maximum outstanding liability under such

		guarantees, indemnities, covenants and undertakings, together with any outstanding borrowings made by Fund IV, shall not at the time of their incurrence exceed the cash balances of Fund IV together with any amounts that may be returned by way of investor clawback together with the lesser of: (i) 30 per cent. of total Commitments; and (ii) 100 per cent. of drawable Commitments. Obligations under such borrowings, guarantees, indemnities, covenants and undertakings may, where appropriate, be secured upon the assets of Fund IV, including drawable Commitments. While any borrowings or any liabilities under guarantees, indemnities, covenants and undertakings are outstanding, then an amount equal to the liability under such borrowings, guarantees, indemnities, covenants and undertakings (less any cash balances of Fund IV together with any amounts that may be returned to Fund IV by way of investor clawback) will not be available for drawdown from drawable Commitments for any other purpose. **Transitional period** During the transitional period between the Fund IV Initial Closing Date and the Fund IV Final Closing Date, the Commitment-based restrictions referred to above will instead be calculated by reference to Benchmark Commitments. For this purpose, "**Benchmark Commitments**" means the higher of: (i) €1.2 billion; and (ii) total Commitments received by Fund IV. After the Fund IV Final Closing date, the Commitment-based restrictions will be calculated by reference to the total Commitments received by Fund IV.
B.36.	**Regulatory status**	Fund IV is not regulated in the United Kingdom, Luxembourg or in any other jurisdiction.
B.37.	**Typical investor**	An investment in Fund IV is suitable for sophisticated investors only. The Company has committed to invest in Fund IV.
B.38.	**Investment of 20 per cent. or more of gross assets in single underlying asset or collective investment undertaking**	As at the date of this document, Fund IV's investment in Videotel and Seagull is its only investment, representing 100 per cent. of its gross assets (approximately 1 per cent. of the Company's gross assets on a look-through basis).
B.39.	**Investment of 40 per cent. or more of gross assets in another collective investment undertaking**	Not applicable.
B.40.	**Fund IV's service providers**	**Fund IV GP** Oakley Capital IV S.à r.l. acts as the general partner to Fund IV. From the end of the Fund III Investment Period until the earlier of (i) the end of the Fund IV Investment Period and (ii) the date on which a general partner's share (or similar fee) starts to accrue on a Successor Fund, the Fund IV GP will receive a priority share of profits of 2 per cent. per annum of the total Commitments received by Fund IV (excluding certain Commitments received from the Fund IV Founder Partner) (the "**Fund IV GP's Share**"). From the end of the Fund IV Investment Period until the Fund IV Term Date, the Fund IV GP's Share will be reduced to 2 per cent. of the total acquisition cost of investments that have not been realised (including any distribution in specie) or written off. After the Fund IV Term Date, the Fund IV GP's Share will be reduced to 1 per cent. of the total acquisition cost of investments that have not been realised (including any distribution in specie) or written off. The Fund IV GP's Share, or drawings on account thereof, is payable semi-annually in advance.

		The Fund IV GP is also entitled to a fee of €1,000 per annum for its role as general partner to the Fund IV Master. For these purposes: "**Fund IV Term Date**" means the tenth anniversary of the Fund IV Final Closing Date; and "**Successor Fund**" means any new pooled investment fund or managed account arrangement (excluding any investment vehicle forming part of Fund IV or parallel investment vehicle) with an investment strategy which is substantially similar to that of Fund IV in respect of which the Fund IV GP, the Fund IV Founder Partner, any of their respective associates, the Fund IV AIFM, the Investment Adviser or any other member of the Oakley Group acts as the general partner, manager, investment adviser or primary source of transactions. **Fund IV Founder Partner** Pursuant to the Fund IV Constitution, Oakley Capital IV FM SCSp is entitled to carried interest equal to 20 per cent. of proceeds available for distribution after the Fund IV GP has received the Fund IV GP's Share and the investors have received the Fund IV Preferred Return. **Fund IV AIFM** Luxembourg Investment Solutions S.A. has been appointed by the Fund IV GP as the alternative investment fund manager of Fund IV, with responsibility for risk management and portfolio management pursuant to the terms of the Fund IV AIFM Agreement. The Fund IV AIFM may delegate or transfer the portfolio management function to OCML or to another member of the Oakley Group in due course. The appointment of the Fund IV AIFM will be without further charge to Fund IV, and any fees payable to the Fund IV AIFM shall be borne by the Fund IV GP, the Fund IV Founder Partner, any of their respective associates or any member of the Oakley Group. **Investment Adviser** Oakley Capital Limited has been appointed by the Fund IV AIFM to provide investment advisory services in respect of Fund IV. The Investment Adviser has also been appointed as the non-exclusive distributor of limited partnership interests in Fund IV Feeder A and Fund IV Feeder B within the EEA. The appointment of the Investment Adviser will be without further charge to Fund IV, and any fees payable to the Investment Adviser shall be borne by the Fund IV GP, the Fund IV Founder Partner, any of their respective associates or any member of the Oakley Group. **Fund IV Administrator and Depositary** Aztec Financial Services (Luxembourg) S.A. has been appointed as the administrator of Fund IV and as its depositary for the purposes of the AIFMD. Aztec is entitled to one-off fees in connection with the establishment of the Fund IV master-feeder structure and ongoing fees for its role as Fund IV Administrator and Fund IV Depositary. Administration and depositary fees in the first year of operation are estimated to be €489,595 and €125,300 respectively. These are expected to reduce to €446,345 and €100,500 per annum in future years. Administration and Depositary fees will be split between the Fund IV Limited Partners on a *pro rata* basis in proportion to Commitments received from investors.
B.41.	**Regulatory status of the Fund IV AIFM, Investment Adviser and Fund IV Depositary**	The Fund IV AIFM is authorised and regulated in Luxembourg by the CSSF as a management company under chapter 16 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended, and as an AIFM under the Luxembourg Law of 12 July 2013 on Alternative Investment Fund Managers. The Investment Adviser is authorised and regulated in the UK by the Financial Conduct Authority (registration number 195029). The Fund IV Depositary is authorised and regulated in Luxembourg by the CSSF (registration number P00000307).

B.42.	**Calculation and publication of net asset value**	Fund IV's policy is to review valuations of its portfolio companies twice a year. Valuations of Fund IV's investments will be included in the audited annual accounts and unaudited interim reports provided to investors. Valuations will be established by the Fund IV AIFM based on valuations prepared by the Investment Adviser. Valuations will be carried out at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (subject to any adjustments that the Fund IV AIFM, in consultation with the Investment Adviser, deems appropriate and explains by way of a note to such valuation).
B.43.	**Cross liability**	Not applicable. Fund IV is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investments in another collective investment undertaking.
B.44.	**No financial statements have been made up**	Not applicable.
B.45.	**Portfolio**	As at the Latest Practicable Date, Fund IV's portfolio comprised one investment, being an investment in SG MidCo AS, Videotel Marine Asia Limited and Super Dragon Limited, providers of e-learning to the maritime sector, which was made on 21 June 2019 for $89.7 million (€80.0 million) (unaudited). As at the date of this document, Fund IV has received aggregate Commitments (including undrawn Commitments) of approximately €1.4 billion, including a Commitment of €400 million from the Company. There has been no material change in Fund IV's investments since the Latest Practicable Date.
B.46.	**Net Asset Value**	As at 30 April 2019, the net asset value of Fund IV Feeder A (audited) was €2,262,802. As at 30 April 2019, the net liability value of the Fund IV Master (audited) was €1,655,815.

Section C – Securities		
Element	*Disclosure Requirement*	*Disclosure*
C.1.	**Type and class of securities**	The ISIN of the Ordinary Shares is BMG670131058. The SEDOL of the Ordinary Shares is B23DL39. The ticker for the Ordinary Shares is OCI. As the Company is incorporated in Bermuda, the Ordinary Shares cannot be admitted directly to CREST. In order to enable transactions in the Ordinary Shares to be settled electronically, the Company has created a Depositary Interest facility under which the CREST Depositary issues Depositary Interests to Shareholders in exchange for Ordinary Shares in the ratio of one for one. It is therefore possible for CREST members to hold and transfer Depositary Interests in respect of the underlying Ordinary Shares within CREST pursuant to the Depositary and Custody Services Agreement and the Depositary Deed. The ISIN for the Depositary Interests is the same as that of the Ordinary Shares, being BMG670131058. The admission to trading of the Ordinary Shares on the Specialist Fund Segment of the London Stock Exchange's main market, and the cancellation of admission of the Ordinary Shares to trading on AIM, will not affect the continuation of the Depositary Interest facility in relation to the Ordinary Shares.
C.2.	**Currency denomination of Shares**	The Ordinary Shares are denominated in Sterling.
C.3.	**Details of share capital**	The issued share capital of the Company as at the date of this document is 204,399,936 Ordinary Shares, all fully paid.
C.4.	**Rights attaching to the securities**	The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares. On a return of assets on liquidation, reduction of capital or otherwise, the holders of Ordinary Shares shall be entitled to be paid the surplus assets of the Company

		remaining after payment of its liabilities in respect of their holdings of Ordinary Shares *pari passu* and *pro rata* to the number of Ordinary Shares held by each of them (subject to the rights of holders of any preferred share then in issue, if any). The Ordinary Shares carry the right to receive notice of, attend and vote at general meetings of the Company and every holder of Ordinary Shares present in person or by proxy shall on a poll have one vote for each share held. The consent of the holders of Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares. No holder of Ordinary Shares has the right to require the redemption of any Ordinary Shares.
C.5.	**Restrictions on the free transferability of the securities**	There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities laws.
C.6.	**Admission**	Application will be made to the London Stock Exchange for all of the Ordinary Shares to be admitted to trading on the Specialist Fund Segment of the London Stock Exchange's main market. It is expected that Admission will become effective and dealings will commence on 23 August 2019. Upon Admission, the admission of the Ordinary Shares to trading on AIM will be cancelled. The Ordinary Shares will not be dealt on any other recognised investment exchange and no applications for Ordinary Shares to be traded on such other exchanges have been made or are currently expected. The Depositary Interests will not be required to be admitted to trading on the Specialist Fund Segment.
C.7.	**Dividend policy**	On the Company's establishment in 2007, the Board did not envisage that any income or gains derived from the Company's investments would be distributed by way of dividend. However, a maiden dividend of 4.5 pence per Ordinary Share was announced in December 2016 in respect of the 2016 financial year due to income generated from co-investments and increased cash returns from exits. The Board has since adopted a dividend policy which takes into account the profitability and underlying performance of the Company in addition to capital requirements, cash flows and distributable reserves. Subject to any unforeseen circumstances, the Board intends to pay an annual dividend of 4.5 pence per Ordinary Share each year, split into two half-yearly dividends of 2.25 pence per Ordinary Share. To the extent that a dividend is declared or paid, it will be declared or be paid in compliance with any applicable laws.

Section D – Risks		
Element	*Disclosure Requirement*	*Disclosure*
D.2.	**Key information on the key risks that are specific to the Company and the Oakley Funds**	● There can be no guarantee that the investment objective of the Company or the Oakley Funds (or successor funds) will be achieved or that any dividends will be paid, or distributions made, in respect of any financial year or period. ● The past performance of investments selected by OCML is not a reliable indication of the future performance of the Company or any Oakley Fund (or successor fund). There can be no guarantee that the Company or the Oakley Funds (or their successor funds) will achieve their respective investment objectives or that investors will get back the full value of their investments. ● Neither the Company nor any of the Oakley Funds has any employees and each of the Company and the Oakley Funds is reliant on the performance of third party service providers. Failure by OCML, the Fund IV AIFM, the Investment Adviser or any other third party service provider to perform in accordance with the terms of its appointment could have a material detrimental impact on the operation of the Company and/or the relevant Oakley Fund(s) (or successor fund(s)). ● The departure of some or all of OCML's and/or the Investment Adviser's investment professionals could prevent the Company and/or the Oakley Funds

		(or successor funds) from achieving their investment objectives. The past performance of OCML's and/or the Investment Adviser's investment professionals cannot be relied upon as an indication of the future performance of the Company or any Oakley Fund (or successor fund). ● Each of the Company and the Oakley Funds is expected to invest, directly or indirectly, a significant proportion of its assets in private mid-market UK and Western European businesses which, by their nature, may be smaller capitalisation companies. Such companies may not have the financial strength, diversity or resources of larger and more established companies and may find it more difficult to operate, especially in periods of low economic growth. The market in the shares of such companies is less liquid and, as a consequence, it may be more difficult to effect sales of such securities and their share price may be more volatile than investments in larger companies. ● Each of the Company and the Oakley Funds invest (directly or indirectly) primarily in unquoted companies, which are less liquid and more difficult to realise than publicly traded securities. ● Each of the Company and the Oakley Funds will typically hold a relatively small number of stocks as compared to many other funds and may seek to make several investments in a limited number of industries or sectors. This may make the performance of the Company and/or the Oakley Funds (and consequently their respective net asset values) more volatile than would be the case if they had more diversified investment portfolios and may materially and adversely affect the performance of the Company and the Oakley Funds and returns to investors. ● The Company, the Oakley Funds and their respective investee companies are subject to laws and regulations enacted by national and local governments. Any change in the law and regulation affecting the Company, the Oakley Funds or their respective investee companies may have a material adverse effect on the ability of the Company or the Oakley Funds to carry on their business and successfully pursue their investment policies. ● The Ordinary Shares are quoted in Sterling but the Company holds assets and liabilities denominated in currencies other than Sterling. In particular, the Company's investments in the Oakley Funds are denominated in Euros. Therefore, it is expected that the Company will maintain an effective position of material exposure to the Euro. In addition, the assets of the Company and/or the Oakley Funds may be invested in securities which are denominated in currencies other than Euros. Accordingly, the value of the assets of the Company and/or any Oakley Fund may be affected favourably or unfavourably by fluctuations in currency rates. The Company may, but does not currently intend to, hedge the exchange rate risks to which it is subject. ● Any change in the Company's or an Oakley Fund's tax status or in taxation legislation or practice generally could adversely affect the value of the investments held by the Company or the relevant Oakley Fund, or the Company's ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.
D.3.	**Key information on the key risks that are specific to the Ordinary Shares**	● The value of the Ordinary Shares can fluctuate and may go down as well as up. ● The market price of the Ordinary Shares, like shares in all closed-end investment companies, may fluctuate independently of their underlying Net Asset Value per Ordinary Share and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. ● It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares. ● If the Directors decide to issue further Ordinary Shares, the proportions of the voting rights held by Shareholders may be diluted. ● Changes in tax law may reduce any return for investors in the Company. ● DI Holders do not have the rights which Bermuda law confers on Shareholders, such as voting rights. If a DI Holder wishes to exercise any such rights, he/she must rely on the CREST Depositary (or any custodian appointed by the CREST Depositary) to exercise those rights for his/her benefit in accordance with the terms of the Depositary Deed.

Section E – Offer		
Element	*Disclosure Requirement*	*Disclosure*
E.1.	**Proceeds and expenses of the issue**	Not applicable. The Company is not offering any new Ordinary Shares or any other securities in connection with Admission. The costs and expenses in connection with Admission will be borne by the Company and are not expected to exceed an aggregate of £725,000 (plus VAT where applicable).
E.2.a.	**Reasons for the issue, use of proceeds and estimated net amount of proceeds**	Not applicable. The Company is not offering any new Ordinary Shares or any other securities in connection with Admission.
E.3.	**Terms and conditions of the issue**	Not applicable. The Company is not offering any new Ordinary Shares or any other securities in connection with Admission.
E.4.	**Material interests**	Not applicable. The Company is not offering any new Ordinary Shares or any other securities in connection with Admission.
E.5.	**Name of person selling securities/ lock-up agreements**	Not applicable. The Company is not offering any new Ordinary Shares or any other securities in connection with Admission.
E.6.	**Dilution**	Not applicable. There is no dilution in connection with Admission.
E.7.	**Estimated expenses charged to the investor by the issuer**	Not applicable. No expenses will be charged to investors by the Company. The costs and expenses in connection with Admission will be borne by the Company and are not expected to exceed an aggregate of £725,000 (plus VAT where applicable).

RISK FACTORS

Investment in the Company should not be regarded as short-term in nature and involves a degree of risk. Accordingly, investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company including, in particular, the risks described below.

The Directors believe that the risks described below are the material risks relating to the Ordinary Shares at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the value of the Ordinary Shares. Investors should review this document carefully and in its entirety and consult with their professional advisers before making any investment in the Company.

FCA-authorised firms conducting designated investment business with retail customers under COB Rules are reminded that securities admitted to trading on the Specialist Fund Segment will be securities that may have characteristics such as: (i) variable levels of secondary market liquidity; (ii) sophisticated corporate structures; (iii) highly leveraged structures; and (iv) sophisticated investment propositions with concentrated risks and are therefore intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment.

(1) Risks relating to the Company and the Oakley Funds

The following risk factors are those considered to be material in respect of the Company, the Oakley Funds and their respective portfolios, and may individually or in combination reduce the value of the Company's assets and/or its reserves which could have a material adverse effect on the Company's Net Asset Value and the value of the Ordinary Shares.

The Company and/or the Oakley Funds (or their successor funds) may not meet their investment objectives

The Company and/or any of the Oakley Funds (or any successor fund) may not achieve its investment objective. Meeting those objectives is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The success of the Company and the Oakley Funds will depend on OCML's ability to identify and realise investments in accordance with the Company's and the Oakley Funds' investment policies. This, in turn, will depend on the ability of the Investment Adviser to apply its investment approach in a way which is capable of identifying suitable investments for the Company and/or the Oakley Funds to invest in. There can be no assurance that the Investment Adviser will be successful in implementing its investment approach or that the Company will generate investment returns for Shareholders or indeed avoid investment losses.

Shareholders should note that there is no guarantee that any dividends will be paid in respect of any financial year or period. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Company's investments.

An investor may not get back the amount originally invested. The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

The Company and the Oakley Funds have no employees and are reliant on the performance of third party service providers

The Company and the Oakley Funds have no employees and each of the Directors and the directors of the General Partners have been appointed on a non-executive basis. Whilst each of the Company and the Oakley Funds has taken reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, it is reliant upon the performance of third party service providers for its executive function. In particular, OCML, the Investment Adviser, the Administrator and the

Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company or to an Oakley Fund in accordance with the terms of its appointment could have a material detrimental impact on the operation of the Company or the relevant Oakley Fund, as applicable.

The past performance of other investments managed or advised by OCML cannot be relied upon as an indicator of the future performance of the Company or the Oakley Funds (or successor funds). Investor returns will be dependent upon each of the Company and the Oakley Funds (or successor funds) successfully pursuing their respective investment policies. The success of the Company and the Oakley Funds will depend *inter alia* on OCML's ability to identify, acquire and realise investments in accordance with the Company's or, as applicable, the relevant Oakley Fund's investment policy. This, in turn, will depend on the ability of the Investment Adviser to apply its investment processes in a way which is capable of identifying suitable investments for the Company or, as applicable, the Oakley Funds to invest in. There can be no assurance that OCML and/or the Investment Adviser will be able to accomplish these objectives or that the Company or the Oakley Funds will be able to invest their assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

An investor may not get back the amount originally invested. Neither the Company nor the Oakley Funds can offer any assurance that their investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

Investor returns will be dependent upon the performance of the Company's and the Oakley Funds' (and any successor funds') respective portfolios and the Company and/or the Oakley Funds (and/or any successor fund) may experience fluctuations in their operating results

Investors contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the Company's and the Oakley Funds' (and any successor funds') portfolios. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment in the Ordinary Shares.

The Company and the Oakley Funds (and any successor funds) may experience fluctuations in their operating results due to a number of factors, including changes in the values of investments made by the Company or the Oakley Funds (or successor funds), changes in the amount of distributions, dividends or interest paid by companies in their portfolios, changes in the Company's or the Oakley Funds' (or successor funds') operating expenses and the operating expenses of the Investment Adviser and/or OCML, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company or the Oakley Funds (or successor funds) encounter competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Ordinary Shares and cause the Company's results for a particular period to not be indicative of its performance in a future period.

Changes in laws or regulations may adversely affect the Company's business

The Company and the Oakley Funds are subject to laws and regulations enacted by European, national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to closed-ended investment companies with their shares admitted to trading on a regulated market.

Any change in the law and regulation affecting the Company, the Oakley Funds or their investee companies may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company and/or the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.

Furthermore, there have been significant legislative developments affecting the private equity industry (such as the Dodd-Frank Act in the US) and there continues to be discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private equity industry. There can be no assurance that the foregoing will not have an adverse impact on the Company, the Oakley Funds, the Investment Adviser, OCML, the General Partners, and/or any other member of the Oakley Group.

There is significant uncertainty associated with the UK's exit from the European Union

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU ("**Brexit**"). The extent of the impact of Brexit on the Company, the Oakley Funds and the companies in which they invest will depend in part on the nature of the arrangements that are put in place between the UK and the EU following the eventual Brexit and the extent to which the UK continues to apply laws that are based on EU legislation.

The Company, the Oakley Funds and the companies in which they invest may also be subject to a significant period of uncertainty in the period leading up to and following an eventual Brexit including, *inter alia*, uncertainty in relation to any potential regulatory or tax change. This uncertainty could be detrimental to the value of the Company's and/or the Oakley Funds' investments and/or their ability to enter into transactions, to value or realise certain of their investments or otherwise to implement their investment policies. This may be due to, among other things, increased uncertainty and volatility in UK, EU and other financial markets, fluctuations in asset values, fluctuations in exchange rates, increased illiquidity of investments located, traded or listed within the UK, the EU or elsewhere, changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price and terms on which they are prepared to transact; and/or changes in legal and regulatory regimes to which the Company, the Oakley Funds, the Investment Adviser and/or certain of the Company's or the Oakley Funds' assets are or become subject to.

Furthermore, the eventual exit of the United Kingdom from the EU could have a material impact on the United Kingdom's economy and the future growth of that economy, impacting adversely the Company's and/or the Oakley Funds' investments in the United Kingdom. It could also result in substantial volatility in foreign exchange markets and may lead to a sustained weakness in Sterling's exchange rate against the United States dollar, the Euro and other currencies which may have a material adverse effect on the Company and/or the Oakley Funds.

NMPI Regulations

On 1 January 2014 the Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013 (the "**NMPI Regulations**") came into force in the UK. The NMPI Regulations extend the application of the UK regime restricting the promotion of unregulated collective investment schemes to other "non-mainstream pooled investments" ("**NMPIs**"). As a result of the NMPI Regulations, FCA authorised independent financial advisers and other financial advisers are restricted from promoting NMPIs to retail investors who do not meet certain high net worth tests or who cannot be treated as sophisticated investors. The Company's shares fall outside the regulations which apply to non-mainstream investment products because the Company's shares are "excluded securities" for the purposes of the FCA Rules, being securities where the returns to investors are predominantly based on the returns from shares held indirectly by the Company and which are not issued by special purpose vehicles.

If the Company ceases to conduct its affairs so as to satisfy the exemption from the application of the NMPI Regulations and the FCA does not otherwise grant a waiver, the ability of the Company to raise further capital from retail investors may be affected. In this regard, it should be noted that, whilst the publication and distribution of a prospectus (including this document) is exempt from the NMPI Regulations, other communications by "approved persons" could be restricted (subject to any exemptions or waivers).

The Company and the Oakley Funds are subject to cyber security risks

The Company, the Oakley Funds and their respective service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Directors, the Company, the Oakley Funds, OCML, the Investment Adviser or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Company's ability to calculate its Net Asset Value; impediments to trading for the Company's portfolio; the inability of Shareholders to transact business with the Company; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation

or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Company invests, counterparties with which the Company engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties.

(2) Risks relating to OCML and the Investment Adviser

The departure of some or all of the Investment Adviser's investment professionals could prevent the Company and/or the Oakley Funds from achieving their investment objectives

The Investment Adviser's employees, on behalf of OCML, play key roles in the operation of the Company and the Oakley Funds. Each of the Company and the Oakley Funds depends on the diligence, skill and judgment of the Investment Adviser's investment professionals and the information and deal flow they generate during the normal course of their activities. The future success of each of the Company and the Oakley Funds therefore depends on the continued service of these individuals, who are not obliged to remain employed with the Investment Adviser, and the Investment Adviser's ability to strategically recruit, retain and motivate new talented personnel. The Investment Adviser may not be successful in its efforts to recruit, retain and motivate the required personnel as the market for qualified investment professionals is extremely competitive, which could materially and adversely affect the Company's and/or the Oakley Funds' performance.

There can be no assurance that the Directors or, as applicable, the directors of the General Partners will be able to find a replacement investment adviser if the Investment Adviser resigns

Under the terms of the Investment Advisory Agreement, the Investment Adviser may resign as investment adviser with respect to the Company's investments by giving OCML not less than 90 days' written notice, or such shorter notice as OCML may agree to accept. The Investment Adviser's appointment may also terminate immediately upon the occurrence of certain events. Under the terms of the Operational Services Agreement, OCML's appointment by the Company may also be terminated immediately on the occurrence of certain events. As the Investment Adviser is appointed by OCML, this would also result in the termination of the Investment Adviser's appointment as investment adviser with respect to the Company's investments. The Investment Adviser's appointment as investment adviser with respect to the Oakley Funds' investments may also be terminated in certain circumstances.

In any of these circumstances, the Directors or, if applicable, the directors of the relevant General Partner(s) would have to find a replacement investment adviser with respect to the Company's and/or the Oakley Funds' investments and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company and/or the Oakley Funds, as applicable. In this event, the Directors would have to formulate and put forward to Shareholders proposals for the future of the Company which may include its merger with another investment company, reconstruction or winding-up.

The Investment Adviser and/or OCML may allocate some of its resources to other business interests which could have a negative impact on the Company's or the Oakley Funds' ability to achieve their investment objectives

The Investment Adviser and OCML are not required to commit all of their resources to the affairs of the Company or the Oakley Funds. Insofar as the Investment Adviser or OCML devotes resources to its responsibilities to other business interests, its ability to devote resources and attention to the affairs of the Company and the Oakley Funds will be limited. This could adversely affect the ability of the Company and/or the relevant Oakley Fund, as applicable, to achieve its investment objective, which could have a material adverse effect on its profitability, net asset value and, in the case of the Company, the trading price of the Ordinary Shares.

The Investment Adviser, OCML and their affiliates may provide services to other clients that could compete directly or indirectly with the activities of the Company and/or the Oakley Funds

The Investment Adviser, OCML and their affiliates may be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company and/or the Oakley Funds. In particular, the Investment Adviser may provide investment management, investment advisory or other services to funds other than the Company and the Oakley Funds which may have similar investment policies to those of the Company or the Oakley Funds.

The Investment Adviser, OCML and their affiliates may carry on investment activities for their own accounts and for other accounts in which neither the Company nor the Oakley Funds have an interest. The Investment Adviser, OCML and their affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company or the Oakley Funds, even though their investment policies may be the same or similar.

(3) Risks relating to the portfolio and investment strategy of the Company and/or the Oakley Funds

Investments in smaller capitalisation companies are subject to additional risks

The Company and the Oakley Funds invest, directly and indirectly, primarily in private mid-market UK and Western European businesses which, by their nature, may be smaller capitalisation companies. Such companies can be expected to have less mature businesses, a more restricted depth of management and a higher risk profile than larger and more established companies. As such smaller capitalisation companies often do not have the financial strength, diversity and resources of larger and more established companies, they may find it more difficult to operate successfully, especially in periods of low economic growth. The risk of insolvency of such companies is generally higher and it can be more challenging to access publicly available information in respect of such companies. Smaller capitalisation companies are more likely to depend on the management talents of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of the relevant company, this could have a material adverse impact on their businesses and prospects and the value of the investments in them made by the Company and/or the Oakley Funds.

Illiquid portfolio investments may be difficult to realise

The Company and the Oakley Funds invest, directly and indirectly, primarily in unquoted companies. Such investments, by their nature, involve a higher degree of valuation and performance uncertainty and liquidity risk than investments in listed and quoted securities and they may be more difficult to realise. The illiquidity of such investments may make it difficult for the Company and/or the Oakley Funds to sell them if the need arises and, in some cases, they may be contractually prohibited from disposing of such investments for a specified period of time. Investors should not expect that the Company or the Oakley Funds will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments and any such realisations that may be achieved may be at a considerably lower price than prevailing valuations or indicative market prices. There can therefore be no guarantee that any realisation of an investment will be on a basis which necessarily reflects the valuation of that investment.

The Company's and the Oakley Funds' investments are subject to valuation risk

There can be no assurance that the Company's and/or the Oakley Funds' investments will ultimately be realised for amounts equal to, or greater than, their current valuations, or that the past performance information based on such valuations will accurately reflect the realisation value of such investments. The actual realised returns generated by unrealised investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the current valuations are based. Valuations are subject to determinations, judgments and opinions, and other third parties or investors may disagree with such valuations.

It is expected that a significant proportion of the Company's and the Oakley Funds' portfolios will, directly or indirectly, be exposed to unquoted securities. Such investments can be more difficult to value than quoted securities. The Company's and the Oakley Funds' direct and indirect investments in unquoted securities will be valued in accordance with the valuation policy adopted by the Directors or, as applicable, the directors

of the General Partners from time to time. Such valuations may be conducted on an infrequent basis, are subject to a range of uncertainties and will involve the Investment Adviser and its affiliates exercising judgment. There can be no guarantee that the basis of calculation of the value of the Company's or the Oakley Funds' investments used in the valuation process will reflect the actual value achievable on realisation of those investments. This may lead to volatility in the valuation of the unquoted proportion of the Company's and/or the Oakley Funds' portfolio and, as a result, volatility in the price of Ordinary Shares.

Valuations of unrealised investments of an Oakley Fund may affect the amount of the priority profit share and/or carried interest payable by the Oakley Fund. To the extent that a valuation is incorrect, this may result in an overpayment or underpayment of carried interest. Accordingly, to the extent that valuations are performed by OCML, the Investment Adviser or other members of the Oakley Group in the future, then that party may have a conflict of interest.

The value of equity securities traded on investment exchanges may fluctuate

Each of the Company and the Oakley Funds may have direct or indirect holdings of equity securities traded on investment exchanges. Equity securities are subject to risks associated with such investments, including fluctuations in market prices, adverse issuer or market information and the fact that equity securities are subordinate in the right of payment to other corporate securities, including debt securities. The value of these securities varies with the performance of the respective issuers and movements in equity markets generally. As a result, the Company and/or the Oakley Funds may suffer losses if they invest, directly or indirectly, in equity securities of issuers where performance falls below market expectations or if equity markets in general decline or the Company has not hedged against such a general decline.

Investments in undervalued securities involve a high degree of financial risk

The Company and the Oakley Funds may seek to invest, directly or indirectly, in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Company's or the Oakley Funds' investments may not adequately compensate the business and financial risks assumed. In addition, the Company and/or the Oakley Funds may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Company's or relevant Oakley Fund's capital would be committed to the securities purchased, thus possibly preventing the Company and/or the relevant Oakley Fund from investing in other opportunities. In addition, the Oakley Funds or their special purpose acquisition vehicles may finance such purchases with borrowed funds and thus will have to pay interest on those funds during this waiting period.

Fiduciary responsibilities may arise if OCML, the Investment Adviser or their personnel take positions of management influence or control in investee companies

OCML, the Investment Adviser and/or their officers, employees or associates may take positions of significant management influence or control in investee companies. On taking a position as a director of an investee company, such person(s) will have a fiduciary responsibility to act in the interests of all shareholders of the investee company and not simply the interests of the Company and/or the relevant Oakley Fund.

The Company and/or the Oakley Funds may incur costs relating to unsuccessful transactions

There is a risk that the Company and/or the Oakley Funds may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal, accounting and environmental due diligence.

The Company and/or the Oakley Funds may invest in fixed income securities which are subject to additional risks including credit, liquidity and interest rate risks

The Company and/or the Oakley Funds may invest, directly or indirectly, in bonds or other fixed income securities, including, without limitation, commercial paper and "higher yielding" (including non-investment grade) (and, therefore, higher risk) debt securities. The Company and/or the Oakley Funds will therefore be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be

secured on substantially all of the issuer's assets. The lower rating of debt obligations in the higher-yielding sector reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could disrupt severely the market for these securities and may have an adverse impact on the value of such securities. In addition, it is likely that any similar economic downturn could adversely affect the ability of the issuers of those securities to repay principal and pay interest thereon and increase the incidence of default for those securities.

The Group provides debt facilities which are subject to credit and liquidity risk

The Group provides debt facilities to certain underlying entities and portfolio companies, including the provision of revolving credit facilities to the Oakley Funds. Any such loan may become a defaulted obligation for a variety of reasons, including non-payment of principal or interest, as well as covenant violations by the borrower in respect of the underlying loan documents. A defaulted loan may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, or a substantial change in the terms, conditions and covenants with respect to such defaulted loan. In addition, such negotiations or restructuring could take considerable time, resulting in increased cost and uncertainty with respect to the ultimate recovery on such defaulted loan.

The liquidity of any such loan may also be limited and its market value may depend on a number of factors, including, but not limited to, the financial condition of the underlying borrower, the industry in which a borrower operates, general economic or political conditions, interest rates, the condition of the debt trading markets and certain other financial markets, developments or trends in any particular industry and changes in prevailing interest rates. To the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon.

The Company and the Oakley Funds are expected to hold relatively few investments which could increase volatility

Each of the Company and the Oakley Funds will typically hold a relatively small number of investments as compared to many other funds and may seek to make several investments in a limited number of industries or sectors. This may make the performance of the Company and/or the Oakley Funds (and consequently their respective net asset values) more volatile than would be the case if they had more diversified investment portfolios and may materially and adversely affect the performance of the Company and returns to Shareholders. In addition, a concentration of investments in one sector may result in significant adverse consequences for the aggregate return of the Company and/or an Oakley Fund in the event of any economic downturn, market, regulatory and/or political conditions or factors affecting such sector.

The Company may invest up to 100 per cent. of its Net Asset Value in the Oakley Funds, in which case the Company would be highly exposed to the performance of the Oakley Funds. This may have positive or negative effects on the performance of the Company and returns to Shareholders. It may also make the performance of the Company, its Net Asset Value and the market price of the Ordinary Shares more volatile than in the case of a more diversified investment portfolio.

The Company's and the Oakley Funds' investments will be concentrated in the UK and Europe which could result in greater volatility

The Oakley Funds' investment strategy is to focus primarily on private mid-market UK and Western European businesses. Accordingly, the Company is expected to have a material indirect exposure to companies based in the UK and Europe. Greater concentration of investments in any one geographical location may result in greater volatility in the value of the Company's and/or the Oakley Funds' investments and consequently their respective net asset values, and could affect the value of the Ordinary Shares.

The Company's investments may be subject to dilution, forfeiture or compulsory sale if it is unable to meet capital calls

The Company invests in the Oakley Funds, subscriptions to which are made on a commitment basis. The Company may also invest in successor funds managed by OCML and/or the General Partners and/or advised by the Investment Adviser (or their respective affiliates), and such investments may also be made on a commitment basis. In such cases, the Company will be expected to make a commitment that may be drawn down, or called, from time to time at the discretion of the relevant General Partner (or the general partner of any successor fund).

Due to the nature of such investments, in the normal course of its activities the Company expects to have outstanding commitments in respect of its investments in the Oakley Funds or any successor funds. The Company's aggregate commitments of this type typically exceed its cash resources from time to time. The Company's ability to meet these commitments, when called, is dependent upon the Company having sufficient cash or liquid assets at the time, the receipt of cash distributions in respect of investments (the timing and amount of which can be unpredictable) and the availability of the Company's borrowing facilities.

As a consequence of any failure to meet a demand for payment of any outstanding capital commitment of the Company to an Oakley Fund or a successor fund in which the Company has an investment, the Company may be treated as a defaulting investor by the relevant fund, the Company may suffer a resultant dilution in its interest in that fund and, in certain circumstances, the forfeiture or compulsory sale of that interest. Any such action would impact the Company's ability to achieve its investment objective.

The Company's investments in the Oakley Funds are subject to restrictions on transfer and withdrawal

The Company's interests in the Oakley Funds will not be redeemable and the Company may not be able to liquidate its investments in an Oakley Fund prior to the end of the relevant fund's term. The Company's interests in the Oakley Funds are not and will not be listed on any investment exchange, there is no public market for the interests, and none is expected to develop. In addition, the Company's interest in an Oakley Fund is not transferable except with the consent of the relevant General Partner or fund manager nor, in general, may the Company withdraw from any limited partnership in an Oakley Fund.

Failure to make follow-on investments could result in dilution of and/or a loss of value of an investment

Following its initial investment in a given portfolio company, the Company and/or an Oakley Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a portfolio company. There is no assurance that the Company and/or the Oakley Fund will make follow-on investments or that it will have sufficient funds to make all or any of such investments. Any decision by the Company and/or an Oakley Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment, may result in a lost opportunity for the Company and/or the Oakley Fund to increase its participation in a successful operation, may result in the Company's and/or the Oakley Fund's investment in the relevant portfolio company becoming diluted and in circumstances where the follow-on investment is offered at a discount to market value, may result in a loss of value for the Company and/or the Oakley Fund.

The use of borrowing may adversely affect Shareholder returns and increase volatility

The Company and the Oakley Funds may borrow money in certain circumstances, which may be by way of bank borrowings, debt instruments or other methods of gearing. If the income and/or return from the Company's or, as applicable, the relevant Oakley Fund's investments is less than the cost of borrowing, it will reduce the returns of the Company and/or the relevant Oakley Fund and could affect the ability of the Company and/or the Oakley Fund to achieve its investment objective. In addition, the use of borrowings by the Company or an Oakley Fund may increase the volatility of their respective net asset values and/or in the trading price of the Ordinary Shares.

The Company does not currently intend to hedge the exchange rate risk in respect of its non-Sterling investments

The Ordinary Shares are quoted in Sterling but the Company holds assets and liabilities denominated in currencies other than Sterling. In particular, the Company's investments in the Oakley Funds are denominated

in Euros. This exposes the Company to the risk that the exchange rates of those currencies against Sterling will change in a manner which adversely impacts the Company's net profit and net assets attributable to Shareholders. Similarly, the assets of the Oakley Funds may be invested in securities which are denominated in currencies other than Sterling or Euros. The value of the assets of the Company and/or the Oakley Funds may therefore be affected favourably or unfavourably by fluctuations in currency rates. The Company may, but does not currently intend to, hedge the exchange rate risk of any non-Sterling investments by the Company between the relevant non-Sterling currency and Sterling.

Investments made by the Company or the Oakley Funds may be subject to exchange controls and withholding tax

The Company or the Oakley Funds may from time to time make investments that will subject the Company or the relevant Oakley Fund to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company's or the Oakley Funds' investments, the effect will generally be to reduce any income received by the Company or the relevant Oakley Fund, as applicable, from its investments.

The Company and the Oakley Funds may be exposed to counterparty risk

Some of the markets in which the Company and/or the Oakley Funds may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Company and/or the Oakley Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Company and/or the relevant Oakley Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company and/or an Oakley Fund has concentrated its transactions with a single or small group of counterparties. Subject to the investment restrictions described in this document, the Company and the Oakley Funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, neither the Company nor any of the Oakley Funds has an internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Company and/or the Oakley Funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Oakley Funds and the Company.

The Company and Oakley Funds may be exposed to reputational risk

The strength of the Company's and Oakley Funds' reputations underpin their ability to successfully pursue their investment policies. The availability of opportunities for the Company and the Oakley Funds to source and ultimately dispose of investments is, in part, dependent on their maintaining a reputation for integrity, trustworthiness and probity. Consequently, the Company and the Oakley Funds are exposed to risks which could undermine any of these characteristics including litigation, misconduct by a service provider (including fraudulent acts or the taking of bribes), adverse regulatory investigations, negative publicity or press speculation and misconduct on the part of counterparties to investment transactions (including buyers and sellers of investee companies). In addition, adverse publicity about other private equity investors, or the private equity industry as a whole, may have a negative impact on the Company and the Oakley Funds even though they are not directly involved.

Economic conditions may affect performance and returns

Changes in economic conditions in the United Kingdom, Europe and other countries in which the Company's and/or the Oakley Funds' direct or indirect investee companies operate (e.g. interest rates and rates of inflation, industry conditions, competition, political and diplomatic events and other factors) could substantially and adversely affect the prospects of the Company and/or the Oakley Funds. For example, the Company's unquoted debt investments may carry fixed rates of interest and would therefore be subject to interest rate risk as increases and decreases in interest rates would affect their fair value.

The Company's and/or the Oakley Funds' investments may be subject to legal risks

The Company's and/or the Oakley Funds' investment activities are subject to the normal risks of becoming involved in litigation with third parties. However, the risk is somewhat greater because the Company and the Oakley Funds will often hold substantial stakes in portfolio companies which could be considered to give rise to the exercise of control or significant influence over a portfolio company's direction. In addition, some of the Company's and/or the Oakley Funds' strategies may be subject to claims for the return of profits or the recovery of losses on the basis of certain statutory, regulatory or administrative entitlements or prohibitions.

The Company and the Oakley Funds do not follow any benchmark

The Company and the Oakley Funds do not follow any benchmark. Accordingly, the portfolio of investments held by each of the Company and the Oakley Funds will not mirror the stocks and weightings that constitute any particular index or indices, which may lead to the Ordinary Shares failing to follow either the direction or extent of any moves in the financial markets generally (which may or may not be to the advantage of Shareholders). The Ordinary Shares are an unsuitable investment for those who seek investments in some way correlated to a stock market index.

(4) Risks relating to taxation

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Changes in tax legislation or practice, whether in the UK or elsewhere, could affect the value of investments held by the Company and/or the Oakley Funds, affect the ability of the Company to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company.

In the event that withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on such investments.

Investors should consult their tax advisers with respect to their particular tax situation and the tax effects of an investment in the Company. Statements in this document concerning the taxation of investors or prospective investors in Ordinary Shares are based on current tax law and practice, each of which is potentially subject to change. The value of particular tax reliefs, if available, will depend on each individual Shareholder's circumstances. This document is not a substitute for independent tax advice.

Treatment as an offshore fund could have adverse tax consequences

Part 8 of the Taxation (International and Other Provisions) Act 2010 contains provision for the UK taxation of investors in offshore funds (the "**offshore fund rules**"). Whilst the Company has been advised that it should not be treated as an offshore fund, it does not make any commitment to investors that it will not be treated as one. Should the Company or its shares be regarded as being subject to the offshore fund rules, this may have adverse tax consequences for certain UK resident Shareholders. Investors should not expect to realise their investment at a value calculated by reference to NAV per Ordinary Share.

Tax residency in the United Kingdom could have adverse tax consequences

As the Company is not incorporated in the UK, it will not be treated as being resident in the UK for UK corporation tax purposes unless its central management and control is exercised in the UK. The Directors have sought, and will continue to seek, to conduct their affairs so that the Company is not treated as being resident in the UK for UK corporation tax purposes. However, there can be no guarantee that HMRC, or the taxation authorities of any other jurisdiction, will not seek to determine that the Company is so tax resident in the UK or other jurisdiction. A change in its tax residency may have an adverse effect on the Company's results, financial condition and prospects.

The Company is subject to due diligence and reporting obligations

Under FATCA, the Company could become subject to a 30 per cent. withholding tax on certain payments of US source income (including dividends and interest), and (from 1 January 2019) gross proceeds from the sale or other disposal of property that can produce US source income, and (from the later of 1 January 2019 or the date of publication of certain final regulations) a portion of non-US source payments from certain

non-US financial institutions to the extent attributable to US source payments, if it does not comply with certain registration, due diligence and reporting obligations under FATCA.

Risks Related to Tax Exemption under Bermuda Law

As of the date of this Prospectus, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company, other than investors ordinarily resident in Bermuda.

The Company has obtained an assurance from the Minister of Finance under the Exempted Undertakings Tax Protection Act 1966, as amended, that in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not until 31 March 2035 be applicable to the Company or to any of its operations or obligations. This assurance is subject to the proviso that it is not to be construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Land Tax Act 1967 or otherwise payable in relation to any property leased to the Company. The Company pays annual Bermuda government fees. In addition, all entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government.

(5) Risks relating to the Ordinary Shares

General risks affecting the Ordinary Shares

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

The market price of the Ordinary Shares, like shares in all investment companies, may fluctuate independently of their underlying Net Asset Value per Ordinary Share and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of an Ordinary Share may therefore vary considerably from its NAV.

It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. Consequently, the share price may be subject to greater fluctuation on small volumes of trading of Ordinary Shares and the Ordinary Shares may be difficult to sell at a particular price. The market price of the Ordinary Shares may not reflect their underlying Net Asset Value.

The Specialist Fund Segment is a relatively new market and likely liquidity and price volatility levels are relatively unknown. Liquidity experienced on the Specialist Fund Segment to date may not be a suitable indicator for liquidity levels in the future. The Company is not required to appoint a market maker or make a market for Ordinary Shares traded on the Specialist Fund Segment. There can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will trade at prices close to their relevant underlying NAV. Accordingly, Shareholders may be unable to realise their investment at the relevant NAV or at all.

While the Directors retain the right to effect repurchases of Ordinary Shares in the manner described in this document, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares in the market. There can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

It may be more difficult for holders of Depositary Interests to enforce their rights

As the Company is incorporated in Bermuda, the Ordinary Shares are not eligible for transfer within the CREST system. To address this, the Company has appointed the CREST Depositary to issue dematerialised Depositary Interests representing the Ordinary Shares, which are eligible for settlement through CREST. Although holders of Depositary Interests have the beneficial interest in the underlying Ordinary Shares which such Depositary Interests represent, the rights of the holders of Depositary Interests may be more difficult to enforce than would be the case if such holders directly owned the Ordinary Shares which are represented by such Depositary Interests, particularly in the event of the insolvency and/or default of the CREST Depositary (or, as the case may be, its nominated custodian) in whose name the Ordinary Shares represented by the Depositary Interests will be registered. Holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Ordinary Shares in respect of corporate actions and general meetings of the Company to the extent that the CREST Depositary or its nominated custodian is not reasonably able to pass on such rights or entitlements to holders of Depositary Interests, or exercise the same on their behalf, in accordance with the provisions of the Depositary Deed.

(6) Risks relating to the Oakley Funds

Fund IV is recently established and may struggle to locate suitable investments or deploy capital

Fund IV is recently established and has a limited operating history on which prospective investors may base an evaluation of the likely performance of Fund IV. The past performance of the other Oakley Funds or the Investment Adviser and its investment professionals may not be indicative of the future performance of Fund IV.

Although the Investment Adviser has been successful in identifying suitable investments in the past, it may be unable to find a sufficient number of attractive opportunities to meet Fund IV's investment objectives and the past performance of the Investment Adviser and its affiliates in identifying suitable investments should not be treated as any guarantee of their ability to identify suitable investments in the future. The success of Fund IV will depend on the ability of the Investment Adviser and its affiliates to locate, select, develop and realise appropriate investments.

The management buyout and private equity investment industry in which Fund IV will be engaged is highly competitive. Fund IV will be competing for investments with operating companies, financial institutions, and other institutional investors as well as private equity, hedge, and other investment funds which may have substantially greater financial and possibly better technical resources. These investors may make competing offers for investment opportunities identified by the Investment Adviser and/or its affiliates. In addition, such competition may mean that the prices and terms on which investments may be made may be less beneficial to Fund IV than would otherwise have been the case. Such competition may therefore have the effect of increasing acquisition and other costs and the length of time required to fully invest Fund IV's Commitments, thereby reducing investment returns.

Fund IV has received Commitments of approximately €1.4 billion. However, a significant period of time may elapse before Fund IV has invested all of the Commitments and it may not be possible for all Commitments to be invested during the life of Fund IV. Accordingly, Fund IV may only make a limited number of investments and, since these investments may involve a high degree of risk, poor performance by a few could significantly affect the return to investors, including the Company. To the extent that any of the aggregate Commitments are not invested, Fund IV's potential for return may be diminished. No assurances can therefore be given that the target returns of Fund IV will be achieved.

The Fund IV AIFM (or any portfolio manager subsequently appointed) will expend significant resources and incur significant costs in relation to a potential investment for the fund. Such costs will be charged to Fund IV and may not be recoverable, particularly if the fund's bid for the investment is unsuccessful or if the investment is not completed for any other reason.

Investor default could affect the performance of an Oakley Fund

Any default by an investor in advancing capital in respect of its Commitments to an Oakley Fund could have an adverse impact upon the Oakley Fund's ability to complete a transaction and / or could increase the relative exposure of non-defaulting investors (including the Company) to such transactions. It should also

be noted that such defaults may cause the Oakley Fund to breach its own obligations, or lead to the loss of an investment opportunity, which in each case could result in a material adverse effect on the performance of the Oakley Fund. A defaulting investor may be subject to various default remedies, including without limitation the loss of future distributions from the Oakley Fund, forced transfer of its interest in the Oakley Fund at less than fair market value, and / or redemption of its interest in the Oakley Fund.

Investments in successor funds may be subject to additional risks

Any successor fund in which the Company invests in accordance with its investment policy may subject the Company, or may itself be subject to, all or some of the above risk factors. In addition, the particular circumstances or nature of any successor fund are not yet known and may expose the successor fund and/or the Company to risk factors that differ or are additional to the above risk factors.

IMPORTANT NOTICES

General

The Company is not offering any new Ordinary Shares or any other securities in connection with Admission. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, any Ordinary Shares or any other securities of the Company in any jurisdiction. The Ordinary Shares will not be generally made available or marketed to the public in the United Kingdom or in any other jurisdiction in connection with Admission.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions.

Recipients of this document should not treat the contents of this document as advice relating to legal, taxation, investment, or any other matters. Such persons should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or disposal of Ordinary Shares which they might encounter; and (c) the tax consequences of the purchase, holding, transfer or disposal of Ordinary Shares. Prospective investors in the Ordinary Shares must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, OCML, the Investment Adviser, the General Partners, Liberum, or any of their respective affiliates, officers, directors, employees or agents. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

Apart from the liabilities and responsibilities (if any) which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, Liberum does not make any representations, express or implied, or accept any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares or Admission. Liberum and its affiliates accordingly disclaim all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement.

The Ordinary Shares have not been nor will they be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States. In addition, the Company has not registered and will not register under the US Investment Company Act. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any offering or issue of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and the re-offer or resale of any of the Ordinary Shares in the United States may constitute a violation of US law.

Forward-looking statements

This document contains forward-looking statements including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variation or similar expressions. Such forward-looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from future results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein to reflect changes in expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based, unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Rules and the Disclosure Guidance and Transparency Rules.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 9 of Part 5 of this document.

Non-Mainstream Pooled Investments

The Company has been advised that its shares may be considered as "excluded securities" for the purposes of the FCA Rules regarding the definition and promotion of non-mainstream pooled investments ("**NMPI**") because the returns to investors holding the Company's shares are, and are expected to continue to be, predominantly based on the returns from shares held indirectly by the Company that are not issued by special purpose vehicles.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**Directive 2014/65/EU**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors who understand, or have been advised of, the potential risk of investing in companies admitted to the Specialist Fund Segment and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Directive 2014/65/EU; and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

VOLUNTARY COMPLIANCE WITH THE LISTING RULES OF THE FCA

Application will be made for the Ordinary Shares to be admitted to the Specialist Fund Segment of the Main Market of the London Stock Exchange pursuant to the Admission and Disclosure Standards, which sets out the requirements for admission to the Specialist Fund Segment.

Admission of securities to the Specialist Fund Segment of the Main Market of the London Stock Exchange affords Shareholders a lower level of regulatory protection than that afforded to investors in securities that are admitted to the Official List. The Company will be subject to the Market Abuse Regulation, the Admission and Disclosure Standards and certain provisions of the Disclosure Guidance and Transparency Rules whilst traded on the Specialist Fund Segment.

Moreover, the Directors have resolved that, as a matter of good corporate governance, the Company will voluntarily comply with the following provisions of the Listing Rules should Admission be granted:

- The Company is not required to comply with the Listing Principles and/or the Premium Listing Principles set out at Chapter 7 of the Listing Rules. Nonetheless, it is the intention of the Company to comply with the Listing Principles and the Premium Listing Principles from Admission.
- The Company is not required to appoint a listing sponsor under Chapter 8 of the Listing Rules. It has appointed Liberum as financial adviser to guide the Company in understanding and meeting its responsibilities in connection with Admission and also for compliance with Chapter 10 of the Listing Rules (as and when applicable) relating to significant transactions, with which the Company intends to voluntarily comply on the basis set out in Listing Rule 15.5 (Transactions), and the Company's related party policy (as set out below).
- The Company is not required to comply with the provisions of Chapter 9 of the Listing Rules regarding continuing obligations. The Company intends however to comply with the following provisions of Chapter 9 of the Listing Rules from Admission:
  - (i) Listing Rule 9.3 (Continuing obligations: holders);
  - (ii) Listing Rule 9.5 (Transactions);
  - (iii) Listing Rule 9.6.4 to Listing Rule 9.6.21 other than Listing Rule 9.6.19(2) and Listing Rule 9.6.19(3) (which are not relevant) (Notifications);
  - (iv) Listing Rule 9.7A (Preliminary statement of annual results and statement of dividends); and
  - (v) Listing Rule 9.8 (Annual financial report).
- The Company is not required to comply with the provisions of Chapter 11 of the Listing Rules regarding related party transactions. Nonetheless, the Company will adopt the following related party policy (in relation to which the Company's independent advisers will guide the Company) from Admission. The policy shall apply to any transaction which the Company may enter into with:
  - (i) any "substantial shareholder" (as defined in Listing Rule 11.1.4A) or any of its associates; provided that: (i) transactions or arrangements of the nature set out in Listing Rule 11.1.5(2) (i.e. co-investments or the joint provision of finance); or (ii) issues of new securities in, or a sale of treasury shares of, the Company to "substantial shareholders" pursuant to an offer to the public or a placing, on materially similar terms to those applicable to other subscribers or purchasers under such offer or placing, shall not be considered "related party transactions";
  - (ii) any Director or any of his/her associates; and
  - (iii) each of OCML and the Investment Adviser, or any of its respective associates.

  In accordance with its related party policy, the Company shall not enter into any such "related party transaction" without first obtaining a fairness opinion in respect of such "related party transaction" from an appropriately qualified independent adviser. This policy may only be modified with Shareholder approval. It should be noted that these requirements do not apply to a "related party transaction" if it is a transaction or arrangement in the ordinary course of business. It should also be noted that any investment in, or co-investment with, Oakley Funds (and any successor fund managed by OCML and/or the General Partners and/or advised by the Investment Adviser (or their respective affiliates) in

which the Company may invest in accordance with its investment policy) shall not be treated as "related party transactions" pursuant to the Company's related party policy.

- The Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company of its Ordinary Shares. Nonetheless, the Company has adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. with effect from Admission.

- The Company is not required to comply with the provisions of Chapter 13 of the Listing Rules regarding contents of circulars. The Company intends however to comply with the following provisions of Chapter 13 of the Listing Rules from Admission:

  (i) Listing Rule 13.3 (Contents of all circulars);

  (ii) Listing Rule 13.4 (Class 1 circulars);

  (iii) Listing Rule 13.5 (Financial information in class 1 circulars);

  (iv) Listing Rule 13.7 (Circulars about purchase of own equity shares); and

  (v) Listing Rule 13.8 (Other circulars).

- The Company is not required to comply with the provisions of Chapter 15 of the Listing Rules (Closed-Ended Investment Funds: Premium listing). Nonetheless, the Company intends to comply with the following provisions of Chapter 15 of the Listing Rules from Admission:

  (i) Listing Rule 15.4.2 to Listing Rule 15.4.11 (Continuing obligations);

  (ii) Listing Rule 15.5 (Transactions); and

  (iii) Listing Rule 15.6 (Notifications and periodic financial information).

It should be noted that the FCA will not have the authority to monitor the Company's voluntary compliance with the Listing Rules nor will it impose sanctions in respect of any breach of such requirements by the Company.

EXPECTED TIMETABLE

	2019
Publication of this Prospectus	18 July
Cancellation of Ordinary Shares from trading on AIM	23 August
Admission and dealings in Ordinary Shares commence on the Specialist Fund Segment	23 August

Any changes to the expected timetable set out above will be notified by the Company through a Regulatory Information Service

All references to times in this document are to London times

DEALING CODES

The dealing codes for the Ordinary Shares are as follows:

ISIN	BMG670131058
SEDOL	B23DL39
Ticker	OCI

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	Caroline Foulger* (*Chair*) Laurence Blackall* Peter Dubens Stewart Porter Craig Bodenstab* ** independent* *All of the registered office below*
Registered Office	3rd Floor Mintflower Place 8 Par-la-Ville Road Hamilton HM08 Bermuda
Financial Adviser and Corporate Broker	Liberum Capital Limited Ropemaker Place 25 Ropemaker Street London EC2Y 9LY United Kingdom
Investment Adviser	Oakley Capital Limited 3 Cadogan Gate London SW1X 0AS United Kingdom
Administrative Agent and Company Secretary	Oakley Capital Manager Limited 3rd Floor Mintflower Place 8 Par-la-Ville Road Hamilton HM08 Bermuda
Administrator and Registrar	Mayflower Management Services (Bermuda) Limited 3rd Floor Mintflower Place 8 Par-la-Ville Road Hamilton HM08 Bermuda
Reporting Accountants	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
Legal Adviser to the Company (as to English Law)	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Legal Adviser to the Company (as to Bermuda Law)	Conyers Dill & Pearman Limited Clarendon House 2 Church Street Hamilton HM CX Bermuda

Legal Adviser to Liberum	Charles Russell Speechlys 5 Fleet Place London EC4M 7RD United Kingdom
Auditors	KPMG Audit Limited Crown House 4 Par-la-Ville Road Hamilton HM08 Bermuda
CREST Depositary	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH United Kingdom
Branch Registrar	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier Jersey JE1 1ES

PART 1

THE COMPANY

1 Introduction

The Company is a closed-end investment company that was incorporated in Bermuda on 28 June 2007 as an exempted company limited by shares with registration number 40324.

The Company was established primarily to provide investors with exposure, through an AIM-traded company, to the investment strategy being pursued by the Oakley Funds and to certain co-investment opportunities. The Ordinary Shares were admitted to trading on AIM in August 2007.

As announced on 18 July 2019, the Company now intends to move its trading venue from AIM and to seek admission to trading on the Specialist Fund Segment. This Prospectus is being published in connection with such Admission.

2 Investment objective

The investment objective of the Company is primarily to provide investors with long term capital appreciation by investing in a diversified portfolio of private mid-market UK and Western European businesses through its investments in the Oakley Funds, in successor funds managed by OCML and/or the General Partners and/or advised by the Investment Adviser (or their respective affiliates) and, over time, through co-investment opportunities alongside the Oakley Funds and such successor funds, either through debt or equity instruments.

3 Investment policy

The Company will seek to meet its investment objective primarily by investing in the Oakley Funds, in successor funds managed by OCML and/or the General Partners and/or advised by the Investment Adviser (or their respective affiliates) and, over time, in co-investment opportunities alongside the Oakley Funds and such successor funds, either through debt or equity instruments.

Cash resources held by the Company that are not called upon by the Oakley Funds and their successor funds (or other investments) will be invested under investment guidelines set by the Board. These may include investing such funds in cash deposits or near cash deposits. The Company may hedge the foreign exchange exposure of any non-sterling cash deposit or investment.

In connection with certain co-investment opportunities made available alongside the Oakley Funds and any successor funds thereto, the Board has been advised by OCML that, from time to time, OCML or (in the case of Fund IV) the Fund IV AIFM may invite one or more limited partners in the Oakley Funds (and successor funds) including the Company to co-invest alongside the Oakley Funds (and successor funds) on the same terms as such limited partnerships. In such event, OCML or (in the case of Fund IV) the Fund IV AIFM (or, as applicable, the AIFM of the successor fund) would make available to the Company copies of the due diligence and analysis prepared by OCML or the Investment Adviser and any other third parties in relation to such co-investment opportunities. The Board would then determine whether or not, and to what level, the Company should co-invest.

Investment strategy of the Oakley Funds

The Oakley Funds' investment strategy is to focus primarily on private mid-market Western European businesses, with the objective of delivering long term capital appreciation within the Oakley Funds. The life of each Oakley Fund is expected to be approximately 10 years, which includes a five-year investment period from the date of final closing.

The Oakley Funds primarily focus on equity investments of at least €20 million per transaction (with certain of the Oakley Funds targeting a higher minimum transaction value) that enable them to secure a controlling position in the target company. The Oakley Funds typically invest in sectors that are growing or where consolidation is taking place, investing both in performing and under-performing companies, supporting

buy and build strategies, rapid growth, or businesses undergoing significant operational or strategic change. The sectors targeted by the Oakley Funds have included, in particular, technology, media and telecommunications, consumer and education. However, the Oakley Funds' sector focus is flexible over time to reflect where the best investment opportunities emerge.

Re-investment

On any realisation of investments, the Company may re-invest funds in any of the following ways:

- in co-investment opportunities alongside the Oakley Funds and/or successor funds provided by OCML or (in the case of Fund IV) the Fund IV AIFM, or the AIFM of any successor fund;
- in cash, cash deposits and near cash deposits; or
- in successor funds, or new funds with successor strategies, in each case managed by OCML and/or advised by the Investment Adviser or their respective affiliates.

Borrowing powers of the Company

The Company has the power to borrow money in any manner. However, the Directors do not intend to borrow more than 25 per cent. of the net asset value of the Company determined at the time of draw down and in accordance with the valuation policies and procedures adopted by the Company from time to time. The Company may utilise leverage when deemed appropriate by the Board. The Company may be required to use its investments as security for any borrowings which it puts in place.

Changes to the investment policy

No material change will be made to the Company's investment policy without the approval of Shareholders by ordinary resolution. In the event of a material breach of the investment policy set out above, notification will be made to a Regulatory Information Service.

4 Investment portfolio

As at 31 December 2018, the (audited) Net Asset Value per Ordinary Share was £2.81.

As at the Latest Practicable Date, the Company's portfolio comprised its investments in the Oakley Funds (including the provision of revolving credit facilities) and 5 co-investments, being:

Investment	*Sector*	*Fair value as at 31 December 2018 (audited) (£m)*	*Percentage of value of total portfolio**
Oakley Funds			
Fund I	Various	18.2	4%
Fund II	Various	71.8	15%
Fund III	Various	208.6	44%
Fund IV	Various	0**	0%**
Fund Facilities (debt)	Various	30.6	7%
Co-investments			
Time Out (equity)	Consumer	22.3	5%
Inspired (equity)	Education	41.8	9%
Time Out (debt)	Consumer	20.9	4%
Daisy (debt)	TMT	14.9	3%
North Sails (debt)	Consumer	40.6	9%
Total investments		469.7	100%

* *Based on 31 December 2018 valuations.*

** *As at the latest balance sheet date (31 December 2018) the Company had not made any investment in Fund IV. On 2 January 2019, the Company made an irrevocable Commitment to Fund IV of €400 million. On 15 April 2019, Fund IV made a capital call of 0.05 per cent. of which the Company's proportion was €2.0 million (£1.7 million) and, on 12 June 2019, Fund IV made a capital call of 1.75 per cent. of which the Company's proportion was €7.0 million (£6.2 million).*

The Company's outstanding commitments to the Oakley Funds as at the Latest Practicable Date were approximately €560.3 million (£502.2 million). This includes an outstanding commitment to Fund IV of €391.0 million (£350.5 million).

There has been no material change in the Company's investments since the Latest Practicable Date.

5 Dividend policy

On the Company's establishment in 2007, the Board did not envisage that any income or gains derived from the Company's investments would be distributed by way of dividend. However, a maiden dividend of 4.5 pence per Ordinary Share was announced in December 2016 in respect of the 2016 financial year due to income generated from co-investments and increased cash returns from exits.

The Board has since adopted a dividend policy which takes into account the profitability and underlying performance of the Company in addition to capital requirements, cash flows and distributable reserves. Subject to any unforeseen circumstances, the Board intends to pay an annual dividend of 4.5 pence per Ordinary Share each year, split into two half-yearly dividends of 2.25 pence per Ordinary Share. To the extent that a dividend is declared or paid, it will be declared or be paid in compliance with any applicable laws.

Dividends have been paid to Shareholders as follows: on 16 December 2016, the Board declared a final dividend of 4.5 pence per Ordinary Share, which was paid on 30 January 2017; on 11 September 2017, the Board declared an interim dividend of 2.25 pence per Ordinary Share, which was paid on 26 October 2017; on 14 March 2018, the Board declared a final dividend of 2.25 pence per Ordinary Share, which was paid on 26 April 2018; on 3 September 2018, the Board declared an interim dividend of 2.25 pence per Ordinary Share, which was paid on 25 October 2018; and on 13 March 2019, the Board declared a final dividend of 2.25 pence per Ordinary Share, which was paid on 18 April 2019.

6 Discount and premium management

The Company may conduct share repurchases in the market with a view to addressing any imbalance between the supply of and demand for its shares, to increase the Net Asset Value per Ordinary Share and/or to assist in maintaining a narrow discount to Net Asset Value per Ordinary Share in relation to the price at which Ordinary Shares may be trading. The Directors will not repurchase shares at above the then estimated Net Asset Value per Ordinary Share.

Under Bermuda law, a company may, if authorised by its memorandum of association or bye-laws, purchase its own shares. Where a company purchases its own shares, such shares may be cancelled (in which event, the company's issued, but not its authorised, capital will be diminished accordingly) or held as treasury shares. Such purchases may only be effected out of the capital paid up on the purchased shares or out of the funds of the company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the shares to be purchased must be provided for out of funds of the company otherwise available for dividend or distribution or out of the company's share premium account. Any amount due to a member on a purchase by a company of its own shares may (i) be paid in cash; (ii) be satisfied by the transfer of any part of the undertaking or property of the company having the same value; or (iii) be satisfied partly under (i) and partly under (ii). Any purchase by a company of its own shares may be authorised by its board of directors or otherwise by or in accordance with the provisions of its bye-laws. Such purchase may not be made if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due.

Shareholders should note that the exercise of the Company's powers to repurchase shares is entirely discretionary and they should place no expectation or reliance on the Directors exercising that discretion on any one or more occasions.

7 Life of the Company

The Company has been incorporated with unlimited life. At the time of the Company's admission to AIM in 2007, the Company expressed an intention to periodically put a special resolution to its Shareholders providing for the Company to cease to continue as constituted and, at the 2017 annual general meeting of the Company, the Shareholders were invited to vote on such a resolution. The Shareholders resolved to support the continuation of the Company at that meeting. The next occasion on which such a resolution is expected to be put to Shareholders is 2022, with further continuation votes expected every five years thereafter. If such a resolution were passed, the Directors would be required to formulate proposals to be put to the Shareholders to reorganise, unitise, reconstruct or wind up the Company.

8 Profile of typical investor

An investment in the Company is designed to be suitable for institutional, professional, professionally advised and knowledgeable investors primarily seeking exposure to private mid-market UK and Western European businesses through investment in the Oakley Funds (and successor funds) and (a) who understand and are willing to assume the potential risks of capital loss associated with investments in such companies, (b) who understand the illiquid nature of private equity compared to other asset classes, (c) for whom an investment in the Company's securities would be of a long-term nature constituting part of a diversified portfolio, and (d) who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment.

9 Valuation and Net Asset Value

The Net Asset Value of the Company is calculated by the Administrator as at 30 June and 31 December in each year based on valuations provided by the Investment Adviser. The Net Asset Value of the Company is published in the Company's half-yearly and annual reports and made available through the Company's website.

The Bye-laws provide that the Directors may determine the valuation policies and procedures that may be adopted by the Company from time to time. Valuations are performed in accordance with the Oakley Valuation Policy, a summary of which is set out below.

Oakley Valuation Policy

Oakley's policy is to comply with: (a) US Generally Accepted Accounting Principles for each of Fund I, Fund II and Fund III; (b) Luxembourg Generally Accepted Accounting Principles for Fund IV; and (c) International Financial Reporting Standards ("**IFRS**") for the Company. Valuations are established at fair value in accordance with the guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board (the "**IPEV Guidelines**").

In accordance with the IPEV Guidelines, preference is given to methodologies which draw upon market-based measures of risk and return. Fair value estimates based entirely on observable market data are considered to be more reliable than those based on assumptions. A number of accepted valuation methodologies may be used, including an earnings-multiple methodology, industry metrics methodology, discounted cash flow methodology and net assets methodology.

Observable market data may be adjusted to properly reflect the facts and circumstances of the asset being valued. In principle, such adjustments are made through the careful selection of the most comparable and relevant market data, such as sets of comparable companies when using an industry metrics or earnings-multiple methodology.

Quoted investments are valued by reference to their market price. Such investments are valued at the price within the bid/ask spread that is most representative of fair value on the valuation date. If neither a bid nor an ask price is available, the last quoted price will be utilised.

The transaction price of a recent investment, if resulting from an orderly transaction, is generally considered to represent fair value as at the transaction date. At subsequent valuation dates, the transaction price may be used as the starting point for estimating fair value. However, adequate consideration will be given to the prevailing facts and circumstances at the time, including changes in the market or in the performance of the investee company.

Where an investment is imminently expected to be sold or the subject of an IPO, the investment may be valued on an 'imminent sale' basis by estimating the expected proceeds, using realistic assumptions for deal costs and taking into account other relevant factors (including any balances to be held in escrow to cover potential future claims).

An independent valuation review of the Oakley Funds is performed by an external valuer as at December in each year, to underpin the valuations performed by the Investment Adviser. The Investment Adviser's valuations, supported by those of the external valuer, are subsequently reviewed by the Auditor and any queries or questions are discussed with the Investment Adviser until the valuations are agreed.

The calculation and publication of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system failure of the Administrator or the Investment Adviser) which prevents such calculations being made by or on behalf of the Company. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

Further information on the valuation policies adopted by the Company is set out at note 8 to the financial statements on pages 86 to 90 of the Company's annual report and accounts for the period ended 31 December 2018, which are reproduced in Appendix 1 to this Prospectus.

10 Meetings, reports and accounts

The Company holds a meeting as its annual general meeting in each year. The annual report and accounts of the Company are made up to 31 December in each year with copies expected to be sent to Shareholders within the following four months. The Company also publishes unaudited half-yearly reports to 30 June with copies expected to be sent to Shareholders within the following three months.

The Company's financial statements are prepared in accordance with IFRS.

11 Taxation

Potential investors are referred to Part 4 of this document which contains a general summary of certain UK tax considerations relating to the acquisition, holding and disposal of Ordinary Shares. This summary, which is based on current UK law and the current published practice of HMRC, does not constitute tax advice. **Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers.**

12 Risk factors

The Company's business is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled "Risk Factors" on pages 27 to 39 of this document.

PART 2

DIRECTORS AND MANAGEMENT

1 Directors

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of OCML. All of the Directors are non-executive and all, with the exception of Peter Dubens and Stewart Porter, are independent of OCML and the Investment Adviser.

The Directors meet at least four times per annum and the Audit Committee meets at least twice per annum.

The Directors are as follows:

Caroline Foulger (Chair)

Caroline Foulger has been an independent non-executive director in the financial services industry since early 2013. In addition to her seat on the Board, Caroline currently sits on the board of a FTSE 100 insurance company, a NYSE listed bank and a number of private companies.

Caroline was previously a partner with PwC for 12 years, primarily leading the insurance practice in Bermuda serving listed clients with both audit and advisory services and has 25 years' experience in public accounting. Caroline is a Fellow of the Institute of Chartered Accounts in England & Wales and a Member of the Institute of Directors. Caroline is a resident of Bermuda.

Laurence Blackall

Laurence Blackall has 30 years' experience in the information, media and communication industries, pioneering electronic publishing (especially at McGraw Hill where he was a Vice President) and the internet in the United Kingdom. He has proven expertise in establishing internet companies and developing them through to public offering and subsequent sale. He holds directorships in a number of public and private companies. Laurence is a resident of the United Kingdom.

Peter Dubens

Peter Dubens is the founder and Managing Partner of the Oakley Capital Group, a privately owned asset management and advisory group comprising Private Equity, Venture Capital, Corporate Finance managing approximately €2.8 billion.

Peter started his entrepreneurial career in his early twenties by successfully acquiring, growing and selling a number of small businesses and subsequently gained experience building larger businesses in the public markets in the early 2000s. Peter founded Oakley Capital in 2002 to be a best of breed, entrepreneurially driven, investment house. He wanted to create an ecosystem that supports companies through investment, whether they are early stage (through the venture capital businesses) or more established companies (through the Oakley Funds).

Peter Dubens is a Director of both the Investment Adviser and the Company, and cannot vote on any Board decision relating to the Investment Advisory Agreement whilst he has an interest.

David Till serves as an alternate Director to Peter Dubens. His biography is set out in paragraph 4 of Part 7 of this document.

Stewart Porter

Stewart has over 40 years of operational experience, both within private equity and TMT businesses. During his career, Stewart has held positions as COO and CFO at Wilkinson Sword and TI Group, as well as Director of Finance and Business Development for Global Markets at Cable & Wireless. Stewart was a founder and CFO of Pipex Communications plc and was instrumental in the development and successful sale of the Pipex group, helping it to grow from early stage start-up in 2000 to a business with over £400 million of

revenues in 2009, mainly driven by a series of 14 acquisitions. Stewart worked as Chief Operating Officer of the Investment Adviser from 2010 until his retirement in 2018.

Craig Bodenstab

Craig Bodenstab is a recently retired Partner and Director of Orbis Investments, a global asset manager with over £27 billion of assets under management, where he held senior executive roles until stepping down in late 2017. Prior to that, Craig was a Partner and Managing Director of Cameron Capital Management, a family office that focused primarily on managing private placements and convertible bonds. He has a Bachelor of Commerce from Dalhousie University and a Master of Business Administration from Columbia University and London Business School. Craig is a qualified accountant and a CFA charterholder. He currently holds directorships in a select number of private investment related companies including some not-for-profit organisations.

2 No Investment Manager

The Company is a self-managed investment company and an internally-managed alternative investment fund for the purposes of the AIFMD. The Company does not have a separate investment or portfolio manager and the Board is responsible for both portfolio and risk management. The Board has the ultimate decision to invest (or take any other action) with respect to the Company's investments and is responsible for the Company's compliance with the Investment Policy. In the ordinary course, the Board makes decisions after reviewing the recommendations provided by the Investment Adviser.

For the avoidance of doubt, the Directors do not make investment decisions on behalf of the Oakley Funds, nor do they have any role or involvement in selecting or implementing transactions by the Oakley Funds or in the management of the Oakley Funds.

3 Administrative Agent

The Company has appointed Oakley Capital Manager Limited as its Administrative Agent to provide operational assistance and services to the Board with respect to the Company's investments and its general administration. OCML is an exempted company limited by shares incorporated in and under the laws of Bermuda with registration number is 50731 and is licensed by the Bermuda Monetary Authority to carry on investment business.

The Company and OCML have entered into the Operational Services Agreement, a summary of which is set out in paragraph 7.2 of Part 5 of this document, under which the Board has delegated to OCML substantial authority for carrying out the day-to-day administrative functions of the Company. OCML is managed by experienced administrative and operational executives.

As permitted under the Operational Services Agreement, OCML has appointed the Investment Adviser to advise on the investments of the Company as described under the section headed "*Investment Adviser*" below.

Details of the fees and expenses payable to OCML are set out in the section headed "*Fees and expenses*" below.

4 Investment Adviser

OCML has, with the consent of the Company, appointed Oakley Capital Limited as its investment adviser to advise on the investment of the assets of the Company. The Investment Adviser was incorporated in England and Wales in 2000 and is authorised and regulated by the Financial Conduct Authority (registration number 195029).

In addition to advising on the Company's investments, the Investment Adviser undertakes valuations of the Company's investments in accordance with the Oakley Valuation Policy and liaises with OCML and the Administrator in respect thereof.

The Investment Adviser does not receive any management or performance fees from the Company. Any fees earned by the Investment Adviser in connection with the Company's investments are paid by OCML.

5 Administrator

The Company has appointed Mayflower Management Services (Bermuda) Limited as its Administrator and Registrar pursuant to the Administration Agreement (further details of which are set out in paragraph 7.3 of Part 5 of this document).

The Administrator is responsible for providing administrative services to the Company. These include general fund administration services, bookkeeping, and accounts preparation, and calculating the Net Asset Value of the Company and the NAV per Ordinary Share on a semi-annual basis. The Administrator also serves as the Company's Registrar and is responsible for keeping the Company's register of Shareholders and register of interested parties at the Company's registered office in Bermuda (save that the Administrator shall liaise with the Branch Registrar with respect to the Company's registers in Jersey).

The Administrator is a company incorporated in Bermuda with registration number 38038. The registered office of the Administrator is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda. The Administrator's telephone number is +1 441 542 6330.

6 Fees and expenses

Costs of Admission

The costs and expenses in connection with Admission will be borne by the Company and are not expected to exceed an aggregate of £725,000.

Ongoing annual expenses

The ongoing annual expenses of the Company include the following:

(i) *Administrative Agent*

Under the Operational Services Agreement, OCML is entitled to receive from the Company a service fee equal to 2 per cent. per annum of the Net Asset Value of all Co-investments held by the Company as at the last business day of each calendar month (before deduction of any accrued performance fees). With effect from 1 January 2020, the service fee shall be an amount equal to 2 per cent. per annum of the Net Asset Value of all Equity Co-investments held by the Company as at the last business day of each calendar month (before deduction of any accrued performance fees). The fee is prorated for partial periods and payable quarterly in arrears.

OCML is also entitled to receive an advisory fee based on the successful buy-side and sell-side transactions of the Company for any Equity Co-investments equal to 2 per cent. of the equity transaction value.

Under the Operational Services Agreement, OCML is also entitled to receive a performance fee equal to 20 per cent. of the excess of any proceeds from the full or partial realisation on disposal of each of the Company's Co-investments once a hurdle rate of 8 per cent. per annum has been met after the deduction of the original cost of the Co-investment and the attributable proportion of all other expenses incurred by the Company in respect of the Co-investment (including advisory fees paid to OCML).

OCML may also recharge costs and expenses incurred on behalf of the Company, either directly or indirectly, in the performance of its obligations under the Operational Services Agreement, including the fees of external consultants, lawyers, auditors and valuers.

For these purposes:

"**Co-investment**" means any investment or investments acquired by the Company (either directly or indirectly) including but not limited to shares, debentures, convertible loan stock, options, warrants or other securities and loans (whether secured or unsecured) made to any body corporate or other entity and interests or participations or commitments in a limited partnership or other collective investment scheme where an Oakley Fund or any Successor Fund also invests, but excluding any loans made by the Company to an Oakley Fund or to the general partner of an Oakley Fund. The Company will not make any loans to any manager of an Oakley Fund and accordingly no such loan could or shall constitute a Co-investment for these purposes;

"**Equity Co-investment**" means any Co-Investment (or part of a Co-Investment) which is not a loan made by the Company; and

"**Successor Fund**" means any limited partnership (other than an Oakley Fund) or other collective investment scheme in which the Company invests, directly or indirectly, for which OCML or any its associates is engaged to provide administrative, operational or management services, or in respect of which the Investment Adviser has been appointed to provide investment advice, whether directly by such limited partnership or other collective investment scheme, or indirectly through OCML.

(ii) *Administrator and Registrar*

Under the terms of the Administration Agreement, the Administrator is entitled to an annual administration fee at prevailing commercial rates agreed annually between the Investment Adviser (on behalf of the Company) and the Administrator. Administration fees for the year ended 31 December 2018 totalled £326,743.

The Administrator is also entitled to obtain reimbursement from the Company of all out of pocket expenses properly incurred in the performance of its duties.

(iii) *Company Secretary*

Under the terms of the Company Secretarial Agreement, OCML is entitled to obtain reimbursement from the Company of all disbursements reasonably incurred in connection with performance of its duties. However, OCML does not charge any fees under the Company Secretarial Agreement.

(iv) *CREST Depositary*

Under the terms of the Depositary and Custody Services Agreement, the CREST Depositary is entitled to an annual fee of £6,682 (exclusive of VAT), payable quarterly in advance, for the provision of depositary, custody and ancillary services in connection with the Depositary Interests. The CREST Depositary is also entitled to a fee of £1.00 for each transfer, deposit or cancellation of Depositary Interests, exclusive of VAT and payable quarterly in arrears. The CREST Depositary may increase its fees annually in line with the percentage increase in the retail price index.

The CREST Depositary is entitled to reimbursement of all out of pocket expenses incurred by it in connection with the provision of services under the Depositary and Custody Services Agreement.

(v) *Branch Registrar*

Under the terms of the Branch Registrar Agreement, the Branch Registrar is entitled to a fixed annual fee of £5,160 per annum (exclusive of goods and services tax ("**GST**") and any similar tax or duty), calculated *pro rata* and payable monthly in arrears. The Branch Registrar is also entitled to certain activity fees and to reimbursement for certain disbursements, including an insurance charge of £594.82 per annum, and all reasonable out of pocket expenses (all exclusive of GST or any similar tax or duty). The Branch Registrar may increase its fees annually in line with the percentage increase in the retail price index.

(vi) *Directors*

Each of the Directors is entitled to receive a fee from the Company at such rate as may be agreed with the Company from time to time. The Directors' current level of remuneration is £50,000 per annum for each Director other than the Chair, who receives £65,000 per annum. Peter Dubens has waived his right to receive a Director's fee.

All of the Directors are also entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.

(vii) *Other operational expenses*

Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit, finance

costs, due diligence and legal fees. All reasonable out of pocket expenses of OCML, the Administrator, the CREST Depositary, the Branch Registrar and the Directors relating to the Company will be borne by the Company.

7 Conflicts of interest

OCML, the Investment Adviser and their respective officers and employees may from time to time act for other clients or manage or advise other funds, which may have similar investment objectives and policies to that of the Company. OCML, the Investment Adviser and their affiliates are not restricted from forming additional investment funds or companies, from entering into other investment management relationships or from engaging in other business activities, even though such activities may be in competition with the Company and/or the Oakley Funds (or any successor funds) and may involve substantial time and resources of OCML, the Investment Adviser and/or their affiliates.

Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more of such clients of OCML, the Investment Adviser or such other funds. Furthermore, OCML is entitled to receive a service fee from the Company which is based on the value of all co-investments held by the Company. This creates a potential conflict of interest as the Investment Adviser (which is appointed by OCML) undertakes the valuation of the Company's co-investments.

Members, officers or employees of the Investment Adviser and/or OCML, who are involved in the provision of investment advice to the Company and/or the Oakley Funds and/or the valuation of their investments, may receive compensation from OCML and/or the Investment Adviser from time to time and/or carried interest payments paid by the Oakley Funds.

Subject to financial services legislation, internal compliance policies and approval procedures, members, officers and employees of OCML and/or the Investment Adviser may engage, from time to time, in personal trading of securities and other instruments, including securities and instruments in which the Company and/or the Oakley Funds (or any successor fund) may invest.

From time to time, provided the Company and/or the relevant Oakley Fund has achieved the desired position in an investment as determined by the Investment Adviser in its sole discretion, co-investment opportunities may be notified to certain investors (which may include the Directors, members, employees or affiliates of OCML or the Investment Adviser) who have expressed an interest in receiving information about co-investment opportunities.

Members, officers or employees of the Investment Adviser and/or OCML may be appointed to the board of directors of an investee company of the Company and/or an Oakley Fund (or a successor fund). On taking a position as a director of an investee company, representatives of OCML or Investment Adviser or associated affiliates and personnel will have a fiduciary responsibility to act in the interests of all shareholders and not simply the interests of the Company and/or the relevant Oakley Fund (or successor fund).

Both OCML and the Investment Adviser have adopted written conflicts of interest policies designed to identify and mitigate potential conflicts. Pursuant to these policies, OCML and the Investment Adviser take all reasonable steps to identify conflicts of interest that may emerge between them and their clients (including the Company and the Oakley Funds). Once a potential conflict has been identified, OCML or the Investment Adviser (as appropriate) establishes a course of action in order to prevent or manage such conflict. Examples include placing restrictions on the personal account dealings of officers and employees, putting in place information barriers where appropriate, and ensuring that valuations are reviewed annually by an independent third party and audited by the relevant fund's auditors. Further procedures and controls monitor the effectiveness of the management arrangements of such conflicts. In addition, these arrangements are reflected in the contractual agreements between the Company, OCML and the Investment Adviser.

The Directors have satisfied themselves that OCML and the Investment Adviser have procedures in place to address potential conflicts of interest and that, where a conflict arises, they will seek to resolve that conflict in accordance with the Operational Services Agreement, the relevant conflicts of interest policy and applicable law and regulation. In particular, the Directors have satisfied themselves that where a conflict arises in respect of the allocation of an investment opportunity, the Investment Adviser will allocate the opportunity on a fair basis and in accordance with such provisions and rules.

8 Corporate governance

The Board of the Company has considered the principles and provisions of the AIC Code. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the principles and recommendations of the AIC Code, which has been endorsed by the Financial Reporting Council, will provide better information to Shareholders.

The Company intends to comply with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to: the role of the chief executive; executive directors' remuneration; and the need for an internal audit function. The Board considers these provisions are not relevant to the position of the Company, being an externally-advised investment company with an entirely non-executive Board, and the Company does not therefore comply with them. In particular, the majority of the Company's day-to-day administrative functions are outsourced to third parties (although investment management and risk management decisions are taken by the Board and its committees).

Furthermore, in the context of the nature, scale and complexity of the Company, certain recommendations of the AIC Code have not been deemed appropriate by the Board as follows:

- The Board has chosen not to adopt a fixed policy on tenure. While the Board recognises the value of refreshing its members regularly, it does not consider it necessary or appropriate to adopt a policy whereby Directors only serve for limited periods of time. The Directors prefer to retain the flexibility to assess the balance of skills and experience of the Board as a whole. Furthermore, given the long-term nature of the Company's investments, the Directors consider that maintaining continuity and a long-term perspective at Board level can be particularly valuable. The Board has agreed to keep this matter under review.
- The Board has not adopted a formal policy on diversity. In view of the nature, scale and complexity of the Company, the Board does not consider a specific policy with respect to diversity to be necessary at this time. Diversity of the Board is further considered on at least an annual basis through the Board evaluation process.
- The Board has chosen to appoint a non-independent Director, Stewart Porter, to the Audit Committee. Whilst Stewart is not currently considered to be independent due to his previous employment at the Investment Adviser, the Board feels it is appropriate to appoint him to the Audit Committee due to his experience and knowledge of accounting and auditing.

It is a principle of the AIC Code that a majority of the board should be independent of OCML and the Investment Adviser. There are five Directors on the Board. Each of the Directors other than Peter Dubens and Stewart Porter is considered to be independent. Peter Dubens is not considered to be independent for the purposes of the AIC Code because he is the founder, Managing Partner and a director of the Investment Adviser. Stewart Porter is not currently considered to be independent for the purposes of the AIC Code because he is a former employee of the Investment Adviser. Caroline Foulger and Laurence Blackall remain independent despite their individual length of service on the Board, as they are free from any business or other relationship that could materially interfere with their exercise of judgment.

The Board has carefully considered the Directors' independence and has determined that the Directors will discharge their duties in an independent manner.

The Company's Audit Committee is chaired by Laurence Blackall and consists of Laurence Blackall and Stewart Porter. The Audit Committee meets at least twice per year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee will examine the effectiveness of the Company's internal financial controls and, unless expressly addressed by the Risk Committee, or by the Board itself, its internal control and risk management systems. It will review the half-yearly and annual reports and also receive information from OCML and/or the Investment Adviser. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditor.

In accordance with the AIC Code the Company has established a Management Engagement Committee which is chaired by Laurence Blackall and consists of Laurence Blackall, Caroline Foulger and Stewart Porter. The Management Engagement Committee will meet at least twice a year or more often if required. Its principal duties are to consider the terms of appointment of OCML, the Investment Adviser and other service providers and it will regularly review those appointments and the terms of engagement.

The Company has established a Nomination and Remuneration committee which is chaired by Caroline Foulger and consists of Caroline Foulger, Laurence Blackall and Craig Bodenstab. The Nomination and Remuneration committee meets at least twice a year. Its principal duties are to review the structure, size and composition of the Board and its committees, review the Directors' fees on an annual basis, give consideration to succession planning and review the results of the annual Board evaluation process.

The Company has established a Risk Committee which is chaired by Caroline Foulger and consists of Caroline Foulger and Craig Bodenstab. The Risk Committee meets at least four times a year. Its principal duties are to oversee the current and emerging material risks relating to the Company and to monitor the procedures and policies performed in mitigating those risks.

The Company has also established a Governance, Regulatory and Compliance Committee which is chaired by Stewart Porter and consists of Stewart Porter and Craig Bodenstab. The Governance, Regulatory and Compliance Committee meets at least four times a year. Its principal duties are to evaluate, monitor and thereby ensure the Company's ongoing compliance with the relevant codes, laws, regulations and external policies applicable to it and to provide oversight of the Company's relationships with its regulators.

PART 3

FINANCIAL AND OTHER INFORMATION RELATING TO THE GROUP

1 Historical financial information

Statutory accounts of the Group for the three financial years ended 31 December 2016, 2017 and 2018, in respect of which the Group's auditors, KPMG Audit Limited, have given unqualified opinions that the accounts present fairly, in all material respects, the consolidated financial position of the Group and its consolidated financial performance and consolidated cash flows in accordance with IFRS, are reproduced in Appendix 1 to this Prospectus.

2 Selected financial information

The key figures that summarise the Group's financial condition in respect of the three financial years ended 31 December 2016, 2017 and 2018 (all audited), which have been extracted without material adjustment from the audited financial statements of the Group for those years, are set out below:

Balance Sheet

	As at 31 December (audited) (£'000)		
	2018	*2017*	*2016*
Non-current assets			
Investments	469,749	419,627	340,869
Current assets			
Trade and other receivables	11	668	673
Cash and cash equivalents	107,888	117,836	106,509
Total assets	577,648	538,131	448,051
Current liabilities			
Trade and other payables	2,826	36,091	9,619
Total liabilities	2,826	36,091	9,619
Net assets attributable to Shareholders	574,822	502,040	438,432
Basic and diluted net assets per share	£2.81	£2.45	£2.31

Income Statement

	As at or for the year ended 31 December (audited) (£'000)		
	2018	*2017*	*2016*
Interest income	6,629	7,722	11,637
Net realised gains/(losses) on investments	102,314	23,991	8,545
Net change in unrealised gains/(losses) on investments	(23,877)	20,316	46,196
Net foreign currency gains/(losses)	3,149	(839)	4,733
Other income	217	306	140
Total income	88,432	51,496	71,251
Expenses	(6,045)	(6,529)	(4,519)
Operating profit	82,387	44,967	66,732
Interest expense	(389)	(42)	(55)
Total comprehensive income	81,998	44,925	66,677
Basic and diluted earnings per share	£0.40	£0.22	£0.35

3 Operating and financial review

The Group's published annual reports and accounts for the three financial years ended 31 December 2016, 2017 and 2018, which are reproduced in Appendix 1 to this Prospectus, included, on the pages specified in the table below: descriptions of the Group's financial condition (in both capital and revenue terms); details of the Group's investment activity and portfolio exposure; and changes in its financial condition for each of those years.

	Annual report and accounts for the year ended 31 December (audited)		
Nature of information	*2018 Page No(s)*	*2017 Page No(s)*	*2016 Page No(s)*
Chair's statement	4–5	4–5	4–5
Strategic report by the Investment Adviser	6–41	8–35	6–28
Portfolio review	35–39	30–35	21–25

4 Capitalisation and indebtedness

The following table, sourced from the Group's internal accounting records, shows the Group's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 May 2019 and the Group's audited capitalisation as at 31 December 2018 (being the last date in respect of which the Group has published financial information).

	31 May 2019 (unaudited) £'000
Total Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
Total Non-Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–

	31 December 2018 (audited) £'000
Shareholders' equity (excluding retained earnings)	
Share capital	2,048
Legal reserve[(a)]	244,533
Total capitalisation	246,581

(a) Comprises the share premium account.

Since 31 December 2018, the Company has bought back 404,100 Ordinary Shares, which were subsequently cancelled. Save as disclosed in this paragraph, there has been no material change to the capitalisation of the Group since 31 December 2018.

The following table shows the Group's unaudited net liquidity as at 31 May 2019.

		31 May 2019 (unaudited) £'000
A	Cash	54,723
B	Cash equivalent (short-term deposits)	25,107
C	Trading securities	–
D	**Liquidity (A+B+C)**	**79,830**
E	Current financial receivable	–
F	Current bank debt	–
G	Current portion of non-current debt	–
H	Other current financial debt	–
I	**Current financial debt (F+G+H)**	**–**
J	**Net current financial liquidity (I-E-D)**	**79,830**
K	Non-current bank loans	–
L	Bonds issued	–
M	Other non-current loans	–
N	**Non-current financial indebtedness (K+L+M)**	**–**
O	**Net financial liquidity (J+N)**	**79,830**

5 No significant change

Pursuant to a subscription agreement entered into by the Company on 2 January 2019, the Company has made an irrevocable Commitment to Fund IV Feeder A of €400 million. On 13 March 2019, the Board approved a final dividend of 2.25 pence per Ordinary Share in respect of the financial year ended 31 December 2018, which was paid to Shareholders on 18 April 2019. On 15 March 2019, the Company bought back 404,100 Ordinary Shares, which were subsequently cancelled.

Save as disclosed above, there has been no significant change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest audited financial information has been published.

6 Related party transactions

Save as disclosed in note 28 on page 100 of the Company's annual report and accounts for the period ended 31 December 2018, note 28 on pages 78 and 79 of the Company's annual report and accounts for the period ended 31 December 2017 and in note 26 on page 77 of the Company's annual report and accounts for the period ended 31 December 2016, which are reproduced in Appendix 1 to this Prospectus, and save for entry into the Company Secretarial Agreement, there have been no related party transactions entered into by the Company at any time during the period covered by the historical financial information in this Prospectus and up to the date of this Prospectus.

PART 4

TAXATION

The comments below are of a general and non-exhaustive nature based on current UK and Bermuda tax law and the published practice of HMRC as at the date of this Prospectus and does not constitute legal or tax advice. The comments relate only to the position of Shareholders who are resident (and, in the case of individuals, domiciled) in the United Kingdom for tax purposes, who hold their Ordinary Shares as an investment (and otherwise than through an ISA) and who are the absolute beneficial owners of their Ordinary Shares and any dividends paid on their Ordinary Shares. The comments below may not apply to certain classes of persons, such as dealers, collective investment schemes, insurance companies, persons who obtained their Ordinary Shares in connection with any office or employment, persons who (alone or together with persons connected or associated with them) own 25 per cent. or more of the Ordinary Shares (or any class of shares) in the Company and persons making or holding their investment with the purpose of obtaining a UK tax advantage. Such persons may be subject to special rules.

Shareholders should note that tax law and interpretation can change (possibly with retrospective effect) and that, in particular, the levels, basis of and reliefs from taxation may change.

If you are in any doubt about your tax position, or if you may be subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser.

A. United Kingdom Taxation

1 ***The Company***

The Directors intend to continue to conduct the affairs of the Company so that it does not become resident in the United Kingdom for UK tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a branch, agency or permanent establishment situated there), the Company will not generally be subject to UK income tax or corporation tax other than on certain types of UK source income.

The Directors do not consider the Company to be an "offshore fund" for UK tax purposes with respect to the Ordinary Shares. However, should the Company or any class of shares issued by the Company be regarded as being subject to the offshore fund rules, this may have adverse tax consequences for UK resident Shareholders (including that disposals of shares would be taxed as income and not capital).

2 ***Shareholders***

(i) *Dividends – general*

The Company will not be required to withhold UK tax at source when paying a dividend.

(ii) *Dividends – individuals*

Each individual who is resident in the UK for tax purposes is entitled to an annual tax free dividend allowance of £2,000 (tax year 2018/2019).

Dividends received in excess of this threshold will be taxed, for the fiscal year 2018/19 at:

- 7.5 per cent. on dividend income within the basic rate band;
- 32.5 per cent. on dividend income within the higher rate band; and
- 38.1 per cent. on dividend income within the additional rate band.

(iii) *Dividends – companies*

For Shareholders within the charge to UK corporation tax which are not "small companies" for the purposes of UK taxation of distributions, dividends paid on the Ordinary Shares should generally fall within an exemption from corporation tax. Shareholders should note, however, that the exemptions from corporation tax on dividends are not comprehensive and are subject to anti-avoidance rules.

Shareholders within the charge to UK corporation tax which are "small companies" for the purposes of United Kingdom taxation of distributions will be subject to UK corporation tax on any dividends paid by the Company on the Ordinary Shares.

(iv) *Disposals – taxation of chargeable gains*

A disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may, depending on the Shareholder's circumstances, and subject to any available exemption, allowance or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

UK resident individuals are, for each tax year, entitled to an exemption from capital gains tax for a specified amount of gains realised in that tax year. The current annual exempt amount (for the tax year 2018/19) is £11,700.

For Shareholders within the charge to corporation tax, indexation allowance may reduce the amount of any chargeable gain arising on a disposal of Ordinary Shares (but cannot give rise to or increase the amount of an allowable loss). However, indexation allowance was frozen at 31 December 2017 such that any indexation allowance would be calculated only to 31 December 2017 and will not apply to disposals of Ordinary Shares acquired after that date.

3 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

The following comments are intended as a guide to the general UK stamp duty and stamp duty reserve tax position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

No UK stamp duty or SDRT will be payable on the issue of Ordinary Shares.

Provided that the Ordinary Shares are not registered in any register kept by or on behalf of the Company in the United Kingdom an agreement to transfer Ordinary Shares should not be subject to SDRT.

No United Kingdom stamp duty or SDRT should arise on transfers of credits representing Depositary Interests through the CREST system provided that the credits representing the Depositary Interests are not registered in any register kept in the United Kingdom.

An instrument transferring Ordinary Shares which is executed in the UK or relates to any matter or thing done or to be done in the UK may in principle be subject to UK stamp duty at the rate of 0.5 per cent. of the value of the consideration, rounded up where necessary to the nearest £5. However, in practice, it should generally not be necessary to pay stamp duty on such an instrument unless the instrument is required to be adduced in evidence before the United Kingdom courts in civil proceedings or for any official purpose in the United Kingdom.

4 ***ISAs***

Ordinary Shares acquired in the secondary market should be eligible for inclusion in an ISA, subject to applicable subscription limits.

B. Bermuda taxation

1 ***The Company***

At the date of this Prospectus, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company, other than investors ordinarily resident in Bermuda.

The Company is not subject to Bermuda stamp duty on the issue or transfer of its Ordinary Shares.

The Company has received an assurance from the Bermuda Minister of Finance under the Exempted Undertakings Tax Protection Act 1966, as amended, of Bermuda, that in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any

capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not until 31 March 2035 be applicable to the Company or to any of its operations or obligations. This assurance is subject to the proviso that it is not to be construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Land Tax Act 1967 or otherwise payable in relation to any property leased to the Company.

As an exempted company, the Company is liable to pay the Bermuda Government an annual government fee which is currently US$19,605.

2 ***FATCA***

The Government of the United States of America and the Government of Bermuda entered into a Model 2 intergovernmental agreement (the "**US-Bermuda IGA**") in relation to the application of FATCA in Bermuda and on Bermuda persons. The US-Bermuda IGA provides for applicable/affected Bermuda persons to register and/or enter into agreements and/or file required information directly with the US Internal Revenue Service (the "**IRS**"), including due diligence, reporting and withholding. The US-Bermuda IGA is intended to ensure that there are no local restrictions on or prohibitions for a Bermuda person to comply with FATCA. Assuming registration and compliance pursuant to the US-Bermuda IGA, a non-US financial institution (a "**foreign financial institution**" or "**FFI**") would be treated as compliant with FATCA and not subject to withholding.

FATCA imposes a reporting regime and potentially a 30 per cent. withholding tax on (i) certain US source income (including interest, dividends and premiums) and gross proceeds from any sale or other disposition after 31 December 2016, of property that can produce US source income ("**withholdable payments**"), and (ii) "**passthru payments**" (generally withholdable payments and payments that are attributable to withholdable payments) made by FFIs (withholdable payments and passthru payments together "**US source payments**") to certain categories of recipient, including: (a) an FFI that does not comply with the terms of FATCA and does not otherwise establish an exemption from FATCA withholding (a "**nonparticipating FFI**"); and (b) an accountholder which has failed to comply with certain documentation or information requirements under FATCA and does not otherwise establish an exemption from FATCA withholding (a "**recalcitrant accountholder**"). Pursuant to the terms of the US-Bermuda IGA, certain Bermuda financial institutions ("**reporting financial institutions**") are required to provide certain information about their accountholders who are specified US persons or nonparticipating FFIs (both as defined in the US-Bermuda IGA) to the US Internal Revenue Service, and to withhold on US source payments to accountholders which are nonparticipating FFIs (as defined in the US-Bermuda IGA) and, in certain limited circumstances, recalcitrant accountholders, pursuant to the terms of an FFI Agreement (as defined in the US-Bermuda IGA). An entity that would otherwise be considered a Bermuda FFI under the US-Bermuda IGA should generally not be considered a reporting financial institution for such purposes where it is an "investment entity" (as defined in the US-Bermuda IGA) which has not entered into an agreement with the IRS to act as a qualified intermediary or similar withholding entity and where another entity, such as a fund manager, has agreed to act as a sponsoring entity for the investment entity (provided that such sponsoring entity meets certain requirements provided for in the US-Bermuda IGA including being registered with the IRS as a sponsoring entity, timely and properly registering the investment entity with the IRS, and being authorised to act on behalf of the investment entity to fulfil the requirements of an FFI Agreement).

The Company is a Registered Sponsored Investment Entity which falls under "Deemed Compliant FFIs" for the purposes of FATCA. The Company is registered as such with the IRS and has therefore agreed to identify relevant "Specified US Persons" (being any US Shareholder and any non-US Shareholder with US owners). Provided that the Company complies with the US-Bermuda IGA and the FFI Agreement, it will not be subject to the related withholding tax. Investors will generally be required to provide to the Company information that identifies their direct or indirect US ownership, if any. Any such information provided to the Company will be disclosed to the IRS annually on an automatic basis unless it is otherwise exempt from the reporting and withholding rules.

3 ***CRS***

The Standard for Automatic Exchange of Financial Account Information (commonly referred to as the "**Common Reporting Standard**" or "**CRS**") is a regime developed by the Organisation for Economic Co-operation and Development (OECD) to facilitate and standardise the exchange of information on residents' assets and income, primarily for taxation purposes, between numerous jurisdictions around the world ("**participating foreign jurisdictions**"). Bermuda is a signatory to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, which permits participating foreign jurisdictions to enter into agreements that provide for the automatic exchange of information with respect to certain tax matters. On 29 October 2014, Bermuda signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the "**MCAA**") which provides the legal basis by which participating foreign jurisdictions can agree to implement and exchange information under the CRS. Bermuda, together with over 90 other participating foreign jurisdictions, committed to implement CRS with effect from 1 January 2016 and, as a result, the Company is required to identify accounts held directly or indirectly by residents in participating foreign jurisdictions and to report information on such persons to the relevant tax authority in Bermuda, which will then exchange such information annually with foreign fiscal authorities.

In the future, it is possible that intergovernmental agreements similar to the US-Bermuda IGA and the MCAA may be entered into with other countries or jurisdictions by the Bermuda Government to introduce similar regimes for reporting to other countries' or jurisdictions' fiscal authorities.

This summary does not address all of the provisions of FATCA, the US-Bermuda IGA, the CRS, the MCAA or other similar reporting requirements that might be applicable to the Company or a particular Investor. Moreover, changes in applicable tax and regulatory laws after the date of this document may alter anticipated tax consequences or the matters referred to in this summary. None of the Company, OCML, the Investment Adviser, the Administrator, or any of their respective officers, directors, delegates, employees, agents, accountants, counsel or consultants assumes any responsibility for the tax consequences to any investor of an investment in the Company.

Investors should consult their own tax advisors regarding FATCA, the US-Bermuda IGA, the CRS, the MCAA and any equivalent or similar regime or reporting requirements and the possible implications of such rules for their investments in the Company.

An investment in the Company could result in significant adverse tax consequences for investors, which are not discussed herein. Accordingly, such prospective investors should not invest in the Company without first consulting their tax advisors.

PART 5

ADDITIONAL INFORMATION ON THE COMPANY

1 The Company, OCML and the Investment Adviser

1.1 The Company was incorporated in Bermuda on 28 June 2007 as an exempted company limited by shares with registration number 40324. The Company is domiciled in Bermuda and currently has no employees.

1.2 The principal activity of the Company is to invest in the Oakley Funds and in certain successor funds and co-investment opportunities in accordance with the Company's investment policy with a view to achieving its investment objective.

1.3 OCI Financing (Bermuda) Limited is the Company's sole subsidiary and is wholly owned by the Company. The Subsidiary was incorporated in Bermuda on 19 April 2011 as an exempted company limited by shares with registration number 45310 (under the name TONY OCIL (Bermuda) Limited).

1.4 The principal legislation under which the Company operates is the Bermuda Companies Act. The Company is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda. The Company's telephone number is +1 441 542 6330.

1.5 The Ordinary Shares were admitted to trading on AIM in August 2007. On Admission, the Ordinary Shares will be admitted to trading on the Specialist Fund Segment of the London Stock Exchange's main market and the admission of the Ordinary Shares to trading on AIM will be cancelled. From Admission, the Company will be subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules and MAR, and to the rules of the London Stock Exchange.

1.6 OCML was incorporated in Bermuda on 16 October 2015 as an exempted company limited by shares with registration number 50731. The address of the registered office of OCML is 3rd Floor, Mintflower Place, 8 Par-La-Ville Road, Hamilton HM08, Bermuda and its telephone number is +1 441 542 6330. OCML is licensed by the Bermuda Monetary Authority to carry on investment business.

1.7 The Investment Adviser was incorporated in England and Wales on 12 October 2000 as a private limited company with registered number 4091922. The Investment Adviser is authorised and regulated by the FCA. The address of the registered office of the Investment Adviser is 3 Cadogan Gate, Chelsea, London, SW1X 0AS and its telephone number is +44 20 7766 6900.

2 Share Capital of the Company

2.1 The issued share capital of the Company as at 31 December 2015 was 191,078,315 Ordinary Shares (excluding 15,834,564 Ordinary Shares held in treasury).

2.2 During the year ended 31 December 2016, the Company bought back 1,274,279 Ordinary Shares for a total cash consideration of £1,853,928. No Ordinary Shares were issued during this year. As at 31 December 2016, the Company's issued share capital was 189,804,036 Ordinary Shares (excluding 17,108,843 Ordinary Shares held in treasury).

2.3 During the year ended 31 December 2017, the Company sold 15,000,000 Ordinary Shares from treasury at a share price of £1.57 per Ordinary Share for a total net cash consideration of £23,290,950. The Company's average purchase price of the Ordinary Shares sold from treasury was £1.47 per share. Following this issue, the Company cancelled its remaining 2,108,843 treasury shares. No Ordinary Shares were bought back into treasury during this year. As at 31 December 2017, the Company's issued share capital was 204,804,036 Ordinary Shares.

2.4 During the year ended 31 December 2018, the Company neither issued nor bought back any Ordinary Shares. As at 31 December 2018, the Company's issued share capital was 204,804,036 Ordinary Shares (with no Ordinary Shares held in treasury), all fully paid.

2.5 Since 1 January 2019, the Company has bought back 404,100 Ordinary Shares for a total cash consideration of £763,624, which were subsequently cancelled. As at the date of this document, the issued share capital of the Company is 204,399,936 Ordinary Shares (with no Ordinary Shares held in treasury), all fully paid. The authorised share capital of the Company is 280,000,000 Ordinary Shares.

2.6 Save as disclosed in this paragraph 2, since 31 December 2015: (i) there has been no alteration in the share capital of the Company; (ii) no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued for cash or any other consideration; and (iii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital and no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.

2.7 The Ordinary Shares are in registered form. The ISIN of the Ordinary Shares is BMG670131058.

2.8 As the Company is incorporated in Bermuda, the Ordinary Shares cannot be admitted directly to CREST. In order to enable transactions in the Ordinary Shares to be settled electronically, the Company has created a Depositary Interest facility under which the CREST Depositary issues Depositary Interests to Shareholders in exchange for Ordinary Shares in the ratio of one for one. It is therefore possible for CREST members to hold and transfer Depositary Interests in respect of the underlying Ordinary Shares within CREST pursuant to the Depositary and Custody Services Agreement and the Depositary Deed. The ISIN for the Depositary Interests is the same as that of the Ordinary Shares, being BMG670131058.

3 Memorandum of Association and Bye-laws of the Company

A summary of the main provisions of the Memorandum of Association and Bye-laws of the Company is set out below.

3.1 ***Objects***

Pursuant to the Memorandum of Association, the objects for which the Company is formed and incorporated are unrestricted. As an exempted company, the Company will be carrying on business outside Bermuda from a place of business within Bermuda.

3.2 ***Variation of rights***

Subject to the Bermuda Companies Act, and without prejudice to the Board's power to issue shares on such terms as it may determine, all or any of the special rights attached to the Ordinary Shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of the Bye-laws relating to general meetings will *mutatis mutandis* apply, but so that: (i) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting, two holders present in person (or in the case of a member being a corporation, its duly authorised representative) or by proxy whatever the number of shares held by them shall be a quorum; (ii) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and (iii) any holder of shares of the class present in person or by proxy may demand a poll.

3.3 ***Alteration of share capital***

Notwithstanding any other provision in the Bye-laws, the Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Bermuda Companies Act:

(i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;

(ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and, without prejudice to any special rights previously conferred on the holders of existing shares, attach thereto respectively any rights, privileges, conditions or restrictions as the directors may determine;

(iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association;

(v) change the currency denomination of its share capital;

(vi) make provision for the issue and allotment of shares which do not carry any voting rights; and

(vii) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may, by ordinary resolution, subject to any confirmation or consent required by law, reduce its issued share capital or, save for the use of share premium as expressly permitted by the Bermuda Companies Act, any share premium account or other undistributable reserve.

3.4 ***Issue of shares***

Subject to any resolution of the Shareholders, and without prejudice to any special rights conferred on the holders of any shares or class of shares, the Board shall have the power to issue any unissued shares in the Company on such terms and conditions as it may determine and any shares or class of shares may be issued with such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, unless the Company has determined otherwise by ordinary resolution.

Subject to the Bermuda Companies Act and to any special rights conferred on the holders of any shares or attaching to any class of share, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by the Memorandum of Association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution determine, but no share shall be issued at a discount.

Subject to the Bye-laws, the Board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the Bermuda Companies Act, the Bye-laws relating to authority, and any direction that may be given by the Company in general meeting and, where applicable, the AIM Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and on such terms and conditions as the Board may in its absolute discretion determine, but so that no shares shall be issued at a discount.

There are no pre-emption rights attaching to any class of shares of the Company. The Company has the power to purchase its own shares, subject to the Bermuda Companies Act.

3.5 ***Dividends and other distributions***

After making all necessary provisions, where relevant for payment of any preferred dividend in respect of any preference shares in the Company then outstanding the Company shall apply any profits or reserves which the Board resolves to distribute in paying such profits or reserves to the holders of the shares in respect of their holding of such shares *pari passu* and *pro rata* to the number of shares held by each of them.

Subject to the Bermuda Companies Act, the Board may declare dividends in any currency to be paid to the Shareholders. The Board may also make a distribution to its Shareholders out of contributed surplus (as ascertained in accordance with the Bermuda Companies Act). Under Bermuda law, the Company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there

are reasonable grounds for believing that (i) the Company is, or would after the payment, be unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than its liabilities.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid *pro rata* according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to a Shareholder by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the Board has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

The Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Whenever the Board has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for 12 years after having been declared may be forfeited by the Board and shall revert to the Company.

3.6 ***Voting rights and right to demand a poll***

The holders of the Ordinary Shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Bye-laws, at any general meeting on a show of hands, every member who is present in person (or being a corporation, is present by its duly authorised representative) or by proxy shall have one vote and on a poll every member present in person or by proxy or, being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by (i) the chairman of the meeting or (ii) at least five members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the meeting or (iii) any member or members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting or (iv) a member or members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

3.7 ***Special resolutions***

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which not less than 21 clear days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than 21 clear days' notice has been given.

3.8 ***Call on shares and forfeiture of shares***

Subject to the Bye-laws and to the terms of allotment, the Board may from time to time make such calls upon the Shareholders in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20 per cent. per annum as the Board may determine from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than 14 clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment, and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a Shareholder in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding 20 per cent. per annum as the Board determines.

3.9 ***Transfer of shares***

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the London Stock Exchange or by CREST or in such other form as the Board may approve. The instrument of transfer (which need not be under seal) must be executed by or on behalf of the transferor and the transferee provided that (i) no execution shall be required for a transfer in a form prescribed by CREST and (ii) the Board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any

share issued under any share incentive scheme for employees upon which a restriction on a transfer imposed thereby still subsists, provided that the refusal does not prevent dealings in shares of that class in the Company taking place on an open and proper basis. The Board may also refuse to register a transfer of any share (not being a fully paid up share) on which the Company has a lien, and no transfer shall be made to an infant or to a person of unsound mind or under other legal disability.

Unless the Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in Bermuda or such other place in Bermuda at which the principal register is kept in accordance with the Bermuda Companies Act.

The Board may decline to recognise any instrument of transfer unless a fee of such reasonable sum as the Directors may from time to time determine is paid to the Company in respect thereof, the instrument of transfer (if applicable) is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do) and if the instrument of transfer is in favour of not more than four transferees.

If the Board refuses to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee, notice of the refusal.

The Board may, subject to applicable laws and if permitted by the Bermuda Companies Act, permit shares of any class held in uncertificated form to be transferred without an instrument of transfer by means of a relevant system, including CREST.

The registration of transfers of shares may be suspended at such times and for such periods as the Board may determine and either generally or in respect of any class of shares provided that the register of members shall not be closed for more than 30 days in any year.

3.10 ***Shareholder notification and disclosure requirements***

Under the terms of the Bye-laws, for so long as the Company shall have a class of securities admitted to trading on AIM, Shareholders in the Company are obliged to comply (where necessary) with the vote holder and issuer notification rules set out in Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) ("**DTR5**").

The DTR5 rules are deemed to be incorporated by reference into the Bye-laws and shall apply to the Company and each Shareholder. The Company shall be deemed to be an "issuer" (as defined in DTR5) whose "home state" is in the United Kingdom and not a "non-UK issuer" (as defined in DTR5).

Under DTR5, a Shareholder shall notify the Company where there is a change in the percentage level of voting rights he holds where, as a result of such change, his percentage interest reaches, exceeds or falls below three per cent., four per cent., five per cent. and each one per cent. threshold thereafter up to 100 per cent.

If the Company determines that a Shareholder has not complied with DTR5 in respect of some or all of the shares he holds ("**Default Shares**"), the Company may suspend the right of such Shareholder to vote the Default Shares in person or by proxy at any meeting of the Company. Furthermore, the sanctions relating to dividends applicable to "default shares" below shall apply *mutatis mutandis* to the Default Shares.

Under the terms of the Bye-laws, the Board has the power to require any direct or indirect Shareholders or any person whom the Company knows or has reasonable cause to believe to be interested (or to have been interested at any time during the previous three years) in the Company's share capital (an "**Interested Party**") to provide such information as the Board may reasonably request for the purpose

of determining the nature of such interest. If such Shareholder or Interested Party fails to respond to such a request, or submits incomplete or inaccurate information in response to such a request, the Board may determine in its sole discretion in respect of the relevant shares (the "default shares"), the Shareholder shall not be entitled to attend or vote in Shareholder meetings. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the Board may additionally direct that dividends on such shares will be withheld by the Company (without interest) and that no transfer of the shares (other than a transfer authorised under the Bye-laws) shall be registered until the default is rectified. The Company shall maintain a register of Interested Parties and is authorised to use the information provided to it pursuant to the Bye-laws as necessary to comply with any legal or regulatory requirements.

3.11 ***Distribution of assets on a winding-up***

On a return of assets on liquidation, reduction of capital or otherwise, the holders of the Ordinary Shares shall be entitled to be paid the surplus assets of the Company remaining after payment of its liabilities (subject to the rights of holders of any preferred shares in the Company then in issue having preferred rights in the return of capital) in respect of their holdings of shares *pari passu* and *pro rata* to the number of shares held by each of them.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of an ordinary resolution and any other sanction required by the Bermuda Companies Act, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

3.12 ***Untraced shareholders***

The Company may sell any of the shares of a member who is untraceable if (i) all cheques or placing warrants (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in newspapers giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the London Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

3.13 ***Appointment, retirement and removal of Directors***

Unless otherwise determined from time to time by the Company in general meeting, the number of Directors shall not be less than two and not more than 12, provided that there shall be at least a majority of Directors who are not resident in the United Kingdom for tax purposes.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Shareholders in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Shareholders in general meeting (being six at the date of this document). Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

The Board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as

the Board may determine and the Board may revoke or terminate any of such appointments (but without prejudice to any claim for damages that such Director may have against the Company or vice versa).

The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not greater than one third) will retire from office by rotation (provided that such retirement shall not cause the majority of the Directors to be UK resident). The Directors to retire every year will be those who wish to retire and not offer themselves for re-election and, thereafter, those who have been longest in office since their last re-election or appointment. As between persons who became or were last re-elected Directors on the same day, those to retire will (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching any age limit.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director 14 days before the meeting and, at such meeting, such Director shall be entitled to be heard on the motion for his removal.

The office of Director shall also be vacated in the event of, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written notice from all of the other Directors.

3.14 ***Powers of Directors***

The business of the Company shall be managed and conducted by the Board, which may exercise all powers and do all acts and things which may be exercised or done or approved by the Company which are not required by the Bye-laws or the Bermuda Companies Act to be exercised or done by the Company in general meeting.

The Board may from time to time at its discretion exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Bermuda Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

3.15 ***Remuneration and other compensation of Directors***

Directors are to be paid out of funds of the Company for their services on terms as agreed with the Company. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by them in attending any Board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law.

A Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (but not by way of a commission on, or percentage of, operating revenue, profits or otherwise unless with the prior approval of the Shareholders) and such other benefits (including pension and/or gratuity and/or other benefits on

retirement) and allowances as the Board may from time to time determine. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependants or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

There are no provisions in the Bye-laws relating to the making of loans to Directors. However, the Bermuda Companies Act contains certain restrictions on companies making loans or providing security for loans to their directors.

3.16 ***Proceedings at board meetings***

A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once.

Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.

3.17 ***Directors' interests***

A Director may hold any other office or place of profit with the Company (except that of auditor of the Company) in conjunction with his office of Director for such period and, subject to the Bermuda Companies Act, upon such terms as the Board may determine, and may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Bye-laws. A Director may be or become a director or other officer of, or a member of, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company.

Subject to the Bermuda Companies Act and to the Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established.

A Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement with the Company shall declare in accordance with the Bermuda Companies Act the nature of his interest at the meeting of the Board at which the question of entering into the transaction is first taken into consideration or if the Director did not at the date of that meeting know his interest existed in the transaction, at the first meeting of the Board after he knows that he is or has become interested.

Save as provided in the Bye-laws, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal in which he has an interest which (together with any interest of any person connected with him) is a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall still be counted in the quorum at a meeting in relation to any resolution on which he is prohibited from voting.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote on any resolution including:

(a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(d) any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent or more of any class of the equity share capital of such company (or of a third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for this purpose to be a material interest in all circumstances);

(e) any contract, arrangement, transaction or proposal concerning the adoption modification or operation of any scheme for enabling employees including full time executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees and which does not accord to any Director as such any privilege not accorded to the employees to whom the scheme relates; and

(f) any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiaries insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, breach of duty or breach of trust for which he may be guilty in relation to the Company or any of its subsidiaries of which he is a director, officer or auditor.

A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.

The Board may cause the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or other officers or servants of such other company, or voting or providing for the payment of remuneration to such officers or servants.

3.18 ***Indemnity***

The Directors, secretary and other officers for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company, together with every one of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages

and expenses which any of them may incur or sustain by reason of any act done, concurred in or omitted in carrying out their duty. However, this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

Each Shareholder agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any director, secretary or officer on account of any action taken by such director, secretary or officer, or the failure of such director, secretary or officer to take any action in the performance of his duties with or for the Company; provided that such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such director, secretary or officer.

3.19 ***General meetings***

An annual general meeting of the Company must be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting unless a longer period would not infringe the AIM Rules) and place as may be determined by the Board.

An annual general meeting and any general meeting at which it is proposed to pass a special resolution shall be called by at least 21 clear days' notice in writing. Any other general meeting that is not an annual general meeting shall be called by at least 14 clear days' notice (in each case exclusive of the day on which the notice is given or deemed to be given and of the day for which it is given or on which it is to take effect). The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such.

Members holding at the date of deposit of the requisition no less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition and such a meeting must be held within two months after the deposit of such requisition. If the Board does not within 21 days from the date of the deposit of the requisition proceed to convene such a meeting, the members making the requisition may do so themselves in accordance with the Bermuda Companies Act.

No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present. For all purposes the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

Any corporation which is a member may by resolution of its directors or other governing body authorise such person (or persons in the case of a depositary or custodian of the Company) as it thinks fit to act as its representative at any general meeting of the Company or at a class meeting. The person (or persons) so authorised is entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member and such corporation shall for the purposes of the Bye-laws be deemed to be present in person at any such meeting if a person (or persons) so authorised is present thereat.

3.20 ***Variation of Memorandum of Association and Bye-laws***

A special resolution shall be required to alter the provisions of the Memorandum of Association or to confirm any amendment to the Bye-laws or to change the name of the Company.

4 City Code on Takeovers and Mergers

The Company is incorporated in Bermuda and is managed and controlled outside the UK. For those reasons the Takeover Code does not apply to the Company. Shareholders are therefore not entitled to the protections afforded by the Takeover Code and there are no similar protections under Bermuda law.

5 Interests of Directors, major Shareholders and related party transactions of the Company

5.1 At the Latest Practicable Date, the Directors held the following interests in the share capital of the Company:

Name	*Number of Ordinary Shares*	*Percentage of issued Ordinary Share capital*
Caroline Foulger	122,000	0.060
Laurence Blackall	200,000	0.098
Peter Dubens	14,887,401	7.283
Stewart Porter	0	0
Craig Bodenstab	0	0

5.2 Save as disclosed in this paragraph, no director has any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

5.3 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Bye-laws and without compensation. The Directors are subject to retirement by rotation in accordance with the Bye-laws. Caroline Foulger was appointed as a Director on 7 June 2016 and as Chair on 11 September 2018. Peter Dubens was appointed as a Director on 3 July 2007, Laurence Blackall on 22 July 2008, Stewart Porter on 25 September 2018 and Craig Bodenstab on 17 July 2019.

There is no notice period specified in the Bye-laws for the removal of Directors. The Bye-laws provide that the office of Director shall be vacated in the event of, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written notice from all of the other Directors.

The Company has indemnified the Directors in accordance with the provisions of the Bye-laws.

5.4 Each of the Directors is entitled to receive a fee from the Company at such rate as may be agreed with the Company from time to time. The Directors' current level of remuneration is £50,000 per annum for each Director other than the Chair, who receives £65,000 per annum. Peter Dubens has waived his right to receive a Director's fee. There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

5.5 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

5.6 Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of the following administrative, management or supervisory bodies and/or partnerships:

Name	*Current*	*Previous*
Caroline Foulger	Catalina Holdings (Bermuda) Ltd Generation Life Ltd GenTwo Ltd Hiscox Insurance Company (Bermuda) Ltd Hiscox Ltd Hiscox Syndicates Ltd The Bank of N.T. Butterfield & Son	None
Laurence Blackall	Blackweir Inns Limited Colourweir Inns Limited Cybertrends Limited Double Digit Media Limited EXMS 11 Limited Flora Park General Partner Limited Hypersonica Limited Manoir Hotels Limited Pembroke VCT PLC Shadeweir Inns Limited	Daisy Holdings Limited Send For Help Limited
Peter Dubens	5GFR LLP Avondale Film Partnership LLP Harwood Film Partnership LLP Kizbel (Bermuda) Limited Middlesex (Bermuda) Limited North Technology Group LLC NSG Apparel BV NSG (Bermuda) GP Limited Oakley Capital (Bermuda) Limited Oakley Capital Founder Member Limited Oakley Capital I Limited Oakley Capital Limited Oakley Capital Management (Bermuda) Limited Oakley Capital Partners LLP Ocean Family Foundation Pembroke Investment Managers LLP Palmer Capital LLP Profounders Capital Partners LLP The First Mezzanine Film Fund LLP The Second Mezzanine Film Fund LLP Time Out Group Plc Tomasoni Topsail SpA	Alpha Charlie Ltd Boat Bidco Limited Boat International Group Limited Daisy Holdings Limited Emplane Limited Global Licensing Limited Healthy & Eatali Limited KX Chelsea Limited KX Covent Garden Limited KX Café UK Limited KX Group Holding Limited KX Gym UK Limited KX Holdings Limited KX Spa UK Limited KXDNA Limited KX U Limited Oakley Advisory Limited Oakley Absolute Return Limited Oakley Capital Corporate Finance LLP Oakley Capital (8th Floor) Limited Oakley Capital II Limited Oakley Capital Interests Limited Oakley Capital Management Limited Oakley Opportunities Fund Limited Palmer Capital Associates Limited Palmer Capital Associates Limited Palmer Capital Associates Management Limited Pembroke Managers Limited Pembroke VCT PLC Pembroke VCT 2 Plc Principia Investment Management Limited Profounders Capital Limited Time Out Group BC Limited Time Out Group MC Limited Time Out New York Limited

Stewart Porter	BAR Productions Limited Energy Scavengers Limited Pont London Limited	KX U Limited Pembroke VCT 2 Plc Project Exhaust Limited
Craig Bodenstab	Allan Gray Africa Equity Fund Ltd Allan Gray Africa ex-SA Equity Fund Ltd Allan Gray Africa ex-SA Bond Fund Ltd Allan Gray Bermuda Ltd Allan Gray Frontier Markets Equity Fund Ltd Baobab Global Fund Limited Bermuda Zoological Society Cederberg Capital (Cayman) Ltd Windhoek Holdings	Orbis Asset Management Ltd Orbis Investment Management Ltd

5.7 Save as disclosed in paragraphs 5.8 and 5.9 below, the Directors in the five years before the date of this document:

(i) do not have any convictions in relation to fraudulent offences;

(ii) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

(iii) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

5.8 Laurence Blackall is a director of Manoir Hotels Limited, which entered into members' voluntary liquidation on 27 September 2018.

5.9 Stewart Porter was a director of Project Exhaust Limited (previously Zenos Cars Limited) ("**Zenos Cars**"), a manufacturer of hand-built, high performance sports cars, which entered into administration on 16 January 2017. The board of Zenos Cars filed a Notice of Intention to Appoint Administrators ("**NOI**") on 1 December 2016. Three further NOIs were subsequently filed and the Administrators were ultimately appointed on 16 January 2017. The latest Notice of Administrator's Progress Report was filed at Companies House on 22 August 2018.

5.10 As at the date of this document, the Company is aware of the following shareholders who were at such time interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital:

Name	*Number of Ordinary Shares held*	*% of voting rights*
Invesco Perpetual	40,231,378	19.68%
Asset Value Investors	24,290,000	11.88%
Oakley Capital Investments Limited Directors and company related holdings	16,046,603	7.85%
Barwon Investment Partners Pty Limited	14,676,852	7.18%
Sarasin & Partners	14,388,118	7.04%
FIL Investment International	10,264,349	5.02%
Rothschild	7,294,499	3.57%
Jon Wood & Family	6,960,194	3.41%

Save as set out in this paragraph 5.10, the Company is not aware of any person who holds as shareholder (within the meaning of the Disclosure Guidance and Transparency Rules), directly or indirectly, a notifiable interest under English law in the voting rights of the Company.

5.11 All Shareholders have the same voting rights in respect of the share capital of the Company.

5.12 As at the Latest Practicable Date, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

5.13 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

5.14 As disclosed under the heading "*Corporate governance*" in Part 2 of this document, Peter Dubens is the founder, Managing Partner and a director of the Investment Adviser. He may also be appointed, from time to time, as a director of portfolio companies of the Company and/or the Oakley Funds (or any successor fund) and to which the Company and/or the Oakley Funds (and/or any successor fund) may, if it is so determined, make follow-on investments. Stewart Porter is a former employee of the Investment Adviser. Accordingly, conflicts of interest may arise between the Company and these Directors. In accordance with the Company's Bye-laws, the relevant Director will not participate or vote in respect of any Board resolution in connection with any matter in which such a conflict of interest arises. Otherwise, none of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his private interests and any other duties.

5.15 OCML, the Investment Adviser, any of their respective directors, officers, employees, agents and affiliates, the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

6 Investment restrictions

The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published investment policy as set out in Part 1 of this document.

In the event of a breach of the investment policy set out in Part 1 of this document and the investment restrictions set out therein, OCML and/or the Investment Adviser shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

7 Material contracts of the Company

Save as described below, the Company has not: (i) entered into any material contracts (other than contracts in the ordinary course of business) within the two years immediately preceding the publication of this Prospectus; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this document.

7.1 ***Financial Advisory Agreement***

A financial advisory agreement dated 18 July 2019 between Liberum Capital Limited, the Company, the Investment Adviser and the Directors, pursuant to which Liberum has been appointed to act as the Company's financial adviser in connection with Admission.

The Financial Advisory Agreement is subject to certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission occurring and becoming effective by no later than 8.00 a.m. on 14 August 2019 (or such later time and/or date as the Company and Liberum may agree); and (ii) the Financial Advisory Agreement not having been terminated in accordance with its terms.

In consideration for its services in relation to Admission, Liberum will be paid a corporate finance fee and will be entitled to be reimbursed for reasonable and properly incurred out-of-pocket expenses.

The Company, the Investment Adviser and the Directors have given warranties to Liberum concerning, *inter alia*, the accuracy of the information contained in this Prospectus. The Company and the Investment Adviser have also given certain indemnities to Liberum. The warranties and indemnities given by the Company, the Investment Adviser and the Directors are standard for an agreement of this nature.

The Financial Advisory Agreement may be terminated by Liberum in certain circumstances prior to Admission. The Financial Advisory Agreement is governed by English law.

7.2 ***Operational Services Agreement***

An amended and restated operational services agreement dated 17 July 2019 between the Company and OCML, pursuant to which the Company has appointed OCML as its Administrative Agent to provide operational assistance and services to the Board with respect to the Company's investments and the general administration and administrative operation of the Company's assets. These include:

- monitoring and reporting on the Company's investments;
- identifying, evaluating and (if required) negotiating investment opportunities;
- making recommendations to the Company in connection with the acquisition of investments, the sale or disposal of investments, the giving of guarantees, warranties and indemnities in connection with any investments, and borrowing money;
- verifying that any proposed action is in accordance with the Company's Investment Policy;
- providing investor relations services; and
- preparing and reviewing the Company's half yearly and annual financial statements.

Pursuant to the terms of the Operational Services Agreement, OCML has engaged the Investment Adviser, with the consent of the Company, to provide investment advice in relation to the Company's investments.

OCML is entitled to a service fee, an advisory fee and a performance fee in relation to the Company's co-investments, details of which are set out in Part 2 of this document under the sub-heading "*Ongoing annual expenses*". OCML is also entitled to recharge costs and expenses incurred on behalf of the Company in the performance of its duties.

The Operational Services Agreement shall remain in force for consecutive periods beginning on the most recent date on which an annual general meeting of the Company at which a discontinuation resolution is put to the Shareholders (a "**Continuation Meeting**") and ending on the date of the next following Continuation Meeting (each a "**Continuation Period**"). On the expiry of each Continuation Period the term of the agreement shall be automatically extended for a period equal to the next Continuation Period. However, if at any Continuation Meeting a discontinuation resolution is approved, then the Company may (but shall not be obliged to) terminate the agreement at any time by giving to OCML one year's notice of termination (or such shorter period as the parties may agree).

The Operational Services Agreement may be terminated by the Company on 90 days' written notice upon the occurrence of certain key person events. The agreement may also be terminated by either party with immediate effect on the occurrence of certain other events, including insolvency or in the event of a material breach that fails to be remedied within 30 days of receipt of notice.

OCML has agreed to exercise due care in performing its obligations under the Operational Services Agreement. Pursuant to the Operational Services Agreement, the Company has indemnified OCML from and against any and all liabilities, losses and costs of any kind or nature whatsoever that may be imposed on OCML in performing its obligations under the agreement, other than those resulting from the fraud, gross negligence, wilful misconduct, bad faith or reckless disregard of OCML or its servants or agents (including the Investment Adviser).

The Operational Services Agreement is governed by the laws of Bermuda and any dispute arising in connection with the agreement shall be referred to the London Court of International Arbitration.

7.3 ***Administration Agreement***

An administration agreement dated 1 January 2017, pursuant to which the Company has appointed the Administrator to provide certain administration and accounting services to the Company and to act as the Company's registrar in Bermuda.

The services provided include general fund administration services, bookkeeping, and accounts preparation, and maintaining the Company's register of Shareholders and register of interested parties at the Company's registered office in Bermuda (save that the Administrator shall liaise with the Branch Registrar with respect to the Company's registers in Jersey). The Administrator is also responsible for calculating the Net Asset Value of the Company and the NAV per Ordinary Share on a semi-annual basis.

Under the terms of the Administration Agreement, the Administrator is entitled to be paid certain fees and expenses as set out in Part 2 of this document under the sub-heading "*Ongoing annual expenses*".

The Administrator and any delegate shall exercise best endeavours and due care in the performance of its duties and shall not be liable, in the absence of fraud, bad faith, wilful misconduct or gross negligence, for any loss, liability or damage suffered by the Company, its Shareholders or any other person. The Company has also agreed to indemnify the Administrator and its directors, officers, shareholders and delegates, against all actions, proceedings, costs or expenses reasonably incurred in connection with the Company, except where arising from fraud, bad faith, wilful misconduct or gross negligence. The indemnity is standard for agreements of this type.

The Administrator does not have authority to make investment decisions in respect of the Company and accepts no responsibility for the powers and duties exercised by OCML and/or the Investment Adviser.

The Administration Agreement may be terminated on not less than three months' written notice from one party to the other. The agreement may also be terminated immediately by either party in certain standard circumstances.

The Administration Agreement is governed by the laws of Bermuda.

7.4 ***Company Secretarial Agreement***

A company secretarial services agreement dated 17 July 2019, pursuant to which the Company has appointed OCML to provide corporate secretarial services to the Company in Bermuda.

Under the terms of the Company Secretarial Agreement, OCML is not entitled to any fees but may obtain reimbursement of expenses as set out in Part 2 of this document under the sub-heading "*Ongoing annual expenses*".

OCML and any delegate shall exercise best endeavours and due care in the performance of its duties and shall not be liable, in the absence of fraud, bad faith, wilful misconduct or gross negligence, for any loss, liability or damage suffered by the Company, its Shareholders or any other person. The Company has also agreed to indemnify OCML and its directors, officers, shareholders and delegates, against all actions, proceedings, costs or expenses reasonably incurred in connection with the Company, except where arising from fraud, bad faith, wilful misconduct or gross negligence. The indemnity is standard for agreements of this type.

The Company Secretarial Agreement may be terminated on not less than three months' written notice from one party to the other. The agreement may also be terminated immediately by either party in certain standard circumstances.

The Company Secretarial Agreement is governed by the laws of Bermuda.

7.5 ***Branch Registrar Agreement***

A branch registrar agreement dated 1 May 2015, pursuant to which the Company has appointed the Branch Registrar to provide certain branch registry and associated services to the Company in Jersey, including maintaining and administering the Company's register of members in Jersey.

Under the terms of the Branch Registrar Agreement, the Branch Registrar is entitled to be paid certain fees and expenses as set out in Part 2 of the document under the sub-heading "*Ongoing annual expenses*".

The Branch Registrar Agreement may be terminated on not less than three months' notice by either party. The agreement may also be terminated immediately by either party in certain standard circumstances.

The Company has agreed to indemnify the Branch Registrar for all loss suffered or properly incurred (directly or indirectly) in the performance of its obligations under the Branch Registrar Agreement, save for any loss arising from the fraud, negligence or wilful default of the Branch Registrar or as a result of its breach of the agreement. The indemnity is standard for agreements of this type. The Branch Registrar's aggregate liability to the Company over any 12 month period is capped at two times the fees payable to the Branch Registrar in that 12 month period.

The Branch Registrar Agreement is governed by Jersey law.

7.6 ***Depositary and Custody Services Agreement***

A depositary and custody services agreement dated 1 May 2015, pursuant to which the Company has appointed the CREST Depositary to provide certain depositary and custody services in connection with the Depositary Interests and the Ordinary Shares underlying the Depositary Interests.

Under the Depositary and Custody Services Agreement, the CREST Depositary is responsible for, *inter alia*, maintaining a register of Depositary Interests in the UK, issuing Depositary Interests to Shareholders in exchange for Ordinary Shares, executing instructions received from holders of Depositary Interests ("**DI Holders**") in relation to the Ordinary Shares it holds on their behalf and distributing dividends, if any, to DI Holders. Pursuant to the Depositary and Custody Services Agreement, the CREST Depositary (or its subsidiary or third party appointee) is responsible for holding the Ordinary Shares underlying the Depositary Interests in custody.

Under the terms of the Depositary and Custody Services Agreement, the CREST Depositary is entitled to be paid certain fees and expenses as set out in Part 2 of this document under the sub-heading "*Ongoing annual expenses*".

The Depositary and Custody Services Agreement may be terminated on not less than three months' notice by either party. The agreement may also be terminated immediately by either party in certain standard circumstances.

The Company has agreed to indemnify the CREST Depositary for all loss suffered or properly incurred (directly or indirectly) in the performance of its obligations under the Depositary and Custody Services Agreement, save for any loss arising from the fraud, negligence or wilful default of the CREST Depositary or as a result of its breach of the agreement. The indemnity is standard for agreements of this type. The CREST Depositary's aggregate liability to the Company over any 12 month period is capped at two times the fees payable to the CREST Depositary in that 12 month period.

The Depositary and Custody Services Agreement is governed by the laws of England and Wales.

7.7 ***Licence Agreement***

An amended and restated licence agreement dated 18 March 2019 between the Company and the Investment Adviser, pursuant to which the Investment Adviser has granted the Company a non-exclusive licence to use the Oakley name. Under the terms of the Licence Agreement, the Investment Adviser is entitled to an annual royalty fee of €100. The Company has also agreed to indemnify the Investment Adviser against any liabilities, costs or damage it suffers arising out of the agreement.

The agreement may be terminated by the Investment Adviser in certain circumstances including (i) failure by the Company to pay the royalty fee within 30 days of receipt of a demand for payment, (ii) the Company appointing a receiver or liquidator over its assets, and (iii) the Company ceasing to be traded on either AIM or the main market of the London Stock Exchange (including the Specialist Fund Segment).

In addition, the agreement shall automatically expire if either: (i) OCML ceases to provide operational assistance and services to the Company with respect to its investments and no affiliate company of OCML or the Investment Adviser is the continuing provider of such services; or (ii) the Investment Adviser ceases to provide investment advisory services in respect of the Company's investments and no affiliate company of OCML or the Investment Adviser is the continuing provider of such services.

The Licence Agreement is governed by English law.

7.8 ***Nominated Adviser and Broker Agreement***

A nominated adviser and broker agreement dated 17 August 2009 between the Company and Liberum, pursuant to which Liberum has been appointed as the Company's corporate broker and its nominated adviser for the purposes of the AIM Rules. In consideration for its services, Liberum receives an annual retainer of £50,000 (plus VAT), together with reimbursement for all properly incurred out-of-pocket expenses. The Company has also given certain undertakings and indemnities to Liberum, typical of an agreement of this nature.

The Nominated Adviser and Broker Agreement may be terminated by either party on three months' written notice. Pursuant to the Financial Advisory Agreement, the Nominated Adviser and Broker Agreement will be terminated on the cancellation of admission of the Ordinary Shares to trading on AIM.

The Nominated Adviser and Broker Agreement is governed by English law.

7.9 ***Fund III Feeder A Partnership Agreement***

The Company is a party to the Fund III Feeder A Partnership Agreement, details of which are set out in paragraph 22.1 of Part 6 of this document.

7.10 ***Fund IV Feeder A Partnership Agreement***

Pursuant to a subscription agreement dated 2 January 2019 between the Company and the Fund IV GP (acting on behalf of Fund IV Feeder A), the Company is a party to the Fund IV Feeder A Partnership Agreement, details of which are set out in paragraph 20.1 of Part 7 of this document.

7.11 ***2016 Company Secretarial Agreement***

A company secretarial services agreement dated 1 October 2016, pursuant to which the Company appointed Mayflower Corporate Services Limited ("**MCSL**"), a subsidiary of the Administrator, to provide corporate secretarial services to the Company in Bermuda.

The 2016 Company Secretarial Agreement was terminated on 28 June 2019 and these services are now provided by OCML pursuant to the Company Secretarial Agreement.

Pursuant to the 2016 Company Secretarial Agreement, the Company agreed to indemnify MCSL and its directors, officers, shareholders and delegates, against all actions, proceedings, costs or expenses reasonably incurred in connection with the Company, except where arising from fraud, bad faith, wilful misconduct or gross negligence. The indemnity is standard for agreements of this type.

The 2016 Company Secretarial Agreement is governed by the laws of Bermuda.

8 Litigation

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

9 Working capital

In the Company's opinion, the Group has sufficient working capital for its present requirements, that is, for at least the 12 months following the date of this Prospectus.

10 General

10.1 Where information has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources of information have been disclosed.

10.2 OCML has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

10.3 The Investment Adviser has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

10.4 The Investment Adviser accepts responsibility for the information contained in the section headed "Oakley Valuation Policy" paragraph 9 of Part 1 of this document, the paragraphs headed "Administrative Agent" and "Investment Adviser" in Part 2 of this document, Part 6 of this document and Part 7 of this document and has authorised the inclusion of that information. The Investment Adviser has taken all reasonable care to ensure that the information contained in these sections is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

10.5 Liberum has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

10.6 Fund III (acting through the Fund III GP) has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

10.7 Fund IV (acting through the Fund IV GP) has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

11 Auditors

The auditors to the Company are KPMG Audit Limited of Crown House, 4 Par-la-Ville Road, Hamilton HM08, Bermuda. KPMG Audit Limited is a firm of chartered accountants and is an auditor registered to carry on audit work by Chartered Professional Accountants of Bermuda (CPA Bermuda).

12 Custody

The Company has not appointed a custodian in respect of its investments. Legal title to the Company's investment assets is held by the Company. Safekeeping of documents of title in relation to the Company's investment assets is undertaken by OCML.

13 Documents on display

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH until the date of Admission:

13.1 this document;

13.2 the Memorandum of Association and Bye-laws of the Company;

13.3 the Fund III Master Partnership Agreement;

13.4 the Fund III Feeder A Partnership Agreement;

13.5 the Fund IV Master Partnership Agreement;

13.6 the Fund IV Feeder A Partnership Agreement;

13.7 the statutory accounts of the Company for the financial periods ended 31 December 2016, 2017 and 2018;

13.8 the statutory accounts of the Fund III Master for the financial periods ended 31 December 2016, 2017 and 2018;

13.9 the statutory accounts of Fund III Feeder A for the financial periods ended 31 December 2016, 2017 and 2018;

13.10 the audited financial statements of the Fund IV Master for the period from 13 February 2019 to 30 April 2019; and

13.11 the audited financial statements of Fund IV Feeder A for the period from 15 November 2018 to 30 April 2019.

Dated: 18 July 2019

PART 6

INFORMATION ON FUND III

1 Introduction to Fund III

Fund III is a Bermuda-domiciled investment fund structured as a series of Bermuda exempt limited partnerships, comprising OCPE III Master L.P. (the "**Fund III Master**"), Oakley Capital Private Equity III-A L.P. ("**Fund III Feeder A**"), Oakley Capital Private Equity III-B L.P. ("**Fund III Feeder B**") and Oakley Capital Private Equity III-C L.P. ("**Fund III Feeder C**" and, together with Fund III Feeder A and Fund III Feeder B, the "**Fund III Limited Partners**"). The commercial name of Fund III is "Oakley Capital III".

The Company invests in Fund III Feeder A, which invests substantially all of its assets in the Fund III Master. The Company therefore has exposure to Fund III through these two vehicles. The relationship between Fund III Feeder A and the Company is governed by the Fund III Feeder A Partnership Agreement.

The terms of issue of Fund III are summarised below and a summary of the Fund III Feeder A Partnership Agreement is set out under the heading "*Fund III Feeder A Partnership Agreement*" in paragraph 22.1 of Part 6 of this document.

Please note that Fund III held its final close on 29 September 2017 and it is not possible for the Company or any other investor to make any further Commitment to Fund III.

2 Fund III's investment objective, policy and restrictions

Investment Strategy and Restrictions

Fund III's primary objective is to invest in a diversified portfolio of private mid-market Western European businesses, aiming to provide investors with significant long-term capital appreciation. Fund III primarily focuses on making equity investments that secure it a controlling position, or in situations from which Fund III may obtain a strategic financial advantage.

Geographic Scope

Fund III focuses primarily on acquisitions of, or investments in, European companies.

Fund III will not invest (i) more than 30 per cent. of total Commitments in entities that are not European companies, or (ii) more than 10 per cent. of total Commitments in entities that are neither European companies nor North American companies, in each case without the prior approval of the Fund III Investor Committee.

For these purposes:

"**Europe**" means the geographical area forming the member states of the European Union as at the Fund III Initial Closing Date, and any other country admitted to the European Union from time to time, together with Norway, Switzerland and Turkey;

"**European companies**" and "**North American companies**" mean, as applicable, companies headquartered in Europe or North America, companies whose business is principally conducted or has substantial operations or assets in Europe or North America, or is reasonably expected to be principally conducted or to have substantial operations or assets in Europe or North America, or companies whose principal source of revenues is or is reasonably expected to be from Europe or North America; and

"**North America**" means the United States of America and Canada.

Investment Restrictions

Fund III will not invest more than 10 per cent. of total Commitments in publicly listed securities without the approval of the Fund III Investor Committee save that Fund III is, however, permitted to invest in and hold such securities without restriction: (i) with a view to taking private the underlying investee company; (ii) where such investment otherwise has the nature of a private equity investment, such as an investment in an

investee company with respect to which Fund III is expected to acquire control (or similar contractual rights such as board representation) within six months of the acquisition; (iii) in an investee company that is not publicly listed at the time of the investment; or (iv) where such securities are paid in consideration for the disposal of all or part of an investee company.

Fund III will not engage in speculative investment in activities such as commodities, commodity contracts or forward currency contracts save with a view to hedging currency or interest rate risk.

Diversification

No more than 20 per cent. of total Commitments may be invested by Fund III in any single portfolio company (including follow-on investments) without the approval of the Fund III Investor Committee. However, in each case (subject as provided below), Fund III may invest (i) up to a further 10 per cent. of total Commitments in no more than one portfolio company; and (ii) up to a further 5 per cent. of total Commitments in an investment by way of a Bridge Investment.

Any proceeds arising from the disposal of a Bridge Investment within eighteen months of the date of acquisition will not form part of the distribution waterfall but will be payable solely to investors *pro rata* to their Commitments, and the original acquisition cost of the Bridge Investment (or, if less, the distribution proceeds) will be subject to recall. Any Bridge Investment which is not realised within eighteen months of the date of acquisition will be treated as a permanent investment.

Reinvestment

To the extent that an investment (including any Bridge Investment) is realised by Fund III within eighteen months following the date of making such investment then an amount equal to the original acquisition cost of such investment may be retained by Fund III out of the proceeds of realisation and applied for any of the purposes of Fund III, or, if returned to investors, may be subject to recall.

Co-investment opportunities

Opportunities may arise for individual investors to invest in parallel with Fund III on terms to be agreed. OCML (as manager) may offer such co-investment opportunities in its absolute discretion, including to third parties.

Borrowings and guarantees

Fund III may make borrowings for any of the purposes of Fund III provided that, in the case of Fund III Feeder A, such borrowings do not at the time of their incurrence exceed the lesser of: (i) 25 per cent. of total Commitments in relation to Fund III Feeder A; and (ii) 100 per cent. of undrawn Commitments in relation to Fund III Feeder A.

Fund III may enter into guarantees, indemnities, covenants and undertakings in connection with an investment. In the case of Fund III Feeder A, the maximum outstanding liability under such guarantees, indemnities, covenants and undertakings, together with any outstanding borrowings made by Fund III Feeder A, shall not at the time of their incurrence exceed the lesser of: (i) 25 per cent. of total Commitments in relation to Fund III Feeder A; and (ii) 100 per cent. of undrawn Commitments in relation to Fund III Feeder A.

Obligations under such borrowings, guarantees, indemnities, covenants and undertakings may, where appropriate, be secured upon the assets of Fund III, including undrawn Commitments.

In relation to Fund III Feeder A, while any borrowings or any liabilities under guarantees, indemnities, covenants and undertakings are outstanding, then an amount equal to the liability under such borrowings, guarantees, indemnities, covenants and undertakings (less any cash reserves of Fund III Feeder A) will not be available for drawdown from undrawn Commitments for any other purpose.

Transitional period

During the transitional period between the Fund III Initial Closing Date and Fund III Final Closing Date, the Commitment-based restrictions referred to above were instead calculated by reference to Benchmark Commitments. For this purpose, "**Benchmark Commitments**" were equal to the higher of: (i) €750 million;

and (ii) total Commitments received by Fund III. The transitional period ended on 29 September 2017 and the Commitment-based restrictions are now calculated by reference to the total Commitments received by Fund III.

3 No admission of new investors

Fund III held its final close on 29 September 2017 and it is not possible for the Company or any other investor to make any further Commitment to Fund III.

4 The Fund III GP

Oakley Capital III Limited (the "**Fund III GP**") acts as the general partner to the Fund III Master and each of the Fund III Limited Partners, having served in this role since Fund III was established.

The Fund III GP is responsible for managing the business affairs of Fund III, in accordance with the Fund III Constitution, and has overall responsibility for the activities of Fund III including its investment activity and performance. However, pursuant to the Fund III Constitution, the Fund III GP has delegated responsibility for portfolio and risk management to OCML (as manager) and is therefore not responsible for making or approving investment decisions. Furthermore, the Fund III GP is not responsible for the day-to-day administration of Fund III, such responsibility having been delegated to the Administrator.

The directors of the Fund III GP (the "**Fund III GP Directors**") are responsible for managing the business affairs of the Fund III GP. The address of the directors of the Fund III GP, all of whom are non-executive, is the registered office of the Fund III GP.

The Fund III GP Directors are as follows:

Paul Stevenson

Paul Stevenson is the CFO of Mayflower Management Services (Bermuda) Limited, a Bermuda corporation which provides corporate secretarial, accounting and administration services to offshore hedge funds, private equity funds and funds of funds. Mr. Stevenson also provides independent director services to offshore companies, including hedge funds and private equity funds. Prior to joining Mayflower in June 2006, Mr. Stevenson was the Managing Director of Citco Fund Services (San Francisco), Inc. from March 2002 through May 2006. Before joining Citco, Mr. Stevenson was the Senior Manager and a Director of Citigroup Fund Services (Bermuda) Ltd. (formerly Forum Fund Services Ltd.) from July 1998 until February 2002. From 1996 to 1998, Mr. Stevenson was the Controller of UBP Asset Management (Bermuda) Limited (formerly UBAM Asset Management (Hamilton) Limited), a Bermuda based subsidiary of Union Bancaire Privée, and prior to that from 1994 to 1996, Mr. Stevenson was a Supervisor with Ernst & Young (Bermuda). Mr. Stevenson is a Chartered Professional Accountant and a member of CPA Canada and Bermuda.

Ian Pilgrim

Ian Pilgrim is the founder and CEO of Mayflower Management Services (Bermuda) Limited, a corporation which provides accounting, administration and investor services to offshore private equity funds, and CEO of Mayflower Corporate Services Limited, a licensed corporate services provider in Bermuda which provides corporate services to Bermuda incorporated and established entities. Prior to founding Mayflower in January 2006, Mr. Pilgrim was the Managing Director of Citco Fund Services (Bermuda) Limited and also served as General Counsel to Citco Fund Services from January 2001 until December 2005. Before joining Citco, Mr. Pilgrim practiced from January 1997 until December 2000 as a Barrister & Attorney with M.L.H. Quin & Co. in Bermuda. From 1994 to 1996, Mr. Pilgrim practiced as a solicitor with Allen & Overy in Hong Kong where he was involved primarily in banking and project finance, and prior to that from 1991 to 1994 with Deacons in Hong Kong. Before moving to Hong Kong, Mr. Pilgrim practiced as a solicitor with the City of London law firm, Taylor Joynson Garrett. Mr. Pilgrim was admitted to practice as a solicitor in England & Wales in 1989 and in Hong Kong in 1992, and he was admitted to the Bar in Bermuda in 1998. He no longer practices as a solicitor or barrister.

5 OCML and the Investment Adviser

The Fund III GP has appointed OCML as the manager of Fund III, to provide investment management services and to act as Fund III's alternative investment fund manager for the purposes of the AIFMD. OCML also provides services to the Company as detailed in paragraph 3 of Part 2 of this document.

OCML (as manager) has appointed the Investment Adviser to provide investment advice in respect of Fund III. The Investment Adviser also acts as the investment adviser in respect of the Company's investments as detailed in paragraph 4 of Part 2 of this document.

Information relating to OCML and the Investment adviser is set out in paragraph 1 of Part 5 of this document.

6 Investment portfolio

As at 31 December 2018, the net asset value of Fund III Feeder A (audited) was approximately €347,387,174.

As at 31 December 2018, the net asset value of the Fund III Master (audited) was approximately €640,278,775.

As at the date of this document, Fund III has received aggregate Commitments (including undrawn Commitments) of €800 million. Fund III held its final close on 29 September 2017 and no further Commitments will be raised.

As at the Latest Practicable Date, Fund III's portfolio comprised 8 investments, being:

Investment	*Sector*	*Fair value as at 31 December 2018 (audited) (€m)*	*Percentage of value of total portfolio**
Casa & atHome	Consumer	122.0	16%
WebPros	TMT	221.0	29%
TechInsights	TMT	43.6	6%
Schülerhilfe	Education	113.0	15%
AMOS	Education	44.0	6%
Career Partner Group	Education	132.4	18%
Facile	Consumer	80.4	11%
Ekon	TMT	0**	0%**
Total investments		756.3	100%

* *Based on 31 December 2018 valuations.*

** *As at the latest balance sheet date (31 December 2018) Fund III had not made any investment in Ekon. On 21 June 2019, Fund III completed its investment in Ekon for €49.6 million (unaudited).*

There has been no material change in Fund III's investments since the Latest Practicable Date.

7 Historical Financial information

The Fund III Master was established on 11 February 2016 and Fund III Feeder A was established on 21 October 2015. Audited financial statements of both vehicles for the period from the date of establishment to 31 December 2018, which have been prepared by KPMG Audit Limited and are required to be included in this document, are reproduced in Appendix 2 to this document. KPMG Audit Limited has given unqualified opinions that the financial statements present fairly, in all material respects, the financial position of the Fund III Master and Fund III Feeder A as at 31 December 2016, 2017 and 2018, and the results of their operations and cash flows from their date of establishment to 31 December 2018, in accordance with US generally accepted accounting principles.

8 Selected financial information

8.1 *Fund III Master*

The key figures that summarise the Fund III Master's financial condition in respect of the financial period ended 31 December 2016 and the financial years ended 31 December 2017 and 2018 (all audited), which have been extracted without material adjustment from the audited financial statements of the Fund III Master for those periods, are set out in the following table:

Assets and liabilities

	As at 31 December (audited) (€)		
	2018	*2017*	*2016*
Assets			
Investments	756,314,395	317,789,890	–
Cash and cash equivalents	472,130	5,176,181	4,900,312
Due from related parties	19,258,572	17,721,493	–
Called capital receivable	–	80,000,000	–
Other receivables	561,987	179,715	14,161
Total assets	776,607,084	420,867,279	4,914,473
Liabilities			
Loan facility	131,335,722	112,997,355	–
Revolving loan facility	4,467,751	–	–
Accounts payable and accrued expenses	524,836	811,563	156,312
Total liabilities	136,328,309	113,808,918	156,312
Net assets represented by Partners' capital	640,278,775	307,058,361	4,758,161

Statement of operations

	To 31 December (audited) (€)		
	2018	*2017*	*2016*
Dividend income	2,130,026	–	–
Interest income	8,807	45,641	3,375
Total income	2,138,833	45,641	3,375
Total expenses	(7,704,173)	(6,412,696)	(2,096,164)
Net investment loss	(5,565,340)	(6,367,055)	(2,092,789)
Net realised and unrealised gains/(losses) on investments and foreign exchange	260,407,745	74,250,946	(10,050)
Net increase/(decrease) in Partners' capital resulting from operations	254,842,405	67,883,891	(2,102,839)

8.2 *Fund III Feeder A*

The key figures that summarise Fund III Feeder A's financial condition in respect of the financial period ended 31 December 2016 and the financial years ended 31 December 2017 and 2018 (all audited), which have been extracted without material adjustment from the audited financial statements of Fund III Feeder A for those periods, are set out in the following table:

Assets and liabilities

	As at 31 December (audited) (€)		
	2018	*2017*	*2016*
Assets			
Investments in the Fund III Master	355,618,835	170,544,052	2,982,780
Cash and cash equivalents	4,199	11,614,239	636,246
Called capital receivable	–	41,973,600	–
Other receivables	2,499,356	1,983,833	–
Total assets	358,122,390	226,115,724	3,619,026

	As at 31 December (audited) (€)		
	2018	2017	2016
Liabilities			
Amounts due to the Fund III Master	10,735,216	10,217,484	–
Investments waiting to settle	–	44,433,000	–
Other payables	–	265,946	–
Total liabilities	10,735,216	54,916,430	–
Net assets represented by Partners' capital	347,387,174	171,199,294	3,619,026

Statements of operations

	To 31 December (audited) (€)		
	2018	2017	2016
Dividend income	1,183,043	–	–
Interest income	4,892	25,108	2,115
Income allocated from the Fund III Master	1,187,935	25,108	2,115
Expenses allocated from the Fund III Master	(4,278,995)	(3,411,891)	(1,314,035)
Net investment loss allocated from the Fund III Master	(3,091,060)	(3,386,783)	(1,311,920)
Total Partnership expenses	(8,886,903)	(9,152,203)	(7,965,754)
Net investment loss	(11,977,963)	(12,538,986)	(9,277,674)
Net realised and unrealised gains/(losses) on investments and foreign exchange allocated from the Fund III Master	144,633,717	41,240,621	(6,300)
Net increase/(decrease) in Partners' capital resulting from operations	132,655,754	28,701,635	(9,283,974)

9 Operating and financial review

9.1 *Fund III Master*

The Fund III Master's published annual reports and accounts for the financial period ended 31 December 2016 and the financial years ended 31 December 2017 and 2018 (all audited), relevant extracts from which are reproduced in Appendix 2 to this Prospectus, included, on the pages specified in the table below: descriptions of the Fund III Master's financial condition (in both capital and revenue terms); details of the Fund III Master's investment activity and portfolio exposure; and changes in its financial condition for each of those years.

	Annual report and accounts for the year ended 31 December (audited)		
	2018	2017	2016
Nature of information	*Page No(s)*	*Page No(s)*	*Page No(s)*
General Partner's Report	4–5	4–7	4–6
General Partner's Detailed Review	6–10	8	–

9.2 *Fund III Feeder A*

Fund III Feeder A's published annual reports and accounts for the financial period ended 31 December 2016 and the financial years ended 31 December 2017 and 2018 (all audited), which are reproduced in Appendix 2 to this Prospectus, included, on the pages specified in the table below: descriptions of Fund III Feeder A's financial condition (in both capital and revenue terms); details of Fund III Feeder A's investment activity and portfolio exposure; and changes in its financial condition for each of those years.

	Annual report and accounts for the year ended 31 December (audited)		
	2018	*2017*	*2016*
Nature of information	*Page No(s)*	*Page No(s)*	*Page No(s)*
General Partner's Report	4–5	4–5	5

10 No significant change

There has been no significant change in the financial or trading position of the Fund III Master or Fund III Feeder A since 31 December 2018, being the date to which the latest audited financial information has been published.

11 Related party transactions

Save as disclosed in note 8 on page 45 of the Fund III Master's annual report and accounts for the period ended 31 December 2018, note 8 on pages 34–35 of the Fund III Master's annual report and accounts for the period ended 31 December 2017 and in note 7 on page 16 of the Fund III Master's annual report and accounts for the period ended 31 December 2016, relevant extracts from which are reproduced in Appendix 2 to this Prospectus, there have been no related party transactions entered into by the Fund III Master at any time during the period covered by the historical financial information in this Prospectus and up to the date of this Prospectus.

Save as disclosed in note 8 on page 19 of Fund III Feeder A's annual report and accounts for the period ended 31 December 2018, note 8 on page 17 of Fund III Feeder A's annual report and accounts for the period ended 31 December 2017 and in note 8 on page 17 of Fund III Feeder A's annual report and accounts for the period ended 31 December 2016, which are reproduced in Appendix 2 to this Prospectus, there have been no related party transactions entered into by Fund III Feeder A at any time during the period covered by the historical financial information in this Prospectus and up to the date of this Prospectus.

12 Distributions policy

Distributions of interest and dividend income received by Fund III shall be made quarterly. Distributions of cash proceeds from realised investments will be made as soon as practicable following such realisation and, in any event, within three months of the date of realisation. Distributions of marketable securities shall be made at the discretion of OCML (as manager). Distributions of nonmarketable securities may only be made upon dissolution of the fund.

Proceeds available for distribution will be distributed in the following order of priority:

(i) firstly, to the Fund III GP in respect of amounts payable to it in relation to its Fund III GP's Share;

(ii) secondly, 100 per cent. to each investor until distributions to such investor in aggregate equal such investor's share of the following (to the extent not previously distributed pursuant to this paragraph (ii)):

  (a) an amount equal to the acquisition cost of (1) the investment to which such distributions relate and (2) all realised investments (including investments which have been written off), together with expenses associated with the acquisition;

  (b) an amount equal to the Relevant Proportion of all drawings on account of the Fund III GP's Share and for the fund expenses (except where such expenses form part of the acquisition cost of an investment) and for this purpose, the "**Relevant Proportion**" shall be equal to the proportion that the acquisition cost of all investments which have been realised or written off bears to the acquisition cost of all investments (whether or not realised), or such greater proportion as OCML (as manager) may in its sole discretion determine; and

  (c) an amount equal to the aggregate amount by which, in the last preceding semi-annual valuation, unrealised investments which have been written down below their acquisition cost exceeds the aggregate amount by which unrealised investments have been written up above their acquisition cost;

(iii) thirdly, 100 per cent. to investors in Fund III *pro rata* to their respective Commitments until each investor has received in aggregate an amount representing a preferred return of 8 per cent. per annum

compounded annually and calculated on a daily basis on the amount by which: (x) the amounts referred to in (ii) (a), (b) and (c) above exceed (y) aggregate distributions made to investors prior to the date of the relevant distribution (the "**Fund III Preferred Return**");

(iv) fourthly, 100 per cent. to the Fund III Founder Partner until such time as the Fund III Founder Partner has received, as its carried interest, 20 per cent. of the sum of distributions made to investors under paragraph (iii) and distributions made under this paragraph (iv); and

(v) fifthly, 80 per cent. to investors *pro rata* to their respective Commitments and 20 per cent. to the Fund III Founder Partner as carried interest.

For the purposes of the above, any amounts repaid by the Fund III Founder Partner to Fund III pursuant to its clawback obligation as more particularly set out in the paragraph headed "*Fund III Founder Partner Clawback*" below together with any tax paid in respect of such amounts and not recoverable shall be treated as having never been allocated to the Fund III Founder Partner.

Any Commitments relating to an investment which are drawn down prior to the completion of an investment will, where OCML (as manager) considers it to be appropriate, be invested in cash deposits with all interest being for the benefit of Fund III.

Fund III has made the following aggregate distributions to investors in Fund III Feeder A: €23,117,374 during the year ended 31 December 2018 and €17,063,767 during the year ended 31 December 2017. No such distributions were made during the period to 31 December 2016.

13 Fund III Founder Partner clawback

Upon the sixth, eighth and tenth year anniversaries of the Fund III Final Closing Date and upon the date of liquidation of the fund (or where the Fund III GP is replaced pursuant to provisions set out under "*Termination / replacement of the general partner*" in paragraph 22.1 below), OCML (as manager) will determine whether investors have received aggregate distributions of income and capital which satisfy each of the following tests, and in making such determination OCML (as manager) shall assume that all unrealised investments are realised at their fair value (the "**Minimum Return**"):

(a) being equal to or greater than aggregate drawn down Commitments plus the preferred return on such amounts (being a return at the rate of 8 per cent. per annum compounded annually and calculated on a daily basis); and

(b) being equal to or greater than aggregate drawn down Commitments plus 80 per cent. of all income and capital gains, net of losses, accrued in respect of investments and available for distribution to investors.

The Fund III Founder Partner will be obliged to return to Fund III for distribution to investors a sum equal to the amount by which investors are short of the Minimum Return (less expenses), provided that aggregate amounts so payable do not exceed the aggregate amount received by the Fund III Founder Partner pursuant to the formula set out in the paragraph headed "*Distributions policy*" above less any tax paid or payable on such amount which has not been recovered. To the extent to which there are insufficient amounts to pay the Minimum Return then amounts will be paid to investors *pro rata* to their respective Minimum Returns. Any such sum shall be paid not more than two years following such determination to the extent that subsequent distributions to such investor have not taken account of such excess or within 30 days of the date of liquidation of Fund III, as applicable.

For the purposes of the waterfall set out in the paragraph headed "*Distributions policy*" above any amounts of carried interest repaid to Fund III together with any tax paid in respect of such amounts and not recovered shall be treated as having never been paid to the Fund III Founder Partner.

In contemplation of the clawback obligation, 20 per cent. of the carried interest receipts otherwise due to the Fund III Founder Partner shall be placed into an escrow account. Until such time as the amount in the escrow account is equal to the maximum amount which could potentially be clawed back from the Fund III Founder Partner, no monies shall be released from the escrow account, other than amounts required to pay any taxes payable on monies held in the escrow account.

14 Investor clawback

If Fund III is or may be contingently liable to repay some or all of the proceeds arising from an investment, or such proceeds are otherwise required to meet the fund's indemnification obligations, then OCML (as manager) may distribute the relevant proceeds and subsequently require investors (including the Company) and the Fund III Founder Partner to repay such proceeds (in the proportions in which such proceeds were distributed to them) within two years of distribution, subject to a maximum of 25 per cent. of total distributions being subject to such repayment obligation.

15 Fees and expenses of Fund III

The ongoing annual expenses of Fund III include the following:

15.1 *Carried interest payable to the Fund III Founder Partner*

The Fund III Founder Partner is entitled to receive carried interest from Fund III under the terms of the Fund III Constitution as set out in sub-paragraphs (iv) and (v) under the heading "*Distributions policy*" above.

15.2 *Fund III GP*

From the Fund III Initial Closing Date until the end of the Fund III Investment Period, the Fund III GP will receive a priority share of profits of 2 per cent. per annum of the total Commitments received by Fund III (excluding certain Commitments received from the Fund III Founder Partner) (the "**Fund III GP's Share**").

After the end of the Fund III Investment Period, the Fund III GP's Share will be reduced to 2 per cent. of the total acquisition cost of investments that have not been realised (including any distribution in specie) or written off.

The Fund III GP's Share, or drawings on account thereof, is payable semi-annually in advance.

Any dividends, income and capital gains subsequently generated by Fund III and equal to any Commitments drawn down to pay the Fund III GP's Share may be retained by Fund III out of the proceeds of realisation and applied for any of the purposes of Fund III, or, if returned to investors, will be subject to recall.

Out of the Fund III GP's Share, the Fund III GP will bear all routine expenses associated with the performance of its duties (subject as provided under "*Ongoing expenses of Fund III*" below), together with all placement fees and any offering and organisational expenses in excess of €3 million plus any relevant taxes.

The Fund III GP is also entitled to a fee of €1,000 per annum for its role as general partner to the Fund III Master.

15.3 *Offering and organisational expenses*

Fund III is responsible for all out-of-pocket offering and organisational expenses incurred in connection with the establishment of the fund, up to a maximum of €3 million plus relevant taxes. Each investor is responsible for its *pro rata* share (based on their respective Commitments) of such organisational and offering expenses. Any amounts in excess of €3 million plus relevant taxes, together with any placement fees, are borne by the Fund III GP.

15.4 *Ongoing expenses of Fund III*

Fund III will bear all fees, costs, expenses and liabilities (together with any value added tax or other relevant taxes, if any) relating to: (i) lawyers, accountants, appraisers, consultants, intermediaries, valuers, lenders, banks, auditors, administrators, secondees and other professional advisers appointed by OCML (as manager), the Fund III GP, the Fund III Founder Partner, any of their respective associates or any member of the Oakley Group in relation to its activities performed in respect of Fund III; (ii) any borrowings, other indebtedness or undertakings incurred or hedging arrangements entered into; (iii) the safeguarding, administering and/or holding (or similar) of assets of Fund III or to perform the other

functions of a depositary contemplated by the AIFMD, and professional indemnity insurance and directors' and officers' insurance; (iv) OCML's compliance (as manager) with disclosure, reporting and other similar obligations; (v) the administration, management, operation, business and eventual termination, liquidation and winding-up of the Fund III Master and the Fund III Limited Partners and any of their investment related activities, including in connection with the establishment, management, operation and eventual winding-up of investment holding vehicles and the sourcing, negotiation, acquisition, holding and disposal of investments by the Fund III Master and the Fund III Limited Partners, including all travel costs; (vi) compliance with applicable laws and regulations and the operation, and administration of Fund III; and (viii) the Fund III Investor Committee. In addition, Fund III will bear all taxes and all fees or other charges levied by any governmental agency or regulatory body against the fund in connection with its investments or otherwise.

15.5 ***Transaction fees and Portfolio Support Services***

All transaction fees, arrangement fees, closing fees, underwriting fees, directors' and monitoring fees together with abort fees received by the Fund III GP, the Fund III Founder Partner, any of their respective associates or any member of the Oakley Group in connection with any amount invested by Fund III (but excluding any such fees associated with the provision of Portfolio Support Services) may be retained by such persons but will be credited against and reduce the Fund III GP's Share.

If any of OCML, the Fund III GP, the Fund III Founder Partner, any of their respective associates or any member of the Oakley Group provides Portfolio Support Services to Fund III (including to a portfolio company of Fund III), such person may either (i) recover the reasonable costs of providing such services from Fund III or such portfolio company, or (ii) charge and receive fees from Fund III or such portfolio company in respect of such services. Any such costs recovered or fees received shall not be credited against or off set the Fund III GP's Share.

15.6 ***OCML and the Investment Adviser***

Other than as set out above, the appointment of OCML (as manager) and the Investment Adviser will be without further charge to Fund III, and any fees payable to OCML and the Investment Adviser shall be borne by the Fund III GP, the Fund III Founder Partner, any of their respective associates and/or any member of the Oakley Group.

15.7 ***Administrator***

Fund III has appointed the Administrator to provide certain administration, accounting and corporate director services to the Fund III Master, each of the Fund III Limited Partners and certain entities affiliated with them. Pursuant to the Fund III Administration Agreement, the Administrator is entitled to receive an administration fee, to be agreed annually between the Investment Adviser and the Administrator, and to the reimbursement of certain expenses. The annual fee for 2018 was US$550,000.

16 Valuation of Fund III

Fund III's policy is to review valuations of its portfolio companies twice a year. Valuations of Fund III's investments will be included in the audited annual accounts and unaudited interim reports provided to investors.

Valuations are established by OCML, in consultation with the Investment Adviser, at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (subject to any adjustments that OCML deems appropriate and explains by way of a note to such valuation).

In determining fair value, OCML and the Investment Adviser consider various valuation approaches, including the market and income approaches. The market approach ascribes a value to a business interest or shareholding by comparing it to similar businesses, using the principle of substitution: that is, that a prudent purchaser would pay no more for an asset than it would cost to acquire a substitute asset with the same utility and income earning potential. In the income approach, an economic benefit stream from the business interest is selected, generally based on historic or forecast cash flows and a derivative of profits. The cash flow is then discounted to present value using a risk-adjusted discount rate. In general, OCML and the Investment Adviser use the market approach to value the investments, as they deem this to be the most appropriate approximation for fair value.

The valuation of Fund III's investments will only be suspended in circumstances where the underlying data necessary to value those investments cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system failure of OCML or the Investment Adviser) which prevents such valuations being made by or on behalf of Fund III. Details of any suspension in performing such valuations will be notified in writing to the limited partners of Fund III in accordance with the Fund III Constitution as soon as practicable after any such suspension occurs.

17 Corporate governance

Fund III is not required to (and does not therefore) comply with any corporate governance code in Bermuda or elsewhere. However, OCML (as manager to Fund III) complies with the Bermuda Monetary Authority's Investment Business Act 2003 General Business Conduct and Practice Code of Conduct issued by the Bermuda Monetary Authority.

18 Typical investor

An investment in Fund III is suitable for sophisticated investors only and an investor must have the financial ability and experience to understand, the willingness to accept, and the financial resources to withstand, the extent of their exposure to the risks and lack of liquidity inherent in an investment in Fund III. The Company invests in Fund III.

19 Material relationships and conflicts of interest

OCML, the Investment Adviser, the Fund III GP and their respective officers and employees may from time to time act for other clients or manage other funds that may have similar investment objectives and policies to that of Fund III and, without limitation, may act as a general partner, manager or investment adviser to other private equity funds and managed accounts. Circumstances may arise where investment opportunities will be available to Fund III which are also suitable for one or more of such clients of OCML, the Investment adviser, the Fund III GP or such other funds.

In particular, in addition to acting as investment adviser in respect of Fund III, the Investment Adviser also acts as the investment adviser in respect of the Company and each of the other Oakley Funds. In addition to its role as the manager of Fund III, OCML also provides services to the Company and the other Oakley Funds.

The directors of the Fund III GP are also directors of OCML and the Administrator, entities which provide services to and receive compensation from Fund III, and OCPE III FM GP Limited, the general partner of the Fund III Founder Partner.

Members, officers or employees of the Investment Adviser and/or OCML may be appointed to the board of directors of an investee company of Fund III. On taking a position as a director of an investee company, representatives of OCML or the Investment Adviser or associated affiliates and personnel will have a fiduciary responsibility to act in the interests of all shareholders and not simply the interests of Fund III.

Both OCML and the Investment Adviser have adopted written conflicts of interest policies designed to identify and mitigate potential conflicts. Pursuant to these policies, OCML and the Investment Adviser take all reasonable steps to identify conflicts of interest that may emerge between them and their clients (including Fund III). Once a potential conflict has been identified, OCML or the Investment Adviser (as appropriate) establishes a course of action in order to prevent or manage such conflict. Examples include placing restrictions on the personal account dealings of officers and employees, putting in place information barriers where appropriate, and ensuring that valuations are reviewed annually by an independent third party and audited by the fund's auditors. Further procedures and controls monitor the effectiveness of the management arrangements of such conflicts.

Furthermore, the Fund III GP, OCML and the Investment Adviser operate within an organisational and contractual structure designed to align the interests of the Fund III GP, OCML, the Investment Adviser and their executives with those of Fund III's investors.

The directors of the Fund III GP have satisfied themselves that the Investment Adviser and OCML have procedures in place to address potential conflicts of interest and that, where a conflict arises, they will seek to resolve that conflict in accordance with the Fund III Constitution, the relevant conflicts of interest policy and applicable law and regulation. In particular, the directors of the Fund III GP have satisfied themselves that where a conflict arises in respect of the allocation of an investment opportunity, OCML and the Investment Adviser will allocate the opportunity on a fair basis and in accordance with such provisions and rules, taking into account the respective interests of the parties involved and, where appropriate, the views of the Fund III Investor Committee in accordance with the terms of the Fund III Constitution.

20 Duration of Fund III

The term of Fund III will end ten years from its final closing date of 29 September 2017. However, the life of Fund III may be extended at the election of OCML (as manager) for up to one year and, thereafter, with the approval of the Fund III Investor Committee, by up to two further one-year periods.

21 Interests of Fund III GP Directors and investors

21.1 Paul Stevenson was appointed as a Fund III GP Director on 19 October 2015. He receives no fee from the Fund III GP for his services as a director, but may receive remuneration from the Administrator out of the fees it receives from Fund III.

21.2 Ian Pilgrim was appointed as a Fund III GP Director on 19 October 2015. He receives no fee from the Fund III GP for his services as a director, but may receive remuneration from the Administrator out of the fees it receives from Fund III.

21.3 There are no amounts set aside or accrued by the Fund III GP to provide pension, retirement or similar benefits to any Fund III GP Director.

21.4 No Fund III GP Director has a service contract with the Fund III GP, nor are any such contracts proposed. The Fund III GP Directors' appointments can be terminated without compensation. There is no notice period specified in the bye-laws of the Fund III GP for the removal of directors. The bye-laws of the Fund III GP provide that a director can be removed at a special general meeting convened in accordance with the bye-laws provided that the notice convening the meeting includes a statement of the intention to remove the director and the notice is served on the director not less than 14 days before the meeting and the director is entitled to be heard at the meeting.

21.5 The Fund III GP has not made any loans to the Fund III GP Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Fund III GP Director or the Fund III GP Directors collectively.

21.6 As at the date of this document, insofar as known to Fund III, there are no persons known to have a notifiable interest under applicable law in Fund III's capital or voting rights.

21.7 As at the Latest Practicable Date, save for the Fund III GP, which is responsible for managing the business affairs of Fund III, Fund III is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over Fund III.

21.8 Fund III and the Fund III GP are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of Fund III.

21.9 No Fund III GP Director holds any partnership interest in the Fund III Master or Fund III Feeder A or has made any Commitment to invest in Fund III. The Fund III GP has not made any Commitment to invest in Fund III.

21.10 Ian Pilgrim and Paul Stevenson are also directors of OCML and the Administrator, entities which provide services to and receive compensation from Fund III, and OCPE III FM GP Limited, the general partner of the Fund III Founder Partner. Otherwise, none of the Fund III GP Directors has any conflict of interest or potential conflicts of interest between any duties to Fund III and his private interests and any other duties.

22 Material contracts relating to Fund III

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Fund III and are, or may be, material to Fund III:

22.1 ***Fund III Feeder A Partnership Agreement***

Fund III Feeder A has been constituted pursuant to a limited partnership agreement dated 21 October 2015 between the Fund III GP and the Fund III Founder Partner, as amended and restated on 29 January 2016 between the Fund III GP, the Fund III Founder Partner, the Company, OCML and each of the limited partners whose subscription agreements have been accepted by the Fund III GP from time to time.

The Fund III Feeder A Partnership Agreement sets out the constitution of Fund III Feeder A and contains provisions relating to:

22.1.1 the investment objective, policy and restrictions of Fund III Feeder A (as described in paragraph 2 of Part 6 of this document headed "*Fund III's investment objective, policy and restrictions*");

22.1.2 the life of Fund III Feeder A (as described in paragraph 20 of Part 6 of this document headed "*Duration of Fund III*");

22.1.3 the borrowing powers of the partnership (as described in paragraph 2 of Part 6 of this document, under the heading "*Borrowings and guarantees*");

22.1.4 Fund III Founder Partner clawback (as described in paragraph 13 of Part 6 of this document headed "*Fund III Founder Partner clawback*");

22.1.5 investor clawback (as described in paragraph 14 of Part 6 of this document headed "*Investor clawback*");

22.1.6 distributions (as described in paragraph 12 of Part 6 of this document headed "*Distributions policy*"); and

22.1.7 carried interest, general partner's fees and expenses of the partnership (as described in paragraph 15 of Part 6 of this document headed "*Fees and expenses of Fund III*").

In addition, the Fund III Feeder A Partnership Agreement contains the following provisions:

Manager and General Partner

Pursuant to the terms of the Fund III Feeder A Partnership Agreement, the Fund III GP has appointed OCML as the manager of Fund III Feeder A, to perform risk management and portfolio management in connection with the partnership's assets. The Fund III GP has the power and authority to terminate the appointment of OCML and to appoint a replacement or successor manager at its discretion.

OCML (as manager) has exclusive responsibility for the management and control of the business and affairs of Fund III Feeder A. However, the Fund III GP remains ultimately responsible to investors for the performance of the obligations of OCML.

Closings

Pursuant to the Fund III Feeder A Partnership Agreement, OCML may accept subscriptions from investors at any time up to and including the Fund III Final Closing Date. Fund III held its final close on 29 September 2017 and it is no longer possible for the Company or any other investor to make any further Commitment to Fund III.

Drawdowns

Commitments will be drawn down from investors *pro rata* in Euros, on an as-needed basis, for investments or to pay the Fund III GP's Share and other expenses of the fund. Investors will receive a minimum of ten business days' prior notice for each drawdown.

Subject as provided under "*Excused Investments*" below, in the event that an investor fails to meet a drawdown notice then an interest penalty at a rate per annum equivalent to the EURIBOR rate prevailing at the time plus 4 per cent. may be charged on the unpaid amount and if the investor shall continue to fail to remedy such default within ten business days of being served a default notice, then upon notice from OCML, its entire undrawn Commitment may become due and payable and, if not promptly paid, upon further notice from OCML (as manager), either: (i) such investor's interest in relation to Fund

III shall be forfeited; or (ii) OCML (as manager) shall have the right to transfer the interest of the defaulting investor to such other persons as OCML (as manager) may select.

For these purposes:

"**EURIBOR**" means the percentage rate per annum equal to the offered quotation published by Reuters at or about 11.00 a.m. (Brussels time) on the relevant date for the three month Euro rate calculated as an average rate of the Banking Federation of the European Union or, if such average rate of the Banking Federation of the European Union is unpublished or unavailable, then such rate as OCML (as manager) shall reasonably select.

Excused investments

An investor will be excused from a particular investment if, within five business days of receipt of the relevant drawdown notice, OCML (as manager) is notified in writing that such investment would constitute either: (i) a material violation of applicable laws or statutory regulations; (ii) a material violation of a binding investment prohibition or instruction contained in the investor's constitutional documentation or otherwise applying in respect of all of the private equity fund assets of the investor; or (iii) a material risk of the investor suffering any material adverse tax consequences. If requested by OCML (as manager), such notification must be supported by an opinion to that effect from counsel acceptable to OCML (as manager). Appropriate adjustments will be made to the rights and obligations of that investor and the other investors in such circumstances.

Co-investment opportunities

Opportunities may arise for individual investors to invest in parallel with Fund III on terms to be agreed. OCML (as manager) may offer such co-investment opportunities in its absolute discretion, including to third parties.

Transfer and withdrawal

Neither the Fund III GP nor the Fund III Founder Partner may sell, assign or transfer its interest in Fund III Feeder A without the consent of investors representing in aggregate at least 75 per cent. of total Commitments (excluding certain non-voting Commitments, such as Commitments from the Fund III GP, the Fund III Founder Partner and any member of the Oakley Group), other than to the Fund III GP, the Fund III Founder Partner, any of their respective associates and/or any member of the Oakley Group.

Investors (including the Company) may not sell, assign or transfer its interest in Fund III Feeder A except with the prior written consent of OCML (as manager). Further, no investor may withdraw from Fund III Feeder A except where this is required to avoid violation of any applicable law or statutory regulation.

Key Persons

If, at any time prior to the end of the Fund III Investment Period, Key Persons who meet their Key Person Responsibilities (each as defined below) together hold less than 6 Key Person Points (as defined below), then investors holding at least 75 per cent. of Commitments (excluding certain non-voting Commitments, such as Commitments from the Fund III GP, the Fund III Founder Partner and any member of the Oakley Group) may determine Fund III Feeder A shall not be permitted to make any further investments (other than follow on investments in existing investee companies) unless a commitment to invest has already been undertaken or an offer letter has already been issued at the relevant time (a "**Fund III Suspension Period**"). OCML (as manager) shall notify each investor if the criteria referred to above are no longer met. The Fund III Suspension Period shall come to an end if the criteria referred to above are subsequently met or if the Fund III Investment Committee agrees to end the Fund III Suspension Period. If the Fund III Suspension Period extends beyond 12 consecutive months then the Fund III Investment Period shall terminate.

For the purposes of the above:

(i) "**Key Persons**" means Peter Dubens, David Till, Alex Collins, David Brickell and Rebecca Gibson, and any other person designated as such by the Fund III Investor Committee;

(ii) "**Key Person Points**" means in respect of Peter Dubens, 5 points; in respect of David Till, 3 points; in respect of each of Alex Collins and David Brickell, 2 points; and in respect of Rebecca Gibson and any replacement or additional Key Person, 1 point;

(iii) "**Key Person Responsibilities**" means, in the case of Peter Dubens and David Till, devoting the majority of their business time, and in the case of any other Key Person devoting substantially all of their business time, in each case to the business of the other Oakley Funds and any Successor Funds (assessed on a 6 month rolling basis); and

(iv) "**Successor Fund**" means any new pooled investment fund or managed account arrangement (excluding any investment vehicle forming part of Fund III or parallel investment vehicle) with investment objectives (including geographic scope) substantially similar to those of Fund III in respect of which the Fund III GP, the Fund III Founder Partner, any of their respective associates and/or any member of the Oakley Group acts as the general partner, manager, investment adviser or the primary source of transactions.

Fund III Investor Committee

Pursuant to the Fund III Feeder A Partnership Agreement, an investor committee has been established comprising representatives of the investors in Fund III Feeder A (other than the Fund III GP, the Fund III Founder Partner, any of their respective associates and/or any member of the Oakley Group). An equivalent committee has also been established in respect of Fund III Feeder B under its constitutional documentation.

OCML (as manager) is required to consult the Fund III Investor Committee with respect to certain overall matters in relation to the fund, such as actual or potential conflicts of interest, any non-arm's length transactions (if any and subject to applicable confidentiality restrictions), the amount and breakdown of costs charged to Fund III Feeder A and any transactions taking place between Fund III Feeder A and any other Oakley-sponsored fund (other than those envisaged in the Fund III Constitution) as well as review the progress of the fund generally. The Fund III Investor Committee does not make any decisions relating to the making or realisation of investments.

Indemnification

OCML (as manager), the Fund III GP, the Investment Adviser, the Fund III Founder Partner and any other member of the Oakley Group and their respective directors, officers, associates, partners, agents, consultants and employees, independent members of the Investment Adviser's investment advisory committee, and the members of Fund III Investor Committee (and only in respect of liability arising out of membership of the Fund III Investor Committee, the investors whose representatives are members of the Fund III Investor Committee) will be indemnified out of the assets of Fund III Feeder A (including undrawn Commitments) against any claims and liabilities incurred by reason of their activities on behalf of Fund III Feeder A, except in respect of matters resulting from their fraud, gross negligence, wilful misconduct, bad faith or reckless disregard of the terms of the Fund III Constitution.

OCML (as manager) will use its reasonable endeavours to ensure that a person who is indemnified by Fund III Feeder A: (i) uses its reasonable endeavours to exercise any rights of recovery which it may have against its insurer or the relevant third party or their insurers; and (ii) returns to Fund III Feeder A any amounts received under the indemnity in circumstances where it is subsequently determined that such person is not entitled to receive such amounts.

Termination / replacement of the general partner

In the event that the Fund III GP, OCML or the Investment Adviser has, pursuant to a final judgment by a court of law, committed a conscious and material breach of the Fund III Constitution, gross negligence, fraud, wilful misconduct, bad faith or reckless disregard for its duties under the Fund III Constitution which, in each case, results in material financial disadvantage to Fund III Feeder A, then the partnership may be dissolved with the consent of investors representing at least 75 per cent. of total Commitments received by Fund III Feeder A.

In circumstances where Fund III Feeder A would otherwise be dissolved in accordance with the above, Fund III Feeder A may be continued pursuant to the consent of investors representing in aggregate at least 75 per cent. of total Commitments within 60 days of being notified of the event of dissolution,

whereupon the Fund III GP shall cease to be the general partner, and OCML shall cease to be the manager, on the appointment of a new general partner and/or manager (as applicable).

In such circumstances, the Fund III Founder Partner shall be entitled to receive a payment of carried interest based on the value of the underlying investments of Fund III Feeder A at the time of replacement of the Fund III GP.

Reporting

Each investor will receive: (i) within 90 business days of the conclusion of each financial year, audited annual accounts; and (ii) within 45 business days of the end of each quarter year, unaudited interim quarterly reports. The annual accounts will be accompanied by a report of the cost and (where an investment has been held for 12 months or longer) the value of such investment (verified by an independent valuer and reviewed by the auditors of Fund III). The quarterly reports will include a narrative and summary information on Fund III's individual investments, a summary of fees paid to or retained by the Fund III GP, the Fund III Founder Partner, any of their associates and any member of the Oakley Group during the previous quarter, costs recovered or fees received with respect to Portfolio Support Services provided by the Fund III GP, the Fund III Founder Partner, OCML (as manager) and/or other members of the Oakley Group during the previous quarter and a summary of the current position of the Fund III Founder Partner in respect of its clawback obligation. The report for the quarter year to 30 June in each year will also contain OCML's own unaudited valuation of Fund III's investments as at such date.

Meetings

Upon the written request of investors representing 25 per cent. or more of Commitments, OCML (as manager) shall convene a meeting of investors. Notice of such meeting shall be given to investors within 10 business days of receipt by OCML (as manager) of such request and such meeting will be held not earlier than 10 business days and not later than 60 business days from the date of such notice. OCML (as manager) may also convene a meeting of investors on its own initiative by giving notice to the investors and such meeting will be held not earlier than 10 business days and not later than 60 business days from the date of such notice.

In addition, an annual meeting of investors will be held within 120 days of the distribution of the annual report to investors, where OCML (as manager) will report on the progress of Fund III.

Variation

OCML (as manager) may, with the consent of investors holding more than 50 per cent. of Commitments, amend or waive any provision of the Fund III Feeder A Partnership Agreement. In addition, the agreement may be amended by OCML (as manager) without investor consent in certain limited circumstances, including when it determines that such amendment: (i) is necessary or desirable to cure any ambiguity or inconsistency in the agreement or to correct clerical errors; (ii) does not adversely affect the interests of any investors; or (iii) is necessary or desirable to address a change in law, regulation or accounting practice. However, certain amendments are prohibited, such as those that would impose any obligation on an investor to make any further payment beyond its drawable Commitment.

Governing law

The Fund III Feeder A Partnership Agreement is governed by Bermuda law.

22.2 ***Fund III Master Partnership Agreement***

The Fund III Master has been constituted pursuant to a limited partnership agreement dated 9 February 2016 between the Fund III GP and the Fund III Limited Partners, as amended and restated on 20 January 2017 between those parties and OCML.

The Fund III Master Partnership Agreement contains provisions relating to:

Life of the Fund III Master

The Fund III Master shall continue until such date as it is fully wound up and its assets are distributed amongst the Fund III Limited Partners. A liquidating trustee shall be appointed to wind up the partnership on the later of (i) 31 March 2032, and (ii) 90 days following notice by OCML (as manager) that no further advances may be drawn down from investors, all investments have been realised and the realisation proceeds have been distributed accordingly.

The Fund III Master may also be wound up: (i) on the agreement of OCML (as manager) and all of the Fund III Limited Partners; (ii) on the service of notice by OCML (as manager) that, in its reasonable opinion having taken external advice, the continuation of the Fund III Master has become unlawful, impractical or inadvisable; and (iii) in certain insolvency scenarios involving the Fund III GP.

Liability of partners

The Fund III Limited Partners shall have no personal liability for the debts, liabilities or obligations of the Fund III Master except as provided in the Fund III Master Partnership Agreement and in applicable law. The Fund III GP is fully responsible for all debts, liabilities and obligations of the Fund III Master but shall not personally be liable for the return of any Commitments made to the Fund III Master.

Purpose

The purpose of the Fund III Master is to carry on, and to enable the Fund III GP and the Fund III Limited Partners to carry on, the business of investing and monitoring the performance of such investments in accordance with the investment objectives and policies of the Fund III Limited Partners, with the principal objective of generating investment return.

Manager and General Partner

Pursuant to the terms of the Fund III Master Partnership Agreement, the Fund III GP has appointed OCML as the manager of Fund III Master, to perform risk management and portfolio management in connection with the partnership's assets. The Fund III GP has the power and authority to terminate the appointment of OCML and to appoint a replacement or successor manager at its discretion.

OCML (as manager) has exclusive responsibility for the management and control of the business and affairs of the Fund III Master. However, the Fund III GP remains ultimately responsible to the Fund III Limited Partners for the performance of the obligations of OCML.

Closings

OCML (as manager) may accept subscriptions from additional limited partners at any time. However, no further limited partners are expected to be admitted to the Fund III Master.

Transfer and withdrawal

The Fund III Limited Partners may not transfer all or any part of their interest in the Fund III Master without the consent of OCML (as manager) and no Fund III Limited Partner shall have any right to the return of its capital contribution except upon liquidation of the partnership.

Drawdowns

Commitments from the Fund III Limited Partners will be drawn down *pro rata* in Euros on an as-needed basis. However, the aggregate amount which may be advanced by each Fund III Limited Partner shall not exceed the aggregate amount which may be advanced by the investors in such Fund III Limited Partner.

Distributions

OCML (as manager) shall distribute amounts allocated to the Fund III GP and the Fund III Limited Partners as soon as practicable after the relevant amount becomes available for distribution. After the payment or provision for fees, costs and expenses, income and capital in respect of an investment will be allocated to the Fund III Limited Partners *pro rata* to their Commitments drawn down in respect of such investment.

Reporting

OCML (as manager) shall prepare and approve accounts of the partnership in respect of each accounting period (ending 31 December in each year) in accordance with generally accepted accounting principles, and such accounts will be audited. The audited accounts will be sent to each partner in the Fund III Master following the end of each accounting period.

Variation

OCML (as manager) may, with the unanimous consent of the Fund III Limited Partners, amend or waive any provision of the Fund III Master Partnership Agreement. In addition, the agreement may be amended by OCML (as manager) without consent in certain limited circumstances, including when it determines that such amendment: (i) is necessary or desirable to cure any ambiguity or inconsistency in the agreement or to correct clerical errors; (ii) does not adversely affect the interests of the Fund III Limited Partners; or (iii) is necessary or desirable to address a change in law, regulation or accounting practice.

Governing law

The Fund III Master Partnership Agreement is governed by Bermuda law.

22.3 ***Fund III Management Agreement***

An amended and restated investment management agreement dated 3 June 2016 between OCML, the Fund III GP, and the Fund III Limited Partners pursuant to which OCML has been appointed as the manager of Fund III Feeder A with responsibility for portfolio management and risk management. Pursuant to the agreement, OCML has also agreed to act as the alternative investment fund managed of Fund III Feeder A for the purposes of the AIFMD.

Under the terms of the Fund III Management Agreement, OCML is entitled to a management fee as agreed from time to time between the Fund III GP and OCML and set out in a separate fee letter. However, pursuant to the Fund III Feeder A Partnership Agreement, the Fund III GP, the Fund III Founder Partner, any of their respective associates and/or any member of the Oakley Group shall bear the cost of such fees.

The Fund III Management Agreement is terminable by any party giving written notice to the others. The agreement will also terminate immediately on the occurrence of certain events, including the insolvency of OCML, OCML ceasing to be appropriately regulated and the dissolution of Fund III Feeder A.

Fund III Feeder A has agreed to indemnify and hold harmless the Fund III GP, the Fund III Founder Partner, members of the Oakley Group and their respective directors, officers, associates, partners, agents, consultants and employees, together with any person to whom OCML delegates management or administrative functions or appoints as investment adviser, against any claims, liabilities, costs and expenses incurred in connection with the Fund III Management Agreement, save where resulting from fraud, gross negligence, wilful misconduct, bad faith or reckless disregard for the terms of the Fund III Management Agreement or the Fund III Feeder A Partnership Agreement.

Pursuant to the terms of the Fund III Management Agreement and subject to applicable law, OCML may delegate all or part of its responsibilities to other parties but shall use reasonable care in the selection, appointment and monitoring of such delegates.

The Fund III Management Agreement is governed by the laws of Bermuda.

22.4 ***Fund III Administration Agreement***

An administration services agreement dated 1 January 2017 between the Administrator and OCML, pursuant to which OCML has appointed the Administrator to undertake certain administrative and accounting duties in relation to the Fund III Master, each of the Fund III Limited Partners and certain entities affiliated with them, including calculation of the net asset value and the provision of corporate director services.

Under the terms of the Fund III Administration Agreement, the Administrator is entitled to be paid certain fees and expenses as set out under the heading "*Fees and expenses of Fund III*" in Part 6 of this document.

The Fund III Administration Agreement may be terminated by either party giving not less than three months' written notice. In addition, the agreement is terminable immediately on the occurrence of certain events, including the insolvency of either party or any of the Fund III Limited Partners or Fund III Master, or a material breach that is not remedied within 30 days of receipt of written notice.

The Administrator is entitled to delegate at its own expense any or all of its duties under the Fund III Administration Agreement, subject to the prior written consent of OCML.

Pursuant to the Fund III Administration Agreement, and to the extent permitted by applicable law, the Fund III Master and each of the Fund III Limited Partners has agreed to indemnify and hold harmless the Administrator, its directors, officers and shareholders and all delegates, against all actions, proceedings, accounts, claims or demands and any reasonable costs and expenses which may be brought or made or threatened against the Administrator or any delegate in connection with the services provided under the agreement, except where arising solely from their fraud, bad faith, wilful misconduct or gross negligence.

The Fund III Administration Agreement is governed by the laws of Bermuda.

22.5 ***Fund III Corporate Services Agreement***

A corporate services agreement dated 30 September 2016 between Mayflower Corporate Services Limited ("**MCSL**") and OCML, pursuant to which OCML appointed MCSL to provide certain corporate administrative services to the Fund III Master, each of the Fund III Limited Partners, and certain entities affiliated with them.

The Fund III Corporate Services Agreement was terminated on 28 June 2019 and these services are now provided by OCML pursuant to the Fund III Management Agreement without cost to Fund III.

Pursuant to the Fund III Corporate Services Agreement, the Fund III Master and each of the Fund III Limited Partners agreed to indemnify and hold harmless MCSL, its directors, officers and shareholders and all delegates, against all actions, proceedings, accounts, claims or demands and any reasonable costs and expenses which may be brought or made or threatened against MCSL or any delegate in connection with the services provided under the agreement, except where arising solely from their fraud, bad faith, wilful misconduct or gross negligence.

The Fund III Corporate Services Agreement is governed by the laws of Bermuda.

22.6 ***Fund III Master Facility Agreement***

A master facility agreement dated 31 January 2017 between Fund III (as borrower), Fund III Master, Fund III Feeder A, Fund III Feeder B and Fund III Feeder C (as guarantors), Fund III GP, OCML, Investec Bank Plc, Investec Bank Limited and Investec Bank (Mauritius) Limited (as lenders) and Investec Bank plc (as security agent) pursuant to which Investec Bank has made available a multicurrency loan facility to Fund III.

The master facility agreement shall apply to approved facilities made available pursuant to the terms of the agreement. The agreement contains covenants and undertakings that are customary for an agreement of this nature.

The agreement is governed by English law.

23 Litigation

There have been no governmental, legal or arbitration proceedings, and Fund III is not aware of any governmental, legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of Fund III.

24 Auditors

The auditors to Fund III are KPMG Audit Limited of Crown House, 4 Par-la-Ville Road, Hamilton HM08, Bermuda. KPMG Audit Limited is a firm of chartered accountants and is an auditor registered to carry on audit work by Chartered Professional Accountants of Bermuda (CPA Bermuda).

25 Custody

Fund III has not appointed a custodian in respect of its investments. Legal title to Fund III's investment assets is held by the Fund III GP. Safekeeping of documents of title in relation to Fund III's investment assets is undertaken by OCML.

26 Subsidiaries

Fund III structures its investments through a number of special purpose vehicles (which may be wholly or partly owned by Fund III) but does not otherwise have any subsidiaries.

27 Additional information

27.1 Fund III is not regulated in the United Kingdom, Bermuda or in any other jurisdiction.

27.2 The Fund III Master and Fund III Feeder A currently have no employees.

27.3 The Fund III Master is an exempt limited partnership established in Bermuda on 11 February 2016 pursuant to the Bermuda Partnership Acts and registered with the Registrar of Companies in Bermuda with registration number 51201. Its registered office and principal place of business is Mintflower Place, 3rd Floor, 8 Par-la-Ville Road, Hamilton, Bermuda, HM 08. The Fund III Master's telephone number is +1 441 542 6330.

27.4 Fund III Feeder A is an exempt limited partnership established in Bermuda on 21 October 2015 pursuant to the Bermuda Partnership Acts and registered with the Registrar of Companies in Bermuda with registration number 50751. Its registered office and principal place of business is Mintflower Place, 3rd Floor, 8 Par-la-Ville Road, Hamilton, Bermuda, HM 08. Fund III Feeder A's telephone number is +1 441 542 6330.

27.5 The Fund III GP is an exempted company incorporated with limited liability in Bermuda. The Fund III GP was incorporated on 16 October 2015 with registration number 50730. Its registered office and principal place of business is Mintflower Place, 3rd Floor, 8 Par-la-Ville Road, Hamilton, Bermuda, HM 08.

PART 7

INFORMATION ON FUND IV

1 Introduction to Fund IV

Fund IV is a Luxembourg-domiciled investment fund structured as a series of Luxembourg special limited partnerships (sociétés en commandite spéciales), currently comprising Oakley Capital IV Master SCSp (the "**Fund IV Master**"), Oakley Capital IV-A SCSp ("**Fund IV Feeder A**"), Oakley Capital IV-B SCSp ("**Fund IV Feeder B**") and Oakley Capital IV-C SCSp ("**Fund IV Feeder C**" and, together with Fund IV Feeder A and Fund IV Feeder B, the "**Fund IV Limited Partners**"). The commercial name of Fund IV is "Oakley Capital IV".

The Company invests in Fund IV Feeder A, which invests substantially all of its assets in the Fund IV Master. The Company will therefore have exposure to Fund IV through these two vehicles. The relationship between Fund IV Feeder A and the Company is governed by the Fund IV Feeder A Partnership Agreement.

The terms of issue of Fund IV are summarised below and a summary of the Fund IV Feeder A Partnership Agreement is set out under the heading "*Fund IV Feeder A Partnership Agreement*" in paragraph 20.1 of Part 7 of this document.

2 Fund IV's investment objective, policy and restrictions

Investment Strategy and Restrictions

Fund IV primarily focuses on making equity investments in private companies, predominantly in Europe, which secure it a controlling position, or in situations from which Fund IV may obtain a strategic financial advantage, where typically the anticipated investment (including add-ons) is at least €50 million.

Geographic Scope

Fund IV focuses primarily on acquisitions of, or investments in, European companies.

Fund IV will not invest at any time (i) more than 30 per cent. of total Commitments in entities that are not European companies, or (ii) more than 10 per cent. of total Commitments in entities that are neither European companies nor North American companies, in each case without the prior approval of the Fund IV Investor Committee.

For these purposes:

"**Europe**" means the geographical area forming the member states of the European Union as at the Fund IV Initial Closing Date (including, for the avoidance of doubt, the United Kingdom), and any other country previously or subsequently admitted to the European Union from time to time (regardless of whether it is or remains a member state of the European Union as at the Fund IV Initial Closing Date), together with Norway, Switzerland and Turkey;

"**European companies**" and "**North American companies**" mean, as applicable, companies headquartered in Europe or North America, companies whose business is principally conducted or has substantial operations or assets in Europe or North America, or is reasonably expected to be principally conducted or to have substantial operations or assets in Europe or North America, or companies whose principal source of revenues is or is reasonably expected to be from Europe or North America; and

"**North America**" means the United States of America and Canada.

Investment Restrictions

Fund IV will not invest more than 10 per cent. of total Commitments in publicly listed securities without the approval of the Fund IV Investor Committee save that Fund IV will, however, be permitted to invest in and hold such securities without restriction: (i) with a view to taking private the underlying portfolio company; (ii) where such investment otherwise has the nature of a private equity investment, such as an investment in a portfolio company with respect to which Fund IV is expected to acquire control or significant influence

(including board representation or similar contractual rights) within 6 months of the acquisition; (iii) in a portfolio company that is not publicly listed at the time of the investment; or (iv) where such securities are paid in consideration for the disposal of all or part of a portfolio company.

Fund IV will not engage in speculative investment in activities such as commodities, commodity contracts or forward currency contracts save with a view to hedging currency or interest rate risk.

Diversification

No more than 20 per cent. of total Commitments may be invested by Fund IV in any single portfolio company (including follow-on investments) without the approval of the Fund IV Investor Committee. However, this limit may be exceeded where the intention of the Fund IV AIFM (or the fund's portfolio manager, if appointed) at the time of investment is to invest on a temporary basis by way of a Bridge Investment provided that the total amounts invested in any single portfolio company (including follow-on investments) may not exceed 25 per cent. of total Commitments. Any proceeds arising from a Bridge Investment within 18 months of the date of acquisition will not form part of the distribution waterfall but will be payable solely to investors *pro rata* to their Commitments, and the original acquisition cost of the Bridge Investment (or, if less, the distribution proceeds) will be subject to recall. Any Bridge Investment which is not realised within 18 months of the date of acquisition will be treated as a permanent investment.

Reinvestment

To the extent that Fund IV receives proceeds in respect of an investment (including any Bridge Investment) within eighteen months following the date of making such investment then an amount equal to the original acquisition cost of such investment may be retained by Fund IV out of such proceeds and applied for any of the purposes of Fund IV, or, if returned to investors, will be subject to recall.

Co-investment opportunities

Opportunities may arise for individual investors to invest in parallel with Fund IV on terms to be agreed. The Fund IV GP may offer such co-investment opportunities in its absolute discretion, including to third parties.

Borrowings and guarantees

Fund IV may make borrowings for any of the purposes of Fund IV provided such borrowings do not at the time of their incurrence exceed the lesser of: (i) 30 per cent. of total Commitments; and (ii) 100 per cent. of drawable Commitments. Such borrowings may, where appropriate, be secured upon the assets of Fund IV, including drawable Commitments.

Fund IV may enter into guarantees, indemnities, covenants and undertakings in connection with an investment. The maximum outstanding liability under such guarantees, indemnities, covenants and undertakings, together with any outstanding borrowings made by Fund IV, shall not at the time of their incurrence exceed the cash balances of Fund IV together with any amounts that may be returned by way of investor clawback together with the lesser of: (i) 30 per cent. of total Commitments; and (ii) 100 per cent. of drawable Commitments. Obligations under such borrowings, guarantees, indemnities, covenants and undertakings may, where appropriate, be secured upon the assets of Fund IV, including drawable Commitments.

While any borrowings or any liabilities under guarantees, indemnities, covenants and undertakings are outstanding, then an amount equal to the liability under such borrowings, guarantees, indemnities, covenants and undertakings (less any cash balances of Fund IV together with any amounts that may be returned to Fund IV by way of investor clawback) will not be available for drawdown from drawable Commitments for any other purpose.

Transitional period

During the transitional period between the Fund IV Initial Closing Date and Fund IV Final Closing Date, the Commitment-based restrictions referred to above will instead be calculated by reference to Benchmark Commitments. For this purpose, "**Benchmark Commitments**" means the higher of: (i) €1.2 billion; and (ii) total Commitments received by Fund IV. After the Fund IV Final Closing date, the Commitment-based restrictions will be calculated by reference to the total Commitments received by Fund IV.

3 Admission of investors

Pursuant to the Fund IV Feeder A Partnership Agreement, the Fund IV GP may accept subscriptions from investors other than the Company at any time up to and including the Fund IV Final Closing Date. The minimum Commitment to Fund IV by each investor will be €10 million, although the Fund IV GP reserves the right to accept Commitments of lesser amounts at its discretion. The Company has made an irrevocable commitment to Fund IV of €400 million.

4 The Fund IV GP

Oakley Capital IV S.à r.l. (the "**Fund IV GP**") acts as the general partner to the Fund IV Master and each of the Fund IV Limited Partners, having served in this role since Fund IV was established.

The Fund IV GP is responsible for managing the business affairs of Fund IV, in accordance with the Fund IV Constitution, and has overall responsibility for the activities of Fund IV including its investment activity and performance. However, pursuant to the Fund IV Constitution and the Fund IV AIFM Agreement, the Fund IV GP has appointed the Fund IV AIFM as the alternative investment fund manager of Fund IV to perform risk management, portfolio management and certain ancillary functions in respect of the fund. The Fund IV GP has also appointed the Fund IV Administrator, to handle the day-to-day administration of Fund IV, and the Fund IV Depositary, to provide depositary services in accordance with the AIFMD.

The directors of the Fund IV GP (the "**Fund IV GP Directors**") are responsible for managing the business affairs of the Fund IV GP. The address of the directors of the Fund IV GP, all of whom are non-executive, is the registered office of the Fund IV GP.

The Fund IV GP Directors are as follows:

David Till

David Till co-founded the Oakley Capital Group in 2002 with Peter Dubens, a Director of the Company. David plays a key role within the group and has overall responsibility for operations, finance, due diligence, compliance and fund formation.

David worked with Peter Dubens on the development of 365 Media Group plc and Pipex Communications plc where he led all 26 acquisitions and disposals between 2002 and 2007. In 2007, following the sale of both 365 Media Group plc and Pipex Communications plc, Peter and David launched Oakley Capital Private Equity.

David holds a BA (Hons) in Economics from Essex University. He started his career in the British Army, then later qualified as a chartered accountant with Coopers & Lybrand and worked in industry as a finance director, before returning to the profession holding senior M&A roles.

Ganash Lokanathen

Ganash is a Finance and Accounting graduate of Liverpool John Moores University (England) and also holds a Master of Science Degree in Investment and Treasury from Dublin City University. He is a Fellow of the Institute of Chartered Accountants in Ireland (ICAI). Ganash is a member of the board of Aztec Financial Services (Luxembourg) S.A., which acts as Fund IV's Administrator, and leads the Aztec Luxembourg Private Equity team. He has more than 15 years' experience in the financial services sector with significant exposure to alternative investment structures, banking and insurance companies. Before joining Aztec in 2013, Ganash was Head of Fund Accounting and Financial Reporting for State Street Alternative Investments Solutions in Luxembourg and also worked as a Senior Audit Manager for Ernst & Young Financial Services Group in Dublin, where he was involved in various special projects, including forensic accounting assignments, financial due diligence assignments, capital markets debt issuances and IFRS 23 technical research papers.

Paul Moss

Paul joined the Aztec Group as a Financial Reporting Manager in 2014, originally working in the Guernsey office for two years before transferring to the Luxembourg office. Paul has held primarily a portfolio of holding companies, private equity and real estate fund structures. Paul has also been a member of the internal technical and quality control team.

Prior to working at Aztec, Paul worked at Ernst & Young LLP in Guernsey for six years, working in financial services audit with a particular focus on funds, banking and insurance clients. Paul is a member of the Association of Chartered Accountants.

5 The Fund IV AIFM and the Investment Adviser

The Fund IV GP has appointed the Fund IV AIFM as the manager of Fund IV to provide investment management services and to act as the fund's alternative investment fund manager for the purposes of the AIFMD.

The Fund IV AIFM is authorised and regulated in Luxembourg by the CSSF as a management company under chapter 16 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended, and as an AIFM under the Luxembourg Law of 12 July 2013 on Alternative Investment Fund Managers.

It is intended that the Fund IV AIFM will delegate or transfer the portfolio management function to OCML, or to another member of the Oakley Group, in due course.

The Fund IV AIFM has appointed the Investment Adviser to provide investment advice in respect of Fund IV. The Investment Adviser also acts as the investment adviser in respect of the Company's investments as detailed in paragraph 4 of Part 2 of this document.

In the event that the Fund IV AIFM delegates portfolio management functions to a member of the Oakley Group, it is expected that the Investment Adviser will continue to be appointed (either by the Fund IV AIFM, the relevant member of the Oakley Group or both) to provide investment advice in respect of Fund IV. It is also anticipated that the Investment Adviser will appoint Oakley Capital GmbH as a sub-adviser in respect of Fund IV, to provide investment advisory services in Germany and elsewhere.

Oakley Capital GmbH was incorporated in Germany on 25 July 2017 as a private limited company (Gesellschaft mit beschränkter Haftungwith) with registered number HRB 234724. Oakley Capital GmbH is authorised and regulated by the Federal Financial Supervisory Authority of Germany (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin). The address of the registered office of Oakley Capital GmbH is Alter Hof 4, 80331 Munich, Germany and its telephone number is +49 89 24205 9300.

Further information relating to OCML and the Investment adviser is set out in paragraph 1 of Part 5 of this document.

6 Investment portfolio

As at 30 April 2019, the net asset value of Fund IV Feeder A (audited) was €2,262,802.

As at 30 April 2019, the net liability value of the Fund IV Master (audited) was €1,655,815.

As at the date of this document, Fund IV has raised aggregate Commitments (including undrawn Commitments) of approximately €1.4 billion, including a Commitment of €400 million from the Company. Furthermore, on or before the Fund IV Final Closing Date, the Fund IV Founder Partner, certain key individuals and executives within the Oakley Group and/or their respective associates, together with other persons connected with the Oakley Group, are expected to invest in and/or alongside Fund IV in aggregate approximately €60 million.

As at the date of this document, Fund IV has called €31.5 million from limited partners. Of this, the Company has paid €9 million.

On 21 June 2019, Fund IV completed an investment in SG MidCo AS, Videotel Marine Asia Limited and Super Dragon Limited (collectively, "**Videotel and Seagull**"), providers of e-learning to the maritime sector, for $89.7 million (€80.0 million) (unaudited).

As at the Latest Practicable Date, Fund IV's investment in Videotel and Seagull is its only investment.

There has been no material change in Fund IV's investments since the Latest Practicable Date.

7 Historical Financial information

The Fund IV Master was established on 13 February 2019 and Fund IV Feeder A was established on 15 November 2018. Audited financial statements of both vehicles for the period from the date of establishment to 30 April 2019, which have been prepared by Crowe U.K. LLP and are required to be included in this document, are reproduced in Appendix 3 to this document. Crowe U.K. LLP has given an unqualified opinion that these financial statements give a true and fair view of the state of the Fund IV Master's and Fund IV Feeder A's affairs as at 30 April 2019 and of their loss for the period then ended and have been properly prepared in accordance with IFRS as adopted by the European Union.

8 Selected financial information

8.1 ***Fund IV Master***

The key figures that summarise the Fund IV Master's financial condition in respect of the period from the date of its establishment to 30 April 2019, which have been extracted without material adjustment from the audited financial statements of the Fund IV Master for that period, are set out in the following table:

Statement of Financial Position

	As at 30 April 2019 (audited) (€)
Current liabilities	
Accounts payable and accrued operating expenses	1,655,815
Total current liabilities	1,655,815
Total net assets attributable to the Partners	(1,655,815)
Loss for the period	(1,655,815)
Total Partners' accounts	(1,655,815)

Statement of Comprehensive Income

	13 February 2019 to 30 April 2019 (audited) (€)
Legal and professional fees	74,785
Formation expenses	1,581,030
Total operating expenses	1,655,815
Operating loss for the period	(1,655,815)
Total comprehensive loss	(1,655,815)

8.2 ***Fund IV Feeder A***

The key figures that summarise Fund IV Feeder A's financial condition in respect of the financial period from the date of its establishment to 30 April 2019, which have been extracted without material adjustment from the audited financial statements of Fund IV Feeder A for that period, are set out in the following table:

Statement of Financial Position

	As at 30 April 2019 (audited) (€)
Current assets	
Receivables from Partners	74,918
Cash and cash equivalents	2,459,814
Total assets	2,534,732
Current liabilities	
Accounts payable and accrued operating expenses	271,930
Total current liabilities	271,930
Total net assets attributable to the Partners	2,262,802
Partners' Contributions	2,534,750
Partners' reserves	(271,948)
Total Partners' accounts	2,262,802

Statement of Comprehensive Income

	15 November 2018 to 30 April 2019 (audited) (€)
Legal and professional fees	221,890
Administration fees	50,000
General expenses	40
Bank charges	18
Total operating expenses	271,948
Operating loss for the period	(271,948)
Total comprehensive loss	(271,948)

9 No significant change

Since 30 April 2019, Fund IV Feeder A has received Commitments of approximately €14.8 million and made capital calls of approximately €9.2 million and the Fund IV Master has received Commitments of approximately €220.8 million and made capital calls of approximately €3.5 million.

Save as disclosed above, as at the date of this document there has been no significant change in the financial or trading position of either the Fund IV Master or Fund IV Feeder A since 30 April 2019, being the date to which the latest audited financial information has been published.

10 Distributions policy

Distributions of interest and dividend income received by Fund IV shall be made quarterly. Distributions of cash proceeds from realised investments will be made as soon as practicable following such realisation and, in any event, within three months of the date of realisation. Distributions of marketable securities shall be made at the discretion of the Fund IV GP. Distributions of nonmarketable securities may only be made upon dissolution of the fund.

Proceeds available for distribution will be distributed in the following order of priority:

(i) firstly, to the Fund IV GP in respect of amounts payable to it in relation to its Fund IV GP's Share;

(ii) secondly, 100 per cent. to each investor until distributions to such investor in aggregate equal such investor's share of the following (to the extent not previously distributed pursuant to this paragraph (ii)):

  (a) an amount equal to the acquisition cost of (1) the investment to which such distributions relate and (2) all realised investments (including investments which have been written off), together with expenses associated with the acquisition;

(b) an amount equal to the Relevant Proportion of all drawings on account of the Fund IV GP's Share and for the fund expenses (except where such expenses form part of the acquisition cost of an investment) and for this purpose, the "**Relevant Proportion**" shall be equal to the proportion that the acquisition cost of all investments which have been realised or written off bears to the acquisition cost of all investments (whether or not realised), or such greater proportion as the Fund IV GP may in its sole discretion determine; and

(c) an amount equal to the aggregate amount by which, in the last preceding semi-annual valuation, unrealised investments which have been written down below their acquisition cost exceeds the aggregate amount by which unrealised investments have been written up above their acquisition cost;

(iii) thirdly, 100 per cent. to investors *pro rata* to their respective Commitments until each investor has received in aggregate an amount representing a preferred return of 8 per cent. per annum compounded annually and calculated on a daily basis on the amount by which: (x) the amounts referred to in (ii) (a), (b) and (c) above exceed (y) aggregate distributions made to investors prior to the date of the relevant distribution (the "**Fund IV Preferred Return**");

(iv) fourthly, 100 per cent. to the Fund IV Founder Partner until such time as the Fund IV Founder Partner has received, as its carried interest, 20 per cent. of the sum of distributions made to investors under paragraph (iii) and distributions made under this paragraph (iv); and

(v) fifthly, 80 per cent. to investors *pro rata* to their respective Commitments and 20 per cent. to the Fund IV Founder Partner as carried interest.

For the purposes of the above, any amounts repaid by the Fund IV Founder Partner to Fund IV pursuant to its clawback obligation as more particularly set out in the paragraph headed "*Fund IV Founder Partner Clawback*" below together with any tax paid in respect of such amounts and not recoverable shall be treated as having never been allocated to the Fund IV Founder Partner.

Any Commitments relating to an investment which are drawn down prior to the completion of an investment will, where the Fund IV GP considers it to be appropriate, be invested in cash deposits with all interest being for the benefit of Fund IV.

11 Fund IV Founder Partner clawback

Upon the date of liquidation of the fund (or where the Fund IV GP is replaced pursuant to provisions set out under "*Termination / replacement of the general partner*" in paragraph 22.1 below), the Fund IV GP will determine whether investors have received aggregate distributions of income and capital which satisfy each of the following tests, and in making such determination the Fund IV GP shall assume that all unrealised investments are realised at their fair value (the "**Minimum Return**"):

(a) being equal to or greater than aggregate drawn down Commitments plus the preferred return on such amounts (being a return at the rate of 8 per cent. per annum compounded annually and calculated on a daily basis); and

(b) being equal to or greater than aggregate drawn down Commitments plus 80 per cent. of all income and capital gains, net of losses, accrued in respect of investments and available for distribution to investors.

The Fund IV Founder Partner will be obliged to return to Fund IV for distribution to investors a sum equal to the amount by which investors are short of the Minimum Return (less expenses), provided that aggregate amounts so payable do not exceed the aggregate amount received by the Fund IV Founder Partner pursuant to the formula set out in the paragraph headed "*Distributions policy*" above less any tax paid or payable on such amount which has not been recovered. Any such sum shall be paid not more than 90 days following the date of liquidation of Fund IV.

For the purposes of the waterfall set out in the paragraph headed "*Distributions policy*" above any amounts of carried interest repaid to Fund IV together with any tax paid in respect of such amounts and not recovered shall be treated as having never been paid to the Fund IV Founder Partner.

In contemplation of the clawback obligation:

- prior to any distribution of carried interest to the Fund IV Founder Partner, the Fund IV Founder Partner undertakes to procure guarantees from each of its direct or indirect beneficiaries of carried interest to

severally repay their share of any such distribution (less expenses) so as to enable the Fund IV Founder Partner to repay any Minimum Return shortfall as set out above; and

- the Fund IV GP will procure that OCML (or, subject to the agreement of investors, the Fund IV GP, the Fund IV Founder Partner, any of their respective associates or any member of the Oakley Group) will enter into a guarantee in favour of Fund IV in respect of the Fund IV Founder Partner's obligations under this paragraph. The Fund IV GP will use best endeavours to enforce such guarantee of behalf of Fund IV and, if the Fund IV GP does not institute proceedings to enforce such guarantee at the request of an investor without good cause, any investor may require the Fund IV GP to bring such an action on behalf of Fund IV.

12 Investor clawback

If Fund IV is or may be contingently liable to repay some or all of the proceeds arising from an investment, or such proceeds are otherwise required to meet the fund's indemnification obligations, then the Fund IV GP may distribute the relevant proceeds and subsequently require investors (including the Company) and the Fund IV Founder Partner to repay such proceeds (in the proportions in which such proceeds were distributed to them) within two years of distribution, subject to a maximum of 25 per cent. of total distributions being subject to such repayment obligation.

13 Fees and expenses of Fund IV

The ongoing annual expenses of Fund IV include the following:

13.1 ***Carried interest payable to the Fund IV Founder Partner***

The Fund IV Founder Partner is entitled to receive carried interest from Fund IV under the terms of the Fund IV Constitution as set out in sub-paragraphs (iv) and (v) under the heading "*Distributions policy*" above.

13.2 ***Fund IV GP***

From the end of the Fund III Investment Period until the earlier of (i) the end of the Fund IV Investment Period and (ii) the date on which a general partner's share (or similar fee) starts to accrue on a Successor Fund, the Fund IV GP will receive a priority share of profits of 2 per cent. per annum of the total Commitments received by Fund IV (excluding certain Commitments received from the Fund IV Founder Partner) (the "**Fund IV GP's Share**").

From the end of the Fund IV Investment Period until the Fund IV Term Date, the Fund IV GP's Share will be reduced to 2 per cent. of the total acquisition cost of investments that have not been realised (including any distribution in specie) or written off.

After the Fund IV Term Date, the Fund IV GP's Share will be reduced to 1 per cent. of the total acquisition cost of investments that have not been realised (including any distribution in specie) or written off.

The Fund IV GP's Share, or drawings on account thereof, is payable semi-annually in advance.

Any dividends, income and capital gains subsequently generated by Fund IV and equal to any Commitments drawn down to pay the Fund IV GP's Share may be retained by Fund IV out of the proceeds of realisation and applied for any of the purposes of Fund IV, or, if returned to investors, will be subject to recall.

Out of the Fund IV GP's Share, the Fund IV GP will bear all routine expenses associated with the performance of its duties (subject as provided under "*Ongoing expenses of Fund IV*" below), together with all placement fees and any offering and organisational expenses in excess of €3 million plus any relevant taxes.

The Fund IV GP is also entitled to a fee of €1,000 per annum for its role as general partner to the Fund IV Master.

For these purposes:

"**Fund IV Term Date**" means the tenth anniversary of the Fund IV Final Closing Date; and

"**Successor Fund**" means any new pooled investment fund or managed account arrangement (excluding any investment vehicle forming part of Fund IV or parallel investment vehicle) with an investment strategy which is substantially similar to that of Fund IV in respect of which the Fund IV GP, the Fund IV Founder Partner, any of their respective associates, the Fund IV AIFM, the Investment Adviser or any other member of the Oakley Group acts as the general partner, manager, investment adviser or primary source of transactions.

13.3 ***Offering and organisational expenses***

Fund IV is responsible for all out-of-pocket offering and organisational expenses incurred in connection with the establishment of the fund, up to a maximum of €3 million plus relevant taxes. Each investor is responsible for its *pro rata* share (based on their respective Commitments) of such organisational and offering expenses. Any amounts in excess of €3 million plus relevant taxes, together with any placement fees, are borne by the Fund IV GP.

13.4 ***Ongoing expenses of Fund IV***

Fund IV will bear (directly or indirectly) all fees, costs, expenses and liabilities (together with any value added tax or other relevant taxes, if any) relating to: (a) its operation, management and administration; (b) its investment related activities (including sourcing, developing, structuring, researching, negotiating, acquiring, operating, holding and disposing of actual and potential investments); and (c) its eventual termination and winding up. Such fees, costs, expenses and liabilities will include: (i) travel costs; (ii) lawyers, accountants, and other professional and other advisors and service providers, including finders and brokers; (iii) fees, costs, expenses and liabilities in relation to the Fund IV's borrowing and hedging activities; (iv) fees, costs and expenses related to valuations, investor reporting and meetings, including meetings of the Fund IV Investor Committee, and compliance with the Fund IV AIFM's disclosure, reporting and information assistance obligations under the Fund IV Constitution; (v) tax, legal and regulatory compliance fees, costs, expenses and liabilities in respect of Fund IV and its investments including in compliance with the requirements of the AIFMD; (vi) fees, costs, expenses and liabilities of any administrators, custodians and depositaries; (vii) fees, costs, expenses and liabilities incurred in relation to maintaining professional indemnity insurance and directors' and officers' insurance; (viii) the fees, costs and expenses arising from any services provided in connection with the provision and arrangement of office space, the provision of local personnel and other general administrative services by the Fund IV GP, the Fund IV Founder Partner, any of their respective associates or any member of the Oakley Group (or their current and former executives) to investments or intermediate holding companies or structures (including any travel and accommodation expenses of the Fund IV AIFM (or any portfolio manager) allocable to such structures, any applicable personnel costs, the costs of providing registered offices in connection with such structures and other related overhead fees, costs and expenses in connection with such structures), to the extent not borne by the relevant portfolio company; and (ix) the fees, costs and expenses arising in relation to any litigation or other proceedings, investigations or audits involving or relating to Fund IV and the amount of any judgment or settlement entered into in connection therewith. In addition, the Fund will bear all taxes and all fees, costs, expenses, liabilities or other charges levied by any governmental agency or regulatory body against Fund IV in connection with its investments or otherwise, in each case, for which such person is primarily liable). Any distributions made to investors in any amount up to any Commitments drawn down to pay operating expenses shall be available for subsequent investment by Fund IV.

13.5 ***Transaction fees and Portfolio Support Services***

All transaction fees, arrangement fees, closing fees, underwriting fees, directors' and monitoring fees together with abort fees received by any member of the Oakley Group (or any of their current or former executives) in connection with any amount invested by Fund IV (but excluding any such fees associated with the provision of Portfolio Support Services) may be retained by such persons but will be credited against and reduce the Fund IV GP's Share

If the Fund IV GP or any other member of the Oakley Group provides Portfolio Support Services to Fund IV (including to a portfolio company of Fund IV), the Fund IV GP or any other member of the

Oakley Group may either (i) recover the reasonable costs of providing such services from Fund IV or such portfolio company, or (ii) charge and receive fees from Fund IV or such portfolio company in respect of such services. Any such costs recovered or fees received shall not be credited against or off set the Fund IV GP's Share.

13.6 ***Fees of the Fund IV AIFM and the Investment Adviser***

The appointment of the Fund IV AIFM and the Investment Adviser will be without further charge to Fund IV, and any fees payable to the Fund IV AIFM and the Investment Adviser shall be borne by the Fund IV GP, the Fund IV Founder Partner, any of their respective associates or any member of the Oakley Group.

13.7 ***Fund IV Administrator and Fund IV Depositary***

Aztec Financial Services (Luxembourg) S.A. is entitled to one-off fees in connection with the establishment of the Fund IV master-feeder structure and ongoing fees for its role as Fund IV Administrator and Fund IV Depositary. Administration and depositary fees in the first year of operation are estimated to be €489,595 and €125,300 respectively. These are expected to reduce to €446,345 and €100,500 per annum in future years. Administration and Depositary fees will be split between the Fund IV Limited Partners on a *pro rata* basis in proportion to Commitments received from investors.

14 Valuation of Fund IV

Fund IV's policy is to review valuations of its portfolio companies twice a year. Valuations of Fund IV's investments will be included in the audited annual accounts and unaudited interim reports provided to investors.

Valuations will be established by the Fund IV AIFM based on valuations prepared by the Investment Adviser. Valuations will be carried out at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (subject to any adjustments that the Fund IV AIFM, in consultation with the Investment Adviser, deems appropriate and explains by way of a note to such valuation).

In determining fair value, the Fund IV AIFM (or portfolio manager) and the Investment Adviser will consider various valuation approaches, including the market and income approaches. The market approach ascribes a value to a business interest or shareholding by comparing it to similar businesses, using the principle of substitution: that is, that a prudent purchaser would pay no more for an asset than it would cost to acquire a substitute asset with the same utility and income earning potential. In the income approach, an economic benefit stream from the business interest is selected, generally based on historic or forecast cash flows and a derivative of profits. The cash flow is then discounted to present value using a risk-adjusted discount rate. In general, the Fund IV AIFM (or portfolio manager) and the Investment Adviser will use the market approach to value the investments, as they deem this to be the most appropriate approximation for fair value.

The valuation of Fund IV's investments will only be suspended in circumstances where the underlying data necessary to value those investments cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system failure of the Fund IV AIFM or the Investment Adviser) which prevents such valuations being made by or on behalf of Fund IV. Details of any suspension in performing such valuations will be notified in writing to the limited partners of Fund IV in accordance with the Fund IV Constitution as soon as practicable after any such suspension occurs.

15 Corporate governance

Fund IV is not required to (and does not therefore) comply with any corporate governance code in Luxembourg or elsewhere. However, the Fund IV AIFM (as manager to Fund IV) is required to comply with the AIFMD, as applied in Luxembourg.

16 Typical investor

An investment in Fund IV is suitable for sophisticated investors only and an investor must have the financial ability and experience to understand, the willingness to accept, and the financial resources to withstand, the extent of their exposure to the risks and lack of liquidity inherent in an investment in Fund IV. The Company may invest in Fund IV.

17 Material relationships and conflicts of interest

The Fund IV GP, the Fund IV AIFM, the Investment Adviser, OCML and any other member of the Oakley Group (together with their respective officers and employees) may from time to time act for other clients or manage other funds that may have similar investment objectives and policies to that of Fund IV and, without limitation, may act as a general partner, manager or investment adviser to other private equity funds and managed accounts. Circumstances may arise where investment opportunities will be available to Fund IV which are also suitable for one or more of such clients of the Fund IV GP, the Fund IV AIFM, the Investment Adviser, OCML or such other funds.

In particular, in addition to acting as investment adviser in respect of Fund IV, the Investment Adviser also acts as the investment adviser in respect of the Company and each of the other Oakley Funds. OCML, which may be appointed by the Fund IV AIFM to provide portfolio management services to Fund IV, also provides services to the Company and the other Oakley Funds.

Certain directors of the Fund IV GP are also directors and/or employees of the Investment Adviser or the Fund IV Administrator; entities which provide services to and receive compensation from Fund IV.

Members, officers or employees of the Investment Adviser and/or OCML may be appointed to the board of directors of an investee company of Fund IV. On taking a position as a director of an investee company, representatives of OCML or Investment Adviser or associated affiliates and personnel will have a fiduciary responsibility to act in the interests of all shareholders and not simply the interests of Fund IV.

Both OCML and the Investment Adviser have adopted written conflicts of interest policies designed to identify and mitigate potential conflicts. Pursuant to these policies, OCML and the Investment Adviser take all reasonable steps to identify conflicts of interest that may emerge between them and their clients (including Fund IV). Once a potential conflict has been identified, OCML or the Investment Adviser (as appropriate) establishes a course of action in order to prevent or manage such conflict. Examples include placing restrictions on the personal account dealings of officers and employees, putting in place information barriers where appropriate, and ensuring that valuations are reviewed annually by an independent third party and audited by the fund's auditors. Further procedures and controls monitor the effectiveness of the management arrangements of such conflicts.

Furthermore, the Fund IV GP, OCML and the Investment Adviser operate within an organisational and contractual structure designed to align the interests of the Fund IV GP, OCML, the Investment Adviser and their executives with those of Fund IV's investors.

The directors of the Fund IV GP have satisfied themselves that the Fund IV AIFM, the Investment Adviser and OCML have procedures in place to address potential conflicts of interest and that, where a conflict arises, they will seek to resolve that conflict in accordance with the Fund IV Constitution, the relevant conflicts of interest policy and applicable law and regulation. In particular, the directors of the Fund IV GP have satisfied themselves that where a conflict arises in respect of the allocation of an investment opportunity, the Fund IV AIFM, OCML and the Investment Adviser will allocate the opportunity on a fair basis and in accordance with such provisions and rules, taking into account the respective interests of the parties involved and, where appropriate, the views of the Fund IV Investor Committee in accordance with the terms of the Fund IV Constitution.

18 Duration of Fund IV

The term of Fund IV will end ten years from the Fund IV Final Closing Date. However, the life of Fund IV may be extended at the election of the Fund IV GP for up to three further one-year periods with the consent of investors representing at least two thirds of total Commitments.

19 Interests of Fund IV GP Directors and investors

19.1 David Till was appointed as a Fund IV GP Director on 27 September 2018. He receives no fee from the Fund IV GP for his services as a director.

19.2 Paul Moss was appointed as a Fund IV GP Director on 11 December 2018. He receives no fee from the Fund IV GP for his services as a director, but may receive remuneration from the Fund IV Administrator out of the fees it receives from Fund IV.

19.3 Ganash Lokanathen was appointed as a Fund IV GP Director on 11 December 2018. He receives no fee from the Fund IV GP for his services as a director, but may receive remuneration from the Fund IV Administrator out of the fees it receives from Fund IV.

19.4 There are no amounts set aside or accrued by the Fund IV GP to provide pension, retirement or similar benefits to any Fund IV GP Director.

19.5 No Fund IV GP Director has a service contract with the Fund IV GP, nor are any such contracts proposed. The Fund IV GP Directors' appointments can be terminated without compensation. There is no notice period specified in the articles of incorporation of the Fund IV GP for the removal of directors.

19.6 The Fund IV GP has not made any loans to the Fund IV GP Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Fund IV GP Director or the Fund IV GP Directors collectively.

19.7 As at the date of this document, insofar as known to Fund IV, there are no persons known to have a notifiable interest under applicable law in Fund IV's capital or voting rights.

19.8 As at the Latest Practicable Date, save for the Fund IV GP, which is responsible for managing the business affairs of Fund IV, Fund IV is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over Fund IV.

19.9 David Till intends to invest €4 million in Fund IV (through Fund IV Feeder C). Otherwise, no Fund IV GP Director holds any partnership interest in the Fund IV Master or Fund IV Feeder A or has made any Commitment to invest in Fund IV. The Fund IV GP has undertaken to make capital contributions of €1 to Fund IV Feeder A and €0.01 to the Fund IV Master in consideration of which it has received a general partner interest in both vehicles. Otherwise, the Fund IV GP has not made any Commitment to invest in Fund IV.

19.10 Save for the entry into those material contracts set out in paragraph 20 of this Part 7 to which the Fund IV AIFM and/or the Investment Adviser are party, Fund IV has not entered into any related party transaction at any time since it was established.

19.11 Fund IV is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of Fund IV.

19.12 David Till is also a director of the Investment Adviser and acts an alternate director to Peter Dubens, a director of the Company. Paul Moss and Ganash Lokanathen are also directors of the Fund IV Administrator, which provides services to and receives compensation from Fund IV. Otherwise, none of the Fund IV GP Directors has any conflict of interest or potential conflicts of interest between any duties to Fund IV and his private interests and any other duties.

20 Material contracts relating to Fund IV

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Fund IV and are, or may be, material to Fund IV:

20.1 ***Fund IV Feeder A Partnership Agreement***

Fund IV Feeder A has been constituted pursuant to a limited partnership agreement dated 16 November 2018 between the Fund IV GP and the Fund IV Founder Partner, as amended and restated on 2 January 2019 between the Fund IV GP, the Fund IV Founder Partner, the Fund IV AIFM and each of the limited partners whose subscription agreements have been accepted by the Fund IV GP from time to time (including the Company).

The Fund IV Feeder A Partnership Agreement sets out the constitution of Fund IV Feeder A and contains provisions relating to:

20.1.1 the investment objective, policy and restrictions of Fund IV Feeder A (as described in paragraph 2 of Part 7 of this document headed "*Fund IV's investment objective, policy and restrictions*");

20.1.2 the life of Fund IV Feeder A (as described in paragraph 18 of Part 7 of this document headed "*Duration of Fund IV*");

20.1.3 the borrowing powers of the partnership (as described in paragraph 2 of Part 7 of this document, under the heading "*Borrowings and guarantees*");

20.1.4 Fund IV Founder Partner clawback (as described in paragraph 11 of Part 7 of this document headed "*Fund IV Founder Partner clawback*");

20.1.5 investor clawback (as described in paragraph 12 of Part 7 of this document headed "*Investor clawback*");

20.1.6 distributions (as described in paragraph 10 of Part 7 of this document headed "*Distributions policy*"); and

20.1.7 carried interest, general partner's fees and expenses of the partnership (as described in paragraph 13 of Part 7 of this document headed "*Fees and expenses of Fund IV*").

In addition, the Fund IV Feeder A Partnership Agreement contains the following provisions:

Manager and General Partner

Pursuant to the terms of the Fund IV Feeder A Partnership Agreement, the Fund IV GP has appointed the Fund IV AIFM as the alternative investment fund manager of Fund IV Feeder A, to perform risk management and portfolio management in respect of the partnership. The Fund IV GP has the power and authority to terminate the appointment of the Fund IV AIFM and to appoint a replacement or successor manager and/or alternative investment fund manager at its discretion. The Fund IV GP is responsible for ensuring that an appropriately authorised person is always appointed as the alternative investment fund manager of Fund IV Feeder A.

Notwithstanding the appointment of the Fund IV AIFM, the Fund IV GP retains exclusive responsibility for the management and control of the activities and affairs of Fund IV Feeder A.

Closings

Pursuant to the Fund IV Feeder A Partnership Agreement, the Fund IV GP may accept subscriptions from investors at any time up to and including the Fund IV Final Closing Date.

Drawdowns

Commitments will be drawn down from investors *pro rata* in Euros, on an as-needed basis, for investments or to pay the Fund IV GP's Share and other expenses of the fund. Investors will receive a minimum of ten business days' prior notice for each drawdown.

Subject as provided under "*Excused Investments*" below, in the event that an investor fails to meet a drawdown notice then an interest penalty at a rate per annum equivalent to the EURIBOR rate prevailing at the time plus 4 per cent. may be charged on the unpaid amount and if the investor shall continue to fail to remedy such default within ten business days of being served a default notice, then upon notice from the Fund IV GP, its entire undrawn Commitment may become due and payable and, if not promptly paid, upon further notice from the Fund IV GP, either: (i) such investor's interest in relation to Fund IV may be redeemed for the payment of €1; or (ii) the Fund IV GP shall have the right to sell the interest of the defaulting investor to such other persons as the Fund IV GP may select with no obligation to maximise the value of such transfer for the defaulting investor.

For these purposes:

"**EURIBOR**" means the percentage rate per annum equal to the offered quotation published by Reuters at or about 11.00 a.m. (Brussels time) on the relevant date for the three month Euro rate calculated as an average rate of the European Money Markets Institute or, if such average rate of the European Money Markets Institute is unpublished or unavailable, then such rate as the Fund IV GP shall reasonably select.

Excused investments

An investor will be excused from a particular investment if, within five business days of receipt of the relevant drawdown notice, the Fund IV GP is notified in writing that such investment would constitute either: (i) a material violation of applicable laws or statutory regulations; (ii) a material violation of a binding investment prohibition or instruction contained in the investor's constitutional documentation or otherwise applying in respect of all of the private equity fund assets of the investor; or (iii) a material risk of the investor suffering any material adverse tax consequences. If requested by the Fund IV GP, such notification must be supported by an opinion to that effect from counsel acceptable to the Fund IV

GP. Appropriate adjustments will be made to the rights and obligations of that investor and the other investors in such circumstances.

Co-investment opportunities

Opportunities may arise for individual investors to invest in parallel with Fund IV on terms to be agreed. The Fund IV GP may offer such co-investment opportunities in its absolute discretion, including to third parties.

Transfer and withdrawal

Neither the Fund IV GP nor the Fund IV Founder Partner may sell, assign or transfer its interest in Fund IV Feeder A without the consent of investors representing in aggregate at least 75 per cent. of total Commitments (excluding certain non-voting Commitments, such as commitments from the Fund IV GP, the Fund IV Founder Partner and any member of the Oakley Group), other than to the Fund IV GP, the Fund IV Founder Partner, any of their respective associates and/or any member of the Oakley Group.

An investor (including the Company) may not sell, assign or transfer its interest in Fund IV Feeder A except with the prior written consent of the Fund IV GP. Further, no investor may withdraw from Fund IV Feeder A except where this is required to avoid violation of any applicable law or statutory regulation.

Key Persons

If, at any time after the Fund IV Initial Closing Date but prior to the end of the Fund IV Investment Period, Key Persons who meet their Key Person Responsibilities (each as defined below) together hold less than 5 Key Person Points (as defined below), then Fund IV Feeder A shall not be permitted to make any further investments (other than follow on investments in existing investee companies) unless a commitment to invest has already been undertaken or an offer letter has already been issued at the relevant time (a "**Fund IV Suspension Period**"). The Fund IV GP shall notify each investor if the criteria referred to above are no longer met. The Fund IV Suspension Period shall come to an end if the criteria referred to above are subsequently met or if investors representing in aggregate more than 50 per cent. of total Commitments (excluding certain non-voting Commitments, such as commitments from the Fund IV GP, the Fund IV Founder Partner and any member of the Oakley Group) otherwise elect to end the Fund IV Suspension Period. If the Fund IV Suspension Period extends beyond 12 consecutive months then the Fund IV Investment Period shall terminate.

For the purposes of the above:

(i) "**Key Persons**" means Peter Dubens, David Brickell, Alex Collins, Rebecca Gibson, Arthur Mornington, Ralf Schremper and David Till and any other person determined so to be by the Fund IV Investor Committee;

(ii) "**Key Person Points**" means, in respect of Peter Dubens, 2 points, and in respect of any other Key Person, including any replacement or additional Key Person, 1 point;

(iii) "**Key Person Responsibilities**" means, in the case of Peter Dubens and David Till, devoting a substantial majority of their business time to the business of the Oakley Funds and any Successor Funds, and, in the case of any other Key Person, devoting substantially all of their business time to the business of the Oakley Funds and any Successor Funds (assessed on a 6 month rolling basis); and

(v) "**Successor Fund**" means any new pooled investment fund or managed account arrangement (excluding any investment vehicle forming part of Fund IV or parallel investment vehicle) with an investment strategy which is substantially similar to that of Fund IV in respect of which the Fund IV GP, the Fund IV Founder Partner, any of their respective associates, the Fund IV AIFM, the Investment Adviser or any member of the Oakley Group acts as the general partner, manager, investment adviser or primary source of transactions.

Fund IV Investor Committee

Pursuant to the Fund IV Feeder A Partnership Agreement, an investor committee will be established comprising representatives of the investors in Fund IV Feeder A (other than the Fund IV GP, the Fund IV Founder Partner, their respective associates or any member of the Oakley Group).

The Fund IV GP is required to consult the Fund IV Investor Committee with respect to certain overall matters in relation to the fund, such as actual or potential conflicts of interest, any non-arm's length transactions (if any and subject to applicable confidentiality restrictions), the amount and breakdown of costs charged to Fund IV Feeder and any transactions taking place between Fund IV Feeder A and any other Oakley-sponsored fund (other than those envisaged in the Fund IV Constitution) as well as review the progress of the fund generally. The Fund IV Investor Committee does not make any decisions relating to the making or realisation of investments.

Indemnification

The Fund IV GP, the Fund IV Founder Partner, the Fund IV AIFM, any member of the Oakley Group and their respective directors, officers, associates, partners, agents, consultants and employees, independent members of the Investment Adviser's investment advisory committee, and the members of Fund IV Investor Committee (and only in respect of liability arising out of membership of the Fund IV Investor Committee, the investors whose representatives are members of the Fund IV Investor Committee) will be indemnified out of the assets of Fund IV Feeder A (including undrawn Commitments) against any claims and liabilities incurred by reason of their activities on behalf of Fund IV Feeder A, except in respect of matters resulting from their fraud, gross negligence, wilful misconduct, bad faith or reckless disregard of the terms of the Fund IV Constitution.

The Fund IV GP will use its reasonable endeavours to ensure that a person who is indemnified by Fund IV Feeder A: (i) uses its reasonable endeavours to exercise any rights of recovery which it may have against its insurer or the relevant third party or their insurers; and (ii) returns to Fund IV Feeder A any amounts received under the indemnity in circumstances where it is subsequently determined that such person is not entitled to receive such amounts.

Termination / replacement of the general partner

In the event that the Fund IV GP, the Fund IV AIFM or the Investment Adviser has, pursuant to a final judgment by a court of law, committed a conscious and material breach of the Fund IV Constitution, gross negligence, fraud, wilful misconduct, bad faith or reckless disregard for its duties under the Fund IV Constitution which, in each case, results in material financial disadvantage to Fund IV Feeder A, then the partnership may be dissolved with the consent of investors representing at least 50 per cent. of total Commitments received by Fund IV Feeder A.

In circumstances where Fund IV Feeder A would otherwise be dissolved in accordance with the above, Fund IV Feeder A may be continued pursuant to the consent of investors representing in aggregate at least 75 per cent. of total Commitments within 60 days of being notified of the event of dissolution, whereupon the Fund IV GP shall cease to be the general partner, and OCML (or any other portfolio manager), if appointed, shall cease to be the portfolio manager, on the appointment of a new general partner and/or portfolio manager (as applicable).

In such circumstances, the Fund IV Founder Partner shall be entitled to receive a payment of carried interest based on the value of the underlying investments of Fund IV Feeder A at the time of replacement of the Fund IV GP.

Reporting

Each investor will receive: (i) within 90 business days of the conclusion of each financial year, audited annual accounts; and (ii) within 45 business days of the end of each quarter year, unaudited interim quarterly reports. The annual accounts will be accompanied by a report of the cost and (where an investment has been held for 12 months or longer) the value of such investment (verified by an independent valuer and reviewed by the auditors of Fund IV). The quarterly reports will include a narrative and summary information on Fund IV's individual investments, a summary of fees paid to or retained by the Fund IV GP, the Fund IV Founder Partner, their respective associates and any member of the Oakley Group during the previous quarter, costs recovered or fees received with respect to Portfolio Support Services provided by the Fund IV GP, the Fund IV Founder Partner, their respective associates and/or any members of the Oakley Group during the previous quarter and a summary of the current position of the Fund IV Founder Partner in respect of its clawback obligation. The report for the quarter year to 30 June in each year will also contain the Fund IV AIFM's own unaudited valuation of Fund IV's investments as at such date.

Meetings

Upon the written request of investors representing 25 per cent. or more of Commitments, the Fund IV GP shall convene a meeting of investors. Notice of such meeting shall be given to investors within 10 business days of receipt by the Fund IV GP of such request and such meeting will be held not earlier than 10 business days and not later than 60 business days from the date of such notice. The Fund IV GP may also convene a meeting of investors on its own initiative by giving notice to the investors and such meeting will be held not earlier than 10 business days and not later than 60 business days from the date of such notice.

In addition, an annual meeting of investors will be held within 120 days of the distribution of the annual report to investors, where the Fund IV GP will report on the progress of Fund IV.

Variation

The Fund IV GP may, with the consent of investors holding at least two thirds of total Commitments, amend or waive any provision of the Fund IV Feeder A Partnership Agreement. In addition, the agreement may be amended by the Fund IV GP without investor consent in certain limited circumstances, including when it determines that such amendment: (i) is necessary or desirable to cure any ambiguity or inconsistency in the agreement or to correct clerical errors; (ii) does not adversely affect the interests of any investors; or (iii) is necessary or desirable to address a change in law, regulation or accounting practice. However, certain amendments are prohibited, such as those that would impose any obligation on an investor to make any further payment beyond its drawable Commitment.

Governing law

The Fund IV Feeder A Partnership Agreement is governed by Luxembourg law.

20.2 ***Fund IV Master Partnership Agreement***

The Fund IV Master has been constituted pursuant to a limited partnership agreement dated 13 February 2019 between the Fund IV GP and the Fund IV Limited Partners, as amended and restated on 30 April 2019 between those parties and the Fund IV Managing Limited Partner.

The Fund IV Master Partnership Agreement contains provisions relating to:

Life of the Fund IV Master

The Fund IV Master shall continue until such date as it is fully wound up and its assets are distributed amongst the Fund IV Limited Partners. A liquidating trustee shall be appointed to wind up the partnership on the earlier of (a) the tenth anniversary of the Fund IV Final Closing Date (or such later date following an extension of the term in accordance with the provisions of the Fund IV Constitution) and (ii) 90 days following notice by the Fund IV GP that no further Commitments may be drawn down from investors, all investments have been realised and the realisation proceeds have been distributed accordingly.

The Fund IV Master may also be wound up: (i) on the agreement of the Fund IV GP, all of the Fund IV Limited Partners and the Fund IV Managing Limited Partner; (ii) on the service of notice by the Fund IV GP that, in its reasonable opinion having taken external advice, the continuation of the Fund IV Master has become unlawful, impractical or inadvisable; and (iii) in certain insolvency scenarios involving the Fund IV GP.

Liability of partners

The Fund IV Limited Partners shall have no personal liability for the debts, liabilities or obligations of the Fund IV Master except as provided in the Fund IV Master Partnership Agreement and in applicable law. The Fund IV GP is fully responsible for all debts, liabilities and obligations of the Fund IV Master but shall not personally be liable for the return of any Commitments made to the Fund IV Master.

Purpose

The purpose of the Fund IV Master is to carry on, and to enable the Fund IV GP, the Fund IV Limited Partners and the Fund IV Managing Limited Partner to carry on, the activity of investing and monitoring the performance and management of such investments in accordance with the investment objectives and policies of the Fund IV Limited Partners, with the principal objective of generating investment return.

General Partner and Managing Limited Partner

Pursuant to the terms of the Fund IV Master Partnership Agreement, the Fund IV GP has exclusive responsibility for the management and control of the activities and affairs of the Fund IV Master and, subject to the terms of the Fund IV Master Partnership Agreement, has full power and authority to do all things necessary to carry out the purposes of the Fund IV Master. The Fund IV GP may delegate its rights, privileges, powers, duties, trusts and discretions under the agreement so long as such delegate holds the required authorisations, licences and approvals to act.

The Fund IV Managing Limited Partner has the power to consult and to advise the Fund IV GP with respect to the business of the Fund IV Master and generally to manage the business affairs of the Fund IV Master internally together with the Fund IV GP, but has no power to represent the Fund IV Master externally.

Closings

The Fund IV GP may accept subscriptions from additional limited partners at any time.

Transfer and withdrawal

The Fund IV Limited Partners may not transfer all or any part of their interest in the Fund IV Master without the consent of the Fund IV GP and no Fund IV Limited Partner shall have any right to the return of its capital contribution except upon liquidation of the partnership.

Drawdowns

Commitments from the Fund IV Limited Partners will be drawn down *pro rata* in Euros on an as-needed basis. However, the aggregate amount which may be advanced by each Fund IV Limited Partner shall not exceed the aggregate amount which may be advanced by the investors in such Fund IV Limited Partner.

Distributions

The Fund IV GP shall distribute amounts allocated to the Fund IV GP and the Fund IV Limited Partners as soon as practicable after the relevant amount becomes available for distribution. After the payment or provision for fees, costs and expenses, income and capital in respect of an investment will be allocated to the Fund IV Limited Partners *pro rata* to their Commitments drawn down in respect of such investment.

Reporting

The Fund IV GP shall prepare and approve accounts of the partnership in respect of each accounting period (ending 31 December in each year) in accordance with generally accepted accounting principles, and such accounts will be audited. The audited accounts will be sent to each partner in the Fund IV Master following the end of each accounting period.

Variation

The Fund IV GP may, with the unanimous consent of the Fund IV Limited Partners and Fund IV Managing Limited Partner, amend or waive any provision of the Fund IV Master Partnership Agreement. In addition, subject to any required consent under Luxembourg law, the agreement may be amended by the Fund IV GP without consent in certain limited circumstances, including when it determines that such amendment: (i) is necessary or desirable to cure any ambiguity or inconsistency in the agreement or to correct clerical errors; or (ii) is necessary or desirable to address a change in law, regulation or accounting practice.

Governing law

The Fund IV Master Partnership Agreement is governed by Luxembourg law.

20.3 ***Fund IV AIFM Agreement***

An alternative investment fund management agreement dated 15 November 2018 between the Fund IV AIFM, the Fund IV GP, Fund IV Feeder A and Fund IV Feeder B, pursuant to which the Fund IV AIFM

has been appointed as the alternative investment fund manager to Fund IV, with responsibility for portfolio and risk management, marketing and valuations, in accordance with the Luxembourg Law of 12 July 2013 on Alternative Investment Fund Managers.

Under the terms of the Fund IV AIFM Agreement, the Fund IV AIFM is entitled to fees in connection with, *inter alia*, the operational on-boarding of Fund IV, the provision of portfolio management and risk management services, periodic reporting, valuations and marketing. However, pursuant to the Fund IV Constitution, the Fund IV GP, the Fund IV Founder Partner, any of their respective associates or any member of the Oakley Group shall bear the cost of such fees.

The Fund IV AIFM Agreement is terminable at the end of each calendar quarter by either the Fund IV AIFM or the Fund IV GP giving to the other not less than three months' written notice (subject to a replacement AIFM having been appointed by the Fund IV GP). The Fund IV AIFM Agreement may also be terminated with immediate effect on the occurrence of certain events, including the insolvency of a party or a breach that is not remedied within 30 days of receipt of notice. The Fund IV AIFM may also terminate the agreement with immediate effect if its fees are not paid within three months.

Fund IV Feeder A and Fund IV Feeder B have each agreed to indemnify the Fund IV AIFM and its officers, directors and employees against all claims, liabilities, costs, charges and expenses incurred in the performance of its obligations under the Fund IV AIFM Agreement, provided that such claims, liabilities, costs, charges and expenses are not a result of negligence, fraud, wilful or material breach or wilful misconduct by the relevant indemnified party.

The Fund IV AIFM has agreed to indemnify and hold harmless the Fund IV Limited Partners, the Fund IV GP and their respective employees, partners, officers and directors from all losses arising out of the Fund IV AIFM's bad faith, negligence, fraud, wilful or material breach or wilful misconduct.

The Fund IV AIFM may, with the prior written consent of the Fund IV GP and subject to applicable law and the Fund IV Constitution, delegate any part of its functions and duties to other service providers, but shall retain ultimate liability for their performance under the agreement. The Fund IV AIFM may therefore delegate or transfer the portfolio management function to OCML or to another member of the Oakley Group, once such entity has received the appropriate authorisations.

The Fund IV AIFM Agreement is governed by the laws of Luxembourg.

20.4 ***Fund IV Investment Advisory Agreement***

An investment advisory agreement dated 14 December 2018 between the Fund IV GP (in its capacity as general partner to Fund IV Feeder A and Fund IV Feeder B), the Investment Adviser and the Fund IV AIFM, pursuant to which the Fund IV AIFM has appointed the Investment Adviser to provide investment advisory services in respect of Fund IV.

The Investment Adviser is responsible for, *inter alia*, identifying and analysing potential investment opportunities, preparing financial and operating reports and providing assistance with valuations and the calculation of the net asset value. The Investment Adviser also provides recommendations directly to the Fund IV GP in connection with investment decisions to be made by the Fund IV AIFM, including recommendations regarding capital calls, distributions, external financing and special purpose vehicles.

In consideration for its services under the Fund IV Investment Advisory Agreement, the Investment Adviser is entitled to receive fees from the Fund IV GP. However, pursuant to the Fund IV Constitution, the Fund IV GP, the Fund IV Founder Partner, any of their respective associates or any member of the Oakley Group shall bear the cost of such fees.

The Investment Adviser is entitled, with the consent of the Fund IV AIFM, Fund IV Feeder A and Fund IV Feeder B, to delegate at its own cost the performance of all or part of its functions to one or more sub-advisors but shall remain liable for their performance. At the date of this document, it is anticipated that the Investment Adviser will appoint Oakley Capital GmbH as a sub-adviser, to provide investment advisory services in Germany and elsewhere.

The Investment Adviser has agreed to use its best efforts, judgment, due care, and attention in carrying out its duties under the agreement (including the appointment and supervision of agents) provided

that it shall, as far as permitted under applicable law, not be liable for any loss or damage suffered by the Fund IV GP or the Fund IV AIFM, except as a consequence of the bad faith, negligence or wilful default of the Investment Adviser.

The Fund IV Investment Advisory agreement may be terminated by any party on three months' written notice, provided that a replacement authorised AIFM has been appointed by the Fund IV GP in respect of Fund IV. The agreement may also be terminated by any party with immediate effect on the occurrence of certain events, including a party being wound-up, certain insolvency events, the gross negligence, wilful misconduct or fraud of the Investment Adviser, and a breach that is not remedied within 30 days of receipt of written notice.

The Fund IV Investment Advisory agreement is governed by Luxembourg law.

20.5 ***Fund IV Distribution Agreement***

A distribution agreement dated 15 November 2018 between Fund IV Feeder A, Fund IV Feeder B, the Investment Adviser and the Fund IV AIFM, pursuant to which the Fund IV AIFM has appointed the Investment Adviser as the non-exclusive distributor of limited partnership interests in Fund IV Feeder A and Fund IV Feeder B within the EEA in accordance with the applicable law.

In consideration for its services under the agreement, the Investment Adviser shall be entitled to fees as agreed between the parties from time to time.

Pursuant to the Fund IV Distribution Agreement, the Investment Adviser has agreed to indemnify and hold harmless the other parties, together with their respective directors, officers, shareholders, managers, agents, representatives, employees and members, against all actions, proceedings, reasonable costs, or other liabilities incurred or sustained by them (excluding indirect or consequential damages) as a result of the Investment Adviser's gross negligence, fraud or material breach.

The Fund IV Distribution Agreement may be terminated by either the Fund IV AIFM or the Investment Adviser giving to the other parties not less than three months' notice prior to the end of the relevant calendar quarter, provided that a successor AIFM has been appointed by the Fund IV GP in respect of Fund IV. The agreement may also be terminated with immediate effect in certain circumstances, including insolvency, a material breach that is not remedied within 30 days of notice and (by the Fund IV AIFM only) where it is in the best interest of the investors.

The Fund IV Distribution Agreement is governed by Luxembourg law.

20.6 ***Fund IV Administration Agreement***

An administration agreement dated 15 November 2018 between the Fund IV Administrator, the Fund IV GP (acting on its own behalf and as general partner of Fund IV), Oakley Capital IV FM GP S.à r.l. (acting on its own behalf and as general partner of the Fund IV Founder Partner) and the Fund IV AIFM, pursuant to which the Fund IV Administrator has been appointed as the administrator of Fund IV.

Pursuant to the agreement, the Fund IV Administrator has agreed to provide certain administrative services to the other parties, including the provision of registered office and corporate director services, the safe-keeping of registers and corporate records, the preparation of financial statements, the filing of statutory and annual returns in accordance with applicable law and the calculation and publication of the net asset value.

Under the terms of the Fund IV Administration Agreement, the Fund IV Administrator is entitled to be paid certain fees and expenses as set out in Part 7 of the document under the heading "*Fees and expenses of Fund IV*".

Pursuant to the Fund IV Administration Agreement, the parties have agreed to indemnify and hold harmless the Fund IV Administrator against any costs, losses or claims it incurs, except where arising from (or contributed to by) the Fund IV Administrator's bad faith, fraud, wilful misconduct or negligence. The Fund IV Administrator's aggregate liability under the agreement is capped in each year at (i) in the first 12 months of the engagement, four times the aggregate annual fixed fee (if any) payable to the Fund IV Administrator in respect of that period plus any variable fees estimated by the Fund IV

Administrator in good faith, and (ii) in each subsequent year, four times the aggregate fees paid to the Fund IV Administrator in the preceding year.

The Fund IV Administration Agreement may be terminated by the Fund IV Administrator on not less than three months' written notice or by any other party on not less than six months' written notice. The agreement may also be terminated immediately upon the occurrence of certain events, including insolvency or a material breach that is not remedied within 30 days of receipt of notice.

The Fund IV Administration Agreement is governed by Luxembourg law.

20.7 ***Fund IV Depositary Agreement***

A depositary agreement dated 15 November 2018 between the Fund IV Depositary, the Fund IV GP (as general partner of Fund IV Feeder A and Fund IV Feeder B) and the Fund IV AIFM, pursuant to which the Fund IV Depositary has been appointed as the depositary of Fund IV for the purposes of the AIFMD.

Under the terms of the Fund IV Depositary Agreement, the Fund IV Depositary is entitled to be paid certain fees and expenses as set out in Part 7 of the document under the heading "*Fees and expenses of Fund IV*".

Pursuant to the Fund IV Depositary Agreement, the parties have agreed to indemnify and hold harmless the Fund IV Depositary, together with its employees and affiliates, against any costs, losses or claims which it incurs or which may be made against it as a result of its performance or non-performance under the agreement, except for any liability arising from (or contributed to by) its fraud, wilful misconduct or negligence. The Fund IV Depositary's aggregate liability under the agreement is capped in each year at (i) in the first 12 months of the engagement, four times the aggregate annual fixed fee (if any) payable to the Fund IV Depositary in respect of that period plus any variable fees estimated by the Fund IV Depositary in good faith, and (ii) in each subsequent year, four times the aggregate fees paid to the Fund IV Depositary in the preceding year.

In accordance with the terms of the Fund IV Depositary Agreement, and subject to the provisions of the AIFMD, the Fund IV Depositary may delegate its safe-keeping functions in relation to the assets of Fund IV. The Fund IV Depositary's liability shall not be affected by any delegation except to the extent that it has discharged itself of liability for loss of financial instruments in accordance with the AIFMD.

The Fund IV Depositary Agreement may be terminated by the Fund IV Depositary on not less than six months' written notice or by any other party on not less than three months' written notice. The agreement may also be terminated immediately upon the occurrence of certain events, including insolvency, a material breach that is not remedied within 30 days of receipt of notice, or the Fund IV Depositary ceasing to be appropriately licensed under the applicable law.

The Fund IV Depositary Agreement is governed by Luxembourg law.

20.8 ***Fund IV Master Facility Agreement***

A master facility agreement dated 17 June 2019 between Fund IV, Fund IV Feeder A and Fund IV Feeder B, Fund IV GP and Investec Bank Plc (as lender and security agent) pursuant to which Investec Bank has made available a multicurrency loan facility.

The master facility agreement shall apply to approved facilities made available pursuant to the terms of the agreement. The agreement contains covenants and undertakings that are customary for an agreement of this nature.

The agreement is governed by English law.

21 Litigation

21.1 There have been no governmental, legal or arbitration proceedings, and Fund IV is not aware of any governmental, legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of Fund IV.

22 Auditors

22.1 For the purposes of the audited financial statements of Fund IV included in Appendix 3, the auditors to Fund IV were Crowe U.K. LLP of Riverside House, 40–46 High Street, Maidstone, Kent ME14 1HJ. Crowe U.K. LLP is a firm of chartered accountants and is an auditor registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales (ICAEW).

22.2 For the purposes of the audited financial statements of Fund IV for the period to 31 December 2019, it is anticipated that the auditors to Fund IV will be KPMG Luxembourg, Société coopérative of 39, Avenue John F. Kennedy, L-1855 Luxembourg. KPMG Luxembourg, Société coopérative is registered with the Commission de Surveillance du Secteur Financier (CSSF) to carry out audit work in Luxembourg.

23 Depositary

Aztec Financial Services (Luxembourg) S.A., whose registered office is located at 8, rue Lou Hemmer, L-1748 Luxembourg-Findel, Grand Duchy of Luxembourg, acts as Fund IV's depositary and will safeguard all of the assets of Fund IV, which do not constitute financial instruments within the meaning of section C of Annex 1 to directive 2014/65/EU. The Fund IV Depositary is a public limited liability company (société anonyme), registered in Luxembourg with number B131.192 and was incorporated on 7 August 2007. The Fund IV Depositary's telephone number is +(352) 246 160 6341. The Depositary maintains its registered office and place of central administration in Luxembourg. The Depositary is authorised and regulated by the Commission de Surveillance du Secteur Financier in Luxembourg (registration number P00000307). The principal business of the Depositary is the provision of depositary services to alternative investment funds.

24 Subsidiaries

Fund IV structures its investments through a number of special purpose vehicles (which may be wholly or partly owned by Fund IV) but does not otherwise have any subsidiaries. These include a wholly-owned subsidiary, Oakley Capital IV Master Holdco S.à r.l., through which Fund IV proposes to structure all of its investments. Oakley Capital IV Master Holdco S.à r.l. was incorporated in Luxembourg as a limited liability company on 20 May 2019 with registered number B234.459.

25 Additional information

25.1 Fund IV is not regulated in the United Kingdom, Luxembourg or in any other jurisdiction.

25.2 The Fund IV Master and Fund IV Feeder A currently have no employees.

25.3 The Fund IV Master is a special limited partnership (société en commandite spéciale) established in Luxembourg on 13 February 2019 pursuant to the Luxembourg law of 10 August 1915 on commercial companies, as amended, and registered with the Luxembourg trade and companies register (Registre de Commerce et des Sociétés, Luxembourg) under number B232.077. Its registered office and principal place of business is 8, rue Lou Hemmer, L-1748 Luxembourg-Findel, Grand Duchy of Luxembourg. The Fund IV Master's telephone number is +352 246 160 6007.

25.4 Fund IV Feeder A is a special limited partnership (société en commandite spéciale) established in Luxembourg on 15 November 2018 pursuant to the Luxembourg law of 10 August 1915 on commercial companies, as amended, and registered with the Luxembourg trade and companies register (Registre de Commerce et des Sociétés, Luxembourg) under number B229.402. Its registered office and principal place of business is 8, rue Lou Hemmer, L-1748 Luxembourg-Findel, Grand Duchy of Luxembourg. Fund IV Feeder A's telephone number is +352 246 160 6007.

25.5 The Fund IV GP is a Luxembourg private limited company (société à responsabilité limitée) with its registered office for the time being at 8, rue Lou Hemmer, L-1748 Luxembourg-Findel, Grand Duchy of Luxembourg registered with the Luxembourg trade and companies register (Registre de Commerce et des Sociétés, Luxembourg) under number B228.348.

PART 8

DEFINITIONS

Administration Agreement	the agreement dated 1 January 2017, between the Company and the Administrator, summarised in paragraph 7.3 of Part 5 of this document
Administrative Agent	OCML in its role as administrative agent to the Company
Administrator	Mayflower Management Services (Bermuda) Limited
Admission	the admission of the Ordinary Shares to trading on the Specialist Fund Segment of the London Stock Exchange's main market becoming effective in accordance with the Admission and Disclosure Standards
Admission and Disclosure Standards	the admission and disclosure standards of the London Stock Exchange
AIC Code	the Association of Investment Companies' Code of Corporate Governance, as amended from time to time
AIFM	alternative investment fund manager
AIFM Directive or **AIFMD**	Directive 2011/61/EU on Alternative Investment Fund Managers
AIFM Rules	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK
AIM	the AIM market of the London Stock Exchange
AIM Rules	the AIM Rules for Companies governing admission to and the operation of AIM, as amended from time to time
Auditor	KPMG Audit Limited
Bermuda Companies Act	the Bermuda Companies Act 1981, as amended
Bermuda Partnership Acts	the Bermuda Limited Partnership Act 1883 (as amended), the Bermuda Partnership Act 1902 (as amended) and the Bermuda Exempted Partnerships Act 1992 (as amended)
Branch Registrar	Computershare Investor Services (Jersey) Limited
Branch Registrar Agreement	the agreement for the provision of branch registry and associated services in Jersey dated 1 May 2015, between the Company and the Branch Registrar, summarised in paragraph 7.5 of Part 5 of this document
Bridge Investment	an investment where the intention at the time of investment is to invest on a temporary basis by way of an underwriting or other short-term investment with a view to selling down, redeeming or repaying any such excess within 12 months
Bye-Laws	the Bye-laws of the Company as at the date of this document
certificated form	not in uncertificated form
COB Rules	the FCA's Conduct of Business Sourcebook

Commitment	the amount committed by an investor to an Oakley Fund whether or not such amount has been advanced in whole or in part
Company	Oakley Capital Investments Limited
Company Secretarial Agreement	the secretarial services agreement dated 17 July 2019 entered into between the Company and OCML, summarised in paragraph 7.4 of Part 5 of this document
CREST	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
CREST Depositary	Computershare Investor Services PLC
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
CSSF	the Luxembourg Commission de Surveillance du Secteur Financier
Depositary and Custody Services Agreement	the agreement for the provision of depositary and custody services dated 1 May 2015, between the Company and the CREST Depositary, summarised in paragraph 7.6 of Part 5 of this document
Depositary Deed	the deed poll executed by the CREST Depositary on 9 July 2007 relating to the Depositary Interests
Depositary Interests or **DIs**	the depositary interests issued in uncertificated form from time to time by the CREST Depositary in the ratio of one for one in respect of each Ordinary Share deposited with the CREST Depositary for conversion into a Depositary Interest and on the terms and conditions of the Depositary Deed and in accordance with the applicable law
Depositary Interest Register	the register of Depositary Interests maintained by the CREST Depositary constituting the record of DI Holders from time to time
DI Holder	a holder of Depositary Interests
Directors or **Board**	the board of directors of the Company
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
EEA	European Economic Area
EU	the European Union
Euro or **€**	the lawful currency of the Member States that have adopted the single European currency
Euroclear	Euroclear UK & Ireland Limited
FATCA	the US Foreign Account Tax Compliance Act
FCA	the Financial Conduct Authority
FCA Rules	the rules or regulations issued or promulgated by the FCA from time to time and for the time being in force (as varied by any waiver or modification granted, or guidance given, by the FCA)

Financial Advisory Agreement	the financial advisory agreement dated 18 July 2019, between Liberum Capital Limited, the Company, the Investment Adviser and the Directors, summarised in paragraph 7.1 of Part 5 of this document
FSMA	the UK Financial Services and Markets Act 2000, as amended
Fund I	Oakley Capital Private Equity L.P.
Fund II	OCPE II Master L.P., through a Bermuda feeder limited partnership, Oakley Capital Private Equity II-A L.P.
Fund III	OCPE III Master L.P., through a Bermuda feeder limited partnership, Oakley Capital Private Equity III-A L.P.
Fund III Administration Agreement	the administration services agreement dated 1 January 2017 between the Administrator and OCML, summarised in paragraph 22.4 of Part 6 of this document
Fund III Constitution	the Fund III Master Partnership Agreement, the Fund III Feeder A Partnership Agreement and (as the context requires) any other agreement constituting the Fund III Master and Fund III Feeder A
Fund III Feeder A	Oakley Capital Private Equity III-A L.P.
Fund III Feeder A Partnership Agreement	the amended and restated limited partnership agreement dated 29 January 2016 between the Fund III GP, the Fund III Founder Partner, the Company, OCML and each of the limited partners whose subscription agreements have been accepted by the Fund III GP from time to time, summarised in paragraph 22.1 of Part 6 of this document
Fund III Feeder B	Oakley Capital Private Equity III-B L.P.
Fund III Feeder C	Oakley Capital Private Equity III-C L.P.
Fund III Final Closing Date	the date on which subscription deeds in respect of Commitments to Fund III were last accepted by OCML (as manager), being 29 September 2017
Fund III Founder Partner	OCPE III Founder Member L.P. (acting by its general partner, OCPE III FM GP Limited)
Fund III GP	Oakley Capital III Limited
Fund III GP Directors	the board of directors of the Fund III GP
Fund III GP's Share	the priority share allocable to the Fund III GP as set out in paragraph 15.2 of Part 6 of this document
Fund III Initial Closing Date	the date on which subscription deeds in respect of Commitments to Fund III were first accepted, being 2 January 2016
Fund III Investment Period	the period beginning on the Fund III Initial Closing Date and expiring on the earlier of (i) the fifth anniversary of the Fund III Final Closing Date; (ii) such date as determined by OCML (as manager) when at least 75 per cent. of Commitments have been invested or committed for investment or for potential investment or reserved in writing for follow-on investments, operating expenses or other potential liabilities and obligations of Fund III; and (iii) the termination

	of the Fund III Investment Period due to a Fund III Suspension Period continuing for more than 12 consecutive months under the Fund III Constitution as described in paragraph 22.1 of Part 6 of this document
Fund III Investor Committee	the investor committee comprising representatives of investors in Fund III Feeder A established pursuant to the Fund III Constitution, together (where applicable) with the equivalent committee established in respect of Fund III Feeder B
Fund III Limited Partners	Fund III Feeder A, Fund III Feeder B and Fund III Feeder C
Fund III Master	OCPE III Master L.P.
Fund III Master Partnership Agreement	the limited partnership agreement dated 9 February 2016 between the Fund III GP and the Fund III Limited Partners, summarised in paragraph 22.2 of Part 6 of this document
Fund III Preferred Return	as defined in paragraph 12 of Part 6 of this document
Fund III Suspension Period	as defined in paragraph 22.1 of Part 6 of this document
Fund IV	Oakley Capital IV Master SCSp, through a Luxembourg feeder limited partnership, Oakley Capital IV-A SCSp
Fund IV Administration Agreement	the administration agreement dated 15 November 2018 between the Fund IV Administrator, the Fund IV GP (acting on its own behalf and as general partner of Fund IV), Oakley Capital IV FM GP S.à r.l. (acting on its own behalf and as general partner of the Fund IV Founder Partner), summarised in paragraph 20.6 of Part 7 of this document
Fund IV Administrator	Aztec Financial Services (Luxembourg) S.A.
Fund IV AIFM	Luxembourg Investment Solutions S.A.
Fund IV AIFM Agreement	the alternative investment fund management agreement dated 15 November 2018 between the Fund IV AIFM, the Fund IV GP, Fund IV Feeder A and Fund IV Feeder B, summarised in paragraph 20.3 of Part 7 of this document
Fund IV Constitution	the Fund IV Master Partnership Agreement, the Fund IV Feeder A Partnership Agreement and (as the context requires) any other agreements constituting the Fund IV Master and Fund IV Feeder A
Fund IV Depositary	Aztec Financial Services (Luxembourg) S.A.
Fund IV Depositary Agreement	the depositary agreement dated 15 November 2018 between the Fund IV Depositary, the Fund IV GP (as general partner of Fund IV Feeder A and Fund IV Feeder B) and the Fund IV AIFM, summarised in paragraph 20.7 of Part 7 of this document
Fund IV Distribution Agreement	the distribution agreement dated 15 November 2018 between Fund IV Feeder A, Fund IV Feeder B, the Investment Adviser and the Fund IV AIFM, summarised in paragraph 20.5 of Part 7 of this document
Fund IV Feeder A	Oakley Capital IV-A SCSp

Fund IV Feeder A Partnership Agreement	the amended and restated limited partnership agreement dated 2 January 2019 between the Fund IV GP, the Fund IV Founder Partner, the Fund IV AIFM and each of the limited partners whose subscription agreements have been accepted by the Fund IV GP from time to time, summarised in paragraph 20.1 of Part 7 of this document
Fund IV Feeder B	Oakley Capital IV-B SCSp
Fund IV Feeder C	Oakley Capital IV-C SCSp
Fund IV Final Closing Date	the date on which subscription agreements in respect of Commitments to Fund IV are last accepted by the Fund IV GP
Fund IV Founder Partner	Oakley Capital IV FM SCSp (acting by its general partner Oakley Capital IV FM GP S.à r.l.)
Fund IV GP	Oakley Capital IV S.à r.l.
Fund IV GP Directors	the board of Directors of the Fund IV GP
Fund IV GP's Share	the priority share allocable to the Fund IV GP as set out in paragraph 13.2 of Part 7 of this document
Fund IV Initial Closing Date	the date on which subscription agreements in respect of Commitments to Fund IV were first accepted, being 2 January 2019
Fund IV Investment Advisory Agreement	investment advisory agreement dated 14 December 2018 between the Fund IV GP (in its capacity as general partner to Fund IV Feeder A and Fund IV Feeder B), the Investment Adviser and the Fund IV AIFM, summarised in paragraph 20.4 of Part 7 of this document
Fund IV Investment Period	the period beginning on the Fund IV Initial Closing Date and expiring on the earlier of (i) the fifth anniversary of the Fund IV Final Closing Date; (ii) such date as determined by the Fund IV GP when at least 75 per cent. of Commitments have been invested or committed for potential investment or reserved in writing for follow-on investments, operating expenses or other potential liabilities and obligations of Fund IV; and (iii) the termination of the Fund IV Investment Period due to a Fund IV Suspension Period continuing for more than 12 consecutive months under the Fund IV Constitution as described in paragraph 20.1 of Part 7 of this document
Fund IV Investor Committee	the investor committee established by the General Partner of Fund IV pursuant to the Fund IV Constitution which comprises representatives of the investors in Fund IV as further described in part 7 of this Prospectus
Fund IV Limited Partners	Fund IV Feeder A, Fund IV Feeder B and Fund IV Feeder C
Fund IV Managing Limited Partner	Oakley Capital IV FM GP S.à r.l.
Fund IV Master	Oakley Capital IV Master SCSp
Fund IV Master Partnership Agreement	the amended and restated limited partnership agreement dated 30 April 2019 between the Fund IV GP, the Fund IV Limited Partners and the Fund IV Managing Limited Partner, summarised in paragraph 20.2 of Part 7 of this document
Fund IV Preferred Return	as defined in paragraph 10 of Part 7 of this document

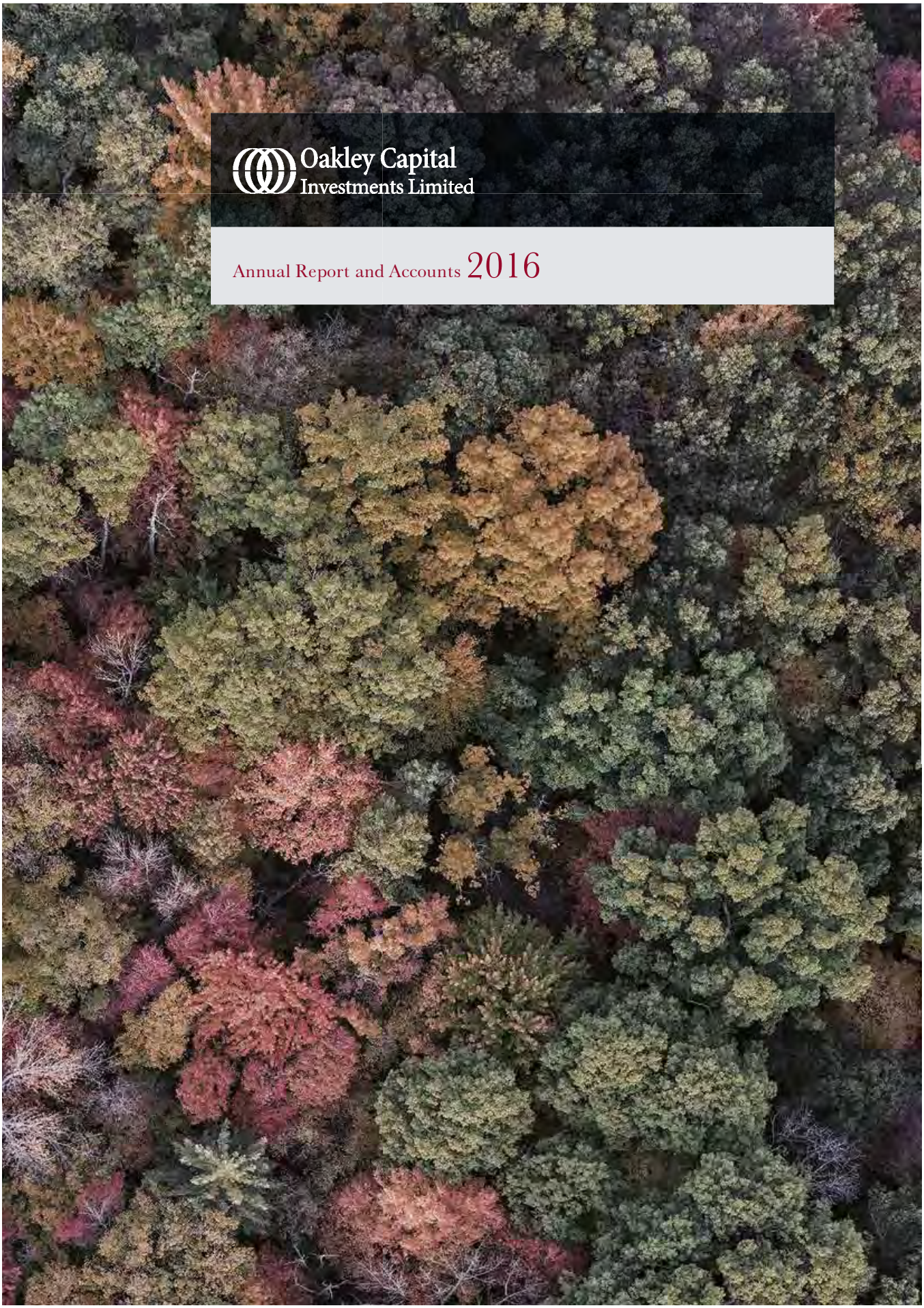
Fund IV Suspension Period	as defined in paragraph 20.1 of Part 7 of this document
General Partners	the general partners of the Oakley Funds, being: Oakley Capital I Limited, a company incorporated with limited liability in Bermuda with registration number 40245, in its capacity as general partner of Fund I; Oakley Capital II Limited, a company incorporated with limited liability in Bermuda with registration number 44683, in its capacity as general partner of Fund II; Oakley Capital III Limited, a company incorporated with limited liability in Bermuda with registration number 50730, in its capacity as general partner of Fund III; and Oakley Capital IV S.à r.l., a company incorporated with limited liability in Luxembourg with registration number B228.348, in its capacity as general partner of Fund IV
Gross Assets	the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
Group	the Company and its Subsidiary
HMRC	HM Revenue and Customs
IFRS	International Financial Reporting Standards
Investment Adviser	Oakley Capital Limited, a company incorporated in England and Wales with registered number 4091922, which is authorised and regulated by the Financial Conduct Authority
Investment Advisory Agreement	the investment advisory agreement dated 1 April 2017 between OCML and the Investment Adviser, under which OCML has appointed the Investment Adviser to provide investment advice in connection with the Company's investments
IPO	initial public offering
ISA	an Individual Savings Account maintained in accordance with the Individual Savings Account Regulations 1998 (as amended from time to time)
Latest Practicable Date	16 July 2019
Liberum	Liberum Capital Limited
Licence Agreement	the amended and restated licence agreement dated 18 March 2019 between the Company and the Investment Adviser, summarised in paragraph 7.7 of Part 5 of this document
Listing Rules	the listing rules made by the Financial Conduct Authority under section 73A of FSMA
London Stock Exchange	the London Stock Exchange plc
MAR or **Market Abuse Regulation**	the Market Abuse Regulation (EU) No. 596/2014
Member State	any member state of the European Economic Area
Memorandum of Association	the memorandum of association of the Company as at the date of this document
NAV or **Net Asset Value**	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time

NAV per Ordinary Share or **Net Asset Value per Ordinary Share**	the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (excluding treasury shares)
Net Assets	the assets of the Company less its liabilities as determined in accordance with the accounting principles adopted by the Company from time to time and the Bye-laws
Nominated Adviser and Broker Agreement	the nominated adviser and broker agreement dated 17 August 2009 between the Company and Liberum, summarised in paragraph 7.8 of Part 5 of this document
Oakley Funds	Fund I, Fund II, Fund III and Fund IV
Oakley Group or **Oakley**	OCML and the Investment Adviser, together with their respective associates
Oakley Valuation Policy	the valuation policy adopted by the Oakley Group, as summarised in paragraph 9 of Part 1 of this document
OCML	Oakley Capital Manager Limited
Official List	the official list maintained by the Financial Conduct Authority
Operational Services Agreement	the amended and restated operational services agreement dated 17 July 2019 between the Company and OCML, summarised in paragraph 7.2 of Part 5 of this document
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company
Portfolio Support Services	the provision of: (i) specialist corporate finance and/or legal due diligence and/or assistance; (ii) the services of financial and/or operational specialists on a project basis; and (iii) arrangement of debt funding, in each case to, or with respect to, portfolio companies, by: (A) members of the Oakley Group; and (B) in respect of Fund III, the Fund III GP, the Fund III Founder Partner and any of their respective associates, and in respect of Fund IV, the Fund IV GP, the Fund IV Founder Partner and any of their respective associates
Prospectus Rules	the rules and regulations made by the FCA under Part VIII of FSMA
Register	the register of members of the Company
Registrar	Mayflower Management Services (Bermuda) Limited
Regulation S	Regulation S under the US Securities Act
Regulatory Information Service	a service authorised by the Financial Conduct Authority to disseminate regulatory announcements
SEC	the United States Securities and Exchange Commission
Shareholder	a holder of Ordinary Shares or (as the context requires) any other shares in the Company
Specialist Fund Segment	the Specialist Fund Segment of the main market of the London Stock Exchange
Sterling or **£**	the lawful currency of the United Kingdom

Subsidiary	OCI Financing (Bermuda) Limited
Takeover Code	The City Code on Takeovers and Mergers
UK	the United Kingdom of Great Britain and Northern Ireland
UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
uncertificated or **in uncertificated form**	an Ordinary Share recorded on the Register, or a Depositary Interest recorded on the Depositary Interest Register, as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United States or **US**	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Dollar or **US$**	the lawful currency of the United States
US Investment Company Act	the United States Investment Company Act of 1940, as amended
US Person	a US Person as defined for the purposes of Regulation S
US Securities Act	the United States Securities Act of 1933, as amended

APPENDIX 1

ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR EACH OF THE THREE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018


Oakley Capital
Investments Limited
Annual Report and Accounts 2016



Oakley Capital Investments Limited

Oakley Capital Investments Limited ("OCI" or the "Company") is a Bermuda based company listed on AIM. OCI seeks to provide investors with long-term capital appreciation, through its investment in the Oakley Funds and co-investment opportunities.

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For more information visit
www.oakleycapitalinvestments.com

Financial Highlights

Net Asset Value[1] £438.4m (2015: £382.2m)	Net Asset Value per Share[2] £2.31 (2015: £2.00)	Total NAV per Share Return +16% (2015: 0%)
Share Price £1.64 (2015: £1.44)	Total Shareholder Return[3] +17% (2015: -7%)	Underlying Oakley Funds' Portfolio Growth[4] +30% (2015: +31%)
Maiden Dividend 4.5p (2015: nil)	Number of Shares in Issue at 31 December 2016 189.8m (2015: 191.1m)	Value of Current Investments £340.9m (2015: £289.2m)

Oakley Funds' Portfolio Companies



















1 This is the post-dividend NAV, pre-dividend NAV was £447.0 million at 31 December 2016.
2 Calculated based on the post-dividend NAV, pre-dividend NAV per share was £2.35 at 31 December 2016.
3 Calculated based on the share price at 31 December 2016 of £1.64 plus the maiden dividend of 4.5 pence.
4 Calculated on a like-for-like basis.



At a Glance

The post-dividend NAV of OCI was £438.4m* (2015: £382.2m) on 31 December 2016, a 15% increase year-on-year. It consists of the following components:

FUND INVESTMENTS	CO-INVESTMENTS	OTHER ASSETS/LIABILITIES
48.2% of total NAV	29.6% of total NAV	22.2% of total NAV
£211.3m	£129.6m	£97.5m
Assets in the underlying Oakley Funds.	Investments held by OCI directly or indirectly in the portfolio companies either through equity or debt.	Other assets and liabilities held by OCI, primarily cash.

PORTFOLIO

The Company invests in a number of portfolio companies, indirectly through the Oakley Funds, or directly through its co-investments. The composition of OCI's investment in the underlying portfolio companies is represented in the pie-chart below, (which includes debt and equity investments).

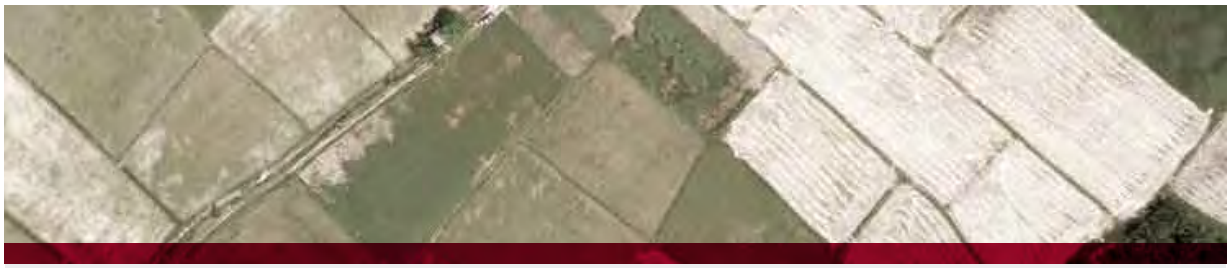


Time Out	£87.2m
Educas	£69.7m
North Sails	£54.3m
Daisy	£42.8m
Facile	£39.3m
Parship	£22.7m
Fund Facilities	£22.6m
HEG	£12.2m
Verivox	£9.8m
Damovo	£5.5m
Broadstone	£0.4m

KEY EVENTS DURING 2016:

- Time Out Group plc successfully listed on the AIM market of the London Stock Exchange, raising net proceeds of £59m.
- A partial sale of Parship Elite Group to ProSiebenSat.1 Media SE ("ProSieben") resulting in proceeds of €43.3m (£38.9m) being distributed to the Company.
- An agreement to sell Host Europe Group ("HEG") to GoDaddy Inc. was reached in December 2016. Expected proceeds to the Company are approximately €14.4m (£12.2m).
- Total commitments of €325.0m (£277.3m) were made to Fund III during the year.
- Maiden dividend was declared of 4.5 pence which was paid on 30 January 2017.
- Announcement of Fund III's first investment in December 2016, acquiring a portfolio of online property portals including the leading website in Luxembourg, atHome.lu, and the number two player in Italy, Casa.it.

* This is the post-dividend NAV, pre-dividend NAV was £447.0 million at 31 December 2016.



SECTOR FOCUS

Oakley has developed an expertise in three core sectors in which it has successfully invested.

TMT | CONSUMER | EDUCATION

GEOGRAPHICAL FOCUS

Investments are focused primarily in Western Europe.

WESTERN EUROPE

PERFORMANCE

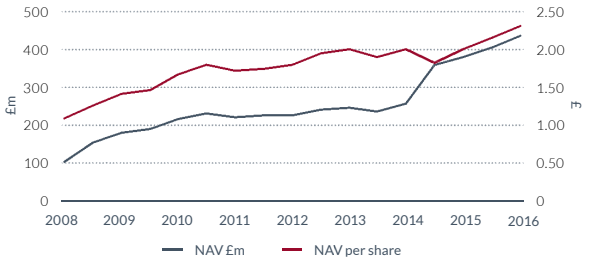
The table and graphs below reflect the performance from inception to date.

Performance (Total Return)

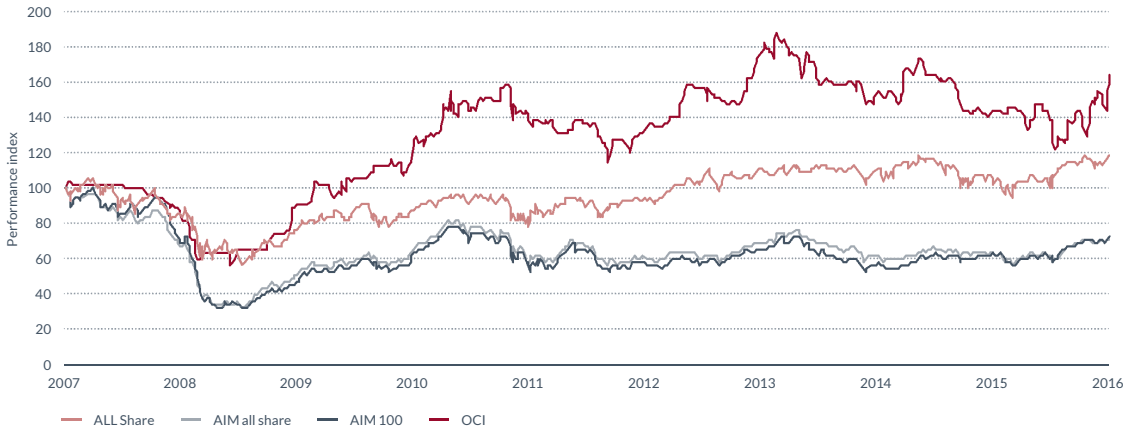
	1 year	5 years	Since inception
OCI NAV per share growth	16%	35%	133%
OCI share price growth*	14%	24%	61%

*Based on pre-dividend share price growth

OCI NAV & NAV per share



OCI long-term performance vs Indices





I am pleased to report that the underlying performance of the Oakley Funds' portfolio companies has been strong, reflected in the 30% like-for-like growth in the fair value of the Oakley Funds' investment portfolios over the past twelve months.

Chairman's Statement



"The Company's net asset value increased in the year by £56.2 million to £438.4 million."

Christopher Wetherhill
Chairman

Overview

I am pleased to report that the Company has performed well in 2016. There has been a 30% increase (on a like-for-like basis) in the fair values of the portfolio companies held by the Oakley Funds, reflecting strong underlying growth. This, together with the favourable impact on the Company of weaker Sterling, has resulted in an increase in the NAV per share year-on-year of 16%.

In June 2016, Time Out Group plc ("Time Out") successfully listed on the AIM of the London Stock Exchange, generating net proceeds of £59 million after fees and debt repayment. Following the listing, the Company has a direct interest in Time Out representing 24.0% of Time Out's issued share capital, and an indirect interest through Fund I of a further 22.7%.

In October 2016, Parship Elite Group was partially sold to ProSiebenSat.1 Media SE ("ProSieben"). The Company received proceeds of €43.3 million (£38.9 million) from this transaction. The Fund generated a gross money multiple and IRR of 3.6x and 145% respectively, from the realisation and from its retained interest.

In December 2016, Fund II reached an agreement with Cinven (the majority shareholder of Host Europe Group ("HEG")) to sell HEG to GoDaddy Inc. HEG was Oakley's third investment in the hosting space and demonstrates its expertise in the TMT sector, which it continues to build upon.

Fund III announced its first investment in December 2016, acquiring a number of European real estate consumer websites including Casa.it in Italy and atHome.lu in Luxembourg. This will build on Oakley's experience in the digital consumer sector through its previous investments in Facile, Parship Elite Group and Verivox. This transaction completed in January 2017.

Funding and Commitments

The Company has a capital commitment of €188.4 million (£160.1 million) to Fund I of which 95.0% had been called at 31 December 2016, making Fund I fully invested with just two companies remaining in the portfolio.

The Company has a capital commitment of €200.0 million (£170.6 million) to Fund II of which 76.5% had been called at 31 December 2016. Including debt facilities provided to the Fund, 93% of commitments have been deployed, making Fund II also essentially fully invested.

The Company has made a capital commitment of €325.0 million (£277.3 million) to Fund III, of which 3% had been called at 31 December 2016.

Performance

The NAV per share as at 31 December 2016 was £2.31, (2015: £2.00) an increase of 16% (18% before the maiden dividend is taken into account). Of the 31 pence uplift in NAV per share, 18 pence is attributable to the significant weakening of Sterling over 2016, and 13 pence is due to the strong performance of the portfolio which was partly offset by the dividend paid.

The Company's NAV increased in the year by £56.2 million to £438.4 million (2015: £382.2 million) which is due to the movements in the underlying Funds and co-investments.

Fund I represented £64.9 million (2015: £56.3 million) of the Company's NAV at year end, an increase of £8.6 million in the year. The movement in Fund I was driven by the uplift in the valuation of Educas, which was partly offset by the decrease in Time Out's share price following Brexit, and the disposal of the remaining investment in Broadstone.



Fund II represented £144.0 million (2015: £102.0 million) of the Company's NAV, an increase of £42.0 million in the year. The main driver of this increase was an uplift in fair value arising from improved trading performances in a number of the underlying portfolio companies, particularly Educas and Facile. Fund II also made follow-on investments in Educas, Daisy, North Sails and Verivox in 2016, totalling €81.3 million (£69.3 million).

Co-investments represented £129.6 million of the Company's NAV at year end, comprising quoted and unquoted equity and debt securities. This included £6.8 million of follow-on investment in Time Out, and debt financing provided to North Sails Apparel BV ("North Sails Apparel") of £10.0 million.

Board and Committee Changes

In June 2016, Caroline Foulger was appointed as a Non-executive Director to the Board and Chair of the Risk Committee and Laurence Blackhall was appointed Chair of the Audit Committee. Caroline has been an independent Director in the financial services industry since early 2013, and brings her significant experience to the Board of OCI. These appointments replace Tina Burns as Non-executive Director and Chair of the Audit Committee and Ian Pilgrim as Non-executive Director. Both Ian Pilgrim and Tina Burns did not offer themselves to be re-elected in the AGM on 7 June 2016. I would like to thank Tina and Ian for their contribution to the Company over the years.

Dividend

In December 2016, the Board took a decision to introduce a dividend of 4.5 pence per share, for the year ended 31 December 2016, given the consistent income generated from co-investments and increased cash returns from exits. The dividend payment equated to 2.0% of the NAV at 31 December 2016. The dividend was paid on 30 January 2017 to shareholders registered on 30 December 2016.

Outlook

OCI has performed well in the current market which is shown in the performance of the underlying portfolio companies. The portfolio has remained resilient to the current challenging macroeconomic and geopolitical markets.

The first few months of 2017 have shown that the events of Brexit and the new US political regime will take time to unfold and we will be presented with new challenges along the way. The Company is in a good position to continue to perform well and provide long-term capital appreciation for its shareholders.

Post Balance Sheet Events

On 23 January 2017, the Company announced a placing of up to 17.1 million treasury shares at a price of £1.57 per share. The Company sold 15.0 million treasury shares and cancelled the remaining 2.1 million. This transaction settled on 7 February 2017 raising funds of £23.6 million. The number of ordinary shares with voting rights currently in issue is 204,804,036, and the Company no longer holds any shares in treasury. The dilution impact of this on the NAV per share as at 31 December 2016 was approximately 2.6%, or 5.9 pence (2015 dilution: 1.4%, 2.9 pence).

On 31 January 2017, Fund III completed its first acquisition, purchasing a group of European real estate consumer websites including Casa.it in Italy and atHome.lu in Luxembourg. The Company's contribution to the equity investment, through its interest in Fund III, is approximately €32.5 million (£28.2 million).

The sale of HEG completed on 3 April 2017, with total proceeds of €42.2 million (£36.2 million) received by Fund II, of which the Company will receive €14.6 million (£12.5 million). This is a slight increase from the expected proceeds of €14.4 million (£12.2 million) used in the year end accounts. The exit generated a gross money multiple and IRR of 2.1x and 40% respectively, for Fund II. The Fund took a minority stake in HEG at the time it sold intergenia to HEG in January 2015. This deal means, since its acquisition of intergenia in January 2014, the combined return and IRR to Fund II across both the HEG and intergenia investments is 1.8x and 44% respectively.

In February 2017, Steven Tredget joined Oakley, with responsibility for investor relations. Steven has worked in investment banking for 17 years and was a founding partner of our Nominated Adviser and Broker, Liberum Capital Limited. With his knowledge of the investment community and his understanding of and passion for the Company, he is well placed in this role.

Christopher Wetherhill
Chairman





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Introduction to the Investment Manager and Adviser

Oakley Capital (Bermuda) Limited (the "Manager"), a Bermudian company, is the manager of the Company. The Manager appointed Oakley Capital Limited, a UK company, ("Oakley", or the "Investment Adviser") as its investment adviser. Oakley also serves as Investment Adviser to the Oakley Funds. The Investment Adviser is authorised and regulated by the Financial Conduct Authority.

OCI offers investors a liquid investment vehicle, through which they can obtain exposure to the underlying Oakley Funds with minimal administrative burden, no long-term lock-up and no minimum investment size. The Investment Adviser is primarily responsible for advising the Manager of the Oakley Funds, Oakley Capital Manager Limited ("OCML") on the investment and realisation of the assets for each of the Funds. Peter Dubens and David Till have a team of twenty-three investment professionals and are together primarily responsible for performing its investment advisory obligations with respect to the Company and the Funds.

The Oakley Funds invest in companies that can achieve exceptional growth through acquisition and operational improvement. The Investment Adviser has a strong track record in exploring different sectors and geographical areas to find investments that will create value for the Company in the future. For example, Parship Elite Group, an online matchmaking service in Germany, was partially exited in 2016 at a value which represented a gross money multiple of 3.6x and 145% IRR on the investment, returning €43.3 million (£38.9 million) to OCI. Fund II has a remaining stake of 38.5% in the company post-realisation.

The Oakley Funds' focus is on primary, proprietary transactions. The deals may include:

- Challenging or complex management buy-outs and buy-ins
- Carve-outs
- Operational businesses that require improvement.

The Oakley Funds look for businesses where the Investment Adviser's team can make a difference. Senior team members include proven business leaders who have successfully run, transformed and grown businesses themselves throughout their careers.



OCI Investment Policy and Strategy

OCI Investment Objective

OCI has been established to provide investors with long-term capital appreciation through its investments in the Oakley Funds managed by the Investment Manager and/or General Partners and/or advised by the Investment Adviser (or their respective affiliates) and through co-investment opportunities alongside the Oakley Funds, either through debt or equity instruments.

OCI Investment Strategy

Private equity funds are, traditionally, only available to very large investors who have the financial resources to make significant long-term commitments and can therefore be difficult for the vast majority of smaller investors to gain access to. OCI allows its shareholders to participate in the private equity model through their shareholding; providing the opportunity to access a differentiated portfolio of private equity investments. The benefits of this include no minimum size of investment is required and it provides liquidity via the listed structure. The need to manage resources to meet capital drawdowns is also removed by investing in this way.

OCI will hold cash on the balance sheet where it has not yet been called by the Oakley Funds or has not been deployed in co-investment opportunities. Where possible the Company will look to invest this cash to yield returns for the Company. Cash investing activities are governed by the Board, and primarily includes the investment of funds in near term cash deposits. Whilst OCI must maintain a level of liquidity in order to meet its commitments to the Oakley Funds, it aims to maximise the returns made on its cash resources.

OCI also has the ability to invest alongside the Oakley Funds in certain co-investment opportunities, in the form of equity and debt. These opportunities arise particularly when a deal becomes too large for the Oakley Funds and can occur when a platform deal grows significantly and further capital is required to grow the business and realise its potential. Co-investments provide a means for OCI to achieve high returns and gain direct exposure to the value of the underlying portfolio companies. In this way OCI can leverage the Investment Adviser's expertise to generate quality deal flow, whilst benefitting from direct participation in the deal. The Board determines the level of co-investments and carefully considers the Company's exposure and portfolio diversification. North Sails and Time Out are examples of co-investments made by OCI.



OCI Investment Policy and Strategy continued

Funds' Investment Strategy

Oakley's investment style is characterised by its ability to empathise with entrepreneurs and ambitious managers, combined with its analytical and operational experience. Oakley seeks to make investments in companies with enterprise values of approximately €60 – €300 million and secure a controlling position in the target company.

The Oakley networks and wider ecosystem attract a range of entrepreneurs and managers to the broader group. It believes it has developed a respected reputation and brand among business owners that are otherwise not attracted to the standard auction-led private equity market. These relationships are carefully cultivated to deliver differentiated deal flow, limiting Oakley's reliance on intermediaries and auctions. Oakley rarely participates in intermediated deals or active M&A auction processes unless it has a compelling competitive advantage.

Oakley's in-house execution capabilities enable it to effectively exploit off-market opportunities, which tend to be more complex, unpackaged and require speed and agility in order to deliver. These off-market opportunities generate a distinctive portfolio, typically at entry multiples which are low or below the sector average.

Oakley focuses on companies undergoing significant change, in sectors with strong growth dynamics. The sector strategy is therefore pragmatic, with the development of 'hubs' of sector expertise that have evolved through a series of successful investments. For instance, strong credentials and networks in Digital Consumer and TMT sectors. These spaces are represented strongly across the Oakley Funds, but more recently Oakley has also entered the highly attractive education sector with the investment in Educas, which it aims to develop, through the expertise acquired by working with this business.

Oakley primarily invests in Western Europe, with particularly strong credentials and networks in the UK and Germany, as well as experience of investing in the Netherlands and Northern Italy. Oakley recognises the benefits of operating in regions where it has a strong network and operating experience. The entrepreneurial heritage and strong connections among the European business community provides a flow of attractive proprietary introductions to primary deals.

Oakley (the Investment Adviser to the Company and the Oakley Funds) applies consistent investment criteria when accessing opportunities. These include:

- **M&A potential**
- **Robust business models**
- **Sector of Oakley expertise**
- **Attractive financial markets**
- **Partnership with entrepreneurial management teams**



Investment Approach

Sector focus

Oakley has developed particular expertise in three core sectors, with deep knowledge in certain subsectors where repeated investments have been made.

All investments are managed by specialist, dedicated sector and portfolio management teams located in London. They work with a common purpose and culture in applying consistent methodologies and processes to create value and growth in the Oakley Funds' portfolios.

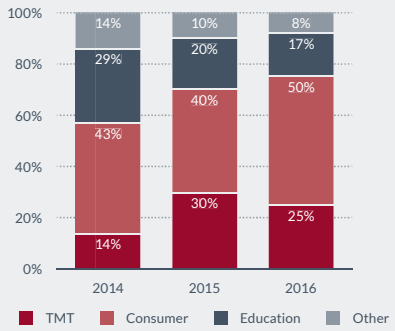
TMT	
Hosting	Telecoms
Consumer	
Global Brands	Digital Consumer
Education	
Private Education	

Geographical focus

The Funds focus primarily in Western Europe.

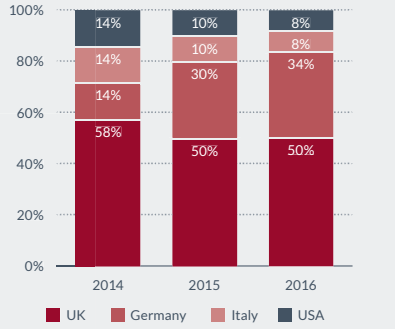


Portfolio Companies by Sector



The above graph illustrates Oakley's focus and expertise in the core sectors. It is calculated based on the number of portfolio companies held by the Oakley Funds in each sector for each respective year.

Portfolio Companies by Country



The above graph illustrates the location of the portfolio companies, by headquarter, over the last three years. It is calculated based on the number of portfolio companies held by the Oakley Funds in each geographic location.



Investment Approach continued

Company/sector characteristics

The sectors and companies that the Investment Adviser targets are generally expected to exhibit the following characteristics:

Sustainable competitive advantage

- Brand strength
- Flexible cost structures

Consolidation opportunities

- Industries early in consolidation lifecycle
- Economies of scale through buy and build

Industry attraction

- Sustainable barriers to entry
- Stable customer and supplier bases
- Attractive forecasted growth

Ability to generate sustainable earnings and cash flow from recurring revenues

- Predictable cash-flows
- High return on invested capital

Defensible market position

- Leaders in their niches with demonstrable resilience in downturns
- Main business risks are within the control of the Funds and/or Company

Opportunities for value creation

The Investment Adviser will seek to target investments that have a potential for value creation through active management in the following areas:

Strategic redirection

- Focus on core business
- New market expansion
- New product introduction

Industry consolidation

- Economies of scale through acquisition and integration
- Business roll-outs

Operational restructuring

- Cost structure re-alignment
- Working capital and cash management
- Information technology and systems integration
- Improved asset utilisation

Financial restructuring

- Over-leveraged capital structures
- Public to private in smaller mid-market companies with a focus on AIM
- Non-core divestitures

Human capital management

- Management incentives through equity participation
- Removal of underperforming management teams
- Injection of new talent



OCI Re-investment

On any realisation of investments, the Company may re-invest funds in any of the following ways:

In existing Oakley Funds

If still in investment period, and accepting additional commitments

Successor or new Oakley Funds

In successor and/or new Oakley Funds, with successor strategies, in each case managed by the Investment Manager and/or advised by the Investment Adviser

Co-investment opportunities

In co-investment opportunities alongside the Oakley Funds, provided by the General Partners of any successor Oakley Funds

Cash

In cash, cash deposits and near cash deposits

Investment Approach

Oakley employs a disciplined and methodical investment approach. In order to evaluate a target company's potential, Oakley will typically conduct a detailed analysis of the sector; the target company's position within that sector; any consolidation potential; the target company's financial performance relative to its peers; its key performance drivers; and to which potential buyers the Investment Adviser believes the target company could ultimately be sold.

When making acquisitions or investing in a portfolio company, the Company and/or the Oakley Funds may invest directly or indirectly in equity and/or debt instruments, including convertible preference shares, loan notes, warrants, debentures and convertible loan stock. The debt securities in which the Company and/or the Funds may invest may be below investment grade.

The Company and/or the Oakley Funds may also directly or indirectly invest in derivative instruments for purposes of efficient portfolio management (and not for speculative purposes) and make loans or acquire debt instruments issued with a coupon and/or at a discount to the redemption price. The Company and/or the Oakley Funds may utilise leverage when deemed appropriate (subject to borrowing powers of the Company).

Although the Company and/or the Oakley Funds generally expect to invest directly in securities, subject to any applicable regulatory requirements, the Company and/or the Oakley Funds may invest indirectly through one or more subsidiaries or other vehicles where the Investment Manager and/or the Directors consider that this would be commercially preferable, tax efficient, or provide the only practicable means of access to the relevant security.

Borrowing Powers of the Company

OCI has the power to borrow money in any manner. The Directors cannot borrow more than 25% of the Net Asset Value of the Company determined at the time of drawdown and in accordance with the valuation policies and procedures adopted by OCI, as detailed in the Company Byelaws. It may utilise leverage when deemed appropriate by the Board, and it may be required to use its investments as security for any borrowings which it does put in place.



Environmental, Social and Governance

Oakley is committed to being a responsible investor and became a signatory of the UN Principles for Responsible Investing in December 2015. Oakley recognises that investments have an impact beyond a financial return for investors, in particular human, environmental and social factors.

Responsible investing is an approach to investment that explicitly acknowledges the relevance to the investor of environmental, social and governance ("ESG") factors, and the long-term health and stability of the market as a whole. The Company recognises that the generation of long-term sustainable returns is dependent on stable, well-functioning and well governed social, environmental and economic systems.

Awareness of environmental, social and governance factors are important to Oakley because:

- Shareholder value can be created through improving ESG in the underlying portfolio companies;
- There are material financial risks associated with ESG criteria;
- ESG aligns our interest with a long-term approach to return, as opposed to a focus on short-term company performance;
- Understanding and mitigating the ESG risks helps protect our reputation and goodwill in the market; and
- Regulatory attention is increasing, with stewardship codes launched in many jurisdictions including the UK and EU.

ESG issues can have a significant impact on private equity investments in terms of making and managing investments, and creating value in each portfolio company.

The following core ESG Principles are being implemented by Oakley to ensure that operations are in line with responsible investing:

Core ESG Principles:

- Complying with best practice, regulations, industry guidance and the principles of the law;
- Approaching the investment process responsibly and considering the environmental and social impact that any investments may have;
- Strict observance of the Company and any Fund investee entities, on respecting fundamental human rights;
- Aiming to mitigate the environmental impact of its own operations;
- Respecting the wishes of investors who do not wish to invest in specific sectors; and
- Seeking equality and diversity in employment.

Responsible Investing

When considering potential new investments, the Investment Adviser will assess them against certain criteria. As part of responsible investing, there will not be any investing in or development of relationships with a company which:

- produces any illegal products or engages in any illegal activities;
- has production or other activities that involve harmful or exploitative forms of forced labour or child labour;
- manufactures, distributes or sells arms or ammunitions designed or designated for military purposes;
- produces or sells pornography;
- is involved with products and activities that are banned under global conventions and agreements, such as certain pesticides, chemicals, wastes, ozone-depleting substances and endangered or protected wildlife or wildlife products; or
- is involved in the supply or purchase of sanctioned products or goods to or from countries or regions covered by United Nations sanctions.

Governance

Oakley has an ESG Committee which meets quarterly to discuss the ESG impact of its activities, and to evaluate whether or not any measures need to be taken to ensure that the ESG principles and goals are maintained.

The aim is to engage and work closely with all Oakley employees to encourage participation (and, where relevant, ensure compliance) with the ESG programme. It is implementing the UNPRI principals in advance of the initial reporting cycle in Q1 2018.



Oakley in the Community:

Oakley is active in the community and promotes a number of charities and trusts. OCI makes a number of donations every year to Bermudian charities. For further details, see page 47.

The Prince's Trust believes that every young person should have the chance to succeed. It helps 13 to 30 year-olds who are unemployed or struggling at school to transform their lives.



The Royal Brompton & Harefield Hospitals Charity is an independent charity that raises funds for specific projects at hospitals that the NHS is unable to fund. Current fundraising priorities are the Royal Brompton Hybrid Theatre Appeal and the Harefield Centenary Appeal.



Great Ormond Street Hospital Children's Charity raises money so it can provide world-class care and to pioneer new treatments and cures for childhood illnesses.



The Weizmann Institute of Science is one of the world's leading multidisciplinary basic research institutions in natural and exact sciences. Its dedicated scientists are working to solve humanity's greatest challenges.



Jeans for Genes Day funds a range of initiatives that improve the quality of life of children affected by genetic disorders. Jeans for Genes Day funds Genetic Disorders UK, a national charity dedicated to supporting families affected by genetic disorders.



Young Enterprise is the UK's leading charity that empowers young people to harness their personal and business skills. It gives young people from all backgrounds the opportunity to realise their full potential through a range of practical enterprise programmes, from one-day masterclasses to year-long projects. These programmes can empower young people to learn, to work and to live.





Market Overview and Outlook

The Company has continued to perform well during 2016. The underlying portfolio companies in the Oakley Funds have demonstrated resilience, in a year characterised by uncertainty and volatility due to the events of Brexit and the new US regime.

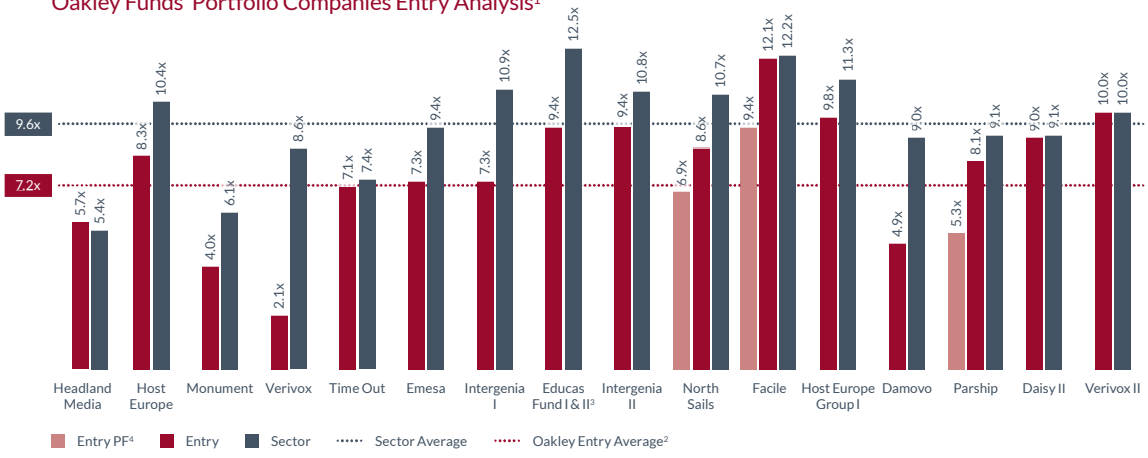
As has been widely reported throughout 2016, private equity investment activity remained subdued in a market heavily influenced by price pressures. The interest rate environment was benign and costs of debt remained low, making the leveraging of new deals cheaper. The demand for deals outstripped supply as Private Equity firms came under pressure to deploy high volumes of capital. Together with low interest rates, this has continued to push up prices of investee companies at entry as well as enhancing the value at exit. The Investment Adviser's strategy of pursuing non-competitive, proprietary deals has enabled the Oakley Funds to invest in high-quality companies. Oakley's analysis indicates that across the majority of the Funds' portfolios, companies have been purchased at an average EV/EBITDA multiple lower than the relevant sector average, demonstrating an effective strategy in an inflated valuation environment.

The exit environment was made more complex by difficult IPO conditions across Europe in 2016. Investor uncertainty depressed IPO volumes in the lead-up to the UK's Referendum on EU membership, and concerns about the performance of the British economy outside the European Union has caused many European firms to postpone IPO plans. Nevertheless, the successful IPO of Time Out onto the AIM was completed, just nine days before the referendum.

Following Brexit, Sterling has seen a marked weakening against other major currencies. For OCI, this has contributed to an uplift in the Company's NAV, however, this is subject to market volatility going forward as the implementation of Brexit takes shape.

Although there will be continued geopolitical and economic uncertainty in 2017, the Investment Adviser's investment strategy remains focussed on actively seeking new investments where it can leverage its sector expertise and detailed knowledge base, building strong relationships with founders and management. It continues to be diligent in its approach to sourcing new deals and, while macroeconomic factors are outside of its control, the Investment Adviser continues to believe that it can identify opportunities to deliver long-term value accretion to the Company.

Oakley Funds' Portfolio Companies Entry Analysis[1]



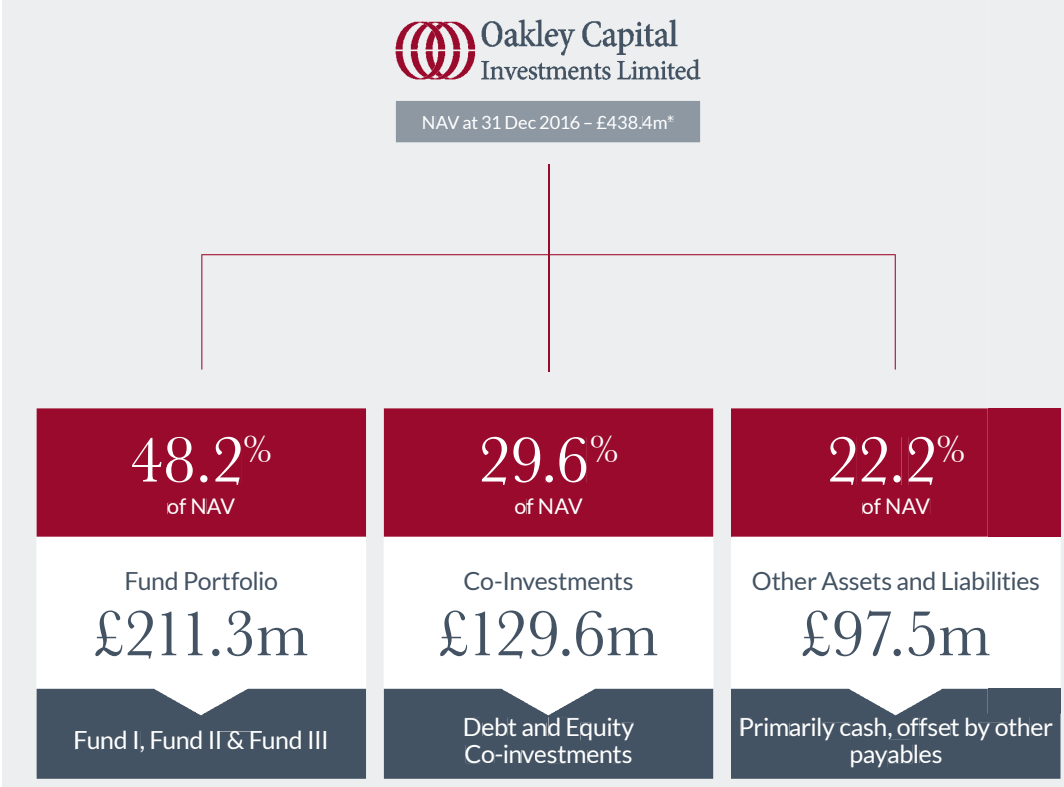
Notes:

1. Excludes: Broadstone, as business was loss making at point of acquisition; Daisy, as it was a share deal; Daisy Data Centre Solutions, as it was a short-term investment acquired out of administration.
2. Oakley Entry Average includes **pro forma** multiples.
3. Educas multiples based on aggregation of school acquisitions across Fund I and Fund II excluding Bearwood as it was loss making.
4. PF – **Pro forma** numbers include identified synergies and effects of planned acquisitions at the point of entry; in the case of Facile, given the Companies high forecast growth, *pro forma* multiple represents a forward year multiple.



OCI NAV Overview

OCI has three key areas of investment; being its investment in the Oakley Funds, co-investments including debt facilities, and other asset holdings (primarily cash).



* This is the post-dividend NAV, pre-dividend NAV was £447.0 million for the year ended 2016.

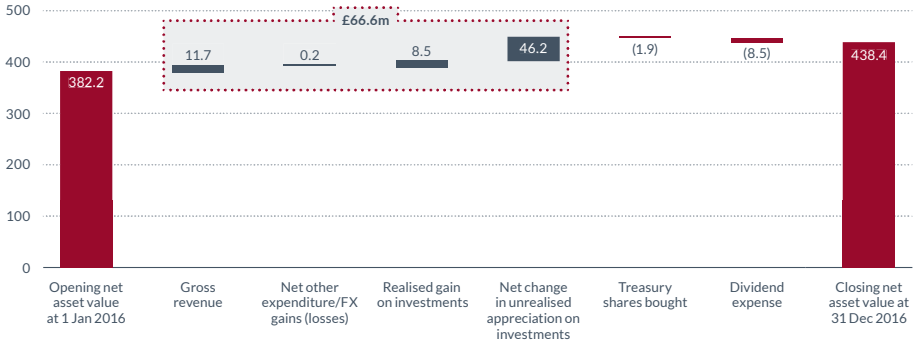


Movement in Net Asset Value

The movement in the Company's NAV over the year is summarised below:

	2015 £m	2016 £m
Opening net asset value as at start of year	256.9	**382.2**
Gross revenue	5.6	**11.7**
Other expenditure	(7.3)	**(4.5)**
Net foreign currency gains/(losses)	(2.0)	**4.7**
Realised gain on investments	29.0	**8.5**
Net change in unrealised appreciation/(depreciation) on investments	(3.6)	**46.2**
Shares issued	126.8	**–**
Treasury shares bought	(24.6)	**(1.9)**
Treasury shares sold	1.4	**–**
Dividend expense	–	**(8.5)**
Closing net asset value as at end of year	382.2	**438.4**
NAV per share	£2.00	**£2.31**

Movement in Net Asset Value (£m)



During the year, the NAV increased by £56.2 million to £438.4 million (2015: £382.2 million).

The Company's net earnings for 2016 were £66.6 million (2015: £21.6 million), consisting of:

- Realised gain of £8.5 million and net change in unrealised gain of £46.2 million, driven predominantly by the uplift in the valuations of the underlying portfolio companies in the Funds and the weakening of Sterling over the year.
- Gross revenue of £11.7 million comprising of interest income earned on the debt facilities provided to portfolio companies and the Funds.
- Net other expenditure of £0.2 million, consisting of gross expenses being £4.5 million offset against positive net currency gains of £4.7 million due to the weakening of Sterling.
- The increase of the NAV was offset by the declaration of the Company's maiden dividend of £8.5 million, and by the buyback of treasury shares of £1.9 million.

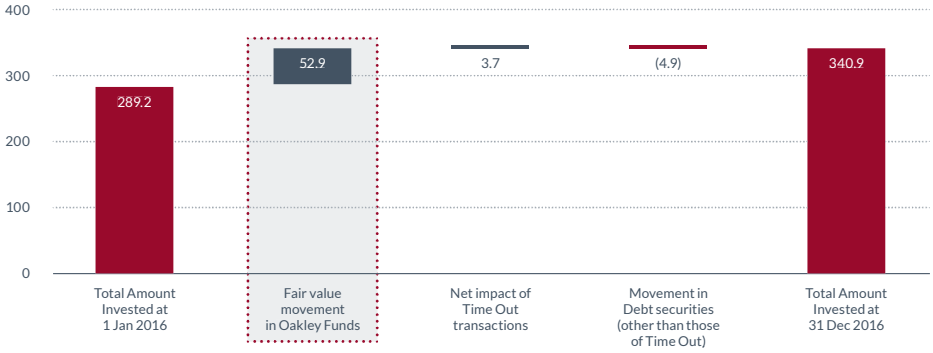


OCI Investment Activity

The 2016 transactional activity for the Company's investment portfolio is summarised below:

Investment	31 Dec 2015 Fair value £m	31 Dec 2016 Fair value £m
Investment in Oakley Funds	**158.4**	**211.3**
	158.4	**211.3**
Co-Investments		
Equity securities	25.9	43.9
Debt securities	104.9	85.8
	130.8	**129.6**
Total Investments	**289.2**	**340.9**

Portfolio Investment Growth (£m)



Breakdown of the fair value movement of Investment in Oakley Funds:

Capital Calls £41.8m (2015: £27.1m) − Cost of Investments sold £39.2m (2015: £16.5m) + Fair value changes in portfolio £50.3m (2015: £(4.1)m) = Total £52.9m

The increase in the fair value of the Company's investments in the Oakley Funds was £52.9 million to £211.3million (2015: £158.4 million), which represents an increase of £8.6 million for Oakley Fund I, £42.0 million for Oakley Fund II and £2.3 million for Oakley Fund III.



OCI Investment Activity continued

Overview of OCI's underlying investments held through Oakley Funds I, II & III

Fund	Investments held at Year End:	Sector	Location	Year of Investment	Cost £m	Fair Value £m
Fund I	Time Out	Consumer	Global	2010	26.4	33.9
Fund I	Educas	Education	Global	2013	12.4	35.9
OCI's proportionate allocation of Fund I investments (on a look through basis)						**69.8**
Other Assets and Liabilities (includes receivable of £0.4m for Broadstone)						(4.9)
OCI's investment in Oakley Fund I						**64.9**
Fund II	North Sails	Consumer	Global	2014	28.3	32.3
Fund II	Educas	Education	Global	2014	24.7	33.8
Fund II	Facile	Consumer	Italy	2014	14.5	39.3
Fund II	Host Europe Group	TMT	Germany	2015	6.5	12.2
Fund II	Damovo	TMT	Germany	2015	3.4	5.5
Fund II	Parship Elite Group	Consumer	Germany	2015	0.0	22.7
Fund II	Daisy	TMT	UK	2015	12.1	11.0
Fund II	Verivox	Consumer	Germany	2015	7.0	9.8
OCI's proportionate allocation of Fund II investments (on a look through basis)						**166.8**
Other Assets and Liabilities						(22.8)
OCI's investment in Oakley Fund II						**144.0**
OCI's investment in Oakley Fund III						**2.3**
Co-Investment	Daisy	TMT	UK	2015	28.2	31.7
Co-Investment	North Sails	Consumer	Global	2014	20.0	22.0
Co-Investment	Time Out	Consumer	Global	2010	47.2	53.3
Co-Investment	Fund Facilities	n/a	n/a			22.6
Total Co-Investments						**129.6**

The OCI look-through values are calculated using the OCI attributable proportion (determined as the ratio which OCI's commitments to the relevant Fund bear to total commitments to that Fund) applied to each investment's fair value as held in the relevant Oakley Fund, net of any accrued performance fees relating to that investment, and converted using the year end EUR:GBP exchange rate.

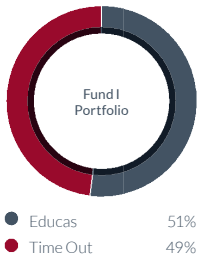


Portfolio Review: Oakley Fund I Investment Activity

The investment activity of Oakley Fund I during the year is summarised in the table below. Oakley Fund I is denominated in Euros, and the year end exchange rate was used, where applicable. The Company held a 65.5% stake in the Fund at 31 December 2016.

FUND I	31 Dec 2015 Fair value €m	31 Dec 2016 Fair value €m
Open Investments at 31.12.16		
Educas	31.6	64.3
Time Out	82.0	60.5
Broadstone	9.8	0.6
Other	0.1	0.1
Total Current Investments	**123.5**	**125.5**

Realisations during 2016:	Proceeds €m	Realised Gain/ (Loss) €m
Broadstone	6.3	(27.3)
Verivox	2.1	2.1
Other	0.2	0.2
Total	**8.6**	**(25.0)**



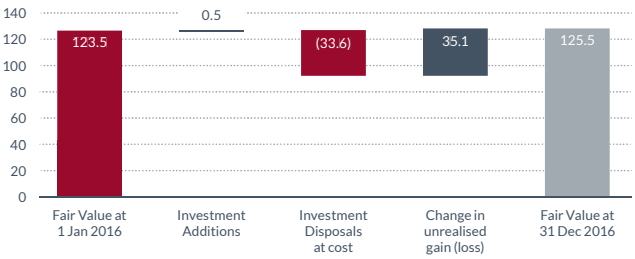
There was an overall increase of €2.0 million in the fair value of the Fund I portfolio investments in the year. This is due to the uplift in Educas' valuation, offset by a reduction in Time Out's share price performance and weakening of Sterling following Brexit and the Broadstone disposal.

In November 2016, Educas went through a structural reorganisation creating a new Oakley Holdco (OCPE Education LP). This was established to hold both Fund I and Fund II Educas stakes. An independent valuation was undertaken to establish the relative shareholdings held by the Funds in this new entity. As a result, Fund I now has a stake in all consolidated Educas investments. A further €0.5 million was invested by Fund I into Educas in 2016.

Time Out is now a listed company and its fair value is determined by a mark-to-market valuation, based on a year end share price of £1.38.

The remaining Broadstone division comprising the shares of Broadstone Corporate Benefits Limited and Broadstone Risk and Healthcare Limited, was disposed of in May 2016 to Livingbridge LP, after reaching a decision to sell in December 2015, with proceeds received of €6.3 million.

Movement in Fund I Investment Portfolio (€m)



Final deferred consideration of €2.1 million was received by the Fund from Verivox in 2016, after the successful exit from this investment in 2015.

As at 31 December 2016, Fund I had called €179.0 million (£152.7 million) from OCI representing 95% of the Company's total capital commitment.

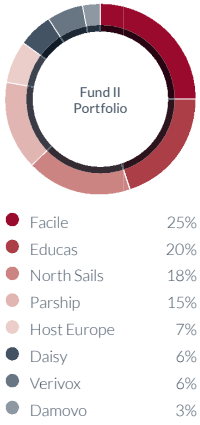


Portfolio Review: Oakley Fund II Investment Activity

The investment activity of Oakley Fund II during the year is summarised in the table below. Oakley Fund II is denominated in Euros, and the year end exchange rate was used, where applicable. The Company held a 38.1% stake in the Fund at 31 December 2016.

FUND II	31 Dec 2015 Fair value €m	31 Dec 2016 Fair value €m
Investments held at 31.12.16		
Facile	123.3	137.0
Educas	40.8	109.8
North Sails	97.3	101.9
Parship Elite Group	107.9	84.4
Host Europe Group	26.4	41.4
Daisy	21.3	33.9
Verivox	20.6	32.0
Damovo	16.3	18.4
Total Investments	**453.9**	**558.8**

Realisations during 2016:	Proceeds	Realised Gain/Loss
Parship Elite Group	125.3	69.4
Facile	11.8	0.0
Total Realisations	**137.1**	**69.4**



The overall increase of €104.9 million in the fair value of the Fund II portfolio investments is due to the strong performances in the portfolio companies throughout 2016, with Facile and Educas being the biggest contributors.

Investment additions over the year of €81.3 million comprised of €49.0 million investment into Educas which was provided to acquire three schools during 2016 and Fund II now has an interest in all Educas investments through the reorganisation of Educas and the creation of OCPE Education. There were follow-on investments in North Sails of €16.5 million, Daisy of €14.9 million and Verivox of €0.9 million during the year.

As part of its refinancing strategy, Facile repurchased shares which returned €11.8 million to the Fund, and €4.5 million (£3.8 million) to the Company.

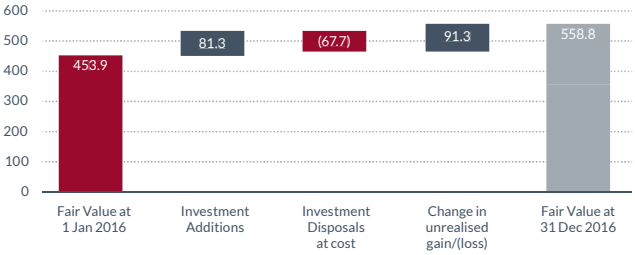
The partial realisation of Parship Elite Group was completed in October 2016, with Fund II receiving proceeds of €125.3 million, of which the Company received €43.3 million (£38.6 million). This reduced Fund II's stake in the investment from 80.3% to 38.5%.

An agreement was reached to sell Host Europe Group to GoDaddy Inc in December 2016. This is expected to complete in the second quarter of 2017 with €41.4 million anticipated proceeds for the Fund of which, OCI expected to receive €14.4 million (£12.2 million). This sale completed on 3 April 2017, with actual proceeds received by Fund II of €42.2 million (£31.6 million), a slight increase from expectations. OCI will receive proceeds of €14.6 million (£12.5 million) from this transaction.

The fair value of Verivox and Damovo increased during the year, however Daisy was adversely affected by the weakening of Sterling.

As at 31 December 2016, Fund II had called €153.0 million (£130.5 million) from the Company representing 76.5% of the Company's total capital commitment to Fund II.

Movement in Fund II Investment Portfolio (€m)





Oakley Funds' Realisations and Distributions

Funds' Realisations and Distributions during 2016:

PARSHIP ELITE Group

Oakley Fund II
Partially Exited

- Sale of a controlling stake to ProSieben, resulting in proceeds of €43.3 million (£38.9 million) distributed to OCI from its investment in Fund II.
- Repayment of a loan of £5.3 million (€6.2 million) to OCI following the partial realisation.

€55.9m Cost
€125.3m Proceeds

facile.it

Oakley Fund II
Refinancing

- The Facile refinancing in August 2016 resulted in proceeds of €11.8 million for Fund II.
- OCI received €4.5 million (£3.8 million) of proceeds from this distribution.

€11.8m Cost
€11.8m Proceeds

BROADSTONE™

Oakley Fund I
Exited

- Sale of the remainder of the business to Livingbridge which completed on 3 May 2016.
- Repayment of loan to OCI amounting to £11.2 million.
- A final receivable balance remains at year end of €0.6 million.

€33.6m Cost
€6.3m Proceeds

VERIVOX

Oakley Fund I
Exited

- Deferred consideration received during the year for the investment previously held by Fund I and sold in 2015.
- From total proceeds of €2.1 million, OCI received €1.3 million (£1.1 million) in 2016.

€2.1m Proceeds

Fund Realisations and Distributions subsequent to year end:

HEG

Oakley Fund II
Post year end Exit

- Agreement reached in December 2016 by Cinven (the majority shareholder in HEG), to sell to ProSieben.
- The sale of HEG completed on 3 April 2017, and proceeds of €42.2 million (£31.6 million) was received by Fund II.
- OCI will receive proceeds of €14.6 million (£12.5 million) from the sale, a slight increase from the expected proceeds of €14.4 million (£12.2 million).

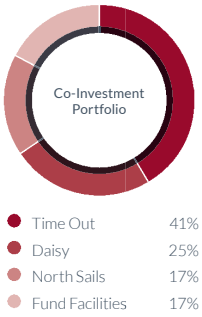
€20.0m Cost
€42.2m Actual Proceeds



Portfolio Review: Co-Investment Activity

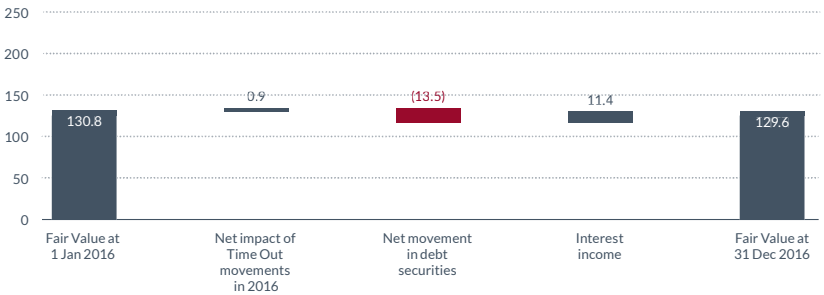
The investment activity of the co-investments during the year is summarised in the table below:

Co-Investments:	31 Dec 2015 Fair value £m	31 Dec 2016 Fair value £m
Equity Securities		
Time Out	26.0	43.9
Debt Securities		
Time Out	23.6	9.5
North Sails	10.1	22.0
Daisy	39.8	31.6
Damoco Bermuda	4.2	
Bellwood Holdings	2.8	
Broadstone	10.9	
Fund Facilities	13.4	22.6
Total Investments	**130.8**	**129.6**



Co-investments held by the Company consist of equity and debt facilities provided to the underlying Oakley Funds' portfolio companies.

Movement in the Co-Investment Portfolio (£m)





Equity securities

In June 2016, as part of the IPO of Time Out, the Company exchanged its preference shares and ordinary shares held in Time Out Mercado and its preference shares held in Flypay and Time Out HC Limited which had an aggregated fair value at 31 December 2015 of £26.0 million, for ordinary shares in Time Out Group plc. The Company received 10.0 million shares in Time Out as repayment of loans to the Time Out companies and 21.4 million shares for ordinary and preference shares held in Time Out Mercado and Time Out Group HC Limited. The fair value of Time Out at year end is mark-to-market based on a share price of £1.38 per share.

Debt Securities

A mezzanine loan of £6.2 million was provided to Time Out (Bermuda) Ltd in 2015. It was partially repaid following the IPO and has a balance of £9.5 million outstanding at the year end including accrued interest.

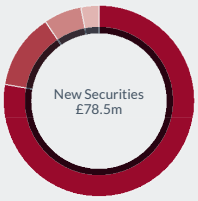
The net movement in debt securities (excluding Time Out) provided by OCI is £13.5 million. This consists of new facilities provided of £78.5 million and repayments of facilities over 2016, of £92.0 million including accrued interest.

Further facilities were provided to the following portfolio companies over 2016: £10.0 million was provided to North Sails for its apparel business; a £5.2 million facility was provided to Parship Elite Group during the year, which was repaid to OCI following the partial realisation in October 2016; £2.2 million was provided to Bellwood but was fully repaid prior to year end. A total of £61.1 million of further facilities were provided to the Oakley Funds including Oakley Capital II Limited and Oakley Capital III Limited.

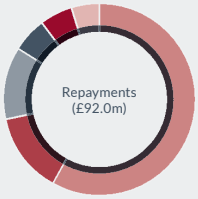
Repayments of £92.0 million were received throughout the year. These included a partial repayment of £12.5 million from Daisy for a loan made through the Ellisfield investment. The balance outstanding on this loan at year end was £31.6 million including interest. Following the disposal of Broadstone in May 2016, the previously provided loan facility was fully repaid amounting to £11.2 million being received by OCI. The Parship, Bellwood and Damovo loans were fully repaid during the year with a total balance received of £14.7 million including interest. Total repayments of £53.6 million including accrued interest were received from the Oakley Funds during the year.

The Company provides revolving credit facilities to the Oakley Funds. Each drawing under these facilities is for no more than one year. The loans are used to fund short-term cash requirements. The interest generated from these facilities exceeds the interest earned on the Company's bank deposits, allowing OCI to earn higher returns on part of its cash reserves. OCI earned £11.4 million (2015: £4.9 million) interest income on the debt facilities that were in place during the year. As at 31 December 2016, the Company had an outstanding debt facilities balance of £22.6 million (2015: £13.4 million) to the Oakley Funds. All outstanding loan amounts include accrued interest.

Net movement in Debt Securities of (£13.5m):



Fund Facilities	£61.1m
North Sails	£10.0m
Parship	£5.2m
Bellwood	£2.2m



Fund Facilities	£53.6m
Daisy	£12.5m
Broadstone	£11.2m
Parship	£5.3m
Bellwood	£5.1m
Damovo	£4.3m

CASE STUDY



PARSHIP ELITE Group

As the leading provider of online dating services in Europe, it is the Group's goal to find the perfect match for everyone. Because a good relationship makes people happy – and the world a better place.

Sector:	Consumer
Fund:	Fund II
Date of Initial Investment:	April 2015

OCI's investment through Fund II	
Cost:	£0.0m*
Valuation:	£22.7m*
Valuation Methodology	Earnings Multiple
Entry Multiple:	8.1x
Location:	Germany
Website:	www.parshipelite.com

Financial performance

EBITDA

2016 €27.6m
2015 €18.0m
2014 €11.2m

+57%

"Every 11 minutes a single person finds his or her match with Parship."

Timeline of Key Transactions:

MAR 2015	APR 2015	JUN 2015	NOV 2015	SEP 2016	OCT 2016
Signing of Parship deal	Completion of Parship acquisition	Signing of ElitePartner deal by Parship	Completion of ElitePartner acquisition	Signing of partial realisation to ProSieben	Completion of partial realisation to ProSieben

Note* – The fair value and cost of the underlying investments have been calculated using year end FX rates. They have been calculated using OCI's proportionate share in each of the Funds; Fund I 65.5% and Fund II 38.1%. These valuations exclude costs and other fees, and are approximate valuations of the underlying portfolio companies.



Business Overview

Parship Elite Group was formed through the combination of two of the leading online dating brands in Europe, Parship and ElitePartner.

Parship was founded in 2001 and is Germany's and Europe's largest online dating service. The Parship principle is a scientifically-based method following the maxim: "As many similarities as possible, as many differences as necessary". It allows singles to search for a serious relationship with the best possible chances of success. Parship currently offers its services in 13 countries.

ElitePartner is the premium partner agency for sophisticated singles aged 30 plus. Since 2004, ElitePartner has been matching people with similar lifestyles, interests and values. A thorough screening of each registration creates an exclusive circle of interesting contacts.

Headquartered in the heart of Hamburg, the Group employs over 230 people, ranging from IT to product management, marketing and customer services. Together they work passionately for one common goal: love.

The Investment Case

- Ranked number one in the online matchmaking segment in Germany, Austria and Switzerland ("the DACH region").
- Parship's addressable market expected to grow as online dating has become more mainstream and it is more normal for the "millennial" generation to look online for a life partner.
- Strong management team with excellent internal systems and processes.
- Good opportunity to use Parship as a basis for consolidation with ElitePartner (subsequently acquired) and similar targets.

Oakley's Investment

Oakley tracked Parship for some time prior to the acquisition. Once acquired, Oakley was able to move swiftly to negotiate the deal and secure exclusivity for the purchase of ElitePartner, combining these two leading brands and creating the Parship Elite Group; the premier matchmaking brand in Europe.

Through management's commercial insight and Oakley's streamlined transaction process, the ElitePartner deal was signed just six weeks after completion of Parship.

Financial Performance

Since acquisition, Parship's management team has worked hard to extend Parship's leading position in the DACH region while also integrating ElitePartner. Parship achieved strong growth in 2015, which continued into 2016.

The combination of Parship's strong organic growth and the realisation of synergies with ElitePartner has resulted in a compound annual growth rate (CAGR) of 57% since 2014 for the Parship Elite Group.

Part-Realisation

A strategic media buyer was a likely exit route for Parship Elite Group. Oakley decided to sell a majority stake when ProSieben made an approach in early 2016 but retained a 38.5% stake given the strength of the underlying business and the synergies that could be achieved with the strategic shareholder.

On 13 October 2016, Fund II completed the sale of its controlling stake in Parship Elite Group to ProSieben valuing the Group at €300 million, representing a gross return of 3.6x on the original investment and an IRR of 145% for Fund II.

The financial outperformance against forecasts and the successful acquisition of ElitePartner has created significant value. Through OCI's investment in Fund II, the Company's indirect economic interest in the Group increased from €20.3 million to €67.2 million at the time of the partial realisation and led to a cash return of €43.3 million (£38.9 million) in 2016.

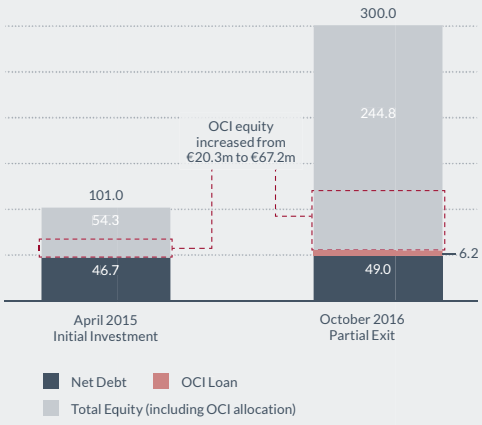
The graph below demonstrates how this value is split across the capital structure of Parship Elite Group from acquisition in April 2015 to the partial realisation in October 2016 from OCI's perspective.

Current Performance

Parship Elite Group continues to prosper under the same management team Oakley backed, and now with the support of ProSieben as a strategic investor.

Oakley retains a significant minority position in the Parship Elite Group, providing the Company and other Fund II investors to participate in the further potential of this high-quality digital market leader.

Value Creation – Parship Elite Group (€m)



Overview of Oakley Funds' Portfolio Companies



Time Out, founded by Tony Elliott in 1968, has become one of the world's leading brands for leisure and lifestyle in today's increasingly urban environment. Time Out's emphasis on independent local opinions and unique editorial content is a trusted source of information on what to do in many of the world's major cities.

Sector:	Consumer
Fund:	Fund I
Date of Initial Investment:	November 2010
OCI's investment through Fund I & OCI	
Cost:	£26.4m*
Valuation:	£33.9m*
OCI Direct Investment:	£9.5m (debt facility) £43.9m (equity)
Valuation Methodology:	Mark-to-Market
Entry Multiple:	7.1x
Location:	Global
Website:	www.timeout.com

Business Overview

Time Out's global distribution network incorporates a comprehensive online presence, an offers-and-e-commerce platform, paid local business listings, mobile applications, city magazines, travel guides, live events, physical markets and syndicated content partnerships.

Time Out directly manages operations across 63 cities worldwide, and extends that reach through brand franchisee partners in a further 44 cities around the globe. Time Out's combined brand audience reach (across digital, print, social media and the physical markets) is approximately 100 million.

Time Out successfully listed on the AIM of the London Stock Exchange in June 2016. It raised £90 million which, after fees and debt repayment generated net proceeds of £59 million. These funds are being used to accelerate Time Out's growth plans, to invest in digital and e-commerce opportunities and the roll-out of the Time Out Market concept.

Oakley's Investment Rationale

- Trusted brand of 49 years with strong local editorial integrity synonymous with entertainment.
- Consolidation of the Time Out brand under common ownership with the acquisition of Time Out New York and Time Out Chicago.
- Opportunity to monetise through advertising, e-commerce and sponsored listings.
- Capacity to turn around the digital and mobile platform to provide transactional ease and one-stop-shop for entertainment.
- Rapid market growth and acceptance of digital content.

Current Performance

Revenue for the full year was ahead of expectations due to positive trading in the second half of the year.

Time Out's Group revenue, including a full year of Time Out Market on a **pro forma** basis, showed growth for the year of 23% (17% in constant currency) to £37.1 million (2015: £30.2 million), with revenue growth in the second half of 29% compared to 16% in the first half of the year.

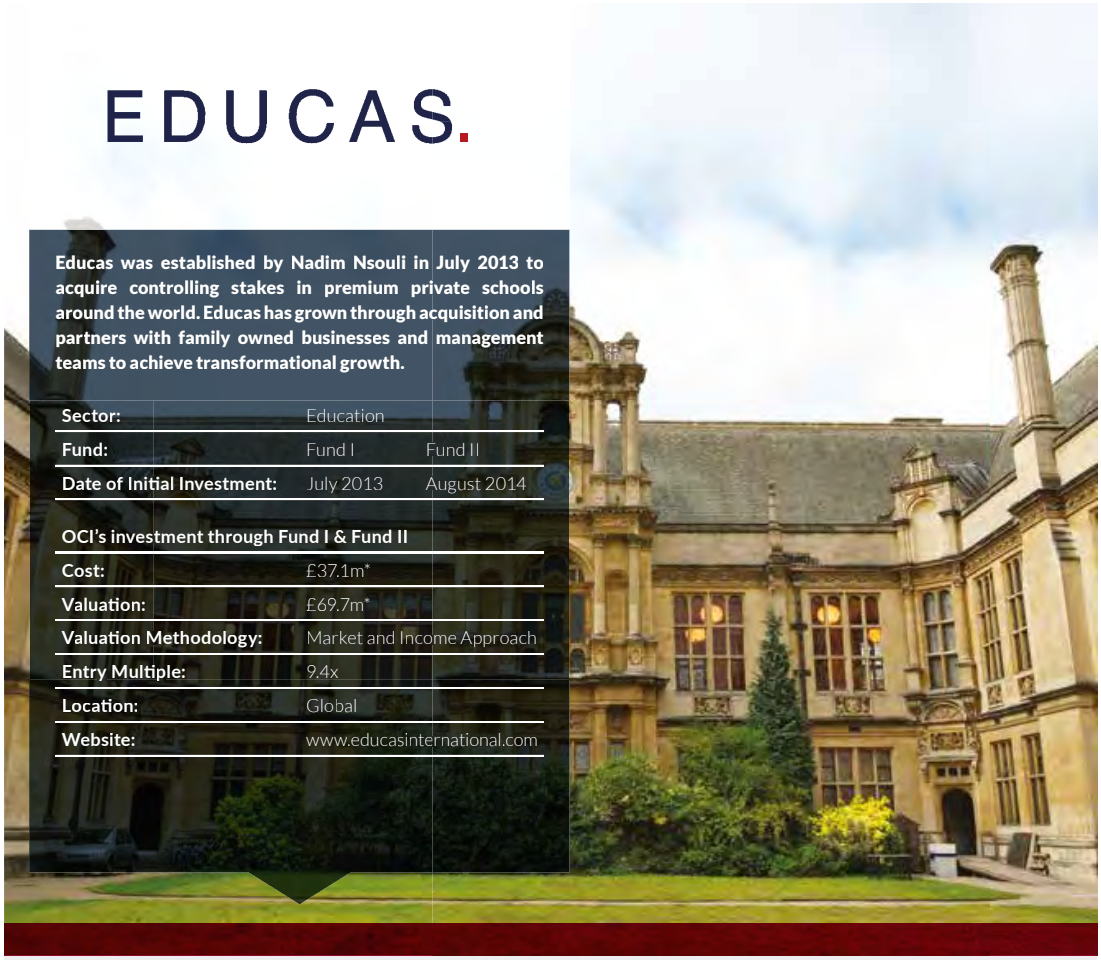
Time Out Digital delivered revenue growth in 2016 of 39%. Within digital revenue, advertising grew by 36%, Premium Profiles by 51% and e-commerce by 45% year-on-year.

Time Out Market has also shown strong year-on-year revenue growth of 115% for the full year. Time Out Market Lisbon hit a record level of 3.1 million visitors in 2016.

Time Out noted the signing of conditional leases for new Time Out Markets located in London and in Miami South Beach, with further locations being assessed.

Note* – The fair value and cost of the underlying investments have been calculated using year end FX rates. They have been calculated using OCI's proportionate share in each of the Funds; Fund I 65.5% and Fund II 38.1%. These valuations exclude costs and other fees, and are approximate valuations of the underlying portfolio companies.

EDUCAS.



Educas was established by Nadim Nsouli in July 2013 to acquire controlling stakes in premium private schools around the world. Educas has grown through acquisition and partners with family owned businesses and management teams to achieve transformational growth.

Sector:	Education	
Fund:	Fund I	Fund II
Date of Initial Investment:	July 2013	August 2014

OCI's investment through Fund I & Fund II	
Cost:	£37.1m*
Valuation:	£69.7m*
Valuation Methodology:	Market and Income Approach
Entry Multiple:	9.4x
Location:	Global
Website:	www.educasinternational.com

Business Overview

Educas made its first acquisition in July 2013, taking a majority stake in Reddam House – a group of four premium, private South African schools. In order to broaden its international footprint, Educas has made further acquisitions in Africa, Europe, Australia and South America since then, as well as opening schools in South Africa and Australia. Today the group comprises 27 schools and 5 early learning centres, and educates c. 17,000 students.

On 30 November 2016, Educas reorganised the Group, resulting in the consolidation of the African, European and Australian assets into a single Educas holding company. As part of this reorganisation, a new Oakley Holdco (OCPE Education LP) was established to hold both the Fund I and Fund II stakes. A third-party valuation was undertaken in order to establish the relative shareholdings held by Fund I and Fund II in OCPE Education LP.

Oakley's Investment Rationale

- Long-term revenue visibility with strong cash flow generation and limited cyclicality.
- Attractive market dynamics in developing countries: weak public school systems and fast growth of middle classes are driving demand for quality education.
- Fragmented market with a small number of large operators, helping to drive premium valuations for schools groups.
- Potential for multiple arbitrage as single schools can typically be acquired at lower multiples.
- Reddam has strong brand recognition in both South Africa and Australia, helping to drive growth in pupil numbers at greenfield schools.

Current Performance

Educas has achieved strong growth during 2016 with continued growth in pupil numbers at its existing schools. Two new greenfield schools were opened during the year in South Africa, while the European footprint was further enhanced through the acquisitions of the International School of Europe and St Louis School in Italy, and St John's International School in Belgium.

Note* – The fair value and cost of the underlying investments have been calculated using year end FX rates. They have been calculated using OCI's proportionate share in each of the Funds; Fund I 65.5% and Fund II 38.1%. These valuations exclude costs and other fees, and are approximate valuations of the underlying portfolio companies.

Overview of Oakley Funds' Portfolio Companies (continued)



North Technology Group, founded in 1957 by Lowell North, comprises three market-leading marine brands (North Sails, Southern Spars, EdgeWater Power Boats) focused on providing innovative and high-performance products and solutions to the worlds sailors and yachtsmen.

Sector:	Consumer
Fund:	Fund II
Date of Initial Investment:	March 2014
OCI's investment through Fund II & OCI	
Cost:	£28.3m*
Valuation:	£32.3m*
OCI Direct Investment:	£22.0m (debt facility)
Valuation Methodology:	Earnings / Revenue Multiple
Entry Multiple:	8.6x
Location:	Global
Website:	www.northsails.com

Business Overview

North Technology Group supplies the most technologically advanced sails, spars and rigging to the majority of the world's largest yachts and premier sailing teams.

North Sails, the largest brand in the group, is the world leader in sailmaking. North Sails is focused on providing innovative, high performance products including 3Di, the sail of choice on the majority of America's Cup, Grand Prix, ocean race boats and Superyachts. North Sails also produces and distributes branded sportswear throughout Europe and Asia through its partnership network of 1,000 chain and independent stores, as well as through proprietary and franchise retail stores across Europe.

Other brands in the Group are; Southern Spars, the world leader in composite spars, rigging and marine components; EdgeWater Boats, a line of high-performance outboard sport boats; and North Thin Ply Technology, a developer of thin ply carbon pre-pregnated for non-marine markets such as aerospace.

Oakley's Investment Rationale

- North Sails is the global market leader in sails and spars, with strong recurring revenues from the sail replacement cycle and an expansive portfolio of patents.
- Oakley identified significant synergy and cost reduction potential by merging the North Sails Group with its principal European licensee.
- Opportunities to license the North Sails brand in apparel and ancillary products.

Current Performance

North Sails revenue was flat on prior year primarily due to fewer major sailing race events in 2016. In mid-2016, North Sails Apparel signed an agreement with a global retailer to launch the clothing brand in the USA, and initial trading is looking positive. However, it faced a challenging year in its core domestic market of Italy, with retail and wholesale revenues down on prior year.

The Group continues its consolidation of the North Sails brand and acquired the Australian licensee after the year end.

Note* – The fair value and cost of the underlying investments have been calculated using year end FX rates. They have been calculated using OCI's proportionate share in each of the Funds; Fund I 65.5% and Fund II 38.1%. These valuations exclude costs and other fees, and are approximate valuations of the underlying portfolio companies.



Founded in 2008, Facile.it is Italy's leading destination for consumers to compare prices for motor insurance, energy, telecoms and personal finance. Facile is the market leader in online motor insurance comparison in Italy, with over 70% market share.

Sector:	Consumer
Fund:	Fund II
Date of Initial Investment:	September 2014
OCI's investment through Fund II	
Cost:	£14.5m*
Valuation:	£39.3m*
Valuation Methodology:	Earnings Multiple
Entry Multiple:	12.1x
Location:	Italy
Website:	www.facile.it

Business Overview

Facile is a leader to the fast-growing online price comparison market, providing a platform for consumers to compare prices on a range of household services including motor insurance, energy, telecoms and personal finance. Facile has a strong position in its core market (car insurance) with over 70% market share. In order to capitalise on this leading market position, Facile has launched new product verticals in ADSL (broadband), gas and electricity, and financial products. Today Facile helps over 2.2 million Italians a month to compare prices on key elements of their household expenditure.

Oakley's Investment Rationale

- Dominant market position in the online car insurance switching market.
- Online penetration of the Italian car insurance market is only 10%, versus 80% in the UK, suggesting there is substantial growth potential.
- Facile generates additional revenues from renewals, benefits from low seasonality in the sector, consistently profitable and highly cash-generative month on month.
- Multiple new product verticals to be exploited (Oakley offers expertise from the German market, with the proven success of the Fund I investment in Verivox).

Current Performance

Facile achieved strong growth in 2016 versus the prior year, with revenues up 27% and EBITDA up 25%. Growth has been predominantly driven by increased switching volumes in Facile's core car insurance vertical, in which it maintains a 70% market share, also through non-insurance verticals (e.g. broadband and financial products) which are gaining traction in the marketplace. In 2016, these accounted for 21% of Group revenues, up from 15% in 2015.

Note* – The fair value and cost of the underlying investments have been calculated using year end FX rates. They have been calculated using OCI's proportionate share in each of the Funds; Fund I 65.5% and Fund II 38.1%. These valuations exclude costs and other fees, and are approximate valuations of the underlying portfolio companies.

Overview of Oakley Funds' Portfolio Companies (continued)

DAMOVO

UNDERSTAND. DELIVER. IMPROVE.



Damovo is one of Europe's leading providers of Information Communication Technology solutions and services with over 2,000 customers globally. Its mission is to deliver innovative end-to-end ICT solutions and managed services to support customers' business requirements, enabling them to stay ahead in todays digitally transforming world.

Sector:	TMT
Fund:	Fund II
Date of Initial Investment:	January 2015
OCI's investment through Fund II	
Cost:	£3.4m*
Valuation:	£5.5m*
Valuation Methodology:	Earnings Multiple
Entry Multiple:	4.9x
Location:	Germany
Website:	www.damovo.com

Business Overview

Damovo is a provider of information communication technology ("ICT") services and solutions to businesses. Its core areas of expertise are unified communications and collaborations ("UCC"), contract centres, enterprise networks, cloud services and managed services. It has regional offices across Europe and a global capacity spanning over 120 countries. Damovo is one of the only ICT providers in Europe that has the highest level of accreditation with all four of the leading Unified Communications suppliers in the Gartner Magic Quadrant.

Oakley's Investment Rationale

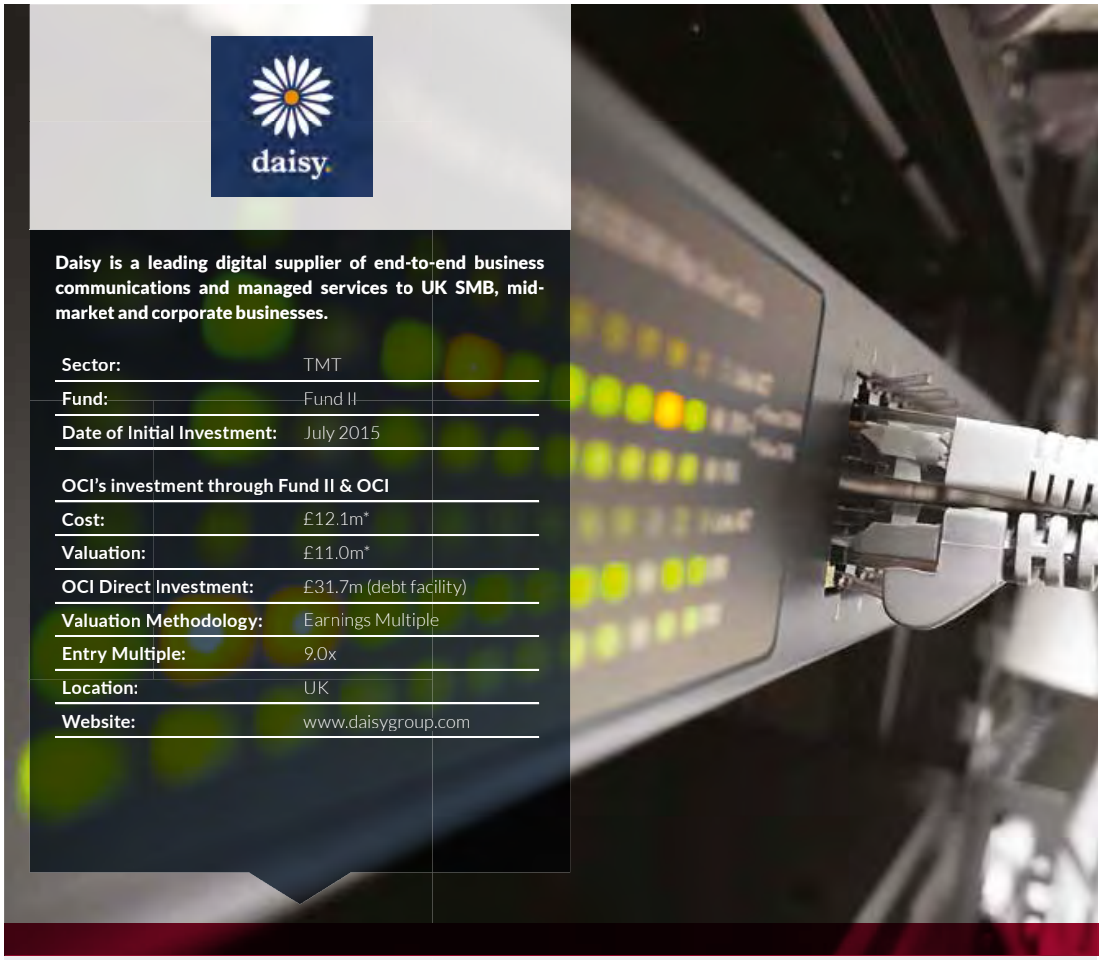
- Unique proposition in the European market with the ability to independently provide all of the major UCC technologies.
- Opportunity to create scale and improved commercial relationships through a targeted roll-up strategy.
- Low entry multiple as a result of historical issues (in particular, underinvestment by previous owners) within the business.
- Complex carve out.
- Consistently high customer satisfaction scores – one of the highest in the market.
- Potential for significant margin improvement.
- 50% of revenues are recurring, with a strategy to increase this going forward.

Current Performance

Damovo's results for 2016 were positive, with revenue growth of 9% against the prior year. This was due to a number of significant new customer wins, including two large German banks, along with improvement in gross margin, demonstrating good progress in its transition from a product business to a true managed services provider.

Damovo's recent acquisition of Netfarmers GmbH, a German-based specialist in unified communication, security and networking, has added geographic and technical capability to the business. This strengthens the Damovo's ability to deliver Cisco end-to-end solutions and architectures to clients which helps increase organic sales.

Note* – The fair value and cost of the underlying investments have been calculated using year end FX rates. They have been calculated using OCI's proportionate share in each of the Funds; Fund I 65.5% and Fund II 38.1%. These valuations exclude costs and other fees, and are approximate valuations of the underlying portfolio companies.



Business Overview

Formed in 2001, Daisy has grown into the UK's largest independent telecommunications provider with 30 locations nationwide. Daisy offers a comprehensive range of products and services including fixed line voice, data, hosting, mobile telephony, IT infrastructure and associated managed services.

Since 2015, Daisy has completed the following transformative Public-to-Private acquisitions:

- Phoenix, a UK-based provider of IT managed services was acquired in July 2015. Phoenix was founded in 1979 and listed on the main market of the London Stock Exchange in 2004. It offers a comprehensive range of managed IT infrastructure services including systems management, communications, remote telephone support, project and consultancy services, business continuity and disaster recovery services.
- Alternative Networks, a UK-based IT and telecoms provider was acquired in December 2016. Alternative Networks was founded in 1994 and listed on the AIM of the London Stock Exchange in 2005. It provides IT managed services and B2B communications to UK businesses.

Daisy has now completed over 50 acquisitions since its formation in 2001.

Oakley's Investment Rationale

- Strong existing relationship with management that Oakley was keen to back in the next phase of Daisy's evolution.
- Acquisitions of Phoenix and Alternative Networks provided significant scale.
- A number of other target companies are suitable M&A candidates in a highly fragmented sector.
- Improving sector dynamics with the SME ICT sector forecast to grow at 4.2% CAGR 2015-2017.

Current Performance

Daisy has performed as expected for the first nine months of its financial year, ending March 2017.

The acquisition of Alternative Networks represents a strong, complementary fit with Daisy's existing business and operations. It also continues Daisy's track record of accretive acquisitions to build scale and deliver synergies across the Group.

Note* – The fair value and cost of the underlying investments have been calculated using year end FX rates. They have been calculated using OCI's proportionate share in each of the Funds; Fund I 65.5% and Fund II 38.1%. These valuations exclude costs and other fees, and are approximate valuations of the underlying portfolio companies.

Overview of Oakley Funds' Portfolio Companies (continued)



Founded in 1998, Verivox is Germany's leading consumer energy and telecoms price comparison website. The company receives commission from energy suppliers when consumers elect to switch providers. Since 2012, Verivox has also offered price comparison services in the insurance and personal finance sectors.

Sector:	Consumer
Fund:	Fund II
Date of Initial Investment:	August 2015

OCI's investment through Fund II	
Cost:	£7.0m*
Fair Value:	£9.8m*
Valuation Methodology:	Earnings Multiple
Entry Multiple:	10.0x
Location:	Germany
Website:	www.verivox.de

Business Overview

Verivox is one of Germany's leading price comparison websites, enabling consumers to compare and switch providers across a range of household services including energy, telecoms, insurance and personal finance.

Verivox is a well-recognised brand in Germany and is regularly quoted by the media as an independent source of energy price data. The company has also been certified by Germany's leading consumer protection and standards bodies.

Oakley's Investment Rationale

- One of only two major players in the German price comparison services market following its acquisitions of Toptarif and Transparo in 2014.
- German price comparison services sector is projected to continue to show strong growth.
- Verivox's partnership with ProSieben will drive synergies through lower-cost TV advertising and increased marketing know-how.
- Oakley can add significant value through its knowledge of the price comparison sector gained through its historic investments in Verivox and Facile.

Current Performance

Verivox achieved strong growth in 2016 against 2015, with revenues up 25% and EBITDA up 13%. Total contracts switched across Verivox in 2016 were almost 1.9 million (up 27% versus prior year).

Growth was predominantly driven by Verivox's core energy switching business, but contract volume growth was also strong in telecoms, banking and insurance verticals, all of which grew volumes by at least 40%.

Note* – The fair value and cost of the underlying investments have been calculated using year end FX rates. They have been calculated using OCI's proportionate share in each of the Funds; Fund I 65.5% and Fund II 38.1%. These valuations exclude costs and other fees, and are approximate valuations of the underlying portfolio companies.



HEG is a leading provider of domain and hosting services in Europe, with an end-to-end product suite covering the entire hosting value chain including domains, application hosting, cloud hosting and managed hosting.

Sector:	TMT
Fund:	Fund II
Date of Initial Investment:	January 2015
Date of Exit:	December 2016 (completed 3 April 2017)

OCI's investment through Fund II	
Cost:	£6.5m*
Fair Value:	£12.2m*
Valuation Methodology:	Expected Sales Proceeds
Entry Multiple:	9.8x
Location:	Germany
Website:	www.hosteurope.com

Business Overview

HEG operates primarily in the UK and Germany, the two largest hosting markets in Europe, where it is ranked in the top 1–3 across all segments. Since being acquired by Cinven in 2013, HEG has acquired DomainFactory, a leading domains and shared hosting business in Germany, and Telefonica Online Services ("TOS"), a high-end managed hosting provider in Germany.

Oakley's Investment Rationale

- HEG is Europe's largest independently-held hosting business and is well-positioned to continue its consolidation of the European hosting sector having already acquired DomainFactory, TOS and intergenia.
- Investment into HEG at a low multiple, allowing Oakley to benefit from the synergies realised from the deal.

In January 2015, coinciding with the completion of the intergenia sale to HEG, Fund II invested €20m in the enlarged Host Europe Group obtaining a 3% minority stake in the Group.

Current Performance

On 7 December 2016, an agreement was reached to sell HEG to GoDaddy Inc, the world's largest cloud platform dedicated to small independent ventures, for an Enterprise Value of €1.7 billion.

The transaction closed on 3 April 2017, with total proceeds of €42.2 million being received by Fund II. This transaction generated a gross money multiple of 2.1x and 40% IRR for Fund II.

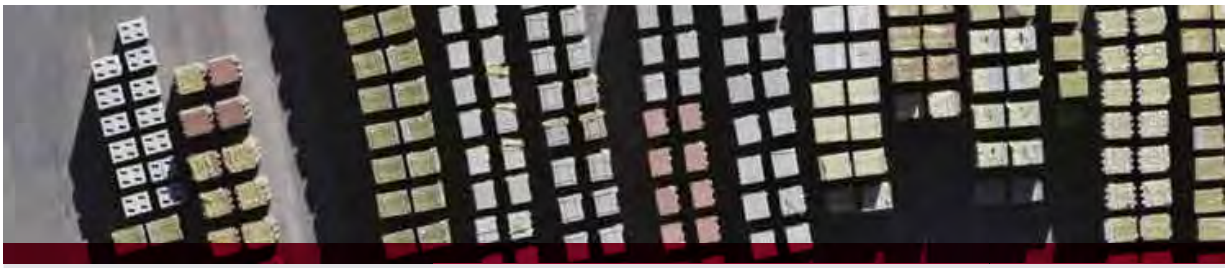
Note* – The fair value and cost of the underlying investments have been calculated using year end FX rates. They have been calculated using OCI's proportionate share in each of the Funds; Fund I 65.5% and Fund II 38.1%. These valuations exclude costs and other fees, and are approximate valuations of the underlying portfolio companies.





Governance

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Board of Directors



Christopher Wetherhill
Chairman

Christopher Wetherhill founded and was Chief Executive Officer of Hemisphere Management Limited (now Citi Hedge Fund Services Limited), a financial services company in Bermuda, from 1981 until 2000.

Since 2000, he has served as a Board member of and a consultant to a number of investment companies. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Canadian and Bermudian Institutes of Chartered Professional Accountants, a Fellow of the Institute of Directors and a Freeman of the City of London. He is a resident of Bermuda.

Christopher is Chairman of the Board of Directors.



James Keyes
Non-executive Director

James Keyes was a Managing Director of Renaissance Capital, an emerging markets investment bank, from 2008 until 2013. He established the Renaissance Bermuda office and remained with the firm until the office closed in 2013.

He was previously a partner of Appleby, the offshore law firm, for 11 years. James joined Appleby in 1993 and was team leader of the Funds and Investment Services Team.

Prior to Appleby, he was employed in the corporate department of Freshfields law firm, and worked in the London, New York and Hong Kong offices.

James attended Oxford University in England as a Rhodes Scholar and graduated with a degree in Politics, Philosophy and Economics (MA with Honours) in 1985. He was admitted as a solicitor in England and Wales in 1991 and called to the Bermuda Bar in 1993. He became a Notary Public in 1998. James is a resident of Bermuda.





Caroline Foulger
Non-executive Director

Caroline Foulger has been an independent Non-executive Director in the financial services industry since early 2013. In addition to her seat on the OCI Board, Caroline currently sits on the Board of a FTSE 250 insurance company and its subsidiaries at Lloyds and in Bermuda, a NYSE listed bank and several private companies.

Caroline was previously a partner with PwC for 12 years, primarily leading the insurance practice in Bermuda and servicing listed clients with both audit and advisory services and has 25 years' experience in public accounting. Caroline is a Fellow of the Institute of Chartered Accountants in England & Wales, CPA Bermuda and a Member of the Institute of Directors.



Laurence Blackall
Non-executive Director

Laurence Blackall has thirty years experience in the information, media and communication industries, pioneering electronic publishing (especially at McGraw Hill where he was a Vice-President) and the internet in the United Kingdom.

He has proven expertise in establishing internet companies and developing them through to public offering and subsequent sale.

He holds Directorships in a number of public and private companies. Laurence is a resident of the United Kingdom.



Peter Dubens
Non-executive Director

Peter Dubens is the founder and Managing Partner of the Oakley Capital Group, a privately-owned asset management and advisory group comprising Private Equity, Venture Capital, Corporate Finance and Capital Introduction operations managing over €1.5 billion.

Peter founded the Oakley Capital Group in 2002 to be a best-of-breed, entrepreneurially-driven UK investment house, creating an ecosystem to support the companies in which Oakley Capital invests, whether they are early-stage companies or established businesses.

David Till serves as an alternate Director to Peter Dubens.

Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2016. The results for the year are set out in the attached financial statements. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which have been adopted for the first time for the year ended 31 December 2016.

Directors

During the year there were changes to the composition of the Board. Tina Burns and Ian Pilgrim left the Board during 2016, and Caroline Foulger joined the Board as a Non-Executive Director.

The Company is not aware of any potential conflicts of interest between any duty of any of the Directors owed to it and respective private interests. All Directors, other than Peter Dubens, are considered to be independent.

Directors' Interests in Shares

As at 28 March 2017, Directors who are beneficial owners of shares in the Company are:

Director	No. of Shares
Peter Dubens	1,784,588
Laurence Blackall	200,000
Christopher Wetherhill	175,000
Caroline Foulger	61,000
James Keyes	10,000

Save as disclosed above, none of the Directors nor any member of their respective immediate families, nor any person connected with a Director, has any interest whether beneficial or non-beneficial in the share capital of the Company.

Relations with Shareholders

The Board recognises that it is important to maintain appropriate contact with major shareholders in order to understand their issues and concerns. Members of the Board have had the opportunity to attend meetings with major shareholders, and the Board receives major shareholders' views of the Company via direct face-to-face contact, and analyst and broker briefings.

In addition, the Investment Adviser maintains dialogue with institutional shareholders, the feedback from which is reported to the Board. The Board monitors the Company's trading activity on a regular basis.

The Company reports formally to shareholders twice a year. In addition, current information is provided to shareholders on an ongoing basis through the Company's website.

Substantial Shareholdings

As of March 2017, the Company has received the following notifications of interest of 3% or more in the voting rights attached to the Company's ordinary shares:

Shareholder	% of voting rights
Invesco Perpetual	20.4%
Woodford Investment Management	20.3%
Ruffer LLP	17.2%
Sarasin & Partners	8.9%
Fidelity International	5.5%
Henderson Volantis Capital	4.9%
Talisman	4.0%

Corporate Responsibility

The Board of the Company considers the ongoing interests of investors on the basis of open and regular dialogue with the Investment Advisor. The Board receives regular updates outlining regulatory and statutory developments and responds as appropriate.

Manager

The Manager was incorporated in Bermuda on 18 June 2007 under the Bermuda Companies Act. The Manager is responsible for advising and arranging in respect of the assets of the Company in accordance with the Management Agreement, subject to review by the Directors, in a manner consistent with the investment objective, approach and restrictions described in the Company's admission document. For the purposes of AIFMD, however, the Manager is not the "Alternative Investment Fund Manager" of the Company. The Company is self-managed under AIFMD.

Peter Dubens is a Director of both the Manager and the Company, and cannot vote on any Board decision relating to the Management Agreement whilst he has an interest.

Investment Adviser

The Investment Adviser was incorporated in England and Wales on 12 October 2000 under the Companies Act 1985. The Investment Adviser serves as investment adviser to the Manager with respect to the Company, and the general partners of the Oakley Funds.

The Investment Adviser is authorised and regulated by the Financial Conduct Authority. It is not registered as an "investment adviser" under the US Investment Advisers Act, but may in the future seek to register.

Peter Dubens and David Till (both Directors of the Investment Adviser), with a team of twenty-three investment professionals, are together primarily responsible for performing investment advisory obligations with respect to the Company and the Funds.

Peter Dubens is a Director of both the Investment Adviser and the Company, and cannot vote on any Board decision relating to the Investment Adviser Agreement whilst he has an interest.

Delegation of Responsibilities

Under the Management Agreement, the Board has delegated to the Manager, substantial authority for carrying out the day-to-day management and operations of the Company. The Board has the ultimate decision to invest after reviewing the recommendations provided by the Investment Adviser.

Board Responsibilities

The Board meets at least quarterly and between these scheduled meetings there is regular contact between Directors and the Investment Adviser as otherwise required for the purpose of considering key investment decisions of the Company.

The Directors are kept fully informed of investments and other matters that are relevant to the business of the Company. Such information is brought to the attention of the Board by the Investment Adviser and by the Administrator in their periodic reports detailing the Company's performance, and receives from the Investment Adviser and other service providers such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

For the avoidance of doubt, the Directors do not make investment decisions on behalf of the Oakley Funds, nor do they have any role or involvement in selecting or implementing transactions by the Funds.

Dividends and Distributions

A maiden dividend was announced in December 2016 of 4.5 pence per share in respect of the 2016 financial year.

The decision to introduce a dividend was based on the consistent income generated from co-investments and increased cash returns from exits. The Company has experienced strong NAV growth in 2016 due to growth in the underlying portfolio companies.

The Board has adopted a dividend policy which takes into account the profitability and underlying performance of the Company in addition to capital requirements, cash flows and distributable reserves. Subject to any unforeseen circumstances, the Board intends to maintain a dividend of 4.5 pence per share for the 2017 financial year, paying 2.25 pence per share semi-annually following the publication of half yearly reports as of 30 June and 31 December.

Directors' Remuneration

There are no long-term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company and each Director is appointed by a letter of appointment setting out the terms of the appointment.

Directors are remunerated in the form of fees, payable annually in advance, to the Director personally. The table below details the fees paid to each Director of the Company for the year ended 31 December 2016.

The below fees do not include reimbursed expenses.

Director	Fees
Christopher Wetherhill	£55,000
James Keyes	£45,000
Caroline Foulger	£25,644
Peter Dubens	£nil
Laurence Blackall	£45,000
Tina Burns	£45,000
Ian Pilgrim	£45,000

Signed on behalf of the Board by:

Christopher Wetherhill
Chairman

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Consolidated Financial Statements are published on www.oakleycapitalinvestments.com. The maintenance and integrity of the website, so far as it relates to the Company, is the responsibility of the Company. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Financial Statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in Bermuda governing the preparation and dissemination of the Consolidated Financial Statements may differ from legislation in other jurisdictions.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Bermuda Companies Act (1981). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed in the Board of Directors section of the Annual Report, confirms that, to the best of their knowledge:

- The Consolidated Financial Statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- So far as each Director is aware, there is no relevant audit information of which the Company's Auditors are unaware;
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information; and
- The Consolidated Financial Statements, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Audit Committee Report

The Board is supported by the Audit Committee, which comprises James Keyes and Laurence Blackall. We are pleased to report to you on the range of matters which the Audit Committee has considered during 2016, the key risks and judgment areas and the decisions applied.

The principal role of the Audit Committee is to consider the following matters and make appropriate recommendations to the Board to ensure that:

- the accounting and internal control systems of the service providers are adequate;
- the integrity of the Consolidated Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- the independence, objectivity and effectiveness of the appointed external auditor is monitored and reviewed;
- the Company's policy on the provision of non-audit services by the external auditors is developed and implemented ; and
- recommendations are made to the Board that the external audit is put out to external tender as appropriate in accordance with applicable law, rules, regulation and best practice, and initiate and oversee as required fair tendering and selection processes.

The Audit Committee met twice during the year under review and has continued to support the Board in fulfilling its oversight responsibilities.

Review of Accounting Policies and Areas of Judgment or Estimation

The most significant risk in the Company's accounts is whether its investments are fairly and consistently valued and this issue is considered carefully when the Audit Committee reviews the Company's Annual and Interim Report and Accounts. The Investment Adviser provides detailed explanations of the rationale for the valuation of each investment. These are discussed in detail with the other members of the Committee and the Auditor.

The main risk identified by the Audit Committee is the valuation of the Oakley Funds. The key area of focus of the Committee is the valuation methodology and underlying business performance of the Oakley Funds' portfolio companies.

The valuations are independently reviewed by a professional valuation firm who report on their procedures and the conclusions of their work. The Audit Committee concluded that the year-end valuation process had been effectively carried out and that the investments have been fairly valued.

The Audit Committee reports to the Board after each Audit Committee meeting on the main matters discussed at the meeting.

IFRS conversion

The Consolidated Financial Statements have been prepared in accordance with IFRS for the first time. The Company's effective date of transition from US GAAP is 1 January 2015. The transition to IFRS has been detailed in note 27 of the financial statements.

External Audit

OCI's external auditor, KPMG Audit Limited, located in Hamilton, Bermuda, has been Auditor since 2007 and the Audit Committee reviews their performance annually. The Audit Committee considers a range of factors including the quality of service, the auditors' specialist expertise and the level of audit fee. The Audit Committee remains satisfied with KPMG's effectiveness and therefore has not considered it necessary to date, to require the auditors to tender for the audit work. The Auditors are required to rotate the audit partner and the current partner has been in place for five years.

The Audit Committee has reviewed the provision of non-audit services and believes them to be cost-effective and not an impediment to the external auditor's objectivity and independence. This is assessed by ensuring that KPMG has appropriate measures in place to safeguard their independence; such measures include ensuring that separate engagement teams provide audit and non-audit services.

It has been agreed that the Audit Committee must approve in advance all non-audit work to be carried out by the external Auditor for the Company.

On behalf of the Audit Committee

Laurence Blackhall
Chairman of the Audit Committee

Corporate Governance Report

The Board recognises the importance of sound corporate governance and have adopted policies and procedures that reflect those principles of the UK Corporate Governance code (formally known as the "Combined Code") as are appropriate to the Company's size and AIM listing. The Directors note that Bermuda, the country of incorporation of the Company, has no specific corporate governance regulatory regime.

This report describes the Company's corporate governance practices that were in place throughout the financial year ended 31 December 2016.

Chairman's Introduction to Corporate Governance

Good corporate governance is a key component of the Company's activities. Governance and oversight of these activities form an integral part of the Company's operations and it is as important as ever to monitor these to create and deliver value to the Company's stakeholders. The primary function of the Board is to provide leadership and strategic direction and it is responsible for the overall management and control of the Company. It is through these functions the Board creates and delivers value and growth for its shareholders.

The Board

The Board was comprised of five Directors at 31 December 2016, with Christopher Wetherhill as Chairman. All Directors are considered independent, with the exception of Peter Dubens, who is founder and Managing Partner of the Oakley Capital Group. Christopher Wetherhill, James Keyes and Laurence Blackall remain independent despite their individual length of service on the Board, as they are free from any business or other relationship that could materially interfere with their exercise of judgment. With respect to any decisions that Peter Dubens is deemed to have a conflict of interest, he does not vote on these matters.

It is the Board's responsibility to ensure that the Company has a clear strategy and vision, and to oversee the overall management and oversight of the Company, and for its growing success. In particular, the Board is responsible for monitoring financial performance, setting and monitoring the Company's risk appetite and ensuring that obligations to shareholders and other stakeholders are understood and met.

The Directors believe that the Board has an appropriate balance of skills and experience, independence and knowledge of the Company to enable it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience is summarised in their respective biographies.

Directors' Terms of Appointment

In accordance with best practice, two of the Directors retire and are subject to re-election annually. In accordance with the appointment and rotation policy, Peter Dubens and Laurence Blackall were re-elected at the Annual General Meeting on 7 June 2016. Ian Pilgrim and Tina Burns did not offer themselves for re-election at the Annual General Meeting ("AGM") on 7 June 2016 and therefore no longer sit on the Board.

Caroline Foulger was appointed to the Board at the AGM on 7 June 2016, as an independent Director. She is an experienced Non-executive Director in the financial services industry and sat on her first Board in early 2013. She brings a wealth of experience to the Board and was previously a partner in PwC in Bermuda for 12 years with 25 years experience in the public accounting sector.

Board Meetings

The Board met formally six times during 2016 with regular contact amongst the Directors between these meetings. Where necessary, the Directors may seek independent professional advice at the expense of the Company to aide their duties.

Director	Board Attendance
Total meetings held:	**6**
Number attended:	
Christopher Wetherhill	6
James Keyes	6
Laurence Blackall	4
Caroline Foulger (a)	4
Peter Dubens	2
Ian Pilgrim (b)	2
Tina Burns (b)	2

(a) Caroline Foulger was appointed at the Annual General Meeting on 7 June 2016

(b) Ian Pilgrim and Tina Burns did not offer themselves for re-election at the Annual General Meeting on 7 June 2016 and were not present at the AGM on 7 June 2016

The principal matters considered by the Board during 2016 included:

- Regular reports and updates from the Investment Adviser on the co-investments and debt facilities held by the Company;
- Reports and updates from the Manager;
- Consideration of the Company's share price and net asset value;
- Regular reports from the Board's committees;
- The Annual Report and Accounts and half-yearly Report;
- Reports from external consultants on market and regulatory updates; and
- Corporate matters including dividend policy, share buybacks and treasury shares.

The Board receives information that it considers to be sufficient and appropriate to enable it to discharge its duties. Directors receive Board papers in advance of Board meetings and are able to consider in detail the Company's performance and any issues to be discussed at the relevant meeting.

Board Training

New Directors are provided with an induction programme tailored to the particular circumstances of the appointee and which includes being briefed fully about the Company by the Chairman and Senior Executives of the Investment Adviser. The Chairman regularly reviews and agrees with Directors their training and development needs as necessary to enable them to discharge their duties.

Board Committees

The Board has delegated a number of areas of responsibility to its committees. Laurence Blackall became Chairman of the Audit Committee at the AGM on 7 June 2016 after Tina Burns did not offer herself for re-election. Caroline Foulger is the Chairman of the Risk Committee. Nomination and Remuneration decisions are taken by the whole Board.

The Board discontinued its Remuneration Committee during the year. The work previously undertaken by this committee is considered core to the Company and that it is more appropriate to be dealt with by the full Board. It is noted that no Director determines their own remuneration.

Audit Committee

OCI has an Audit Committee with formal delegated duties and responsibilities. It currently comprises James Keyes and Laurence Blackall (Chair of Committee).

In consultation with the Auditor, the Audit Committee determines the terms of engagement and the scope of the audit. It continuously monitors the external auditor's independence and objectivity, and has unrestricted access to oversee the relationship with the Company's Auditor. The Audit Committee receives and reviews reports both from management and the Company's Auditor relating to the annual accounts and the accounting and internal control systems of the Company.

For more information, please find the full Audit Committee report on page 43.

Director	Audit Committee
Total meetings held:	**2**
Number attended:	
Christopher Wetherhill	2 (a)
James Keyes	2
Laurence Blackall	1 (b)
Tina Burns	1 (a)

(a) Member of the Audit Committee for the period 1 January 2016 through 7 June 2016

(b) Laurence Blackall was a member of the committee for the full year of 2016 and was elected Chairman of the Audit committee on 7 June 2016

Corporate Governance Report continued

Risk Committee

As part of the continuous programme to improve the risk governance framework, the Risk Committee was established in 2015 to oversee the adequacy and effectiveness of the Company's risk management framework and policies. The Risk Committee is responsible for identifying and assessing current and emerging material risks and for the monitoring and mitigation of these, in accordance with the Company's risk policy and internal procedures. The current members of the Committee are Christopher Wetherhill and Caroline Foulger (Chair of Committee).

Attendance at the Risk Committee meetings in 2016 was as follows:

Director	Risk Committee
Total meetings held:	**2**
Number attended:	
Christopher Wetherhill	2
Caroline Foulger	2

Risk is an integral part of business and the effective identification and management of risks is central to operating a successful business and to the Company achieving its strategic objectives. Having a clear and well understood risk management strategy assists the firm in achieving an appropriate balance between generating returns for its investors and taking risk. In that respect, the Board has established the Risk Committee to monitor, manage and mitigate those identified risks.

The principal risks and uncertainties faced by the Company are described below and note 5 to the Consolidated Financial Statements provides detailed explanations of the risks associated with the Company's financial instruments.

- **Regulatory:** the risk that a change in the laws and regulations will materially impact the business if the Company is not in compliance. The laws and regulations include the AIM listing rules, AIFMD requirements, FCA requirements and corporate governance requirements. This risk also relates to the quality of the Company's relationship with its regulators.
- **External:** relates to losses that could be incurred due to changes in external market factors (i.e. prices, volatilities, and correlations, foreign exchange, political risk, event risk). The Company may face market risks from its currency exposures through investing into the Oakley Funds and through any bridging loans or co-investments pursued alongside the Funds.
- **Counterparty:** relates to losses that could be incurred due to declines in the creditworthiness of entities in which the Company invests or counterparties to transactions. From time-to-time the Company may provide bridging or debt finance to other entities, such as the Oakley Funds or underlying portfolio companies. The credit risk of lending to these entities will be considered on a case-by-case basis through the Board and Risk Committee.
- **Financial:** relates to inadequate controls by the Investment Adviser or other third party services providers which could lead to misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations.
- **Operational:** relates to risk associated with, and supporting the operating environment of the Company. The operating environment includes middle and back-office functions such as trade processing, accounting, administration, valuation and reporting. The Company is dependent on its Investment Adviser and its investment professionals. The Investment Adviser's employees play key roles in the operation and control of the Company. The departure or reassignment of some or all of these professionals could prevent the Company from achieving its investment objectives.

Through the Risk Committee, the Board has an ongoing process in place for the identification, evaluation and management of these risks.

Shareholder Communications:

Board Oversight

The Company places great importance on communication with its shareholders and endeavours to provide clear information, as well as maintaining a regular dialogue with shareholders.

The Investment Adviser briefs the Board on a regular basis with regards to any feedback received from analysts and investors. Any significant concern raised by shareholders in relation to the Company is also communicated to the Board. The Company's Nominated Broker (Liberum Capital Limited) regularly reports directly to the Board at their meetings. In addition, research reports published by financial institutions on the Company are circulated to the Board on a regular basis.

AGM

An Annual General Meeting is held each year, where a separate resolution is proposed on each substantially separate issue, including receipt of the annual report and accounts. All proxy votes are counted and, except where a poll is called, the level of proxies lodged for each resolution is announced at the Meeting and is published on the Company's website. The notice of the Annual General Meeting and related papers are sent to shareholders at least 20 working days before the meeting.

The Chairman and the Directors can be contacted through the Company Secretary, Mayflower Management Services (Bermuda) Limited, 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Capital Markets Day

An annual Capital Markets Day consists of a presentation to significant shareholders and analysts by senior Partners and the management teams of certain portfolio companies. The events are held in London. The presentations are focused on the performance of the investment portfolio.

Public Reporting

The Company's Annual Report and Accounts, along with the half-year Financial Statements and other RNS releases are prepared in accordance with applicable regulatory requirements.

Donations

The Company made charitable donations during 2016 of US$20,000 (£15,916) (2015: US$15,000 (£9,844)) to Bermuda registered charities.

Alternative Investment Fund Managers Directive

Status and Legal Form

The Company is a self managed non-EU Alternative Investment Fund ('AIF'). It is a closed-ended investment company incorporated in Bermuda and listed on the London Stock Exchange. The Company's registered office is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Remuneration Disclosure

The total amount of remuneration paid by the Company, to its Directors (the senior management) was £260,644. This comprised solely of fixed remuneration; no variable remuneration was paid. Fixed remuneration was composed of agreed fixed fees and any other expenses paid. There were six beneficiaries of this remuneration.





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Independent Auditor's Report

To the Shareholders and Board of Directors of Oakley Capital Investments Limited

Opinion

We have audited the consolidated financial statements of Oakley Capital Investments Limited (the "Company"), which comprise the consolidated balance sheet as at 31 December 2016 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2016 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter that arose is as follows:

Valuation of the unquoted investment portfolio

As discussed in the Audit Committee Report on page 43, the Accounting Policies on pages 56 to 58 and in notes 6 and 8 to the consolidated financial statements on pages 63 to 64 and 65 to 69, respectively, the Company holds investments in private equity partnerships (the Funds) and unquoted debt securities at 31 December 2016 of £297.0 million, where quoted prices do not exist. Such unquoted equity investments and debt securities are carried at their estimated fair values based upon the principles of the International Private Equity and Venture Capital Association ("IPEV") valuation guidelines.

The valuation of the unquoted private equity partnerships and debt securities held in the Company's investment portfolio is the key driver of its net asset value and total return to shareholders.

The private equity partnerships hold equity investments in unquoted portfolio companies. The valuation of these portfolio companies is complex and requires the application of judgement by the Investment Adviser.

The fair values are based upon the income approach, where estimated future cash flows are discounted at an appropriate interest rate, or the market approach which estimates the enterprise value of the investee using a comparable multiple of revenues or EBITDA, information from recent comparable transactions, or the underlying net asset value.

The risk

The significance of the unquoted investments to the Company's consolidated financial statements, combined with the judgement required in estimating their fair values means this was an area of focus during our audit.

Our response to the risk

We performed the following procedures:

We selected a sample of the unquoted debt securities held by the Company and unquoted equity investments held by the private equity partnerships and performed the following audit procedures:

- Obtained independent confirmations of the existence and accuracy of the unquoted equity investments and debt securities or agreed them to loan agreements;
- Obtained the Investment Adviser's models for valuing the unquoted equity investments and debt securities;
- Determined that the valuation specialists engaged by the Investment Adviser are qualified and independent of the Company;
- Challenged the Investment Adviser on the methodologies followed and key assumptions used in determining the valuations of the unquoted equity investments and debt securities in the context of the IPEV valuation guidelines;
- Obtained management information, including budgets and forecasts for revenues and EBITDA, which are the key inputs used in the valuation models by the Investment Adviser and compared this information to that used in the models;
- Independently sourced multiples for comparable companies used by the Investment Adviser, considered whether those companies are comparable to the investee and compared them to the multiples used in the valuations;
- Tested the mathematical accuracy of the valuation models;
- Tested the disclosures made about the unquoted equity investments and debt securities in the notes to the consolidated financial statements for compliance with IFRS; and
- Monitored any events that emerged in the post balance sheet period (up to the date of signing the Company's consolidated financial statements) that would have a potential impact on the value of the unquoted equity investments and debt securities held at the year end.

Other Information in the Annual Report

Management is responsible for the other information contained within the Annual Report. The other information comprises the Overview, Strategic Report by the Investment Adviser, and Governance sections.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Neil Patterson.

KPMG Audit Limited

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda

28 March 2017

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Income			
Interest income	13	11,637	5,053
Net realised gains on investments at fair value through profit and loss	6, 7	8,545	29,041
Net change in unrealised gains (losses) on investments at fair value through profit and loss	6, 7	46,196	(3,561)
Net foreign currency gains (losses)		4,733	(2,000)
Other income		140	597
Total income		**71,251**	**29,130**
Expenses	14	**(4,519)**	**(7,319)**
Operating profit		**66,732**	**21,811**
Finance cost		(55)	(2)
Profit before tax		**66,677**	**21,809**
Withholding tax	19	–	(235)
Profit after tax attributable to equity shareholders/total comprehensive income		**66,677**	**21,574**
Earnings per share			
Basic and diluted earnings per share	20	0.35	0.12

The Notes on pages 56 to 78 are an integral part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2016

	Notes	2016 £'000	2015 £'000	2014 £'000
Assets				
Non-current assets				
Investments	6, 8	340,869	289,216	220,344
		340,869	289,216	220,344
Current assets				
Trade and other receivables	11	673	5	29,748
Cash and cash equivalents	10	106,509	95,520	6,882
		107,182	95,525	36,630
Total assets		**448,051**	**384,741**	**256,974**
Liabilities				
Current liabilities				
Trade and other payables	12	9,619	2,591	52
		9,619	2,591	52
Total liabilities		**9,619**	**2,591**	**52**
Net assets attributable to shareholders		**438,432**	**382,150**	**256,922**
Equity				
Share capital	22	2,069	2,069	1,281
Share premium	22	246,245	246,245	120,209
Treasury shares	22	(25,024)	(23,170)	–
Retained earnings		215,142	157,006	135,432
Total shareholders' equity		**438,432**	**382,150**	**256,922**
Net asset per ordinary share				
Basic and diluted net assets per share	21	2.31	2.00	2.01
Ordinary shares in issue at 31 December		189,804	191,078	128,125

The Notes on pages 56 to 78 are an integral part of these financial statements.

The financial statements of Oakley Capital Investments Limited (registration number: 40324) on pages 52 to 78 were approved by the Board of Directors and authorised for issue on 28 March 2017 and were signed on their behalf by:

Christopher Wetherhill
Director

Laurence Blackall
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2016

	Share capital £'000	Share premium £'000	Treasury shares £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1 January 2015	**1,281**	**120,209**	**–**	**135,432**	**256,922**
Profit for the year/ total comprehensive income	–	–	–	21,574	21,574
Ordinary shares issued	788	126,036	–	–	126,824
Purchase of treasury shares	–	–	(24,591)	–	(24,591)
Sale of treasury shares	–	–	1,421	–	1,421
Dividends	–	–	–	–	–
Total transactions with equity shareholders	**788**	**126,036**	**(23,170)**	**–**	**103,654**
Balance at 31 December 2015	**2,069**	**246,245**	**(23,170)**	**157,006**	**382,150**
Profit for the year/ total comprehensive income	–	–	–	66,677	66,677
Ordinary shares issued	–	–	–	–	–
Purchase of treasury shares	–	–	(1,854)	–	(1,854)
Sale of treasury shares	–	–	–	–	–
Dividends	–	–	–	(8,541)	(8,541)
Total transactions with equity shareholders	**–**	**–**	**(1,854)**	**(8,541)**	**(10,395)**
Balance at 31 December 2016	**2,069**	**246,245**	**(25,024)**	**215,142**	**438,432**

The Notes on pages 56 to 78 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Purchases of investments		(178,228)	(131,118)
Sales of investments		173,554	122,579
Interest income received		17,403	1,687
Expenses paid		(4,704)	(6,759)
Finance cost paid		(55)	(2)
Other income received		140	597
Net cash provided by (used in) operating activities		**8,110**	**(13,016)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares	22	–	126,824
Proceeds from treasury shares sold	22	–	1,421
Payment for treasury shares purchased	22	(1,854)	(24,591)
Dividends paid	23	–	–
Net cash (used in) provided by financing activities		**(1,854)**	**103,654**
Net increase in cash and cash equivalents		6,256	90,638
Cash and cash equivalents at the beginning of the year		**95,520**	**6,882**
Effect of foreign exchange rate changes		4,733	(2,000)
Cash and cash equivalents at the end of the year	10	**106,509**	**95,520**

The Notes on pages 56 to 78 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2016

1. Reporting entity

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 the following 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 "Feeder Funds") and OCPE II Master L.P. (the "Fund II Master") collectively comprise "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. (the "Fund III Master") collectively comprise "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's Administrator is Mayflower Management Services (Bermuda) Limited (the "Administrator").

The defined term "Company" shall, where the context requires for the purposes of consolidation, include its sole, wholly owned subsidiary, OCIL Financing (Bermuda) Limited ("OCI Financing").

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

2. Basis of preparation

The consolidated financial statements of the Company have been prepared on a going concern basis and under the historical cost convention, except for financial instruments at fair value through profit and loss, which are measured at fair value.

2.1 Basis for compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS").

2.2 Functional and presentation currency

The consolidated financial statements are presented in British Pounds ("Pounds"), which is the Company's functional currency.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Changes in accounting policies and disclosures

(a) Transition to IFRS

The consolidated financial statements and notes have been prepared in accordance with IFRS for the first time.

The Company's effective transition date from US GAAP is 1 January 2015. The Company prepared its opening balance sheet using IFRS at that date and the Company's IFRS adoption date is 31 December 2015. In preparing these consolidated financial statements in accordance with IFRS 1, the Company has applied the mandatory exemptions from full retrospective application of IFRS as described in note 27.

(b) New standards, amendments and interpretations that are not yet effective and might be relevant for the Company;

- IFRS 9 Financial Instruments (effective 1 January 2018, early adoption permitted); and
- Disclosure Initiative - Amendments to IAS 7 (effective 1 January 2017).

The Company is currently in the process of analysing the impact of these new standards, amendments to existing standards and annual improvements to IFRS in detail but these are not expected to have a material effect on the consolidated financial statements of the Company.

3.2 Basis for consolidation

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. While the Company may have a greater than 50% ownership interest in a Fund, it does not have the ability to affect the decisions of the Fund's General Partner or the returns of the Funds. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary, after the elimination of all significant intercompany balances and transactions. The financial statements of the Company's sole wholly owned subsidiary, OCI Financing, are included in the consolidation. As at 31 December 2016, the Company holds $29,201,704 share capital in OCI Financing (2015: $15,011,794).

As a result of the amendments to IFRS 10, investment entities are exempted from consolidating controlled investees. The Company meets the definition of an investment entity, as the following conditions are met:

- The Company provides investment management services.
- The business purpose of the Company is the purchase, holding and disposal of investments held in private equity funds and directly in portfolio companies with above-average growth potential with the goal of achieving returns from capital appreciation and investment income.
- The performance of these investments is measured and evaluated on a fair value basis.
- The Company holds multiple investments.

The Company therefore measures its investments at fair value through profit and loss in accordance with the investment entity exemption. The Company does not consolidate any of its investments in the Funds.

3.3 Investments

(a) Classification

The Company classifies its investments in private equity funds, direct investments and loans to the Funds, portfolio companies and other loans (herein referred to as "unquoted debt securities") as financial assets held at fair value through profit and loss at inception.

Financial assets held at fair value through profit and loss at inception are assets that are managed and their performance evaluated on a fair value basis in accordance with the Company's investment strategy.

(b) Recognition and measurement

Financial assets held at fair value through profit and loss are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Financial assets held at fair value through profit and loss are recognised initially at fair value, with transaction costs recognised in profit or loss.

Net gains and losses from financial assets held at fair value through profit and loss include all realised and unrealised fair value changes and foreign exchange differences and are included in the consolidated statement of comprehensive income in the period in which they arise.

Quoted investments are subsequently carried at fair value. Fair value is measured using the closing bid price at the reporting date, where the investment is quoted on an active stock market.

Unquoted investments, including both equities and loans, are subsequently carried in the consolidated balance sheet at fair value. Fair value is determined in line with the Company's investment valuation policy, which is compliant with the fair value guidelines under IFRS 13 and the International Private Equity and Venture Capital (IPEV) Valuation Guidelines.

(c) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest on such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3.4 Cash and cash equivalents

Cash and cash equivalents include deposits held on call with banks and other short-term deposits. The Company considers all short-term deposits with a maturity of 90 days or less as equivalent to cash.

3.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.6 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired or received in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.7 Interest Income

Interest on unquoted debt securities held at fair value through profit and loss is accrued on a time-proportionate basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts over the expected life of the debt security to its net carrying amount on initial recognition. Interest income is recognised gross of withholding tax, if any. Interest income on unquoted debt securities is recognised as a separate line item in the consolidated statement of comprehensive income and classified within operating activities in the consolidated cash flow statement.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

3. Significant accounting policies continued

3.8 Expenses

Expenses are recognised on the accruals basis.

3.9 Foreign currency translation

The functional currency of the Company is Pounds. Transactions in currencies other than Pounds are recorded at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, investments and other monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Capital drawdowns and proceeds of distributions from the Funds and foreign currencies and income and expense items denominated in foreign currencies are translated into Pounds 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 foreign currency gains and losses in the consolidated statement of comprehensive income.

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 gains or losses on investments in the consolidated statement of comprehensive income.

3.10 Share capital

Ordinary shares issued by the Company are recognised based on the proceeds or fair value received, with the excess of the amount received over their nominal value being credited to the share premium account. Direct issue costs are deducted from equity.

3.11 Treasury shares

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

3.12 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares.

4. Critical accounting estimates, assumptions and judgment

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its consolidated financial statements. IFRS require the Board of Directors, in preparing the Company's consolidated financial statements, to select suitable accounting policies, apply them consistently and make judgments and estimates that are reasonable and prudent. The Company's estimates and assumptions are based on historical experience and the Board of Directors expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The judgments, assumptions and estimates involved in the Company's accounting policies that are considered by the Board of Directors to be the most important to the portrayal of its results and financial condition are the fair valuation of the investments and the assessment regarding investment entities.

(a) Fair valuation of investments

The fair values assigned to investments held at fair value through profit and loss are based upon available information and do not necessarily represent amounts which might ultimately be realised. Because of the inherent uncertainty of valuation, these estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed, and those differences could be material.

Investments held at fair value through profit and loss are valued by the Company in accordance with IAS 39 and IFRS 13 and the IPEV valuation guidelines. Judgment is required in order to determine the appropriate valuation methodology under this standard and subsequently in determining the inputs into the valuation models used. These judgments include making assessments of the future earnings potential of portfolio companies, appropriate earnings multiples to apply, estimating future cash flows and determining appropriate discount rates.

(b) Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit and loss.

The Board of Directors has concluded that the Company meets the definition of an investment entity as its strategic objective is to invest in portfolio investments on behalf of its investors for the purpose of generating returns in the form of investment income and capital appreciation.

5. Financial risk management

5.1 Introduction and overview

The Board of Directors, the Company's Risk Committee (the "Risk Committee") and the Investment Adviser attribute great importance to professional risk management, beginning with the sourcing of premier private equity investment opportunities, proper understanding and negotiation of appropriate terms and conditions and active monitoring, including a thorough analysis of reports and financial statements and ongoing review of investments made. It is also key to structure the investment vehicles for the portfolio taking into account issues such as liquidity and tax related issues. The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Investment Adviser provides the Board of Directors with recommendations as to the Company's asset allocation and annual investment levels that are consistent with the Company's objectives. The Risk Committee reviews and agrees policies for managing the risks as summarised below.

The Company has exposures to the following risks from financial instruments: concentration risk, credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and price risk). The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

5.2 Credit risk

The Company is subject to credit risk on its unquoted investments and cash. The schedule below summarises the Company's exposure to credit risk on its cash and unquoted investments.

	2016		2015	
	Total £'000	Rating (Moody's)	Total £'000	Rating (Moody's)
Cash at HSBC	72,142	A1	95,292	A1
Cash at Barclays	34,254	A1	116	A2
Cash at Lloyds	113	A1	112	A1
Investments in Funds	211,254	n/a	158,369	n/a
Investments in unquoted equity and debt securities	85,761	n/a	130,847	n/a

In accordance with the Company's policy, the Investment Adviser monitors the Company's exposure to credit risk on cash on a quarterly basis and the Risk Committee regularly reviews the Company's exposure to credit risk. The credit quality of the investments in the funds and unquoted equity and debt securities, which are held at fair value and include debt and equity elements, is based on the financial performance of the individual investments and they are not rated.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

5. Financial risk management continued

5.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Company. The Company's policy and the Investment Adviser's approach to managing liquidity is to have sufficient cash available to meet its liabilities, including estimated capital calls, without incurring undue losses or risking damage to the Company's reputation.

Unfunded commitments to the Funds are irrevocable and can exceed cash and cash equivalents available to the Company. Based on current short-term cash flow projections and barring unforeseen events, the Company expects to be able to honour all capital calls by the Funds.

As of 31 December 2016 cash and cash equivalents of the Company amount to £106,509,636 (2015: £95,519,939). The Company has total undrawn capital commitments of £330,796,945 (2015: £89,465,097) relating to the Funds. Of this, £268,971,300 (2015: £nil) relates to the commitment in Fund III, with drawdowns spread over an expected investment period of five years ending in 2022. The unfunded commitments of the Company are listed in note 24. As per the Company's Bye-laws, the Company can borrow up to 25% of total shareholders' equity which would equal £109,608,000 for the year ending 31 December 2016 (2015: £95,538,000).

The majority of the investments held by the Company are unquoted and subject to specific restrictions on transferability and disposal. Consequently, the risk exists that the Company might not be able to readily dispose of its holdings in such markets at the time of its choosing and also that the price attained on a disposal is below the amount at which such investments are included in the Company's consolidated balance sheet.

The table below analyses the Company's consolidated financial liabilities based on the remaining period between the balance sheet date and the contractual maturity date. The amounts in the schedule are the contractual undiscounted cash flows. Balances due within 12 months equal their fair values, as the impact of discounting is not significant. In accordance with the Company's policy, the Investment Adviser monitors the Company's liquidity position, and the Risk Committee reviews it on a regular basis.

	2016 £'000	2015 £'000
Trade and other payables		
Less than 1 month	8,541	1,997
1–3 months	1,078	594
More than 3 months	–	–
No stated maturity	–	–
Total trade and other payables	9,619	2,591

5.4 Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company's sensitivity to these items is set out below.

a) Interest rate risk

Interest rate risk arises principally from changes in interest receivable on cash and deposits. The Company holds unquoted debt securities at fixed rates of interest and is therefore exposed to interest rate risk.

The impact of an increase or decrease on interest rates of 100 basis points on cash and deposits, based on the closing consolidated balance sheet position over a 12 month period, would have been:

	2016		2015	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Impact on interest income from cash and deposits	9,959	(9,959)	11,995	(11,995)
Impact on profit (loss)	9,959	(9,959)	11,995	(11,995)

The Company's unquoted debt investments consist of mezzanine loans, financing loan facilities, revolving loan facilities and senior secured loans, which carry fixed rates of interest ranging from 6.5% to 15%. These loans are subject to interest rate risk as increases and decreases in interest rates will have an impact on their fair value. A 100 basis point increase in interest rates would result in a decrease in fair value of those loans of £1,702,961 and a corresponding decrease of 100 basis points in interest rates would result in an increase in their fair value by the same amount (2015: £1,880,379).

In addition, the Company has indirect exposure to interest rates through changes to the financial performance and valuation in equity investments in the Funds and portfolio companies that have issued debt caused by interest rate fluctuations. Short-term receivables and payables are excluded as the risks due to fluctuation in the prevailing levels of market interest rates associated with these instruments are not significant.

b) Currency risk

The Company holds assets and liabilities denominated in currencies other than its functional currency, which expose the Company to the risk that the exchange rates of those currencies against the Pound will change in a manner which adversely impacts the Company's net profit and net assets attributable to shareholders. The following sensitivity analysis is presented based on the sensitivity of the Company's net assets to movements in foreign currency exchange rates assuming a 10% increase in exchange rates against the Pound. A 10% decrease in exchange rates against the Pound would have an equal and opposite effect.

	2016		2015	
	Euro £'000	US dollar £'000	Euro £'000	US dollar £'000
Assets:				
Financial assets at fair value through profit and loss	21,125	–	16,402	840
Cash and cash equivalents	7,808	–	6,449	(10)
Trade and other receivables	64	–	–	–
Total assets	28,997	–	22,851	830
Liabilities:				
Trade and other payables	–	(16)	–	(5)
Total liabilities	–	(16)	–	(5)
Impact on profit (loss)	28,997	(16)	22,851	825

The Investment Adviser monitors the Company's currency position on a regular basis and reports the impact of currency movements on the performance of the investment portfolio to the Risk Committee quarterly. As per the Company's investment policy, all investments in quoted equity securities and unquoted equity and debt securities are denominated in Pounds, placing currency risk on the counter party. The investments in the Funds are denominated in Euros.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

5. Financial risk management continued

5.4 Market risk continued

c) Price risk – market fluctuations

The Company's management of price risk, which arises primarily from quoted and unquoted equity instruments, is through the careful selection of financial assets within specified limits as advised by the Investment Adviser and approved by the Risk Committee.

For quoted equity securities, the market risk variable is deemed to be the market price itself. A 15% change in the price of those investments would have the following direct impact on the consolidated statement of comprehensive income:

	2016		2015	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Quoted equity investments:				
15% movement in price of listed investment				
Impact on profit (loss)	6,578	(6,578)	–	–
Impact on net assets attributable to shareholders	6,578	(6,578)	–	–

For the investment in the Funds and unquoted equity securities, the market risk is deemed to be the change in fair value. A 15% change in the fair value of those investments would have the following direct impact on the consolidated statement of comprehensive income:

	2016		2015	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Funds and unquoted equity securities:				
15% movement in price of Funds and unquoted equity securities				
Impact on profit (loss)	31,688	(31,688)	27,648	(27,648)
Impact on net assets attributable to shareholders	31,688	(31,688)	27,648	(27,648)

The Company is exposed to a variety of market risk factors which may change significantly over time. As a result, measurement of such exposure at any given point in time may be difficult given the complexity and limited transparency of the investments held by the underlying portfolio companies.

5.5 Capital management

The Company's capital is represented by ordinary shares with £0.01 par value and they carry one vote each. The shares are entitled to dividends when declared. The Company has no additional restrictions or specific capital requirements on the issuance and re-purchase of ordinary shares. The movements of capital are shown in the consolidated statement of changes in equity.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to achieve positive returns in all market environments. In order to maintain or adjust the capital structure, the Company may return capital to shareholders through the issue and repurchase of treasury shares. The effects of the issue, repurchase and resale of treasury shares as a result of market making activities in 2016 are listed in note 22. Liberum Capital Limited acts as the Company's nominated adviser and broker. The Company has a policy of share buy backs as part of discount control management and will not sell stock from treasury nor issue new shares at material discounts to total shareholders' equity.

6. Investments

Investments as at 31 December 2016:

	2015 Fair Value £'000	Purchases/ Capital calls £'000	Total sales/ repayment £'000	Realised gains (losses) £'000	Interest and other £'000	Change in unrealised gains (losses) £'000	2016 Fair Value £'000
Funds							
Fund I	56,318	–	(6,271)	(13,686)	–	28,545	64,906
Fund II	102,051	33,989	(42,365)	23,089	–	27,251	144,015
Fund III	–	7,857	–	–	–	(5,524)	2,333
Total funds	**158,369**	**41,846**	**(48,636)**	**9,403**	**–**	**50,272**	**211,254**
Quoted equity securities							
Time Out Group plc	–	47,155	–	–	–	(3,301)	43,854
Total quoted equity securities	–	47,155	–	–	–	(3,301)	43,854
Unquoted equity securities							
Flypay Limited	7,115	–	(6,990)	–	–	(125)	–
Time Out Group HC Limited	13,271	4,000	(15,635)	(2,165)	529	–	–
Time Out Mercado Limited	5,564	2,754	(9,530)	747	574	(109)	–
Total unquoted equity securities	**25,950**	**6,754**	**(32,155)**	**(1,418)**	**1,103**	**(234)**	**–**
Unquoted debt securities							
Bellwood Holdings Ltd	2,805	2,200	(5,055)	–	50	–	–
BH(B) 55 Limited	10,948	–	(11,175)	–	227	–	–
Daisy Group Holdings Limited	14,061	–	–	–	3,203	(62)	17,202
Damoco Holdco Ltd	4,212	–	(4,300)	–	88	–	–
Ellisfield (Bermuda) Limited	25,711	–	(12,537)	–	1,356	–	14,530
Fund I	10,550	12,037	(11,032)	–	701	–	12,256
Fund II	–	43,567	(39,838)	–	608	–	4,337
NSG Apparel BV	10,066	10,000	–	–	1,912	–	21,978
Oakley Capital II Limited	2,895	–	(2,214)	–	87	–	768
Oakley Capital III Limited	–	5,500	(529)	–	239	–	5,210
Parship GmbH	–	5,172	(5,292)	–	120	–	–
Time Out Group BC Limited	4,032	–	(4,211)	–	179	–	–
Time Out Group HC Limited	–	2,000	(2,053)	–	53	–	–
TO (Bermuda) Limited	11,222	–	(2,652)	–	910	–	9,480
TONY MC LLC	8,395	–	(9,088)	560	612	(479)	–
Total unquoted debt securities	**104,897**	**80,476**	**(109,976)**	**560**	**10,345**	**(541)**	**85,761**
Total investments	**289,216**	**176,231**	**(190,767)**	**8,545**	**11,448**	**46,196**	**340,869**

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

6. Investments continued

Investments as at 31 December 2015:

	2014 Fair Value £'000	Purchases Capital calls £'000	Total sales £'000	Realised gains (losses) £'000	Interest and other £'000	Change in unrealised gains (losses) £'000	2015 Fair Value £'000
Funds							
Fund I	87,193	5,973	(26,620)	26,619	–	(36,847)	56,318
Fund II	64,664	21,173	(18,900)	2,422	–	32,692	102,051
Fund III	–	–	–	–	–	–	–
Total funds	**151,857**	**27,146**	**(45,520)**	**29,041**	**–**	**(4,155)**	**158,369**
Unquoted equity securities							
Flypay Limited	–	6,990	–	–	–	125	7,115
Time Out Group HC Limited	–	13,271	–	–	–	–	13,271
Time Out Mercado Limited	–	5,455	–	–	–	109	5,564
Total unquoted equity securities	**–**	**25,716**	**–**	**–**	**–**	**234**	**25,950**
Unquoted debt securities							
Bellwood Holdings Ltd	2,646	–	–	–	159	–	2,805
BH(B) 55 Limited	10,752	–	–	–	196	–	10,948
Daisy Group Holdings Limited	–	14,000	–	–	–	61	14,061
Damoco Holdco Ltd	–	4,130	–	–	82	–	4,212
Ellisfield (Bermuda) Limited	–	24,932	–	–	779	–	25,711
Fund I	19,907	17,661	(27,850)	–	832	–	10,550
Fund II	8,117	4,530	(12,795)	–	148	–	–
NSG Apparel BV	1,252	15,000	(6,429)	–	245	(2)	10,066
Oakley Capital II Limited	4,745	–	(2,057)	–	207	–	2,895
Oakley Capital III Limited	–	–	–	–	–	–	–
Parship GmbH	–	–	–	–	–	–	–
Time Out Group BC Limited	3,604	–	–	–	428	–	4,032
Time Out Group HC Limited	–	–	–	–	–	–	–
TO (Bermuda) Limited	10,174	–	–	–	1,048	–	11,222
TONY MC LLC	7,290	–	–	–	804	301	8,395
Total unquoted debt securities	**68,487**	**80,253**	**(49,131)**	**–**	**4,928**	**360**	**104,897**
Total investments	**220,344**	**133,115**	**(94,651)**	**29,041**	**4,928**	**(3,561)**	**289,216**

7. Net gains (losses) from investments at fair value through profit and loss

	2016 £'000	2015 £'000
Net change in unrealised gains (losses) on investments at fair value through profit and loss:		
Funds	50,272	(4,155)
Quoted equity securities	(3,301)	–
Unquoted equity securities	(234)	234
Unquoted debt securities	(541)	360
Total net change in unrealised gains (losses) on investments at fair value through profit and loss	46,196	(3,561)
Realised gains (losses) on investments at fair value through profit and loss:		
Funds	9,403	29,041
Quoted equity securities	–	–
Unquoted equity securities	(1,418)	–
Unquoted debt securities	560	–
Total realised gains (losses) on investments at fair value through profit and loss	8,545	29,041

8. Disclosure about fair value of financial instruments

The Company has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The Company classifies financial instruments measured at fair value in the investment portfolio according to the following hierarchy:

- Level I: Quoted prices (unadjusted) in active markets for identical instruments that the Company can access at the measurement date. Level I investments include quoted equity instruments.
- Level II: Inputs other than quoted prices included within Level I that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level III: Inputs that are not based on observable market data. Level III investments include private equity funds, unquoted equity and debt securities.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the instrument. The determination of what constitutes 'observable' requires significant judgment by the Company. The Company considers observable data to be market data that are readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses the Company's investments measured at fair value as of 31 December 2016 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level II £'000	Level III £'000	Total £'000
Funds	–	–	211,254	211,254
Quoted equity securities	43,854	–	–	43,854
Unquoted equity securities	–	–	–	–
Unquoted debt securities	–	–	85,761	85,761
Total investments measured at fair value	43,854	–	297,015	340,869

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

8. Disclosure about fair value of financial instruments continued

The following table analyses the Company's investments measured at fair value as of 31 December 2015 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level II £'000	Level III £'000	Total £'000
Funds	–	–	158,369	158,369
Quoted equity securities	–	–	–	–
Unquoted equity securities	–	–	25,950	25,950
Unquoted debt securities	–	–	104,897	104,897
Total investments measured at fair value	–	–	289,216	289,216

Level I

Quoted equity investment values are based on quoted market prices in active markets, and are therefore classified within Level I investments. The Company does not adjust the quoted price for these investments.

Level II

The Company does not hold any Level II investments as of 31 December 2016 or 31 December 2015.

Level III

The Company has determined that the Funds, unquoted equity securities and unquoted debt securities fall into the category Level III. Funds, unquoted equity and debt securities are measured in accordance with the IPEV Guidelines with reference to the most appropriate information available at the time of measurement. The consolidated financial statements as of 31 December 2016 include Level III investments in the amount of £297,014,877, representing approximately 67.74% of equity (2015: £289,216,303; 75.68%).

Funds

The Company primarily invests in portfolio companies via the Funds. The Funds are unquoted equity securities and in turn invest in unquoted securities. The Company's investments in unquoted equity securities are recognised in the consolidated balance sheet at fair value, in accordance with IPEV Valuation Guidelines and IFRS 13 and are considered Level III investments.

The valuation of unquoted fund investments is generally based on the latest available net asset value ("NAV") of the fund reported by the corresponding general partner or administrator, provided that the NAV has been appropriately determined using fair value principles in accordance with IFRS 13.

The NAV of a fund is calculated after determining the fair value of a fund's investment in any investee companies. This value is generally obtained by calculating the Enterprise Value ("EV") of the portfolio company and then adding excess cash and deducting financial instruments, such as external debt, ranking ahead of the fund's highest ranking instrument in the investee company.

A common method of determining the EV is to apply a market-based multiple (e.g. an average multiple based on a selection of comparable quoted companies) to the 'maintainable' earnings or revenues of the portfolio company. This market-based approach presumes that the comparator companies are correctly valued by the market. A discount is sometimes applied to market based multiples to adjust for points of difference between the comparators and the company being valued.

As at 31 December 2016, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest was as follows:

	2016		
	Fund I (€'000)	Fund II (€'000)	Fund III (€'000)
Investments	82,225	213,160	–
Loans	(9,241)	(27,564)	–
Provisional profit allocation	–	(17,751)	–
Other net assets	3,090	949	2,734
Total value of the Fund attributable to the Company (€'000)	76,074	168,794	2,734
Total value of the Fund attributable to the Company (£'000)	64,906	144,015	2,333

As at 31 December 2015, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest was as follows:

	2015		
	Fund I (€'000)	Fund II (€'000)	Fund III (€'000)
Investments	80,919	173,127	–
Loans	(9,219)	(31,278)	–
Provisional profit allocation	–	(4,875)	–
Other net assets	4,808	1,664	–
Total value of the Fund attributable to the Company (€'000)	76,508	138,638	–
Total value of the Fund attributable to the Company (£'000)	56,318	102,051	–

The Company does not utilise valuation models to calculate the fair value of its fund investments. The NAV as reported by the Funds' General Partner or Administrator is considered to be the key unobservable input. In addition, the Company has the following control procedures in place to evaluate whether the NAV of the underlying fund investments is calculated in a manner consistent with IFRS 13:

- Thorough initial due diligence process and ongoing monitoring procedures, primarily discussions with the Funds' Investment Adviser;
- Comparison of historical realisations to last reported fair values; and
- Review of qualifications, if any, in the auditor's report of a Fund or whether there is a history of significant adjustments to NAV reported by the Funds' General Partner or Administrator as a result of its annual audit or otherwise.

Unquoted equity securities

In estimating the fair value of unquoted equity securities, the Company considers the transaction price as a reasonable estimate of fair value at initial recognition. Subsequently, the Company considers the most appropriate market valuation techniques in determining fair value. Inputs considered by the Company are mainly comparable company valuation multiples.

Unquoted debt securities

The fair values of the Company's investments in unquoted debt securities are derived from a Discounted Cash Flow calculation based on expected future cash flows to be received, discounted at an appropriate rate. Expected future cash flows include interest received and principal repayment at maturity.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

8. Disclosure about fair value of financial instruments continued

Unobservable inputs for Level III investments

Funds

In arriving at the fair value of the unquoted fund investments, the key input used by the Company is the NAV as provided by the General Partner or Administrator. It is recognised by the Company that the NAVs of the Funds are sensitive to movements in the values of the underlying portfolio companies.

The underlying portfolio companies of the Funds may include both quoted and unquoted companies. Quoted portfolio companies are valued based on market prices and no unobservable inputs are used. Unquoted portfolio companies are valued based on a market approach for which significant judgment is applied.

For the purposes of sensitivity analysis, the Company considers a 10% adjustment to the fair value of the unquoted portfolio companies of the Funds as reasonable. For the year ending 31 December 2016 a 10% adjustment to the fair value of the unquoted portfolio companies held by the Funds would result in a 4.9% movement in net assets attributable to shareholders (2015: 4.2%).

Unquoted equity securities

The Company held no unquoted equity securities as at 31 December 2016. For the year ending 31 December 2015, the Company valued the unquoted equity securities at fair value equal to the transaction price and no unobservable inputs were used.

Unquoted debt securities

In arriving at the fair value of the unquoted debt securities, the key inputs used by the Company are future cash flows expected to be received until maturity of the debt securities and the discount factor applied. The discount factor applied is considered to be an unobservable input and range between 6.5% and 15%.

For the purposes of sensitivity analysis, the Company considers a 1% adjustment to the discount factor applied as reasonable. For the year ending 31 December 2016 a 1% adjustment would result in a 0.4% movement in net assets attributable to shareholders (2015: 0.5%).

Transfers between levels

The following table presents the transfer between Levels for the year ended 31 December 2016:

	Level I £'000	Level II £'000	Level III £'000
Funds	–	–	–
Quoted equity securities	47,155	–	–
Unquoted equity securities	–	–	(32,155)
Unquoted debt securities	–	–	(15,000)
Total transfers between Level I and III	47,155	–	(47,155)

There were no transfers between the Levels during the year ended 31 December 2015.

On 14 June 2016, the Time Out unquoted debt and equity securities classified as Level III were exchanged for listed shares of Time Out Group as part of the reorganisation and Initial Public Offering ("IPO") of the Time Out Group. Transfers are recognised at the date of transfer.

Level I and Level III reconciliation

The changes in investments measured at fair value, for which the Company has used Level I and Level III inputs to determine fair value as of 31 December 2016 and 2015, are as follows:

Level I Investments:	2016 £'000	2015 £'000
Quoted equity securities		
Fair value at beginning of year	–	–
Shares transferred from unquoted debt and equity securities	47,155	–
Net change in unrealised gains (losses) on investments	(3,301)	–
Fair value of Level I investments at end of year	43,854	–

Level III Investments:

	Funds £'000	Unquoted equity securities £'000	Unquoted debt securities £'000	Total £'000
2016				
Fair value at beginning of year	158,369	25,950	104,897	289,216
Purchases	41,846	6,754	80,476	129,076
Proceeds on disposals (including interest)	(48,636)	–	(94,976)	(143,612)
Realised gain on sale	9,403	–	–	9,403
Accrued interest capitalised in debt for share conversion	–	1,103	–	1,103
Net realised loss on debt for share conversion	–	(1,418)	560	(858)
Transferred to quoted equity securities (Level I)	–	(32,155)	(15,000)	(47,155)
Interest income and other fee income	–	–	10,345	10,345
Net change in unrealised gains (losses) on investments	50,272	(234)	(541)	49,497
Fair value at end of year	211,254	–	85,761	297,015

	Funds £'000	Unquoted equity securities £'000	Unquoted debt securities £'000	Total £'000
2015				
Fair value at beginning of year	151,857	–	68,487	220,344
Purchases	27,146	25,716	80,253	133,115
Proceeds on disposals (including interest)	(45,520)	–	(49,131)	(94,651)
Realised gain on sale	29,041	–	–	29,041
Interest income and other fee income	–	–	4,928	4,928
Net change in unrealised gains (losses) on investments	(4,155)	234	360	(3,561)
Fair value at end of year	158,369	25,950	104,897	289,216

Financial instruments not carried at fair value

Financial instruments, other than financial instruments at fair value through profit and loss, where carrying values are equal to fair values:

	2016 £'000	2015 £'000
Cash and cash equivalents	106,509	95,520
Trade and other receivables	673	5
Trade and other payables	9,619	2,591

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

9. Segment information

The Company has two reportable segments, as described below. For each of them, the Board of Directors receives detailed reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

- Fund investments: includes commitments/investments in three private equity funds.
- Direct investments and loans: includes direct investments, loans to the Funds' portfolio companies, loans to the Funds and other loans.

Balance sheet and income and expense items which cannot be clearly allocated to one of the segments are shown in the column "Unallocated" in the following tables.

The reportable operating segments derive their revenue primarily by seeking investments to achieve an attractive return in relation to the risk being taken. The return consists of interest, dividends and/or unrealised and realised capital gains.

The financial information provided to the Board of Directors with respect to total assets and liabilities is presented in a manner consistent with the consolidated financial statements. The assessment of the performance of the operating segments is based on measurements consistent with IFRS. Liabilities are not considered to be segment liabilities but rather managed at the corporate level.

There have been no transactions between the reportable segments during the financial year 2016 (2015: none).

The segment information for the year ended 31 December 2016 is as follows:

	Fund investments £'000	Direct investments & loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	9,403	(858)	8,545	–	8,545
Net unrealised gains (losses) on financial assets at fair value through profit and loss	50,272	(4,076)	46,196	–	46,196
Interest income	–	11,355	11,355	282	11,637
Net foreign currency gains (losses)	–	–	–	4,733	4,733
Other income	–	93	93	47	140
Expenses	–	–	–	(4,519)	(4,519)
Finance cost	–	–	–	(55)	(55)
Withholding tax	–	–	–	–	–
Profit (loss) for the year	59,675	6,514	66,189	488	66,677
Total assets	211,254	129,615	340,869	107,182	448,051
Total liabilities	–	–	–	(9,619)	(9,619)
Net assets	211,254	129,615	340,869	97,563	438,432
Total assets include:					
Financial assets at fair value through profit and loss	211,254	129,615	340,869	–	340,869
Others	–	–	–	107,182	107,182

The segment information for the year ended 31 December 2015 is as follows:

	Fund investments £'000	Direct investments & loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	29,041	–	29,041	–	29,041
Net unrealised gains (losses) on financial assets at fair value through profit and loss	(4,155)	594	(3,561)	–	(3,561)
Interest income	–	4,936	4,936	117	5,053
Net foreign currency gains (losses)	–	–	–	(2,000)	(2,000)
Other income	–	227	227	370	597
Expenses	–	–	–	(7,319)	(7,319)
Finance cost	–	–	–	(2)	(2)
Withholding tax	–	(235)	(235)	–	(235)
Profit (loss) for the year	24,886	5,522	30,408	(8,834)	21,574
Total assets	158,369	130,847	289,216	95,525	384,741
Total liabilities	–	–	–	(2,591)	(2,591)
Net assets	158,369	130,847	289,216	92,934	382,150
Total assets include:					
Financial assets at fair value through profit and loss	158,369	130,847	289,216	–	289,216
Others	–	–	–	95,525	95,525

10. Cash and cash equivalents

	2016 £'000	2015 £'000
Cash and demand balances at banks	80,402	67,297
Short-term deposits	26,107	28,223
	106,509	95,520

11. Trade and other receivables

	2016 £'000	2015 £'000
Prepayments	34	5
Amounts due from related parties	639	–
	673	5

12. Trade and other payables

	2016 £'000	2015 £'000
Trade payables	1,078	594
Dividend payable	8,541	–
Investment purchases for future settlement	–	1,997
	9,619	2,591

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

13. Interest Income

	2016 £'000	2015 £'000
Interest income on investments carried at amortised cost:		
Cash and cash equivalents	282	117
Interest income on investments designated as at fair value through profit and loss:		
Debt securities	11,355	4,936
	11,637	5,053

14. Expenses

	Notes	2016 £'000	2015 £'000
Management fees	15	2,264	5,176
Professional fees	18	567	563
Performance fees	15	607	–
Administration fees	16	368	381
Directors' fees	17	261	203
Other expenses		452	287
Transaction costs		–	709
		4,519	7,319

15. Management and performance fees

The Company has appointed the Manager to provide management services pursuant to the management agreement dated 30 July 2007. The Manager does not receive a management fee from the Company in respect of amounts either committed or invested by the Company in the Funds. The Manager receives 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, 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 assets 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 Capital Manager Limited, the manager of Fund III (the "Fund III Manager"), 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. Under the terms of the option agreement, the Fund III Manager would repay the option fee in the event that the Company exercises the option. In November 2016, the Company exercised 50% of the option when it committed an additional €75,000,000 to Fund III. The Fund III Manager repaid 50% of the option fee to the Company at that time. In December 2016, it was agreed that the Fund III Manager would repay the remaining 50% of the option fee. The £639,300 (€750,000) is included in Trade and other receivables in the consolidated balance sheet. The Company did not exercise the remaining portion of the option and the option agreement expired on 31 December 2016.

Management fees for the year ended 31 December 2016 totalled £2,263,915 (2015: £5,175,574) and are presented in the consolidated statement of comprehensive income. The amount outstanding at year end is £802,283 (2015: nil) and is included in Trade and other payables in the consolidated balance sheet. During 2015, the Company undertook a review of management fees paid to the Manager since inception. Following the 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 2015 management fee expense balance 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 any Fund. 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.

Performance fees for the year ended 31 December 2016 totalled £606,701 (2015: nil) and are presented in the consolidated statement of comprehensive income.

The Manager has entered into an Investment Adviser Agreement with Oakley Capital Limited (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 and performance fees it receives from the Company.

16. Administration fees

The Company has appointed the Administrator to provide administration services pursuant to the administration agreement dated 30 July 2007 and it receives an annual administration fee at prevailing commercial rates. Administration fees for the year ended 31 December 2016 totalled £367,553 (2015: £381,249) and are included in expenses (note 14) in the consolidated statement of comprehensive income. The amount outstanding at the year end is £91,226 (2015: nil) and is included in trade and other payables in the consolidated balance sheet.

17. Directors' fees

	2016 £'000	2015 £'000
Chairman's remuneration	55	47
Directors' fees	206	156
	261	203

The members of the Board of Directors are listed on pages 38 to 39 of the annual report and are considered to be Key Management Personnel. No pension contributions were made in respect of any of the directors and none of the directors receives any pension from any portfolio company held by the Company.

During the year none of the directors waived remuneration (2015: none) and no fees were payable as at year end (2015: none). During the year the Investment Adviser recharged staff costs of £132,565 (2015: none) and overheads of £42,435 (2015: none) to the Company. No other staff costs are paid by the Company. For the years ended 31 December 2016 and 31 December 2015 members of the Board of Directors held shares in the Company and were entitled to dividends as detailed below:

	2016 ('000)	2015 ('000)
Shares at the beginning of the year	385	370
Shares acquired during the year	1,846	15
Shares at the end of the year	2,231	385
Dividends payable to directors	£100	–

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

18. Professional fees

	2016 £'000	2015 £'000
Consulting fees	300	212
Legal fees	63	188
Auditor's remuneration	124	52
Other fees	80	111
	567	563

	2016 £'000	2015 £'000
Auditor's remuneration		
Audit of consolidated financial statements	96	52
Other assurance services	28	–
Total auditor's remuneration	124	52

19. Withholding tax

Under current Bermuda law the Company is not required to pay tax 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 is exempt from such taxation at least until 31 March 2035.

The Company may, however, be subject to foreign withholding taxes in respect of income derived from its investments in other jurisdictions (2016: nil; 2015: £235,297).

20. Earnings per share

The earnings per share calculation use the weighted average number of shares in issue during the year.

	2016	2015
Basic and diluted earnings per share	£0.35	£0.12
Profit for the year ('000)	£66,677	£21,574
Weighted average number of shares outstanding ('000)	189,901	174,008

21. Net asset value per share

The net asset value per share calculation uses the number of shares in issue at the end of the year.

	2016	2015
Basic and diluted net asset value per share	£2.31	£2.00
Net assets attributable to shareholders ('000)	£438,432	£382,150
Number of shares in issue at year end ('000)	189,804	191,078

22. Share capital

a) Authorised and issued capital

The authorised share capital of the Company is 280,000,000 ordinary shares at a par value of £0.01 each. Ordinary shares are listed and traded on the AIM market of the London Stock Exchange. Each share confers the right to one vote and shareholders have the right to receive dividends.

During the year, no ordinary shares have been issued (2015: 78,787,879 ordinary shares at a price of £1.65 per share).

As at 31 December 2016, the Company's issued and fully paid share capital was 189,804,036 ordinary shares (2015: 191,078,315).

	2016 ('000)	2015 ('000)
Ordinary shares outstanding at the beginning of the year	191,078	128,125
Ordinary shares issued and fully paid	–	78,788
Treasury shares purchased	(1,274)	(16,654)
Treasury shares issued	–	819
Ordinary shares outstanding at the end of the year	189,804	191,078

b) Treasury shares

During the year, the Company bought back 1,274,279 (2015: 16,653,814) ordinary shares for a total cash consideration of £1,853,928 (2015: £24,590,657). No treasury shares were issued during the year (2015: 819,250 ordinary shares for a total cash consideration of £1,421,399). The total number of treasury shares held by the Company as at 31 December 2016 was 17,108,843 (2015: 15,834,564).

All rights associated with treasury shares held by the Company are suspended until the shares are re-issued.

c) Share premium

Share premium represents the amount received in excess of the nominal value of ordinary shares.

23. Dividends

The Board of Directors recommended and approved a dividend of 4.5 pence per ordinary share during the year ended 31 December 2016 which will result in a dividend payment of £8,541,181 payable on 30 January 2017 (2015: approved nil, paid nil).

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

24. Commitments

The Company had the following capital commitments in Euros at year end:

	2016 (€'000)	2015 (€'000)
Fund I		
Total capital commitment (2016: £160,741; 2015: £138,680)	188,398	188,398
Called capital, beginning of year	178,978	176,152
Capital calls during the year (2016: 0%; 2015: 1.5%)	–	2,826
Called capital, end of year (2016: £152,704; 2015: £131,746)	178,978	178,978
Unfunded capital commitment (2016: £8,037; 2015: £6,934)	9,420	9,420
Aggregate recycled commitment	5,652	5,652
Fund II		
Total capital commitment (2016: £170,640; 2015: £147,220)	200,000	200,000
Called capital, beginning of year	114,000	84,000
Capital calls during the year (2016: 19.5%; 2015: 15%)	39,000	30,000
Called capital, end of year (2016: £130,540; 2015: £83,915)	153,000	114,000
Unfunded capital commitment (2016: £40,100; 2015: £63,305)	47,000	86,000
Fund III		
Total capital commitment (2016: £277,290; 2015: nil)	325,000	–
Called capital, beginning of year	–	–
Capital calls during the year (2016: 3%; 2015: nil)	9,750	–
Called capital, end of year (2016: £8,319; 2015: nil)	9,750	–
Unfunded capital commitment (2016: £268,971; 2015: nil)	315,250	–
Total unfunded capital commitments (2016: £317,108; 2015: £70,239)	371,670	95,420

The Company had the following loan commitments at year end:

	2016 £'000	2015 £'000
Total revolving loan facility commitments:		
Fund I	5,000	5,000
Fund II	15,000	15,000
	20,000	20,000
Total unfunded loan commitments:		
Fund I	3,000	4,226
Fund II	10,688	15,000
	13,688	19,226

25. Contingent liabilities

In the ordinary course of business, the Company may enter into contracts or agreements that 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 current likelihood of such an event is remote.

During 2015, the Company agreed to guarantee the following with respect to its investment in Time Out Mercado: a) €1,400,000 contingent consideration payment based on certain performance criteria; and b) provided certain bank guarantees on behalf of Time Out Mercado totalling €3,134,000. Following the IPO of Time Out in June 2016, the Company was released from both guarantees.

As at 31 December 2016, there are no contingent liabilities outstanding.

26. Related parties

Balances and transactions between the Company and its subsidiary have been eliminated on consolidation and are not disclosed in this note. Related parties as disclosed below are not part of the consolidation and for this reason are not eliminated.

The Manager, the Investment Adviser and the Board of Directors are considered related parties to the Company due to direct or indirect control and transactions with them. Management fees and performance fees paid to the Manager are detailed in notes 14 and 15. Amounts paid to Directors are provided in note 17. One Director of the Company is also a Director of the Manager, the Investment Adviser and Oakley Capital Corporate Finance LLP; entities which provide services to, and receive compensation from, the Company. The agreements between the Company and these service providers are based on normal commercial terms.

Until 7 June 2016, the Administrator and the Company were considered related parties by virtue of a Director in common. This Director did not seek re-election to the Company's Board of Directors at the Company's 2016 Annual General Meeting. Administration fees paid to the Administrator are detailed in note 16. Throughout 2016, no Director of the Company had a personal interest in any transaction of significance for the Company.

27. Transition to IFRS

As stated in note 3.1, this is the Company's first set of consolidated financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the consolidated financial statements for the year ended 31 December 2016, the comparative information presented in these consolidated financial statements for the year ended 31 December 2015 and as at 31 December 2014 and in the preparation of an opening IFRS balance sheet at 1 January 2015.

In preparing its opening IFRS balance sheet, the Company has adjusted amounts reported previously in accordance with US generally accepted accounting principles ("US GAAP"). An explanation of how the transition from previous US GAAP to IFRS has affected the Company's consolidated balance sheet, financial performance and cash flows is set out below.

a) Estimates

The estimates previously made by the Company under US GAAP were not revised for the application of IFRS.

b) Presentation

The presentation in accordance with IFRS differs from the presentation in accordance with US GAAP. The analysis below sets out the most significant adjustments arising in the transition to IFRS.

c) Consolidated balance sheet

The transition to IFRS resulted in no material adjustments to the consolidated balance sheet.

d) Consolidated statement of comprehensive income

The Company capitalised transaction costs relating to the acquisition of investments in accordance with US GAAP. Under IFRS, transaction costs must be expensed in the period in which they are incurred. As a result the Company has reclassified costs of £221,297 from unrealised gains or losses on investments held at fair value through profit and loss to transaction cost expense for the year ended 31 December 2015.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2016

27. Transition to IFRS continued

e) Consolidated cash flow statement

Under US GAAP the Company presented the consolidated cash flow statement according to the indirect method of presentation. The Company has elected to present the consolidated cash flow statement according to the direct method under IFRS. There are no other material adjustments to the consolidated cash flow statement.

The US GAAP consolidated statement of comprehensive income for the year ended 31 December 2015 can be reconciled to IFRS as follows:

	US GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
Income			
Interest income	5,053	–	5,053
Net realised gains on investments at fair value through profit and loss	29,041	–	29,041
Net change in unrealised gains (losses) on investments at fair value through profit and loss	(3,782)	221	(3,561)
Net foreign currency gains (losses)	(2,000)	–	(2,000)
Other income	597	–	597
Total income	28,909	221	29,130
Expenses	(7,098)	(221)	(7,319)
Operating profit	21,811	–	21,811
Finance cost	(2)	–	(2)
Profit (loss) before tax	21,809	–	21,809
Withholding tax	(235)	–	(235)
Profit after tax attributable to equity shareholders	**21,574**	**–**	**21,574**

28. Events after balance sheet date

The Board of Directors has evaluated subsequent events from the year end through 28 March 2017, which is the date the consolidated financial statements were available for issue. The following events have been identified for disclosure.

On 24 January 2017, the Company sold 15,000,000 treasury shares at a price of £1.57 per share. Total cash consideration from the sale was £23,550,000. The Company's average purchase price of the treasury shares sold was £1.47 per share. The Company subsequently cancelled its remaining 2,108,843 treasury shares. As at that date the Company had 204,804,036 fully paid ordinary shares in issue. Following the cancellation of the remaining treasury shares, the Company adopted a policy regarding share buy backs as part of discount control management and will not sell stock from treasury nor issue new shares at material discounts to total shareholders' equity.

On 30 January 2017, the Company paid its previously declared maiden dividend of 4.5 pence per share for the year ended 31 December 2016. The total dividend expense of £8,541,181 was paid to shareholders registered on 30 December 2016.

On 31 January 2017, Fund III Master called for £28,154,750 (€32,500,000) representing 10% of outstanding commitments to partly fund the acquisition of Casa.it and atHome.lu.

On 17 March 2017, the Company provided a loan facility of £3,000,000 to Oakley NS (Bermuda) LP, the holding entity for Fund II's investment in the North Sails group. The instrument carries a fixed interest rate of 10.0% per annum and matures one year from drawdown date. The loan facility will be used to fund the acquisition of Hall Spars.

On 22 March 2017, the Company agree to extend the repayment date on its loan with Fund I to August 2017.

On 22 March 2017, the Company agreed to increase the revolving credit facility with Fund II to £20,000,000.

On 22 March 2017, the Company entered into a £20,000,000 revolving credit facility with Fund III carrying an interest rate of 6.5% per annum.

On 22 March 2017, the Company agreed to extend the repayment date on its two loans with Oakley Capital III Limited to July 2020.

On 22 March 2017, the Company agree to extend the repayment date on its loan with Ellisfield (Bermuda) Limited to December 2017.

Glossary

Admission Document	The admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules. The admission document dated 30 July 2007 was prepared by the Company in respect to its admission to trading on AIM.
AIM	The Alternative Investment Market of the London Stock Exchange.
AIFMD	Alternative Investment Fund Managers Directive became effective from July 2013. As a result, at 31 December 2016, Oakley Capital Investments Limited is registered as an Alternative Investment Fund ("AIF").
AIF	Alternative Investment Fund, as at 31 December 2016, Oakley Capital Investments Limited is a non-EU AIF.
AIM Rules	The AIM Rules for Companies, which sets out the rules and responsibilities for companies listed on AIM, as amended from time to time.
Auditor	KPMG Audit Limited or such other auditor as appointed from time to time.
Board / Directors	The board of directors of the Company.
Carried Interest	20 per cent. of the income and realisation proceeds from the sale of investment by the Funds payable to the carried interest holders after satisfying any expenses and liabilities of the Funds and subject to the payment of the General Partner Share as described in Section 11 of Part 1 of the Admission Document.
Commitments	The amount committed by an investor to the Funds whether or not such amount has been advances in whole or in part.
Company / OCI	Oakley Capital Investments Limited, a company incorporated with limited liability in Bermuda and registered number 40324.
Cost	In relation to the cost of investments, this is the open cost of the investment at 31 December 2016, i.e. the investment cost net of amounts realised from partial exits and refinancings, where applicable.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and is used as the typical measure of portfolio company performance.
Exchange Rate	The GBP:EUR exchange rate at 31 December 2016 was £1: €1.1720.
Fund I / Oakley Fund I	Oakley Capital Private Equity L.P.
Fund II / Oakley Fund II	Those limited partnerships constituting the fund known as Oakley Capital Private Equity II, comprising Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P, Oakley Capital Private Equity II-C L.P and OCPE II Master L.P.
Fund III / Oakley Fund III	Those limited partnerships constituting the fund known as Oakley Capital Private Equity III, comprising Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P, Oakley Capital Private Equity III-C L.P and OCPE III Master L.P.
Fund Facilities	This includes debt facilities provided by the Company to the Oakley Funds and to the General Partners of the Oakley Funds.
General Partners (GP)	Oakley Capital I Limited in respect of Fund I (previously Oakley Capital GP Limited) Oakley Capital II Limited in respect of Fund II (previously Oakley Capital GP II Limited) and Oakley Capital III Limited in respect of Fund III (previously Oakley Capital GP III Limited); all exempted companies incorporated in Bermuda.
IFRS	International Financial Reporting Standards. The consolidated financial statements and notes have been prepared in accordance with IFRS for the first time.
Investment Adviser	Oakley Capital Limited, a company incorporated in England and Wales with registered number 4091922, which is authorised and regulated by the Financial Conduct Authority; or any successor as Investment Adviser of Fund I, Fund II or Fund III.
Investment Manager	Oakley Capital Manager Limited (formerly known as Oakley PE Management (Bermuda) Limited, in respect of the Oakley Funds.
IPO	Initial Public Offering.
Manager	Oakley Capital (Bermuda) Limited, in respect of the Company.
NAV	Net asset value is the value of the assets less liabilities.
Oakley	The Investment Adviser being Oakley Capital Limited.
Oakley Funds	Fund I, Fund II and Fund III and (as applicable) any successor funds.
US GAAP	Generally accepted accounting principles adopted by the US Securities and Exchange Commission.

Directors and Advisers

Directors

Christopher Wetherhill
Independent Director and Chairman

Laurence Charles Neil Blackall
Independent Director

Caroline Foulger
Independent Director

Peter Adam Daiches Dubens
Director

James Michael Keyes
Independent Director

Registered Office
3rd Floor, Mintflower Place
8 Par-la-Ville Road
Hamilton HM08
Bermuda

Advisers

Manager to the Company
Oakley Capital (Bermuda) Limited
3rd Floor, Mintflower Place
8 Par-la-Ville Road
Hamilton HM08
Bermuda

Investment Adviser to the Manager
Oakley Capital Limited
3 Cadogan Gate
London SW1X 0AS
United Kingdom

Legal Adviser to the Company
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City Point
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London EC2Y 9HU
United Kingdom

CREST Depositary
Computershare Investor Services PLC
PO Box 82
The Pavilions
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Bristol BS99 7NH
United Kingdom

Administrator to the Company
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8 Par-la-Ville Road
Hamilton HM08
Bermuda

Legal Adviser to the Company as to Bermuda Law
Conyers Dill & Pearman Limited
Clarendon House
2 Church Street
Hamilton HM CX
Bermuda

Nominated Adviser and Broker to the Company
Liberum Capital Limited
Level 12, Ropemaker Place
25 Ropemaker Street
London EC2Y 9AR
United Kingdom

Auditor to the Company
KPMG Audit Limited
Crown House
4 Par-la-Ville Road
Hamilton HM08
Bermuda

Branch Registrar
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

Notice of Annual General Meeting

NOTICE is hereby given that the 2017 Annual General Meeting (the "Meeting") of the members of the Company will be held at 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda on:

14 June 2017 at 11.00 a.m. (Bermuda time)

AGENDA

1. To elect a Chairman, if necessary.
2. To read the Notice convening the Meeting.
3. To lay before the Members the Company's audited report and accounts for the financial year ended 31 December 2016.
4. To note the retirement by rotation as a Director of the Company of James Keyes at the Meeting in accordance with Bye-law 105 of the Company's Bye-laws.

Ordinary Resolutions

To consider, and if thought fit, pass the following resolutions as ordinary resolutions:

5. **THAT** KPMG of Crown House, 4 Par-la-Ville Road, Hamilton HM08, Bermuda be re-appointed as auditor for the ensuing year, and that the Directors be authorised to fix their remuneration.
6. **THAT:**
   a) the maximum number of Directors be determined as not more than six (6);
   b) Peter Dubens be re-elected as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
   c) James Keyes be re-elected as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
   d) Laurence Blackall be re-elected as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
   e) Christopher Wetherhill be re-elected as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
   f) Caroline Foulger be re-elected as a Director of the Company so to serve until the next Annual General Meeting or until her successor is elected or appointed;
   g) the Directors be authorised from time to time to fill any vacancies on the Board; and
   h) general authority be conferred on the Directors to appoint alternate Directors.

7. Special Resolution

To consider whether the Company should cease to continue as constituted.

Copies of the letters of appointment of the Directors of the Company will be available for inspection for at least 15 minutes prior to the Meeting and during the Meeting itself.

BY ORDER of the Directors
Mayflower Management Services (Bermuda) Limited
Secretary

28 April 2017

Notes

1. Only those shareholders registered in the Company's register of members at:
   - 6.00 pm Bermuda time on 7 June 2017; or,
   - if this Meeting is adjourned, at 6.00 pm on the day seven days prior to the adjourned Meeting,

   shall be entitled to attend, speak and vote at the Meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. A member is entitled to appoint one or more proxies to attend the Meeting, and, on a poll, vote instead of that member. A proxy need not be a Member.
3. Enclosed is a Form of Proxy appointing the Chairman, failing which the Secretary, of the Meeting or some other person to vote your shares with respect to any and all matters coming before the Meeting.

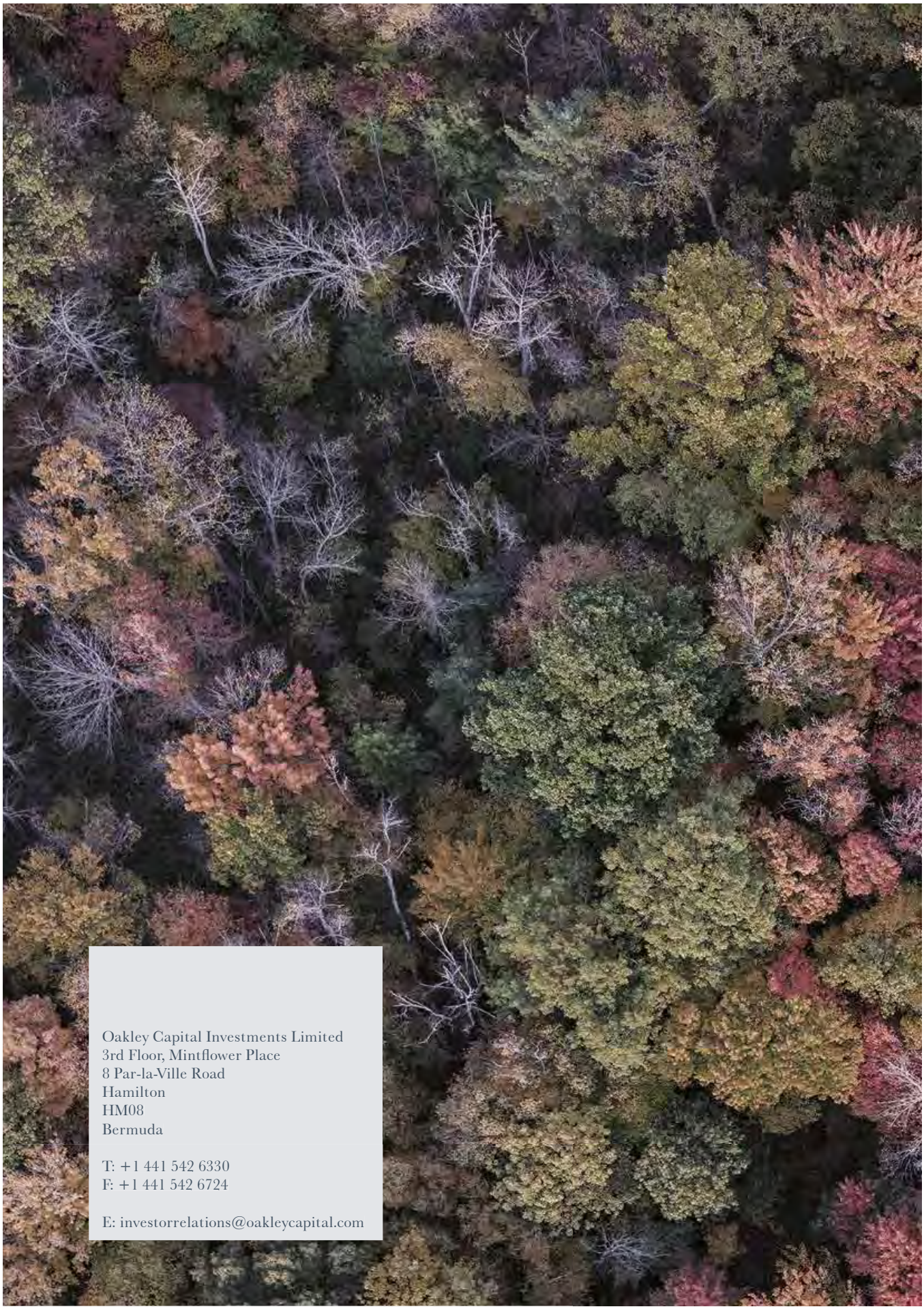
   To be valid the Form of Proxy must be received no later than 11.00 a.m. Bermuda time on 12 June 2017 at:

   Mayflower Management Services (Bermuda) Limited
   Secretary
   Oakley Capital Investments Limited
   3rd Floor, Mintflower Place
   8 Par-la-Ville Road
   Hamilton HM08
   Bermuda
   Email: ipilgrim@mayflower.bm
   Fax: (441) 542 6724

   Please return the completed Form of Proxy by scanned e-mail or by facsimile.
4. The Company advises that it knows of no other items to be brought before the Meeting other than the agenda items specified in the Notice. However, should any other items be presented at the Meeting of which the Company is not aware, it is the intention that the Proxy-holder vote at his/her discretion.
5. The giving of a proxy does not preclude the right to vote in person, should the Member giving the proxy so desire, as the proxy may be revoked at any time, provided Notice of Revocation is received by the Company at the address given in paragraph 3 above before commencement of the Meeting. Notice of Revocation may be served by scanned e-mail or by facsimile.
6. The Ordinary Resolutions require a simple majority of votes cast at the Meeting in order to pass. The Special Resolution will require a majority of not less than three fourths of the votes cast at the Meeting in order to pass.

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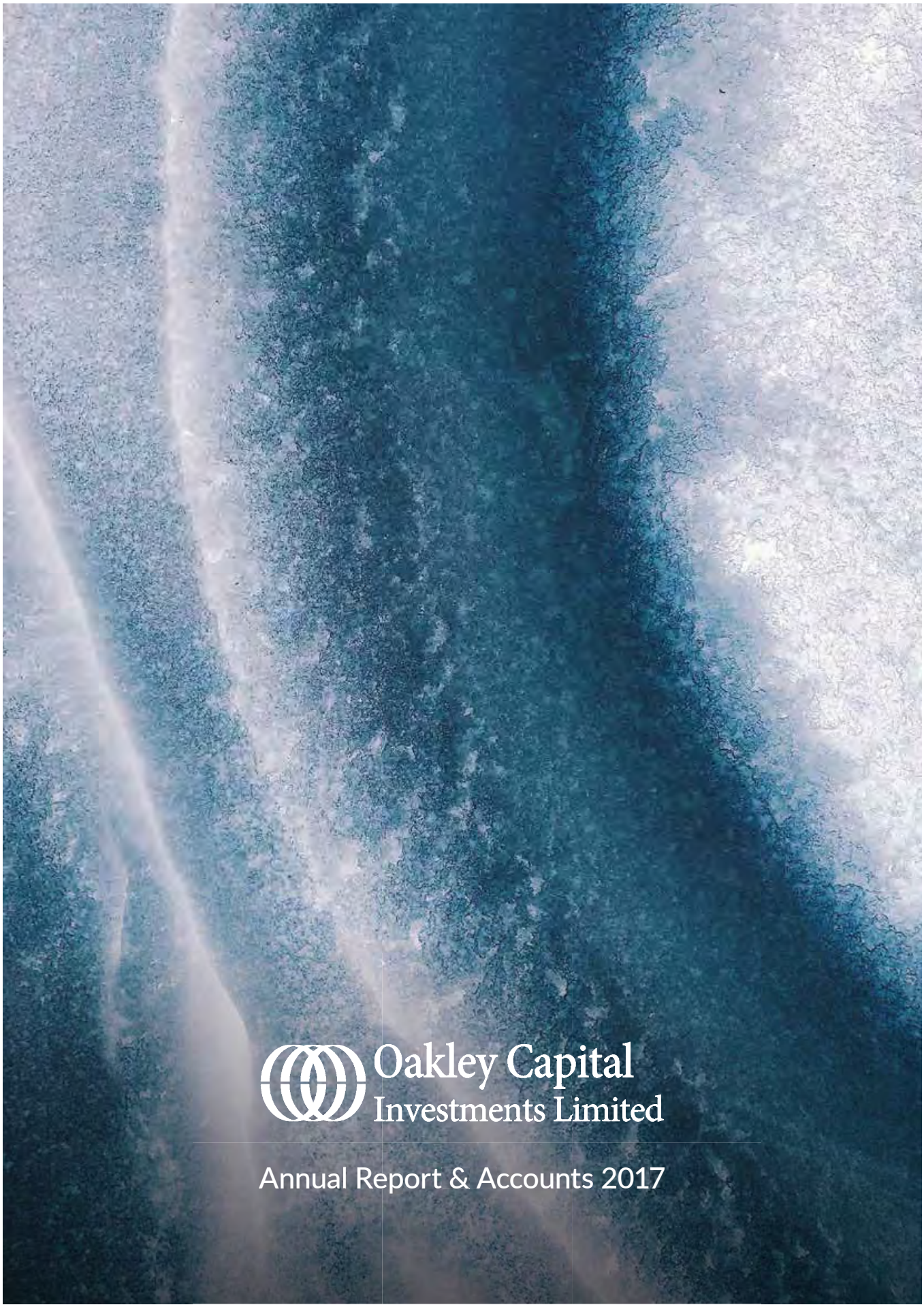
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E: investorrelations@oakleycapital.com


Oakley Capital
Investments Limited
Annual Report & Accounts 2017

Oakley Capital Investments Limited

Oakley Capital Investments Limited ("OCI" or the "Company") provides its shareholders with access to a portfolio of high quality private equity assets through its investments in the Oakley Funds and co-investments

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For more information visit
www.oakleycapitalinvestments.com

The Company's net asset value increased in the year by £63.6 million to £502.0 million

OCI Overview

NET ASSET VALUE	MARKET CAPITALISATION	NET ASSET VALUE PER SHARE	SHARE PRICE	FINAL DIVIDEND
£502.0m	£335.9m	£2.45	£1.64	2.25p

2017 OCI highlights

- 6% NAV/share growth year-on-year
- £201.5m total capital deployed
- £175.0m total proceeds received
- Total commitment of €325.8m to Oakley Fund III
- Total full year dividend of 4.5 pence
- New co-investment in Inspired

2017 Oakley Funds' highlights

- Portfolio growth +17%*
- €800m final close of Oakley Fund III
- €348.7m total invested capital
- €231.4m distributed to Limited Partners
- Two new partners joined Oakley Capital Limited
- Realisations of Inspired and Host Europe Group

Investment Sectors

Consumer
NUMBER OF INVESTMENTS
6

See portfolio companies on page 13

TMT
NUMBER OF INVESTMENTS
4

See portfolio companies on page 19

Education
NUMBER OF INVESTMENTS
3

See portfolio companies on page 23

*Calculated on a like-for-like basis

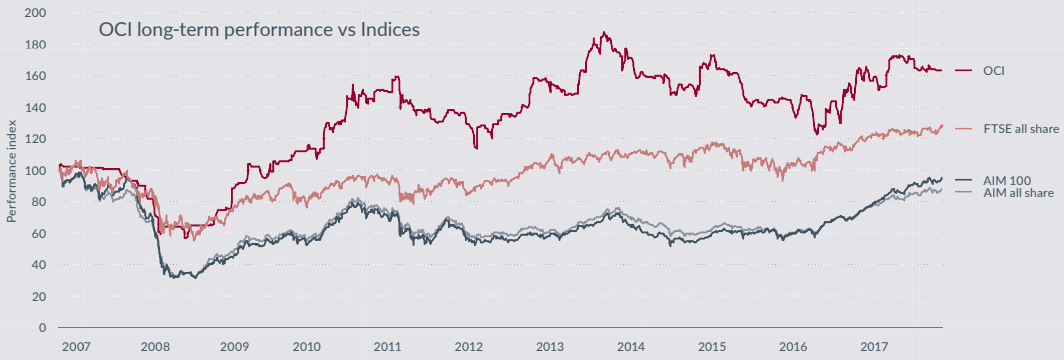
At a Glance

Providing investors with long-term capital appreciation

£502.0m NAV breakdown

Oakley Fund Investments	Co-investments/ debt		Cash, other assets and liabilities
	Equity	Debt	
56.3% of total NAV	13.4% of total NAV	13.9% of total NAV	16.4% of total NAV
£282.7m	£67.4m	£69.5m	£82.4m
Assets in the underlying Oakley Funds	Consists of the equity holding in Time Out Group plc and OCPE Education (Feeder) L.P. Debt investments relate to the unquoted debt securities issued by OCI		Assets of £118.5m offset by liabilities (including the capital call payable) of £36.1m

10 year track record of outperforming market indices



View our performance in detail on page 27

Sectors of Oakley Expertise

Oakley Capital Limited (Investment Adviser to OCI and the Oakley Funds) has developed expertise in the following three core sectors in which OCI and the Oakley Funds have invested:

Consumer

Oakley's core concentration within this sector is in Digital Consumer, with the focus being on marketing-led online businesses with leading positions in their respective industries.

VALUE OF ASSETS*	OF TOTAL NAV
£263.9m	53%

See sector market overview on page 12

TMT

Originally investing in hosting and telecoms space, Oakley's experience and insightful network has helped to target businesses that are key to supporting advancements in technology.

VALUE OF ASSETS*	OF TOTAL NAV
£84.2m	17%

See sector market overview on page 18

Education

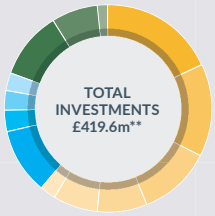
A sector with very attractive fundamentals, Education has become a significant area of investment for Oakley, with multiple growth opportunities from market consolidation to internationalisation.

VALUE OF ASSETS*	OF TOTAL NAV
£83.3m	17%

See sector market overview on page 22

Portfolio

The Company invests in a number of portfolio companies, indirectly through the Oakley Funds, or directly through its co-investments. The composition of OCI's look-through and direct investments in the underlying portfolio companies is represented below, (including both debt and equity investments).



Time Out	£78.7m
North Sails	£62.0m
Casa & atHome	£49.6m
Facile	£33.1m
Parship	£29.5m
Verivox	£11.0m

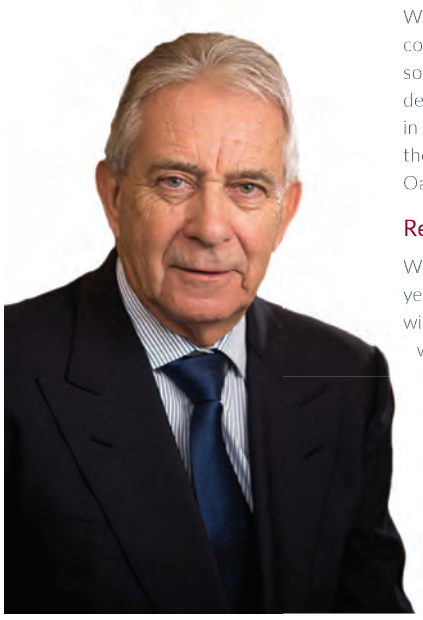
Daisy	£45.0m
Plesk	£14.1m
Damovo	£13.7m
TechInsights	£11.4m

Inspired	£46.0m
Schülerhilfe	£30.8m
AMOS	£6.5m

*Sector values are calculated on a look-through basis for each individual portfolio company as described on page 29. These values are gross of OCI's proportionate stake of the Oakley Funds' liabilities, and debt assets.
**Total investments is net of OCI's proportionate liabilities held by the Oakley Funds of £25.3m, and includes £13.5m of debt assets.

Chairman's Statement

Strong investment activity reflected in the capital deployed and distributions received



Overview

OCI has demonstrated solid performance in 2017 and is set to benefit from a year of considerable activity in the underlying portfolio of investments. Driven by the continued growth of the underlying portfolio companies, the Net Asset Value ("NAV") per share grew 6% year-on-year. The Company is well positioned for 2018, with 70% of investments in maturing businesses held for nearly 3 years or more. We look forward to increasing realisations and are excited by new investments, as 22% of the NAV was deployed via Fund III in the last 12 months.

Oakley Fund III closed at €800 million in September 2017 and we are pleased to have made a meaningful commitment to the Fund, representing an interest of 40.7%.

For our shareholders, OCI provides the opportunity to participate in the growth of a range of businesses across attractive sectors and geographies. Investors are able to benefit from the profound partnerships Oakley forges with founders and managers, as well as the deep knowledge and expertise that have been built in core sectors over the last decade and beyond.

We are pleased that the Investment Adviser continues to leverage its network-driven sourcing approach to find highly attractive deals. With Oakley Fund III already invested in six companies, we look forward to seeing these businesses grow and develop under Oakley's ownership.

Return of Capital

We have also seen, over the course of the year, capital being returned to the Company, with proceeds totalling £175.0 million, of which £88.2 million was received from the Oakley Funds and equity co-investments. £12.0 million was received in April, following the successful exit of Host Europe Group. For Oakley Fund II this represented gross returns of 2.1x MM and 40% IRR and marked another successful realisation of an asset in the hosting space.

During the summer, OCI took the opportunity to take a direct stake in Inspired, the premium private schools business, when Oakley Fund I fully realised its stake (gross returns: 3.0x MM and 36% IRR). The size and funding power of OCI allows it to gain direct exposure, through its capacity to make co-investments to Oakley Funds' portfolio companies that either require capital beyond the reach of the Oakley Funds, or outgrow the Funds' lifetime.

In August 2017, Inspired also received a significant growth investment from TA Associates. To facilitate the transaction OCI and Oakley Fund II agreed to sell down part of their respective holdings and OCI received total proceeds of £30.8 million from this transaction. In December a holdco refinancing returned further capital to the Company of £21.3 million. The Board is pleased to be able to support Inspired and be part of its future growth and expansion.

In recent news, following the year end, Oakley Fund II has agreed the sale of two of its portfolio companies in the digital consumer space, Parship Elite Group and Verivox, to NuCom Group, ProSiebenSat.1's commerce unit. Approximate Fund II gross returns for Parship Elite Group are 4.7x MM, 119% IRR and for Verivox are 2.5x MM, 43% IRR. In aggregate the Company expects to receive £51.1 million from these transactions, which value the companies at enterprise values of €440 million (Parship Elite Group) and €530 million (Verivox). These valuations represent a 26% premium to the 31 December 2017 carrying value of these assets.

This further demonstrated Oakley's ability to return significant amounts of capital to the Company and capitalise on the success it has seen in the digital consumer space. We are pleased that this sector will remain an area of focus with investments remaining in Facile (Oakley Fund II) and Casa & atHome (Oakley Fund III).

Performance

As demonstrated on page 2 of this report, in reaching its tenth year since incorporation, the Company has consistently outperformed the FTSE All-Share Index. The £2.45 NAV per share represents a 6% uplift from the previous year and has been driven both by earnings growth in the underlying portfolio, including uplifts in three of Oakley Fund III's investments. These uplifts have resulted from strong performances in these businesses and the achievement of key strategic initiatives since acquisition.

The Board recognises that the share price has lagged the NAV per share for a prolonged period and is committed to closing this discount. Communication is at the forefront of these efforts via greater disclosure within the pages of this report, more regular announcements, extensive investor engagement and providing a clearer understanding of Oakley's investment strategy and the Oakley Fund's prospects.

The Board upholds a high standard of corporate governance and ensures the Company operates in the best interest of its shareholders. Demonstrating its alignment of interest, board members held over 1% of the Company's shares in 2017.

Progress is being made, with share volume increasing 22% over the year, leading to 18% of the register changing hands. We remain confident that this improved IR activity, combined with the fast growth of the portfolio companies, the prospect of realisations unlocking further value and a progressive dividend will result in the share price better reflecting the value of underlying assets.

Funding and Commitments

In the year, the Company invested a further €142.2 million (£124.6 million) in the Oakley Funds. Of this, €14.1 million (£12.3 million) was called by Oakley Fund I, €14.0 million (£12.3 million) by Oakley Fund II and €114.0 million (£100.0 million) by Oakley Fund III. The Company's remaining unfunded commitments are €2.6 million (£2.3 million) for Oakley Fund I, €31.4 million (£27.9 million) for Oakley Fund II and €202.0 million (£179.6 million) for Oakley Fund III. It is expected that these outstanding commitments will be partly financed by future cashflows from Oakley Fund II portfolio realisations.

Dividend

In December 2016 the Company announced that the Board would adopt a dividend policy to pay a dividend of 2.25 pence per share half-yearly. Accordingly, the Board paid an interim dividend of 2.25 pence per share on 26 October 2017 and we are pleased to confirm, that the Board has resolved to declare and pay a final dividend for 2017 of 2.25 pence per share, payable on 26 April 2018.

Outlook

Whilst it seems that uncertainty will continue to dominate over the coming year, the outlook is generally good for 2018. Although the outcome is not yet known, we should start to see some clarity over the UK's position as the Brexit deal begins to take shape. Valuations continue to be high, facilitating a strong exit environment, however the question still remains amongst investors whether returns will be affected in the long run if premiums are being paid for quality assets. The Board is confident that the Investment Adviser will continue to remain disciplined in its investment approach and we have seen this demonstrated by the quality of the six new acquisitions made to date by Oakley Fund III. The underlying portfolio continues to perform despite macroeconomic factors, and the Company is strongly positioned to deliver meaningful growth to shareholders over the next twelve months.

Post Balance Sheet Events

As well as the Parship Elite Group and Verivox disposal, Oakley Fund III completed its sixth investment, purchasing Career Partner Group ("CPG") from its previous owner in January 2018. CPG is a leading private provider of higher education and personnel development in Germany. The Company's indirect contribution to the equity investment, through its interest in Oakley Fund III is approximately £30.6 million.

Christopher Wetherhill
Chairman



Strategic Report

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Market Overview and Outlook

Exercising caution whilst enjoying private equity outperformance

For the first time since 2010, the world economy is outperforming most predictions. Global output is estimated to have grown by 3.7% in 2017, with Europe being a notable upside surprise and forecasts for 2018 and 2019 have since been revised upward.

Private equity continues to perform well, sustaining its outperformance over other asset classes. Pertinent to OCI is the recent AIC report that confirms that UK listed private equity investment companies have outperformed the FTSE all-share over one, three, five and ten years, delivering total returns of 12%, 57%, 98% and 112% respectively.

This outperformance attracted a record $453 billion to the global private equity industry in 2017 (source: Preqin) and with $1 trillion to invest, it is no surprise that 2018 has so far been the busiest start to a year for private equity in over a decade. According to Dealogic, the value of sponsor-backed deals to mid-February soared to $40.5 billion, up from $23.7 billion in the same period in 2017, with some 11 deals worth over $1 billion signed in January alone.

It is also no surprise that buyout valuations have reached new highs, with average enterprise valuation multiples paid for European companies approaching 12x, compared to the previous high of 10x in 2016.

Oakley has taken advantage of the strong pricing environment with sales in 2017 of HEG and the recently announced sales of Parship and Verivox in Q1 of 2018. Realisations are unlikely to stop here with a number of additional exit processes underway.

There are growing concerns that high valuations are making it increasingly difficult to buy high quality assets at reasonable valuations and this could affect future returns. The Investment Adviser however, remains disciplined in its approach to investing and its strategy of pursuing entrepreneur-led, non-competitive, proprietary deals has been advantageous to OCI. 76% of all Oakley's investments have been uncontested deals. Reliance is not on the intermediated market, rather Oakley's strong founder/manager relationships, wide network and reputation for sector expertise.

OCI continues to enjoy a strong pipeline from this sourcing model and has deployed £118 million in six companies since the beginning of 2017. These acquisitions have been made at an average EV/EBITDA multiple below 10x in contrast to sector averages in mid-teen multiples.

2018 presents plenty of sources of uncertainty and we foresee many factors that could impact economic prosperity. The bigger risks to outlook are likely political; struggling NAFTA negotiations, the impact of power change in Italy, the journey to Brexit, escalating tensions around North Korea and ongoing instability in the Middle East, all at the very least present uncertainty and all with important consequences for the global economy.

The portfolio companies reflect this caution, demonstrating business models that are resilient, operating in niches within sectors that enjoy high growth dynamics and fragmented participation. The portfolio continues to broaden its Western European footprint with a shift from the highly intermediated UK market to a greater focus in mainland Europe where Oakley has a strong track record.

Introduction to the Investment Adviser

OCI's structure gives access to a unique network and exposure to high-performance

The Administrative Agent
Oakley Capital Manager Limited

The Company
Oakley Capital Investments Limited

The Investment Adviser
Oakley Capital Limited

About OCML

Oakley Capital Manager Limited (the "Administrative Agent") provides operational assistance and services to the Board with respect to OCI's investments and its general administration. The Administrative Agent is managed by experienced administrative and operational executives.

About OCI

OCI is a closed-ended investment company with the principal objective to achieve capital appreciation through investments in a diversified portfolio of private mid-market businesses primarily in Europe. OCI offers investors a liquid investment vehicle, through which they can obtain exposure to the underlying Oakley Funds with minimal administrative burden, no long-term lock-up and no minimum investment size. The OCI Board has the ultimate decision to invest (or take any other action) in an Oakley Fund or as a co-investment. In the ordinary course it makes decisions, after reviewing the recommendations provided by the Investment Adviser.

About OCL

Oakley Capital Limited ("Oakley") serves as investment adviser to the Administrative Agent with respect to OCI. It was incorporated in England and Wales in 2000, and is authorised and regulated by the Financial Conduct Authority. Oakley is primarily responsible for making investment recommendations along with structuring and negotiating deals for the Oakley Funds.

What OCML does

- Carrying out the day-to-day administrative operations of OCI
- Providing operational assistance with respect to OCI's investments

What OCI does

- Set investment strategy and business objectives
- Governance, portfolio management and risk management
- Appointment and oversight of service providers

What OCL does

- Identification and due diligence of investment opportunities
- Recommendations of potential investments and realisations for consideration
- Structuring and negotiating deals for the Oakley Funds

Investment Adviser's Business Model

Preferred partner for top entrepreneurs

We do this by leveraging our unique business network

Sourcing proprietary deals through our industry relationships and experience

Key resources

Team

Experienced leadership team of investment professionals, entrepreneurs and skilled operators

Network

Oakley has built a close partnership with entrepreneurial founders and managers to become their long-term partner and source off–market deals with them

Approach

Oakley's approach is disciplined and methodical and its streamlined investment process provides the ability to execute rapidly when required

How we invest

Strong management partnerships

Oakley's entrepreneurial heritage allows it to partner with strong management teams and become their preferred partner

Key geography and sectors

Focuses on core sectors and geographic locations to build on the network and operating experience gained from previous investments

Complexity

Seeks out complex deals outside intermediated auctions

Structural growth

Targets companies with sustainable structural growth dynamics and opportunity for M&A

Operational improvement

Identifies under-managed or non-core assets which can achieve a step-change in operational performance and benefit from professionalisation

Creating value and growth across the portfolio

Generating consistently high returns from strong performance

Creating value

Professionalisation

Working with founders or newly carved out companies to develop infrastructure and systems to support organic growth

Sector insight

Using sector knowledge and Oakley network to support portfolio strategies and operations

Buy and build

Creating scale and synergies through targeted M&A opportunities

Accelerate growth

Helping portfolio companies to achieve full potential with appropriate capital and operational resources

Human capital management

Creating appropriate management incentives and reshape teams to deliver performance

Generating returns

For the Oakley Funds:

	MM*	IRR*
OAKLEY FUND I (VINTAGE 2007)	2.2x	37%
OAKLEY FUND II (VINTAGE 2013)	2.0x	38%
OAKLEY FUND III (VINTAGE 2016)	1.3x	40%

For OCI, as LP in the Oakley Funds:

CALLED CAPITAL TO DATE	£427.8m
CAPITAL RETURNED TO DATE	£376.5m
FAIR VALUE OF OAKLEY FUNDS	£282.7m

* Gross money multiple and gross IRR are based on realised and unrealised portfolio returns as at 31 December 2017.

Consumer

Market review

Following the acquisition of Verivox in 2009, Oakley has continued to invest in digital, marketing-led consumer focused businesses. Oakley has developed strong knowledge of these business models, enabling the repetition of successful strategies across assets from different industries.

The sector is benefitting from continued growth as consumers increasingly switch from traditional channels to online, a trend which is expected to continue in future years.

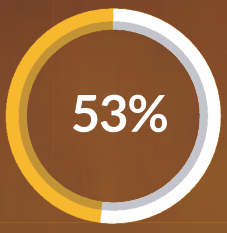
Successful businesses have strong brand awareness, which attracts lower-cost, direct traffic to their websites, helping to drive improved profitability. Brand awareness can be built and reinforced by continued investment in marketing, which also acts as a barrier to entry. Businesses are typically highly cash generative, given their limited Capex requirements, and can scale rapidly once adoption by consumers reaches an inflexion point. Online business models also enable detailed tracking of KPIs, as well as allowing for continued improvements to conversion rates and the user experience, all of which can help generate incremental value.

Given the attractiveness of the sector, these businesses can often attract premium valuation multiples at exit once they have reached scale.

The sector is benefitting from continued growth as consumers increasingly switch from traditional channels to online

CONSUMER SECTOR EBITDA GROWTH

+19%



CONSUMER SECTOR AS % OF OCI NAV

Sector investments*

Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
Time Out	OCI/Fund I	£92.1m	£78.7m	16
North Sails	OCI/Fund II	£57.7m	£62.0m	12
Casa & atHome	Fund III	£36.4m	£49.6m	10
Facile	Fund II	£2.2m	£33.1m	7
Parship	Fund II	£0.0m	£29.5m	6
Verivox	Fund II	£5.8m	£11.0m	2

PARSHIP ELITE Group

Time Out DISCOVER | BOOK | SHARE

facile.it RISPARMIARE È FACILE

casa.it

atHomegroup

NORTH SAILS

Verivox

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on page 29. These values include both direct and indirect equity and debt securities in the relevant portfolio companies. Where the location of the investment states "OCI" rather than, or as well as, an Oakley Fund, there is a direct equity or debt element included in the respective cost and valuation.



Consumer Portfolio Companies

Leading multi-platform media and e-commerce brand with a global content distribution network comprising websites, mobile apps, magazines and a physical presence via live events and Time Out Market.

For the year ended 31 December 2017, revenue and adjusted EBITDA are anticipated to be in line with expectations. Revenue is expected to increase 19% year-on-year on a *proforma* basis with strong growth across both Time Out Digital and Time Out Market.

Time Out Market is expected to show revenue growth of 60% in the period, with the Time Out Market in Lisbon continuing to perform strongly, seeing over 3.6 million visitors in the full year of 2017.

Extracted from Time Out's trading update, released 24 January 2018.



£92.1m
OCI'S OPEN COST

£78.7m
OCI'S VALUATION

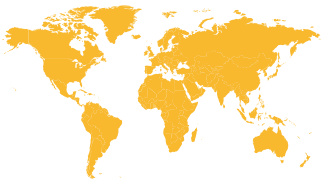
16%
OF OCI NAV

North Technology Group ("NTG"), comprises three market-leading marine brands (North Sails, Southern Spars and EdgeWater Power Boats) focused on providing innovative and high-performance products and solutions for the world's sailors and yachtsmen.

The group has expanded globally since Oakley's initial acquisition in 2014, acquiring a number of licensee companies around the world, whilst also developing the North Sails brand in apparel and accessories.

It has been a challenging year for NTG with a slowdown in the super-yacht market primarily impacting the Southern Spars division of the group. However, the outlook appears positive with the America's Cup sailing competition returning to New Zealand. North Sails and Southern Spars are some of the leading suppliers for this event, and are well placed to support teams with their local manufacturing facilities in Auckland.

In addition, the North Sails Apparel investment is showing positive momentum, with growth in the wholesale order book being driven from new international customers, as well as improving like-for-like retail and e-commerce sales. Overall, it is expected that 2018 will demonstrate good progress across all divisions in the group.



£57.7m
OCI'S OPEN COST

£62.0m
OCI' VALUATION

12%
OF OCI NAV



casa.it / atHomegroup



Casa & atHome is an online property group comprising a portfolio of real estate websites and mobile applications, including the #1 property portal in Luxembourg, atHome.lu, and the #2 player in Italy, Casa.it.

The investment thesis for Casa & atHome was one of restructuring the cost base and realising synergies between the two businesses, and then accelerating growth through more efficient marketing and adding other verticals to the platforms. The first phase of cost reduction was completed in July 2017 delivering material cost savings. atHome has already been growing strongly, and Casa will now drive its top line performance through more focussed and innovative sales and marketing initiatives.

On a consolidated basis, in the half-year ended December 2017 (30 June year end) the group increased revenue by 8% and EBITDA by 77% versus the equivalent prior year period.

£36.4m
OCI'S OPEN COST

£49.6m
OCI'S VALUATION

10%
OF OCI NAV

facile.it

RISPARMIARE È FACILE



Italy's leading online destination for consumers to compare prices for motor insurance, energy, telecoms and personal finance.

Facile achieved strong growth in 2017 compared to the prior year, with revenues up by 14% and EBITDA up 33%. During 2017, Facile's non-insurance products have shown very strong growth, with revenues up 39% and EBITDA up over 100% versus prior year. While insurance continues to be the primary driver of Facile's revenues, the strong growth in non-insurance products has further diversified Facile's revenue base with these accounting for c.26% of group revenues in 2017.

Facile continues to maintain a market share of over 70% in its core insurance product, and invests in TV advertising in order to sustain a strong share of the market.

£2.2m
OCI'S OPEN COST

£33.1m
OCI'S VALUATION

7%
OF OCI NAV



Consumer Portfolio Companies continued

PARSHIP ELITE Group

A combination of two of the leading online dating brands in the DACH region (Germany, Austria and Switzerland) - Parship and ElitePartner.

Since the successful consolidation of these two brands in 2016, and Oakley Fund II's partial disposal to ProsiebenSat.1 in October 2016, Parship Elite Group has delivered revenue and EBITDA growth of 6% and 33% respectively in 2017, creating significant value through realisation of synergies and continuing its strong focus on product improvements and new marketing initiatives.



£0.0m
OCI'S OPEN COST

£29.5m
OCI'S VALUATION

6%
OF OCI NAV

Post balance sheet event

On 22 February 2018, Oakley Fund II reached an agreement to sell its remaining 38.5% stake in Parship Elite Group to NCG Commerce GmbH, a new joint venture with ProSieben, based on an enterprise value of €440 million. Oakley Fund II expects to receive gross proceeds of €138 million generating estimated overall returns of 4.7x gross money multiple and a gross IRR of 119%.

This realisation will result in OCI receiving approximately £35.9 million on completion of the transaction.

Parship Elite Group; key events from acquisition to realisation:

April 2015	June 2015	Nov 2015	Sep 2016	Feb 2018
Completion of Parship acquisition	Signing of Elite Partner acquisition	Completion of Elite Partner acquisition	Partial realisation to ProSieben	Agreement to sell remaining stake to NuCom Group

Resulting in an estimated 4.7x gross money multiple and 119% gross IRR for Oakley Fund II

Estimated proceeds for OCI is £35.9 million

Verivox



Germany's leading consumer energy and household services price comparison website, receiving commission and advertising revenues when consumers elect to switch providers.

Verivox achieved strong revenue and EBITDA growth in 2017, with group revenues 21% and EBITDA 38% ahead of prior year.

Verivox's core energy vertical has continued to perform well, with net commissions up significantly versus prior year. Growth in Verivox's non-energy verticals was strong in 2017, with net commissions in broadband and mobile up 47% versus prior year, while insurance net commissions continued on their double-digit growth path above prior year.

£5.8m
OCI'S OPEN COST

£11.0m
OCI'S VALUATION

2%
OF OCI NAV

Post balance sheet event

On 22 February 2018, Oakley Fund II reached an agreement to sell its 9.9% stake in Verivox to NCG Commerce GmbH based on an enterprise value of €530 million. Oakley Fund II expects to receive gross proceeds of €53 million, crystallising returns of approximately 2.5x gross money multiple and approximately 43% gross IRR.

This realisation will result in OCI receiving approximately £15.2 million on completion of the transaction.

Verivox; key events from acquisition to realisation:

Dec 2009	Jun 2015	Aug 2015	Sep 2016	Feb 2018	
Initial partnership with Verivox via Oakley Fund I	Completion of realisation of Verivox by Oakley Fund I	Acquisition of Verivox by Oakley Fund II	Further equity invested by Oakley Fund II	Agreement to sell remaining stake to NuCom Group	Resulting in an estimated 2.5x gross money multiple and 43% gross IRR for Oakley Fund II Estimated proceeds for OCI is £15.2 million

TMT



Market review

From initial investments in telecoms and webhosting businesses, Oakley has built on its experience and industry expertise to evolve its approach to investing in technology assets as the sector continues to develop.

Over time, Oakley has built a network of insightful entrepreneurs and founders who have repeatedly partnered with us to identify and unlock opportunities in the TMT space.

There are two key themes that dominate the hosting industry and are causing businesses to change the way in which they operate. Firstly, the maturity of the outsourcing model in IT services has led to consolidation, with many large hosting players making major acquisitions in recent years.

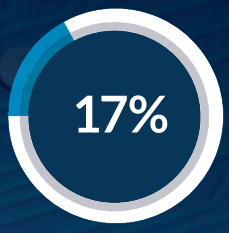
Secondly, the growth of public cloud hosting has also forced changes to established business models.

In the future, industry players will need to emphasise the added value of their service wrapper in order to maintain market position and enhance their users'/ customers' experience.

As disruptive innovation continues across the TMT sector, Oakley looks for opportunities to invest in companies which stand to benefit from such changes.

Industry players will need to emphasise the added value of their service wrappers to enhance users' experiences

TMT SECTOR EBITDA GROWTH
+24%



TMT SECTOR AS % OF OCI NAV

Sector investments*

Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
Daisy	OCI/Fund II	£38.4m	£45.0m	9
Plesk	Fund III	£9.4m	£14.1m	3
Damovo	Fund II	£2.9m	£13.7m	3
TechInsights	Fund III	£4.3m	£11.4m	2

daisy.

plesk

DAMOVO
UNDERSTAND. DELIVER. IMPROVE.

TechInsights

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TMT Portfolio Companies



The UK's #1 independent provider of converged B2B communications, IT and cloud services in a large and growing market.

Daisy's year-to-date financial year 2018 performance was strong, with significant progress having been made with the integration of the acquired businesses (Phoenix IT and Alternative Networks) and development of the group's products and services.

During the year, Daisy completed a partial refinancing of its debt, raising £101 million of additional senior debt, which was used to repay subordinated facilities, reducing Daisy's overall cost of debt.

£38.4m
OCI'S OPEN COST

£45.0m
OCI'S VALUATION

9%
OF OCI NAV



One of the leading WebOps and Web Hosting platform for web professionals. Plesk's web-server management tools run, secure and automate server and website administration as well as operations.

Significant progress has been made in realising some of Plesk's strategic goals, including the acquisition and integration of XOVI, a software platform specialising in search engine optimisation, and successfully carving out Plesk from the Parallels Group while maintaining growth. Plesk is now a fully-independent group with a stand-alone management team and separate accounts. A key element of the investment strategy was also realised in Q4 when Plesk introduced a price adjustment, which increased prices across the product portfolio. This initiative should begin to impact results in 2018 and is expected to create significant value while allowing the business to continue to invest in product development.

Both Plesk and XOVI have performed well and in line with expectations in 2017, generating revenue and EBITDA ahead of budget.

£9.4m
OCI'S OPEN COST

£14.1m
OCI'S VALUATION

3%
OF OCI NAV

DAMOVO

UNDERSTAND. DELIVER. IMPROVE.



A leading pan-European specialist in delivering mission-critical Unified Communication and Collaboration solutions and managed services for enterprise and public sector organisations.

Damovo has performed strongly this year, delivering year-on-year revenue growth of 20% and Trading EBITDA growth of 40% for the financial year ended January 2018. In the last three months Damovo has signed major multi-year contracts with two new public sector customers in Germany, with combined contract values of over €90 million.

£2.9m
OCI'S OPEN COST

£13.7m
OCI'S VALUATION

3%
OF OCI NAV

TechInsights



A global leader in the intellectual property and technology intelligence Market.

TechInsights specialises in reverse engineering, which is used to prove patent infringement and understand the technology behind mass market consumer electronics. The company has also amassed a valuable database of technical intelligence and research reports which is accessible via subscriptions. Following the acquisition in 2016 of a major competitor, Chipworks, TechInsights has solidified its position as the specialist of choice in providing proof of patent infringement and competitive technical intelligence.

TechInsights generated revenue growth of 7% year-on-year driven by high growth of the subscription and project businesses offset by weaker report sales. *Proforma* EBITDA for the year increased 23% from the prior year, as a result of strong top-line performance, growing subscription revenues and lower costs following efficiencies from the finalisation of the Chipworks integration.

The order book of project work is strong, with new bookings in January significantly above prior year levels with the subscription business continuing to grow strongly.

£4.3m
OCI'S OPEN COST

£11.4m
OCI'S VALUATION

2%
OF OCI NAV

Education

Market review

Education has become a significant sector for Oakley in recent years, with investments across the space, including premium private schools, higher education and after-school tutoring.

Having successfully backed an entrepreneur to build a premium private schools group, Oakley began to increase its focus on the wider education space. With our experience of investing in Inspired and having carried out extensive market mapping and research, we now have a well-established knowledge base.

Education assets have many attractive characteristics which Oakley believes makes the sector an exciting and interesting area in which to invest.

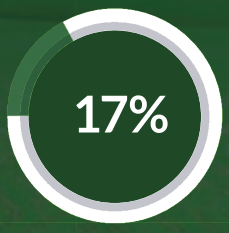
Demand for education is growing strongly in both emerging and developed markets, and supply is limited by public spending constraints and high barriers to entry, resulting in above-inflation price increases in many segments.

This is also a large and fragmented market so there is value to be created in consolidation and building scale. Education markets are typically non-cyclical, as parents place great importance on the investment they make in their children's education. There are also multiple growth opportunities from market consolidation, technological disruption, privatisation, pricing growth and internationalisation.

Demand for education is growing in both emerging and developed markets

EDUCATION SECTOR EBITDA GROWTH

+38%



EDUCATION SECTOR AS % OF OCI NAV

Sector investments*

Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
Inspired	OCI/Fund II	£13.8m	£46.0.m	10
Schülerhilfe	Fund III	£30.8m	£30.8m	6
AMOS	Fund III	£6.5m	£6.5m	1

Post year-end investment	Acquisition date	Oakley Fund	OCI's cost
Career Partner Group	January 2018	Fund III	£30.6m

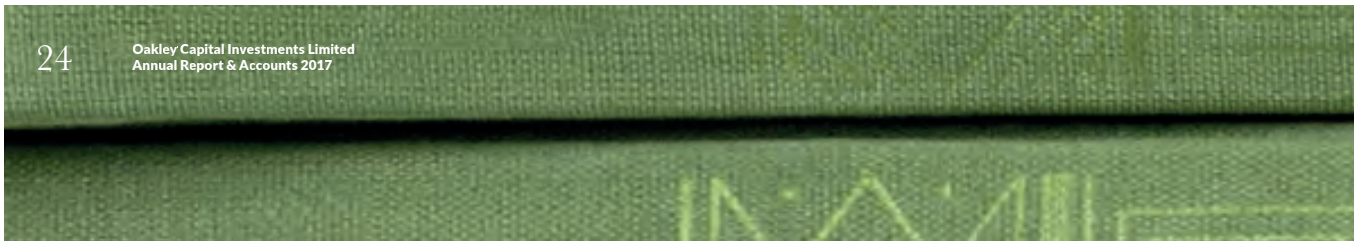
inspired

AMOS SPORT BUSINESS SCHOOL

Schülerhilfe!

Career Partner

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Education Portfolio Companies

inspired



A leading global premium private schools group, with over 30 schools across five continents, Inspired has grown rapidly through both greenfield developments and acquisition. All schools are individually developed and designed to deliver an excellent education to their respective communities.

At the year ended 31 August 2017, enrolments were up by 54% year-on-year. The group has continued to perform well with 2017/2018 enrolments ahead of budget.

In the last twelve months Inspired has added new schools in South Africa, Kenya, Peru, Bahrain and Costa Rica through new openings and acquisition.

£13.8m
OCI'S OPEN COST

£46.0m
OCI'S VALUATION

10%
OF OCI NAV

Schülerhilfe

Das Original. Seit 1974.



Germany's leading provider of after-school tutoring, Schülerhilfe teaches 125,000 students across Germany and Austria each year. Schülerhilfe's core service offering comprises small group tutoring lessons which provide better results at lower cost compared to one-to-one tutoring.

Full year 2017 performance was strong for Schülerhilfe with revenue and operating EBITDA increases of 12% and 15%, respectively, year-on-year.

The tutoring market is highly fragmented in Germany. Schülerhilfe has a proven track record of growing market share both organically and through acquisition.

£30.8m
OCI'S OPEN COST

£30.8m
OCI'S VALUATION

6%
OF OCI NAV

AMOS SPORT BUSINESS SCHOOL



France's leading business school focused entirely on sport management and sport business.

AMOS educates over 1,400 students across six campuses in France, and offers international study through its London campus. It was acquired by Oakley Fund III as part of a higher education strategy with the aim of replicating the success of Inspired in the K-12 (Kindergarten to Year 12) market.

AMOS' student enrolments for the current academic year have increased by 28% over the prior year, with revenues and EBITDA in line with expectations since acquisition.

Plans are underway to open new campuses in Toulouse and Marseilles in September 2018, which are expected to drive further growth in student numbers.

£6.5m
OCI'S OPEN COST

£6.5m
OCI'S VALUATION

1%
OF OCI NAV

Post year-end investment
Completed January 2018

CP Career Partner



One of the fastest growing and most highly ranked private university businesses in Germany, with over 15,000 students enrolled in four types of programmes: traditional on-campus universities, online degrees, dual studies (an alternative to traditional apprenticeships) and corporate training.

Oakley Fund III acquired 66.7% of CPG in January 2018 for €84.6 million, and seeks to support the continued development of the business, particularly in the online university and dual studies segments, two high-growth sectors in Germany.

£30.6m
OCI'S OPEN COST

Environmental, Social and Governance

Responsible investing is important to protect and create long-term investment value, beyond the standard drivers of compliance and risk

Oakley, the Investment Adviser, believes that a focus on responsible investing ("RI") can have an impact beyond a financial return for investors, in particular human, environmental and social ("ESG") factors, and the long-term health and stability of the market as a whole.

Oakley became a signatory of the UN Principles for Responsible Investing in December 2015, showing its commitment to RI and ESG issues to generate long-term sustainable returns dependent on stable, well-functioning and well governed systems.

Awareness of ESG factors are important to Oakley because:

- Shareholder value can be created through improving ESG in the underlying portfolio companies;
- There are material financial risks associated with ESG criteria;
- ESG aligns our interest with a long-term approach to return, as opposed to a focus on short-term company performance;
- Understanding and mitigating ESG risks helps protect our reputation and goodwill in the market; and
- Regulatory attention is increasing, with stewardship codes launched in many jurisdictions including the UK and EU.

Responsible investing can have a significant impact on private equity in terms of making and managing investments and creating value in each portfolio company. The following core RI Principles are implemented by Oakley.

Core RI Principles are to:

- Promote compliance with relevant laws and regulations by portfolio companies;
- Integrate ESG considerations into all stages of the deal cycle, from due diligence throughout the period of ownership, to exit;
- Pursue alignment, in our RI approach, with the BVCA RI Guidelines, and other industry good practice as it develops;
- Promote the respect, by Oakley and any fund portfolio companies, of fundamental human rights;
- Avoid bribery or corruption in any of the Oakley entities and any Oakley Fund portfolio companies' dealings;
- Encourage portfolio companies to consider and mitigate the negative ESG impacts of their operations;
- Avoid investment in specific sectors which Oakley considers especially sensitive from an ESG or ethical viewpoint;
- Seek continuous improvement in RI techniques and ESG performance at Oakley and the Oakley Funds' portfolio companies; and
- Report annually on Oakley's RI practices via the PRI reporting process and make information about the RI approach available on Oakley's website.

Governance

Oakley has a dedicated RI Committee which is responsible for the implementation of the RI Policy under the oversight of a senior partner. A quarterly compliance meeting is held where RI and ESG issues constitute a standing agenda item.

All Oakley staff are required to follow the RI Policy and consider its effects throughout the investment process. Oakley has created an ESG risk assessment tool kit to aid the team in understanding a variety of inherent ESG-related risks by both sector and geography.

Oakley works together with the portfolio companies (both pre- and post-investment) to identify and apply good practice with regard to managing ESG matters, so as to ensure that RI is at the core of Oakley's activities.

Signatory of PRI Principles for Responsible Investment

Oakley in the Community:

Oakley is active in the community and promotes a number of charities and trusts throughout the year.

OCI NAV Overview

During the year, OCI's NAV increased by £63.6 million to £502.0 million, an increase of 15% since 31 December 2016.

	31 Dec 2016 £m	31 Dec 2017 £m
Opening net asset value at the start of the year	382.2	438.4
Gross revenue	11.7	7.7
Net expenses	(4.5)	(6.2)
Net foreign currency gains/(losses)	4.7	(0.8)
Realised gains on investments	8.5	23.9
Net change in unrealised appreciation on investments	46.2	20.3
Treasury shares bought	(1.9)	–
Treasury shares sold	–	23.3
Dividend expense	(8.5)	(4.6)
Closing net asset value at the end of the year	**438.4**	**502.0**
Number of shares in issue	**189.8**	**204.8**
NAV per share	**£2.31**	**£2.45**

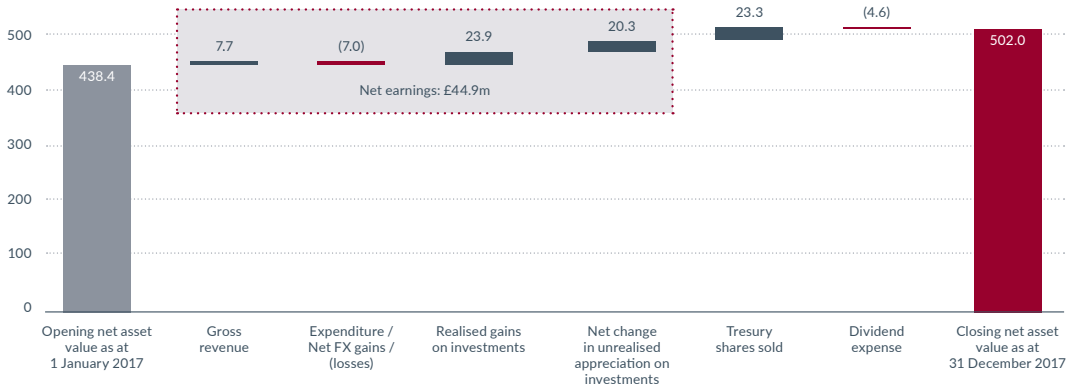
Net earnings were £44.9 million for the year, comprising:

- Gross revenue of £7.7 million arising from interest income earned on the debt facilities provided by the Company.
- Net expenses of £6.2 million (offset by £0.3 million of other income earned by the Company) and £0.8 million of foreign exchange losses. Expenses includes fees paid to the Administrative Agent and the Investment Adviser.
- Realised gains of £23.9 million earned from the realisations that occurred in the Oakley Funds. Net change in unrealised gains of £20.3 million, driven predominantly by the uplift in the valuations of the portfolio companies in the Oakley Funds.

£23.3 million was received by the Company from the sale of the treasury shares in January. The Company now holds no treasury shares.

An interim dividend of 2.25 pence per share, totalling £4.6 million, was paid to shareholders in October 2017.

Movement in Net Asset Value (£m)



Outstanding Commitments of OCI

Outstanding commitments to the Oakley Funds as at 31 December 2017 were £209.8 million. The Investment Adviser anticipates the majority of these will be drawn over the next 36 months as Oakley Fund III continues to deploy capital. The Board has concluded that as Oakley Fund II has now entered its realisation phase and in the light of the expected distributions to be received, it is satisfied that OCI will be able to meet its unfunded commitments in the normal course. The table below illustrates the Company's outstanding commitments to the Oakley Funds, and their respective percentage of the NAV of the Company at 31 December 2017.

Fund	Fund vintage	Current commitment (€m)	Outstanding at 31 Dec 2017 (€m)	Outstanding at 31 Dec 2017 (£m)	% of NAV
Oakley Fund I	2007	188.4	2.6	2.3	0
Oakley Fund II	2013	190.0	31.4	27.9	6
Oakley Fund III	2016	325.8	202.0	179.6	36
			236.0	**209.8**	**42**
Cash and cash equivalents (net of capital call paid post year end)				(83.3)	
Net outstanding commitments unfunded by cash resources				**126.5**	**25**

OCI Investment Activity

The transactional activity for the Company's investment portfolio for the year is summarised below:

Investment	31 Dec 2016 Fair Value £m	31 Dec 2017 Fair Value £m
Investment in Oakley Funds	211.3	282.7
	211.3	**282.7**
Co-Investments		
Equity securities - quoted	43.9	41.2
Equity securities - unquoted	–	26.2
Debt securities - unquoted	85.8	69.5
	129.6	**136.9**
Total investments	**340.9**	**419.6**

The following pages explain movements in the underlying portfolios and their respective investments.

OCI Investment Activity continued

Overview of OCI's underlying investments

Fund	Investments	Sector	Location	Year of investment	Residual cost £m	Fair value £m
Fund I	Time Out	Consumer	Global	2010	44.9	37.5
OCI's proportionate allocation of Fund I investments (on a look-through basis)						**37.5**
Other assets and liabilities						(0.9)
OCI's investment in Oakley Fund I						**36.6**
Fund II	North Sails	Consumer	Global	2014	32.7	34.2
Fund II	Inspired	Education	Global	2014	12.4	19.8
Fund II	Facile	Consumer	Italy	2014	2.2	33.1
Fund II	Damovo	TMT	Germany	2015	2.9	13.7
Fund II	Parship Elite Group	Consumer	Germany	2015	0.0	29.5
Fund II	Daisy	TMT	UK	2015	10.2	16.8
Fund II	Verivox	Consumer	Germany	2015	5.8	11.0
OCI's proportionate allocation of Fund II investments (on a look-through basis)						**158.1**
Other assets and liabilities						(21.1)
OCI's investment in Oakley Fund II						**137.0**
Fund III	Casa & atHome	Consumer	Italy / Luxembourg	2017	36.4	49.6
Fund III	Schülerhilfe	Education	Germany	2017	30.8	30.8
Fund III	Plesk	TMT	Switzerland	2017	9.4	14.1
Fund III	TechInsights	TMT	Canada	2017	4.3	11.4
Fund III	AMOS	Education	France	2017	6.5	6.5
OCI's proportionate allocation of Fund III investments (on a look-through basis)						**112.4**
Other assets and liabilities						(3.3)
OCI's investment in Oakley Fund III						**109.1**
Co-investment:						
Equity	Time Out	Consumer	Global	2014	47.2	41.2
Equity	Inspired	Education	Global	2017	1.4	26.2
Debt	Daisy	TMT	UK	2015	28.2	28.2
Debt	North Sails	Consumer	Global	2014	25.0	27.8
Debt	Fund Facilities	n/a	n/a		n/a	13.5
OCI's co-investments (both equity and debt)						**136.9**
Total OCI investments						**419.6**

The OCI look-through values are calculated using the OCI attributable proportion (determined as the ratio which OCI's commitments to the respective Fund bear to total commitments to that Fund) applied to each investment's fair value as held in the relevant Oakley Fund, net of any accrued performance fees relating to that investment, and converted using the year end EUR:GBP exchange rate.

Portfolio Review: Oakley Fund I Investment Activity

The investment portfolio of Oakley Fund I is summarised in the table below. Oakley Fund I is denominated in euros, and the year end exchange rate was used, where applicable. The Company holds a 65.5% interest in Oakley Fund I.

OAKLEY FUND I	31 Dec 2016 Fair value €m	31 Dec 2017 Fair value €m
Time Out	60.5	64.3
Broadstone	0.7	0.6
Inspired	64.3	–
Total current investments	125.5	64.9

Distributions during 2017:	Distributions
Inspired	69.7
Total	69.7

With Oakley Fund I approaching the end of its life-cycle, OCI made an offer to buy Oakley Fund I's stake in Inspired. Prior to Oakley Fund I selling its interest to OCI, it offered its Limited Partners the option of receiving a cash distribution or to retain their proportionate interest in Inspired through the specific investment vehicle OCPE Education Feeder L.P. ("OCPEE Feeder"). OCI and a small number of other Limited Partners elected to receive their proportionate interests in kind, being €46.2 million, through OCPEE Feeder. The remaining Limited Partners received a cash distribution of €23.5 million, taking the aggregate fair value of the in-kind interest and cash distribution to the Limited Partners to €69.7 million. It is due to this realisation that the portfolio of Oakley Fund I had an overall fair value decrease of €60.6 million during the year.

Time Out is listed on AIM of the London Stock Exchange, and its fair value is determined by a mark-to-market valuation, based on the 31 December 2017 share price of £1.31. Time Out released its trading update for the year end, reporting that revenue is expected to increase year-on-year with Time Out Digital revenue showing strong growth. E-commerce and Time Out Markets are also performing well. During the year, Oakley Fund I injected a further €11.2 million into Time Out (Bermuda) Limited in order to repay the OCI mezzanine loan.

As at 31 December 2017, Oakley Fund I had called €198.8 million (£176.7 million) from the Company, including recycling of €13.0 million (£11.4 million).

Portfolio Review: Oakley Fund II Investment Activity

The investment portfolio of Oakley Fund II is summarised in the table below. Oakley Fund II is denominated in euros, and the year end exchange rate was used, where applicable. The Company holds a 36.2% interest in Oakley Fund II.

OAKLEY FUND II	31 Dec 2016 Fair value €m	31 Dec 2017 Fair value €m
Facile	137.0	123.7
Parship Elite Group	84.4	111.9
North Sails	101.9	106.1
Inspired	109.8	67.3
Daisy	33.9	55.5
Damovo	18.4	49.6
Verivox	32.0	36.8
Host Europe Group	41.4	–
Total investments	**558.8**	**550.9**

Distributions during 2017:	Distributions
Host Europe Group	42.3
Inspired	52.4
Facile	33.4
Parship Elite Group	2.2
Other	0.6
Total	**130.9**

Oakley Fund II had an active year with one investment exit, distributions of €130.9 million, and a number of follow-on investments.

There was an increase in the fair value of the majority of the investments. The uplift was driven primarily by the portfolio companies Damovo and Parship Elite Group. Both of these companies had strong performances in 2017, with Damovo expanding its presence to Switzerland through the acquisition of Voice and Data Network AG, and further strong performances from Parship from its integration with Elite Partner.

There was further capital of €26.4 million invested by Oakley Fund II; €22.1 million in North Sails to fund the development of North Sails Apparel and for M&A activities; €3.7 million in Inspired to facilitate the further development in school acquisitions; and €0.6 million in Facile for working capital purposes.

In April 2017, Oakley Fund II completed the sale of Host Europe Group and returned proceeds of €42.3 million, representing a gross money multiple of 2.1x and gross IRR of 40%. OCI received proceeds of €14.6 million (£12.0 million) from this transaction.

Distributions of €135.7 million were received by Oakley Fund II over the course of 2017 of which €130.9 million of this was distributed to Limited Partners, with OCI receiving a total of €47.6 million (£41.4 million).

In July 2017, Inspired received a significant growth investment from TA Associates. Oakley Fund II elected to sell a portion of its interest in Inspired resulting in a total distribution of €22.1 million (£7.5 million received by OCI). Deferred consideration for its stake in Educas Europe was included in this distribution. As part of a restructuring of the Inspired entities, €45.0 million of debt refinancing was obtained through a wholly owned subsidiary of OCPEE LP, OCPE Education Finco. From this, Oakley Fund II received a distribution of €30.3 million (£11.0 million received by OCI).

In August 2017, Facile Topco secured debt financing of €35.0 million, resulting in a distribution to Oakley Fund II of €33.4 million, and to OCI of €12.8 million (£11.4 million). Parship Elite Group repurchased a number of shares from Oakley Fund II. This was distributed to Limited Partners with OCI receiving €0.7 million (£0.6 million).

Deferred consideration of €0.6 million was received from the sale of intergenia in December 2017, which was distributed to Limited Partners, with OCI receiving €0.2 million (£0.1 million).

In October 2017, OCI sold 5.0% of its interest in Oakley Fund II, reducing its stake to 36.2% (2016: 38.1%). OCI received £7.3 million from this transaction. As at 31 December 2017, Oakley Fund II had called €158.7 million (£141.0 million) from OCI, representing 83.5% of its total capital commitments.

Portfolio Review: Oakley Fund III Investment Activity

The investment portfolio of Oakley Fund III is summarised in the table below. Oakley Fund III is denominated in euros, and the year end exchange rate was used, where applicable. The Company held a 40.7% interest in Oakley Fund III.

OAKLEY FUND III	31 Dec 2017 Fair value €m
Casa & atHome	140.4
Schülerhilfe	85.9
Plesk	40.7
TechInsights	33.4
AMOS	17.4
Total investments	**317.8**

Distributions during 2017:	Distributions
TechInsights	30.7
Total	**30.7**

Oakley Fund III had an active investment year, completing five acquisitions, with a sixth acquisition completed in January 2018.

Casa & atHome and TechInsights secured debt financing subsequent to Oakley Fund III's initial investment. €32.8 million was received from the Casa & atHome refinancing which was used to repay debt obligations. €30.7 million was received from the TechInsights refinancing which was distributed back to Limited Partners with OCI receiving proceeds of €12.5 million (£11.4 million).

There was an overall fair value uplift of €73.1 million from the original invested cost, due to strong performances and growth since acquisition in Casa & atHome, Plesk and TechInsights. Schülerhilfe and AMOS were acquired in the second half of 2017 and are held at fair values approximate to their total cost invested.

Oakley Fund III held its final close on 29 September 2017, bringing total committed capital to €800.0 million. OCI's final commitment to Oakley Fund III was diluted to 40.7% (2016: 47.4%) at this time.

Oakley Fund III has called €123.8 million (£110.1 million) to date from the Company, representing 38% of the Company's total committed capital.

In January 2018, Oakley Fund III completed the acquisition of Career Partner Group ("CPG") from its previous owner Apollo Education Group Inc. CPG is a leading provider of private higher education and personnel development in Germany. Oakley Fund III invested €84.6 million in this acquisition obtaining a 66.7% stake in the business.

Oakley Funds' Realisations and Distributions

Year of activity for Oakley Funds and the Co-investment Fund, with £88.2m returned to OCI

Oakley Funds' and co-investment Fund's realisations and distributions during 2017:

HEG

Oakley Fund II
Realisation

- Agreement reached in December 2016 with Cinven (the majority shareholder in HEG), to sell.
- The sale completed on 3 April 2017, and proceeds of €42.3 million were received by Fund II resulting in a gross money multiple of 2.1x and a gross IRR of 40%.

OCI's proceeds: £12.0m

inspired

Oakley Fund I
Realisation

- Agreement reached to sell the 30.5% stake in OCPEE L.P. to OCI and other Oakley Fund I Limited Partners in June 2017.
- Total proceeds received by the Fund was €69.7 million.
- This represented a gross money multiple of 3.0x and a gross IRR of 36%.

OCI invested £20.8m in Inspired via co-investment

Tech Insights

Oakley Fund III
Refinancing

- TechInsights was refinanced in July 2017 resulting in a distribution of €30.7 million to Oakley Fund III.

OCI's proceeds: £11.4m

facile.it

Oakley Fund II
Refinancing

- Facile was refinanced in August 2017 obtaining €35.0 million of debt proceeds.

OCI's proceeds: £11.4m

inspired

OCPEE L.P.
Refinancing

- As part of the TA Associates growth investment, OCPEE L.P.'s two Limited Partners Oakley Fund II and OCPEE Feeder decided to sell down part of their positions in Inspired.
- In December 2017, refinancing was received through a wholly owned subsidiary OCPE Education Finco.

OCI's proceeds: £52.7m

PARSHIP ELITE Group intergenia

Oakley Fund II
Ad-hoc Proceeds

- Shares were repurchased from Oakley Fund II by Parship in August 2017 resulting in proceeds being distributed to Limited Partners of €2.2 million.
- Deferred consideration of €0.6 million was received in December 2017 by Oakley Fund II, from the sale of intergenia in December 2014.

OCI's proceeds: £0.7m

Portfolio Review: Co-Investment Activity

The co-investment portfolio as at 31 December 2017 is summarised in the table below:

Co-Investments:	31 Dec 2016 Fair value £m	31 Dec 2017 Fair value £m
Equity Securities		
Time Out	43.9	41.2
OCPEE Feeder	–	26.2
Debt Securities		
Daisy	22.6	28.2
North Sails	22.0	27.8
Fund Facilities	22.6	13.5
Time Out	9.5	–
Total investments	**129.6**	**136.9**

Equity Securities

In November 2016, the interests held by both Oakley Fund I and Oakley Fund II in Inspired were restructured into a new holding entity, OCPEE L.P. At 31 December 2016, the Company held an indirect interest in Inspired through both Oakley Fund I and Fund II's respective interest in OCPEE L.P.

Inspired has grown rapidly both through acquisition and greenfield development since Oakley Fund I's first investment in July 2013. Having built up its pipeline, reputation in the market and its integration and M&A capabilities over recent years, Inspired is expected to continue its expansion in the short to medium term through further acquisitions. With Oakley Fund I well into its realisation phase it was not in a position to continue to participate in Inspired's expansion. In view of future growth prospects for Inspired, the Company offered to acquire Oakley Fund I's interest in OCPEE L.P.

The Company acquired 99.2% of Oakley Fund I's stake in Inspired, with the remaining 0.8% being held by a small number of Oakley Fund I Limited Partners who rolled their interests into a newly created vehicle, OCPEE Feeder.

In August 2017, Inspired received a significant strategic growth investment from TA Associates. In order to facilitate entry into the capital structure, the Company agreed with OCPEE L.P. to sell-down part of its holding in Inspired. The addition of such a high quality investor to Inspired's shareholder base, and the new investment being made in growth funding, should underpin Inspired's ambitious plans.

In December 2017, €45.0 million of refinancing proceeds was obtained through a wholly owned subsidiary of OCPEE L.P., OCPE Education Finco. This resulted in a distribution to both OCPEE Feeder and Oakley Fund II. From the aggregation of these transactions in 2017, OCI received total distributions of €58.6 million (£52.7 million) through it's stake in both Oakley Fund II and OCPEE Feeder.

Time Out is a listed company and its fair value is based on a mark-to-market valuation, using the 31 December 2017 share price of £1.31. The year end trading update for Time Out is positive and has demonstrated continued progress in Time Out's digital strategy. Revenue in e-commerce and premium profiles has grown 57% and 43% respectively, compared to the prior year. Time Out continues to invest in resources across product, engineering, e-commerce and Time Out Markets with a focus on driving significant revenue growth and reaching profitability.

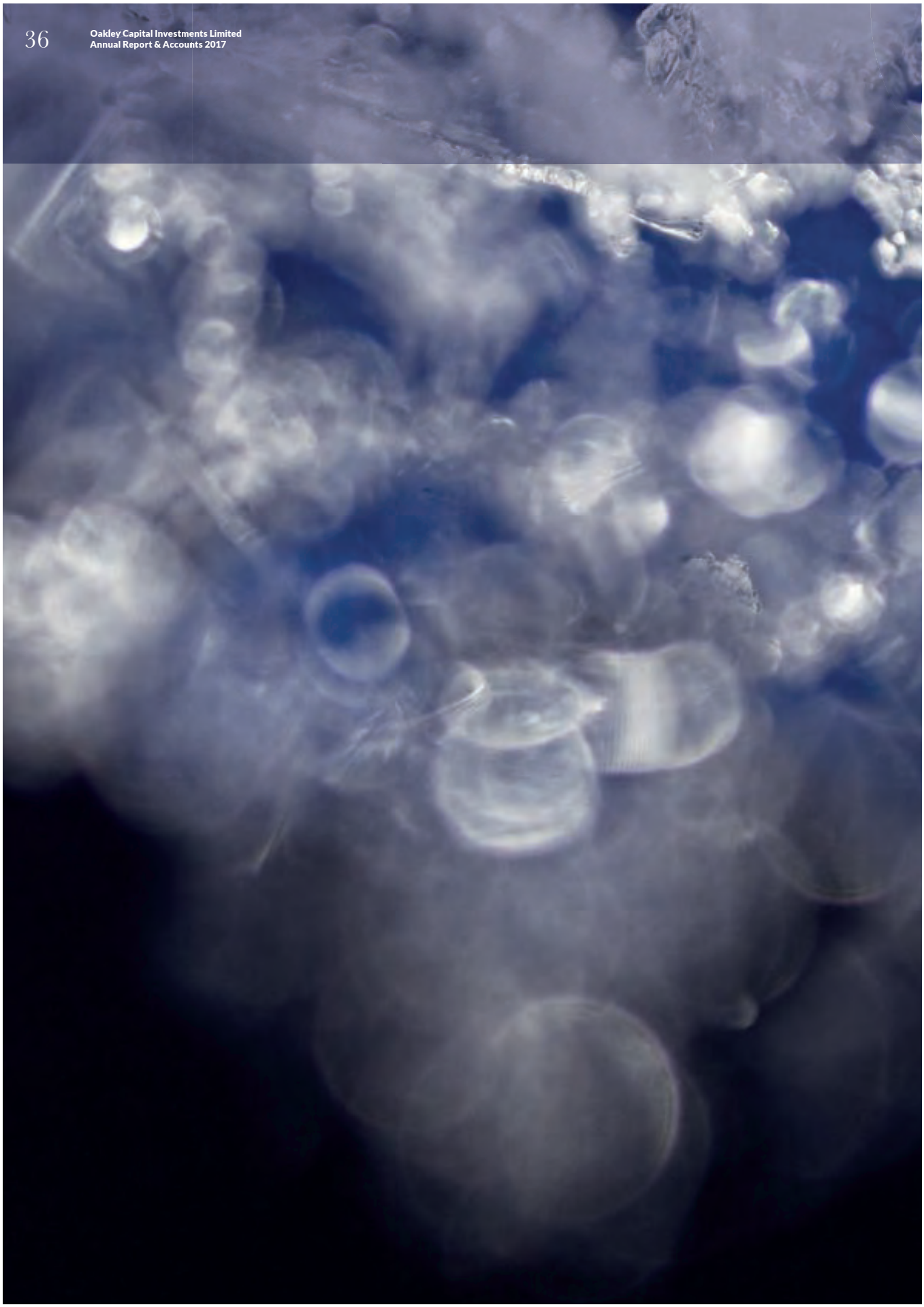
Debt Securities

The Company provides debt facilities to certain underlying entities and portfolio companies. These debt facilities are provided on an arm's-length basis at competitive market interest rates. The interest income generated from these facilities exceeds the interest earned on the Company's bank deposits, allowing the Company to earn higher returns on part of its cash reserves. During the year, the Company has earned £7.7 million interest from the debt facilities provided.

A new debt facility of £3.0 million was provided to North Sails during the year. This loan was used to fund the acquisition of Hall Spars, a rigging company and competitor to Southern Spars, a division of North Sails.

As part of the acquisition of Oakley Fund I's interest in Time Out, a loan of £6.2 million was provided by OCI to Time Out (Bermuda) Limited. This was repaid in June 2017, providing proceeds to the Company of £9.8 million, including accrued interest.

The Company also provides revolving credit facilities to each of the Oakley Funds. Each drawing under these facilities is for no more than one year. The loans are used to fund short-term cash requirements of the Oakley Funds. As at 31 December 2017, the Company had outstanding debt facilities of £13.5 million to the Oakley Funds, including accrued interest, a decrease of £9.1 million from 31 December 2016 primarily due to repayments of the Oakley Fund II facility.



Governance

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Board of Directors



Christopher Wetherhill
Chairman

Christopher Wetherhill founded, and was Chief Executive Officer of Hemisphere Management Limited, a financial services company in Bermuda, from 1981 until 2000.

Since 2000, he has served as a board member of, and a consultant to, a number of investment companies. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Canadian and Bermudian Institutes of Chartered Professional Accountants, a Fellow of the Institute of Directors and a Freeman of the City of London. He is a resident of Bermuda.

Christopher is Chairman of the Board of Directors, and is a member of the Company's risk committee.



James Keyes
Non-executive Director

James Keyes was a Managing Director of Renaissance Capital, an emerging markets investment bank, from 2008 until 2013. He established the Renaissance Bermuda office and remained with the firm until the office closed in 2013.

He was previously a partner of Appleby, the offshore law firm, for 11 years. James joined Appleby in 1993 and was team leader of the Funds and Investment Services Team.

Prior to Appleby, he was employed in the corporate department of Freshfields law firm, and worked in the London, New York and Hong Kong offices.

James attended Oxford University in England as a Rhodes Scholar and graduated with a degree in Politics, Philosophy and Economics (MA with Honours) in 1985. He was admitted as a solicitor in England and Wales in 1991 and called to the Bermuda Bar in 1993. He became a Notary Public in 1998. James is a resident of Bermuda and is a member of the Company's Audit Committee.



Caroline Foulger
Non-executive Director

Caroline Foulger has been an independent Non-executive Director in the financial services industry since early 2013. In addition to her seat on the OCI Board, Caroline currently sits on the Board of a FTSE 250 insurance company, a NYSE listed bank and several private companies.

Caroline was previously a partner with PwC for 12 years, primarily leading the insurance practice in Bermuda and servicing listed clients with both audit and advisory services and has 25 years' experience in public accounting. Caroline is a Fellow of the Institute of Chartered Accountants in England & Wales, CPA Bermuda and a Member of the Institute of Directors. Caroline is a resident of Bermuda.

Caroline is Chair of the Company's Risk Committee.



Laurence Blackall
Non-executive Director

Laurence Blackall has thirty years' experience in the information, media and communication industries, pioneering electronic publishing (especially at McGraw Hill where he was a Vice-President) and the internet in the United Kingdom.

He has proven expertise in establishing internet companies and developing them through to public offering and subsequent sale.

He holds Directorships in a number of public and private companies. Laurence is a resident of the United Kingdom, and is Chair of the Company's Audit Committee.

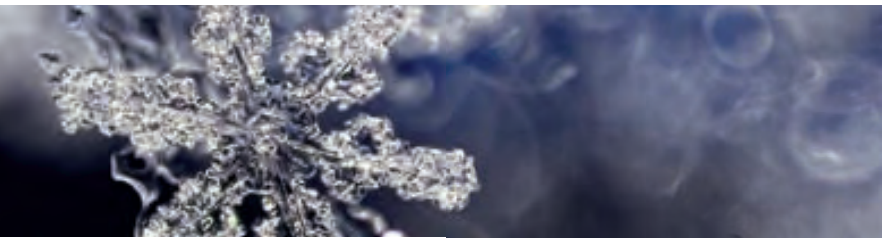


Peter Dubens
Non-executive Director

Peter Dubens is the founder and Managing Partner of the Oakley Capital Group, a privately-owned asset management and advisory group comprising Private Equity and Venture Capital operations managing over €1.6 billion.

Peter founded the Oakley Capital Group in 2002 to be a best-of-breed, entrepreneurially-driven UK investment house, creating an ecosystem to support the companies in which Oakley Capital invests, whether they are early-stage companies or established businesses.

David Till serves as an alternate Director to Peter Dubens.



Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2017. The results for the year are set out in the attached financial statements and have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Directors

The Board currently comprises the Chairman and four other non-executive Directors. All Directors served on the Board throughout the year under review. There were no changes to the composition of the Board.

All Directors, other than Peter Dubens, are considered to be independent. The Company is not aware of any other potential conflicts of interest between any duty of any of the Directors owed to it and their respective private interests.

Directors' Interests in Shares

As at 14 March 2018, Directors who are beneficial owners of shares in the Company are:

Director	No. of Shares
Peter Dubens	2,138,167
Laurence Blackall	200,000
Christopher Wetherhill	200,000
Caroline Foulger	122,000
James Keyes	30,000

Save as disclosed above, none of the Directors nor any member of their respective immediate families, nor any person connected with a Director, has any interest whether beneficial or non-beneficial in the share capital of the Company.

Relations with Shareholders

The Board recognises that it is important to maintain appropriate contact with major shareholders in order to understand their issues and concerns. Members of the Board have had the opportunity to attend meetings with major shareholders, and the Board receives major shareholders' views of the Company via direct face-to-face contact, analyst and broker briefings.

In addition, the Investment Adviser maintains dialogue with institutional shareholders, the feedback from which is reported to the Board. The Board monitors the Company's trading activity on a regular basis.

The Company reports formally to shareholders twice a year. In addition, current information is provided to shareholders on an ongoing basis through the Company's website.

Substantial Shareholdings

As at 14 March 2018, the Company has received the following notifications of interest of 3% or more in the voting rights attached to the Company's ordinary shares:

Shareholder	% of voting rights
Invesco Perpetual	20.4
Woodford Investment Management	19.8
Ruffer LLP	15.0
Sarasin & Partners	7.8
Fidelity International	6.3
Rothschild Private Management	4.0

Corporate Responsibility

The Board considers the ongoing interests of shareholders on the basis of open and regular dialogue with the Investment Adviser. The Board receives regular updates outlining regulatory and statutory developments and responds as appropriate.

Administrative Agent

On 1 April 2017, the Company entered into an Operational Services Agreement appointing Oakley Capital Manager Limited as its Administrative Agent. Prior to this, the Company had appointed Oakley Capital (Bermuda) Limited to provide certain management services. On 31 March 2017, the management agreement was terminated and the Operational Services Agreement was entered into. Under this agreement, the Administrative Agent provides operational assistance and administrative support to the Board with respect to the Company's investments and its general administration for a fee.

The Administrative Agent has entered into an Investment Advisory Agreement with Oakley Capital Limited (the "Investment Adviser") to advise on the investments of the Company.

Investment Adviser

The Investment Adviser, Oakley Capital Limited, was incorporated in England and Wales on 12 October 2000 under the Companies Act 1985. The Investment Adviser serves as investment adviser to Oakley Capital Manager Limited with respect to the Company, and the Oakley Funds.

The Investment Adviser is authorised and regulated by the Financial Conduct Authority. It is not registered as an "investment adviser" under the US Investment Advisers Act, but may in the future seek to register.

Peter Dubens and David Till (both Directors of the Investment Adviser), with a team of twenty-three professionals, are together primarily responsible for performing investment advisory obligations with respect to the Company and the Oakley Funds.

Peter Dubens is a Director of both the Investment Adviser and the Company, and cannot vote on any Board decision relating to the Investment Advisory Agreement whilst he has an interest.

Delegation of Responsibilities

Under the Operational Services Agreement the Board has delegated to the Administrative Agent substantial authority for carrying out the day-to-day administrative functions of the Company. The Board has the ultimate decision to invest (or take any other action) in the Oakley Funds or as a co-investment. In the ordinary course it makes decisions after reviewing the recommendations provided by the Investment Adviser on behalf of the Administrative Agent.

Board Responsibilities

The Board meets at least quarterly and between these scheduled meetings there is regular contact between Directors and the Investment Adviser as otherwise required for the purpose of considering key investment decisions of the Company.

The Directors are kept fully informed of investments and other matters that are relevant to the business of the Company. Such information is brought to the attention of the Board by the Investment Adviser and by the Administrator in their periodic reports detailing the Company's performance. The Board also receives other information as may, from time to time, be reasonably required by the Directors for the purpose of such meetings from the Administrative Agent and other service providers.

For the avoidance of doubt, the Directors do not make investment decisions on behalf of the Oakley Funds, nor do they have any role or involvement in selecting or implementing transactions by the Oakley Funds or in the management of the Oakley Funds.

Dividends and Distributions

A maiden dividend was announced in December 2016 of 4.5 pence per share in respect of the 2016 financial year. The Company has continued with this policy and declared an interim dividend of 2.25 pence per share in respect of the 30 June 2017 interim period. This was paid in October 2017. A final dividend of 2.25 pence per share was approved on 14 March 2018 by the Board in respect of the six months to 31 December 2017. This is due to be paid on 26 April 2018, to shareholders registered on or before 13 April 2018 .

The decision to introduce a dividend was based on the consistent income generated from debt co-investments and increased cash returns from realisations by the Oakley Funds. The Company has experienced strong NAV growth in 2017 due to growth in the Oakley Funds' underlying portfolio companies. The Board has adopted a dividend policy which takes into account the profitability and underlying performance of the Company in addition to capital requirements, cash flows and distributable reserves.

Directors' Remuneration

There are no long-term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company and each Director is appointed by a letter of appointment setting out the terms of their appointment.

Directors are remunerated in the form of fees, payable annually in advance, to the Director personally. The table below details the fees paid to each Director of the Company for the year ended 31 December 2017.

The Director fees below do not include reimbursed expenses or other fees paid to the Director.

Director	Fees £
Christopher Wetherhill	65,000
James Keyes	45,000
Caroline Foulger	50,000
Peter Dubens	–
Laurence Blackall	45,000

Signed on behalf of the Board by:

Christopher Wetherhill
Chairman



Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Bermuda company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under Bermuda company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the European Union have been followed subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Consolidated Financial Statements are published on www.oakleycapitalinvestments.com. The responsibility for the maintenance and integrity of the website, so far as it relates to the Company, has been delegated to the Investment Adviser. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Financial Statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in Bermuda governing the preparation and dissemination of the Consolidated Financial Statements may differ from legislation in other jurisdictions.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Bermuda Companies Act (1981 (as amended)). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed in the Board of Directors section of the Annual Report, confirms that, to the best of his/her knowledge:

- The Consolidated Financial Statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- So far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware;
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information; and
- The Consolidated Financial Statements, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Audit Committee Report

The Board is supported by the Audit Committee, which comprises two non-executive Directors, James Keyes and Laurence Blackall. We are pleased to report to you on the range of matters which the Audit Committee has considered during 2017, the key risks and judgment areas and the decisions applied.

The principal role of the Audit Committee is to consider the following matters and make appropriate recommendations to the Board to ensure that:

- the accounting and internal control systems of the service providers are adequate;
- the integrity of the Consolidated Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- the independence, objectivity and effectiveness of the appointed Auditor is monitored and reviewed;
- the Company's policy on the provision of non-audit services by the Auditor is developed and implemented; and
- recommendations are made to the Board that the audit is put out to tender as appropriate in accordance with applicable law, rules, regulation and best practice, and initiate and oversee as required fair tendering and selection processes.

The Audit Committee met six times during the year under review and has continued to support the Board in fulfilling its oversight responsibilities.

Review of Accounting Policies and Areas of Judgment or Estimation

The most significant risk in the Company's accounts is the valuation of the Oakley Funds and the co-investments and whether its investments are fairly and consistently valued. This issue is considered carefully when the Audit Committee reviews the Company's Annual and Interim Report and Accounts. The Investment Adviser provides detailed explanations of the rationale for the valuation of each investment. These are discussed in detail by the Committee and with the Auditor.

The key area of focus of the Committee is the valuation methodology and underlying business performance of the Oakley Funds' portfolio companies.

The valuations are independently reviewed by a professional valuation firm who report on their procedures and the conclusions of their work. The Audit Committee concluded that the year-end valuation process had been effectively carried out and that the investments have been fairly valued.

The Audit Committee reports to the Board after each Audit Committee meeting on the main matters discussed at the meeting.

Audit

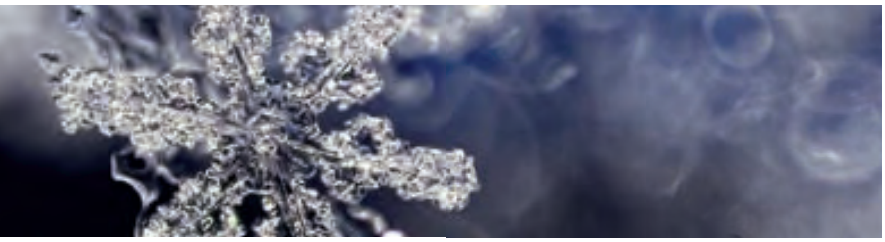
OCI's Auditor, KPMG Audit Limited ("KPMG" or "the Auditor"), located in Hamilton, Bermuda, has been Auditor since 2007 and the Audit Committee reviews their performance annually. The Audit Committee considers a range of factors including the quality of service, the Auditor's specialist expertise and the level of audit fee. The Audit Committee remains satisfied with KPMG's effectiveness and therefore, has not considered it necessary to date, to require the Auditor to re-tender for the audit work. The Auditor is required to rotate the audit partner every five years. For the year ended 31 December 2017, a new audit partner managed the engagement.

The Audit Committee has reviewed the provision of non-audit services by KPMG, and believes it to be cost-effective and not an impediment to the Auditor's objectivity and independence. This is assessed by ensuring that KPMG has appropriate measures in place to safeguard its independence. Such measures include ensuring that separate engagement teams provide audit and non-audit services.

It has been agreed that the Audit Committee must approve in advance all non-audit work to be carried out by the Auditor for the Company.

On behalf of the Audit Committee

Laurence Blackall
Chairman of the Audit Committee



Corporate Governance Report

The Board recognises the importance of sound corporate governance and has adopted policies and procedures that reflect those principles of the UK Corporate Governance Code (formerly known as the "Combined Code") as are appropriate to the Company's size and AIM listing. The Directors note that Bermuda, the country of incorporation of the Company, has no specific corporate governance regulatory regime.

This report describes the Company's corporate governance practices that were in place throughout the financial year ended 31 December 2017.

Chairman's Introduction to Corporate Governance

Good corporate governance is a key component of the Company's activities. Governance and oversight of these activities form an integral part of the Company's operations and it is as important as ever to monitor these to create and deliver value to the Company's shareholders. The primary function of the Board is to provide leadership and strategic direction and it is responsible for the overall management and control of the Company. It is through these functions that the Board creates and delivers value and growth for its shareholders.

The Board

The Board was comprised of the Chairman, Christopher Wetherhill, and four other non-executive Directors at 31 December 2017. All Directors are considered independent, with the exception of Peter Dubens, who is founder and Managing Partner of the Oakley Capital Group. Christopher Wetherhill, James Keyes, Laurence Blackall and Caroline Foulger remain independent despite their individual length of service on the Board, as they are free from any business or other relationship that could materially interfere with their exercise of judgment. Peter Dubens does not vote on matters in respect of which he is deemed to have a conflict of interest.

It is the Board's responsibility to ensure that the Company has a clear strategy and vision, and to oversee the overall management and oversight of the Company, and for its growing success. In particular, the Board is responsible for monitoring financial performance, setting and monitoring the Company's risk appetite and ensuring that obligations to shareholders are understood and met.

The Directors believe that the Board has an appropriate balance of skills and experience, independence and knowledge of the Company to enable it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience is summarised in their respective biographies on pages 38 and 39.

Directors' Terms of Appointment

In accordance with best practice, Directors retire on a rotational basis, and are then subject to re-election. In accordance with the appointment and rotation policy included in the Bye-Laws of the Company, James Keyes retired and was re-elected at the Annual General Meeting on 14 June 2017.

Board Meetings

The Board met formally ten times during 2017 with regular contact amongst the Directors between these meetings. Where necessary, the Directors may seek independent professional advice at the expense of the Company to aid their duties.

Director	Board Attendance
Total meetings held:	**10**
Number attended:	
Christopher Wetherhill	8
James Keyes	10
Laurence Blackall	5
Caroline Foulger	8
Peter Dubens*	6

*David Till attended three Board meetings as an Alternate Director to Peter Dubens.

The principal matters considered by the Board during 2017 included:

- Regular reports from the General Partners of the Oakley Funds;
- Regular reports and updates from the Investment Adviser on the co-investments and debt facilities held by the Company;
- Co-investment opportunities;
- Reports and updates from the Administrative Agent;
- Consideration of the Company's share price and net asset value;
- Regular reports from the Board's committees;
- The Annual Report and Accounts and half-yearly Report;
- Reports from external consultants on market and regulatory updates; and
- Corporate matters including dividend policy, share buy-backs and treasury shares.

The Board receives information that it considers to be sufficient and appropriate to enable it to discharge its duties. Directors receive Board papers in advance of Board meetings and are able to consider in detail the Company's performance and any issues to be discussed at the relevant meeting.

Board Training

New Directors are provided with an induction programme tailored to the particular circumstances of the appointee and which includes being briefed fully about the Company by the Chairman and Senior Executives of the Investment Adviser. The Chairman regularly reviews and agrees with Directors their training and development needs as necessary to enable them to discharge their duties.

Board Committees

The Board has delegated a number of areas of responsibility to its committees. Laurence Blackall is Chair of the Audit Committee and Caroline Foulger is Chair of the Risk Committee. Nomination and Remuneration decisions are taken by the whole Board.

The Board discontinued its Remuneration Committee. The work previously undertaken by this Committee is considered core to the Company and that it is more appropriate to be dealt with by the full Board. It is noted that no Director determines their own remuneration.

Audit Committee

OCI has an Audit Committee with formal delegated duties and responsibilities. It currently comprises Laurence Blackall (Chair) and James Keyes.

In consultation with the Auditor, the Audit Committee determines the terms of engagement and the scope of the audit. It continuously monitors the external Auditor's independence and objectivity, and has unrestricted access to oversee the relationship with the Auditor. The Audit Committee receives and reviews reports from both the Investment Adviser and the Auditor relating to the annual accounts and the accounting and internal control systems of the Company.

For more information, please find the full Audit Committee report on page 43.

Director	Audit Committee
Total meetings held:	**6**
Number attended:	
Laurence Blackall	6
James Keyes	6



Corporate Governance Report continued

Risk Committee

OCI's Risk Committee oversees the adequacy and effectiveness of the Company's risk management framework and policies. The Risk Committee is responsible for the oversight of the Company's current and emerging material risks and for the monitoring of the procedures and policies performed in mitigation of those risks. It currently comprises Caroline Foulger (Chair) and Christopher Wetherhill.

Attendance at the Risk Committee meetings in 2017 was as follows:

Director	Risk Committee
Total meetings held:	**4**
Number attended:	
Caroline Foulger	4
Christopher Wetherhill	4

Risk is an integral part of business and the effective identification and management of risks is central to operating a successful business and to the Company achieving its strategic objectives. Having a clear and well understood risk management strategy assists the Board to ensure the Company achieves an appropriate balance between generating returns for its investors and taking proportionate and managed risks. In that respect, the Board has established the Risk Committee to have oversight of those identified risks.

The principal risks and uncertainties faced by the Company are described below and Note 5 to the Consolidated Financial Statements provides detailed explanations of the risks associated with the Company's financial instruments.

- **Regulatory:** the risk that a change in the laws and regulations will materially impact the business if the Company is not in compliance. The laws and regulations include the AIM listing rules, AIFMD requirements, FCA requirements, Bermuda legal and corporate governance requirements. This risk also relates to the quality of the Company's relationship with its regulators.
- **External:** relates to losses that could be incurred due to changes in external market factors (i.e. prices, volatilities, correlations, foreign exchange, political risk and event risk). The Company may face market risks from its exposures through investing into the Oakley Funds and through any bridging loans or co-investments pursued alongside the Oakley Funds.
- **Counterparty:** relates to losses that could be incurred due to declines in the creditworthiness of entities in which the Company either directly or through the Oakley Funds invests. From time-to-time the Company may provide bridging or debt finance to other entities, such as the Oakley Funds or underlying portfolio companies. The credit risk of lending to these entities is considered on a case-by-case basis by the Board and Risk Committee.
- **Financial:** relates to inadequate controls by the Investment Adviser or other third party service providers which could lead to misappropriation of assets or incorrect financial reporting. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations.
- **Operational:** relates to risks associated with, and supporting the operating environment of, the Company. The operating environment includes middle and back-office functions such as accounting, administration, valuation and reporting, many of which are performed by service providers. Valuation is particularly judgmental. The Company is dependent on the Administrative Agent, its Investment Adviser and its professionals. The Investment Adviser's employees, on behalf of the Administrative Agent, play key roles in the operation of the Company. The departure or reassignment of some or all of these professionals could limit the Company's ability to achieve its investment objectives.
- **Liquidity:** relates to the risk that the Company's commitments to either meet the capital calls from its investments in the Oakley Funds or to pay its regular dividend will not be met from available cash resources. The Investment Adviser has regard to the liquidity and life-cycle phase of the Oakley Funds when making investment decisions, and the Company manages its liquid resources to ensure sufficient cash is available to meet its contractual commitments. At certain points in the investment cycle, the Company may hold substantial amounts of cash awaiting investment, which it may invest in government or corporate securities, or in bank deposits.

Through the Risk Committee, the Board has an ongoing process in place for the identification, evaluation and management of these risks.

Shareholder Communications

Board Oversight

The Company places great importance on communication with its shareholders and endeavours to provide clear information, as well as maintaining a regular dialogue with shareholders.

The Investment Adviser briefs the Board on a regular basis with regard to any feedback received from analysts and investors. Any significant concern raised by shareholders in relation to the Company is also communicated to the Board. The Company's Nominated Broker (Liberum Capital Limited) regularly reports directly to the Board at their meetings. In addition, research reports published by financial institutions on the Company are circulated to the Board.

AGM

An Annual General Meeting is held each year, where a separate resolution is proposed on each substantially separate issue along with the presentation of the Annual Report and Accounts. All proxy votes are counted and, except where a poll is called, the level of proxies lodged for each resolution is announced at the Meeting and is published on the Company's website. The notice of the Annual General Meeting and related papers are sent to shareholders at least 20 working days before the Meeting.

The Chairman and the Directors can be contacted through the Company Secretary, Mayflower Corporate Services Limited, 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Capital Markets Day

An annual Capital Markets Day consists of a presentation to shareholders and analysts by senior Partners of the Investment Adviser and management teams from a selection of Oakley Funds' portfolio companies. The event is held in London. The presentations are focused on the performance of the underlying Oakley Funds' investment portfolio.

Public Reporting

The Company's Annual Report and Accounts, along with the half-year Financial Statements and other RNS releases are prepared in accordance with applicable regulatory requirements.

Alternative Investment Fund Managers' Directive

Status and Legal Form

The Company is a self-managed non-EU Alternative Investment Fund. It is a closed-ended investment company incorporated in Bermuda and listed on AIM of the London Stock Exchange. The Company's registered office is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Remuneration Disclosure

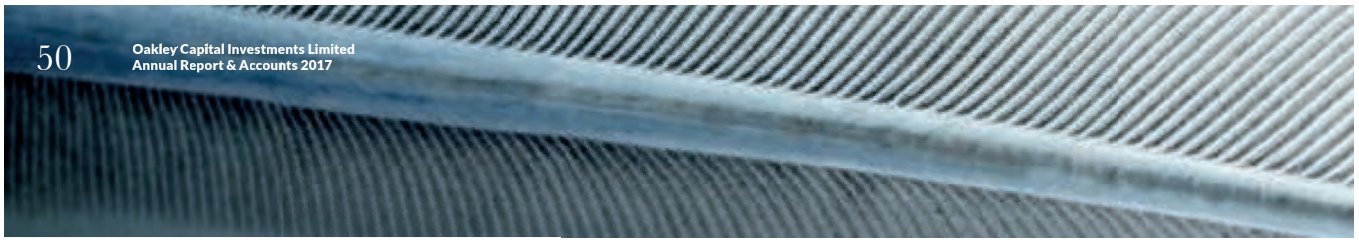
The total amount of remuneration paid by the Company, to its Directors was £229,694. This comprised solely of fixed remuneration, no variable remuneration was paid. Fixed remuneration was composed of agreed fixed fees and any other expenses paid. There were four beneficiaries of this remuneration.





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Independent Auditor's Report

Opinion

We have audited the consolidated financial statements of Oakley Capital Investments Limited (the "Company"), which comprise the consolidated balance sheet as at 31 December 2017 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2017 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter that arose is as follows:

Valuation of the unquoted investment portfolio

As discussed in the Audit Committee Report on page 43, the Accounting Policies on pages 56 to 59 and in Notes 6 and 8 to the consolidated financial statements on pages 63 to 64 and 65 to 69, respectively, the Company holds investments in private equity partnerships (the Funds) and unquoted debt securities at 31 December 2017 of £378.4million, where quoted prices do not exist. Such unquoted equity investments and debt securities are carried at their estimated fair values based upon the principles of the International Private Equity and Venture Capital Association ("IPEV") valuation guidelines.

The valuation of the unquoted private equity partnerships and debt securities held in the Company's investment portfolio is the key driver of its net asset value and total return to shareholders.

The private equity partnerships hold equity investments in unquoted portfolio companies. The valuation of these portfolio companies is complex and requires the application of judgment by the Investment Adviser.

The fair values are based upon the income approach, where estimated future cash flows are discounted at an appropriate interest rate, or the market approach which estimates the enterprise value of the investee using a comparable multiple of revenues or EBITDA, information from recent comparable transactions, or the underlying net asset value.

The risk

The significance of the unquoted investments to the Company's consolidated financial statements, combined with the judgment required in estimating their fair values means this was an area of focus during our audit.

Our response to the risk

We performed the following procedures:

We selected a sample of the unquoted debt securities held by the Company and unquoted equity investments held by the private equity partnerships and performed the following audit procedures:

- Obtained independent confirmations of the existence and accuracy of the unquoted equity investments and debt securities or agreed them to loan agreements;
- Obtained the Investment Adviser's models for valuing the unquoted equity investments and debt securities;
- Determined that the valuation specialists engaged by the Investment Adviser are qualified and independent of the Company;
- Challenged the Investment Adviser on the methodologies followed and key assumptions used in determining the valuations of the unquoted equity investments and debt securities in the context of the IPEV valuation guidelines;
- Obtained management information, including budgets and forecasts for revenues and EBITDA, which are the key inputs used in the valuation models by the Investment Adviser and compared this information to that used in the models;
- Independently sourced multiples for comparable companies used by the Investment Adviser, considered whether those companies are comparable to the investee and compared them to the multiples used in the valuations;
- Tested the mathematical accuracy of the valuation models;
- Tested the disclosures made about the unquoted equity investments and debt securities in the notes to the consolidated financial statements for compliance with IFRS; and
- Monitored any events that emerged in the post balance sheet period (up to the date of signing the Company's consolidated financial statements) that would have a potential impact on the value of the unquoted equity investments and debt securities held at the year end.

Other Information in the Annual Report

Management is responsible for the other information contained within the Annual Report. The other information comprises the Overview, Strategic Report by the Investment Adviser, and Governance sections.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James Berry.

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda

14 March 2018

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Income			
Interest income	13	7,722	11,637
Net realised gains/(losses) on investments at fair value through profit and loss	6, 7	23,991	8,545
Net change in unrealised gains/(losses) on investments at fair value through profit and loss	6, 7	20,316	46,196
Net foreign currency gains/(losses)		(839)	4,733
Other income		306	140
Total income		**51,496**	**71,251**
Expenses	14	**(6,529)**	**(4,519)**
Operating profit		**44,967**	**66,732**
Interest expense		(42)	(55)
Profit attributable to equity shareholders/ total comprehensive income		**44,925**	**66,677**
Earnings per share			
Basic and diluted earnings per share	22	0.22	0.35

The Notes on pages 56 to 79 are an integral part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2017

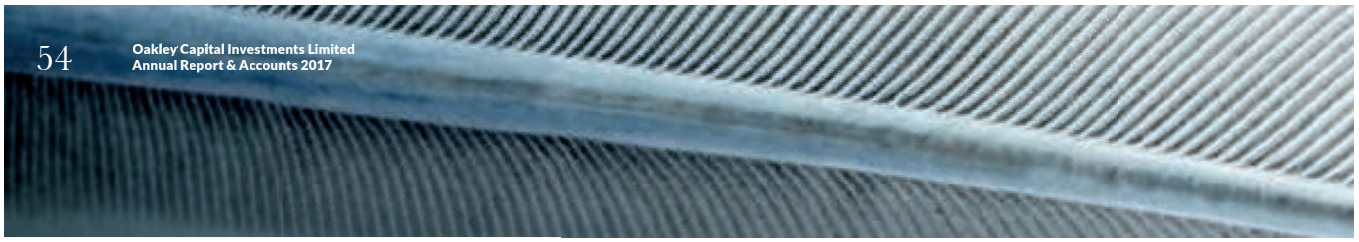
	Notes	2017 £'000	2016 £'000
Assets			
Non-current assets			
Investments	6,8	419,627	340,869
		419,627	340,869
Current assets			
Trade and other receivables	11	668	673
Cash and cash equivalents	10	117,836	106,509
		118,504	107,182
Total assets		**538,131**	**448,051**
Liabilities			
Current liabilities			
Trade and other payables	12	36,091	9,619
Total liabilities		**36,091**	**9,619**
Net assets attributable to shareholders		**502,040**	**438,432**
Equity			
Share capital	24	2,048	2,069
Share premium	24	244,533	246,245
Treasury shares	24	–	(25,024)
Retained earnings		255,459	215,142
Total shareholders' equity		**502,040**	**438,432**
Net asset per ordinary share			
Basic and diluted net assets per share	23	£2.45	£2.31
Ordinary shares in issue at 31 December		204,804	189,804

The Notes on pages 56 to 79 are an integral part of these financial statements.

The financial statements of Oakley Capital Investments Limited (registration number 40324) on pages 56 to 79 were approved by the Board of Directors and authorised for issue on 14 March 2018 and were signed on their behalf by:

Christopher Wetherhill
Director

Laurence Blackall
Director



Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

	Share capital £'000	Share premium £'000	Treasury shares £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1 January 2016	**2,069**	**246,245**	**(23,170)**	**157,006**	**382,150**
Profit for the year/ total comprehensive income	–	–	–	66,677	66,677
Ordinary shares issued	–	–	–	–	–
Purchase of treasury shares	–	–	(1,854)	–	(1,854)
Sale of treasury shares	–	–	–	–	–
Dividends	–	–	–	(8,541)	(8,541)
Total transactions with equity shareholders	**–**	**–**	**(1,854)**	**(8,541)**	**(10,395)**
Balance at 31 December 2016	**2,069**	**246,245**	**(25,024)**	**215,142**	**438,432**
Profit for the year/ total comprehensive income	–	–	–	44,925	44,925
Ordinary shares issued	–	–	–	–	–
Purchase of treasury shares	–	–	–	–	–
Sale of treasury shares	–	(259)	23,550	–	23,291
Cancellation of treasury shares	(21)	(1,453)	1,474	–	–
Dividends	–	–	–	(4,608)	(4,608)
Total transactions with equity shareholders	**(21)**	**(1,712)**	**25,024**	**(4,608)**	**18,683**
Balance at 31 December 2017	**2,048**	**244,533**	**–**	**255,459**	**502,040**

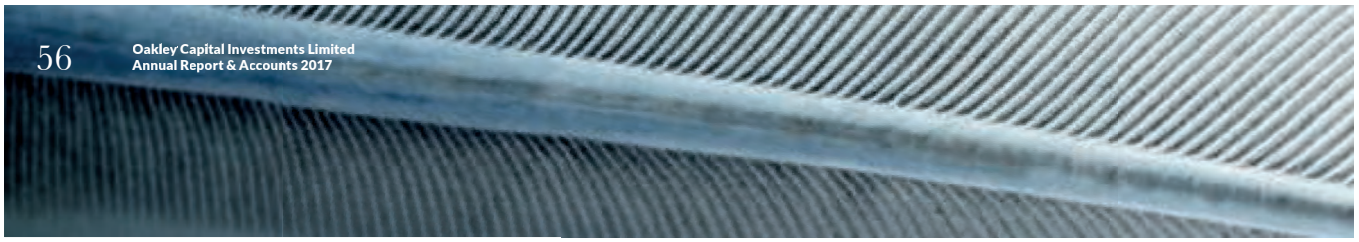
The Notes on pages 56 to 79 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Purchases of investments		(167,047)	(178,228)
Sales of investments		167,773	173,554
Interest income received		7,001	17,403
Expenses paid		(5,967)	(4,704)
Interest expense paid		(42)	(55)
Other income received		306	140
Net cash provided by operating activities		**2,024**	**8,110**
Cash flows from financing activities			
Proceeds from treasury shares sold	24	23,291	–
Payment for treasury shares purchased	24	–	(1,854)
Dividends paid	25	(13,149)	–
Net cash provided by/(used in) financing activities		**10,142**	**(1,854)**
Net increase in cash and cash equivalents		12,166	6,256
Cash and cash equivalents at the beginning of the year		**106,509**	**95,520**
Effect of foreign exchange rate changes		(839)	4,733
Cash and cash equivalents at the end of the year	10	**117,836**	**106,509**

The Notes on pages 56 to 79 are an integral part of these financial statements.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

1. Reporting entity

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 the following four 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. (the "Fund II Master") collectively comprise "Fund II", 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. (the "Fund III Master") collectively comprise "Fund III" and OCPE Education (Feeder) L.P., which together with OCPE Education L.P. collectively comprise "OCPE Education". All constituent limited partnerships comprising the Funds are exempted limited partnerships established in Bermuda.

The defined term "Company" shall, where the context requires for the purposes of consolidation, include the Company's sole and wholly owned subsidiary, OCIL Financing (Bermuda) Limited ("OCI Financing").

The Company listed on AIM of the London Stock Exchange Limited on 3 August 2007, with "OCI" as its listed ticker.

2. Basis of preparation

The consolidated financial statements of the Company have been prepared on a going concern basis and under the historical cost convention, except for financial instruments at fair value through profit and loss, which are measured at fair value.

2.1 Basis for compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

2.2 Functional and presentation currency

The consolidated financial statements are presented in British Pounds ("Pounds"), which is the Company's functional currency.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

The following amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2017, and have been applied in preparing these consolidated financial statements. None of these had a significant effect on the measurement of the amounts recognised in the consolidated financial statements of the Company in the current or prior periods.

i. Disclosure Initiative - Amendments to IAS 7 (effective 1 January 2017). The amendment requires an entity to provide disclosures that enables users of the financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash charges.

ii. Annual Improvements 2014 to 2016 – Amendments to IFRS 12 (effective 1 January 2017). IFRS 12 states that an entity need not provide summarised financial information for interest in subsidiaries, associates or joint ventures that are classified as held for sale. The amendment clarifies that this is the only concession from the disclosure requirements of IFRS 12 for such interest.

(b) New standards, amendments and interpretations that are not yet effective and might be relevant for the Company:

i. IFRS 9 Financial Instruments

The Company is required to adopt IFRS 9 Financial Instruments from 1 January 2018 and it replaces IAS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 contains a new classification and measurement approach for financial assets with three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 also replaces the 'incurred losses' model in IAS 39 with a forward looking 'expected credit loss' model. The new impairment model will apply to financial assets measured at amortised cost of FVOCI, except for investments in equity instruments.

The Company is currently in the process of analysing the impact of this standard but it is not expected to have a material impact on the Company as the majority of financial assets are measured at FVTPL.

ii. IFRIC 22 Foreign currency transactions and advance considerations

IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.

The Company is also currently in the process of analysing the impact of this standard, as well as amendments to existing standards and annual improvements to IFRS, but there is not expected to be a material effect on the consolidated financial statements of the Company.

3.2 Basis for consolidation

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. While the Company may have a greater than 50% ownership interest in a Fund, it is a limited partner and does not have the ability to affect the decisions of the Fund's General Partner or the returns of the Funds. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary, after the elimination of all significant intercompany balances and transactions. The financial statements of the Company's sole wholly owned subsidiary, OCI Financing, are included in the consolidation. As at 31 December 2017, the Company holds $29,201,704 share capital in OCI Financing (2016: $29,201,704).

As a result of the amendments to IFRS 10, investment entities are exempted from consolidating controlled investees. The Company meets the definition of an investment entity, as the following conditions are met:

- The Company provides investment management services.
- The business purpose of the Company is the purchase, holding and disposal of investments held in private equity funds and directly in portfolio companies with above-average growth potential with the goal of achieving returns from capital appreciation and investment income.
- The performance of these investments is measured and evaluated on a fair value basis.
- The Company holds multiple investments.

The Company therefore measures its investments at fair value through profit and loss in accordance with the investment entity exemption. The Company does not consolidate any of its investments in the Funds.

3.3 Investments

(a) Classification

The Company classifies its investments in private equity funds, direct investments and loans to the Funds, portfolio companies and other loans (herein referred to as "unquoted debt securities") as financial assets held at fair value through profit and loss at inception.

Financial assets held at fair value through profit and loss at inception are assets that are managed and their performance evaluated on a fair value basis in accordance with the Company's investment strategy.

(b) Recognition and measurement

Financial assets held at fair value through profit and loss are recognised initially on the trade date. Financial assets held at fair value through profit and loss are recognised initially at fair value, with transaction costs recognised in profit or loss.

Net gains and losses from financial assets held at fair value through profit and loss include all realised and unrealised fair value changes and foreign exchange differences and are included in the consolidated statement of comprehensive income in the period in which they arise.

Quoted investments are subsequently carried at fair value. Fair value is measured using the closing bid price at the reporting date, where the investment is quoted on an active stock market.

Unquoted investments, including both equities and loans, are subsequently carried in the consolidated balance sheet at fair value. Fair value is determined in line with the Company's investment valuation policy, which is compliant with the fair value guidelines under IFRS 13 and the International Private Equity and Venture Capital (IPEV) Valuation Guidelines.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

3. Significant accounting policies continued

3.3 Investments continued

(c) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest on such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3.4 Cash and cash equivalents

Cash and cash equivalents include deposits held on call with banks and other short-term deposits. The Company considers all short-term deposits with a maturity of 90 days or less as equivalent to cash.

3.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for impairment, using the effective interest method.

3.6 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired or received in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.7 Interest income

Interest on unquoted debt securities held at fair value through profit and loss is accrued on a time-proportionate basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts over the expected life of the debt security to its net carrying amount on initial recognition. Interest income is recognised gross of withholding tax, if any. Interest income on unquoted debt securities is recognised as a separate line item in the consolidated statement of comprehensive income and classified within operating activities in the consolidated cash flow statement.

3.8 Expenses

Expenses are recognised on the accruals basis.

3.9 Foreign currency translation

The functional currency of the Company is Pounds. Transactions in currencies other than Pounds are recorded at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, investments and other monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Capital drawdowns and proceeds of distributions from the Funds and foreign currencies and income and expense items denominated in foreign currencies are translated into Pounds 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 foreign currency gains and losses in the consolidated statement of comprehensive income.

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 gains or losses on investments in the consolidated statement of comprehensive income.

3.10 Share capital

Ordinary shares issued by the Company are recognised based on the proceeds or fair value received, with the excess of the amount received over their nominal value being credited to the share premium account. Direct issue costs are deducted from equity.

3.11 Treasury shares

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

3.12 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares.

4. Critical accounting estimates, assumptions and judgment

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its consolidated financial statements. IFRS require the Board of Directors, in preparing the Company's consolidated financial statements, to select suitable accounting policies, apply them consistently and make judgments and estimates that are reasonable and prudent. The Company's estimates and assumptions are based on historical experience and the Board of Directors' expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The judgments, assumptions and estimates involved in the Company's accounting policies that are considered by the Board of Directors to be the most important to the Company's results and financial condition are the fair valuation of the investments and the assessment regarding investment entities.

(a) Fair valuation of investments

The fair values assigned to investments held at fair value through profit and loss are based upon available information and do not necessarily represent amounts which might ultimately be realised. Because of the inherent uncertainty of valuation, these estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed, and those differences could be material.

Investments held at fair value through profit and loss are valued by the Company in accordance with IAS 39 and IFRS 13 and the IPEV valuation guidelines. Judgment is required in order to determine the appropriate valuation methodology under these standards and subsequently in determining the inputs into the valuation models used. These judgments include making assessments of the future earnings potential of portfolio companies, appropriate earnings multiples to apply, estimating future cash flows and determining appropriate discount rates.

(b) Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit and loss.

The Board of Directors has concluded that the Company meets the definition of an investment entity as its strategic objective is to invest in portfolio investments on behalf of its investors for the purpose of generating returns in the form of investment income and capital appreciation.

5. Financial risk management

5.1 Introduction and overview

The Board of Directors, the Company's Risk Committee (the "Risk Committee") and the Investment Adviser attribute great importance to professional risk management, proper understanding and negotiation of appropriate terms and conditions and active monitoring, including a thorough analysis of reports and financial statements and ongoing review of investments made. It is also key to structure the investment vehicles for the portfolio taking into account issues such as liquidity and tax. The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Investment Adviser provides the Board of Directors with recommendations as to the Company's asset allocation and annual investment levels that are consistent with the Company's objectives. The Risk Committee reviews and agrees policies for managing the risks as summarised below.

The Company has exposures to the following risks from financial instruments: credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and price risk). The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

5. Financial risk management continued

5.2 Credit risk

The Company is subject to credit risk on its unquoted investments and cash. The schedule below summarises the Company's exposure to credit risk on its cash and unquoted investments.

	2017		2016	
	Total £'000	Rating (Moody's)	Total £'000	Rating (Moody's)
Cash at HSBC	29,868	A2	72,142	A1
Cash at Barclays	87,855	A1	34,254	A1
Cash at Lloyds	113	Aa3	113	A1
Investments in Funds	308,943	n/a	211,254	n/a
Investments in debt securities	69,502	n/a	85,761	n/a

In accordance with the Company's policy, the Investment Adviser monitors the Company's exposure to credit risk on cash on a quarterly basis and the Risk Committee regularly reviews the Company's exposure to credit risk. The credit quality of the investments in the Funds and unquoted equity and debt securities, which are held at fair value and include debt and equity elements, is based on the financial performance of the individual investments and they are not rated.

5.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Company. The Company's policy and the Investment Adviser's approach to managing liquidity is to have sufficient cash available to meet its liabilities, including estimated capital calls, without incurring undue losses or risking damage to the Company's reputation.

Unfunded commitments to the Funds are irrevocable and can exceed cash and cash equivalents available to the Company. Based on current short-term cash flow projections and barring unforeseen events, the Company expects to be able to honour all capital calls by the Funds.

As of 31 December 2017, cash and cash equivalents of the Company amount to £117,836,056 (2016: £106,509,636). The Company has total unfunded capital and loan commitments of £251,900,575 (2016: £330,796,945) relating to the Funds with the option of further investment to OCPE Education but no commitment. The unfunded commitments of the Company are listed in Note 26. As per the Company's Bye-laws, the Company can borrow up to 25% of total shareholders' equity which would equal approximately £125,510,000 for the year ending 31 December 2017 (2016: £109,608,000). As at 31 December 2017, the Company has incurred no borrowings (2016: £nil).

The majority of the investments held by the Company are unquoted and subject to specific restrictions on transferability and disposal. Consequently, the risk exists that the Company might not be able to readily dispose of its holdings in such markets at the time of its choosing and also that the price attained on a disposal may be below the amount at which such investments were included in the Company's consolidated balance sheet.

The table below analyses the Company's consolidated financial liabilities based on the remaining period between the balance sheet date and the contractual maturity date. The amounts in the schedule are the contractual undiscounted cash flows. Balances due within 12 months equal their fair values, as the impact of discounting is not significant. In accordance with the Company's policy, the Investment Adviser monitors the Company's liquidity position and the Risk Committee reviews it on a regular basis.

	2017 £'000	2016 £'000
Trade and other payables		
Less than 1 month	34,457	8,541
1–3 months	1,634	1,078
Total trade and other payables	36,091	9,619

5.4 Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company's sensitivity to these items is set out below.

a) Interest rate risk

Interest rate risk arises principally from changes in interest receivable on cash and deposits. The Company holds unquoted debt securities at fixed rates of interest and is therefore exposed to interest rate risk.

The impact of an increase or decrease on interest rates of 100 basis points on cash and deposits, based on the closing consolidated balance sheet position over a 12 month period, would have been:

	2017		2016	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Impact on interest income from cash and deposits	840	(840)	830	(830)
Impact on profit/(loss)	840	(840)	830	(830)

The Company's unquoted debt investments consist of mezzanine loans, financing loan facilities, revolving loan facilities and senior secured loans, which carry fixed rates of interest ranging from 6.5 % to 15%. These loans are subject to interest rate risk as increases and decreases in interest rates will have an impact on their fair value. A 100 basis point increase in interest rates would result in a decrease in fair value of those loans of £1,523,034 and a corresponding decrease of 100 basis points in interest rates would result in an increase in their fair value by the same amount (2016: £1,702,961).

In addition, the Company has indirect exposure to interest rates through changes to the financial performance and valuation in equity investments in the Funds and portfolio companies that have issued debt caused by interest rate fluctuations. Short term receivables and payables are excluded as the risks due to fluctuation in the prevailing levels of market interest rates associated with these instruments are not significant and is limited to the Company's investment in these Funds.

b) Currency risk

The Company holds assets and liabilities denominated in currencies other than its functional currency, which expose the Company to the risk that the exchange rates of those currencies against the Pound will change in a manner which adversely impacts the Company's net profit and net assets attributable to shareholders. The following sensitivity analysis is presented based on the sensitivity of the Company's net assets to movements in foreign currency exchange rates assuming a 10% increase in exchange rates against the Pound. A 10% decrease in exchange rates against the Pound would have an equal and opposite effect.

	2017		2016	
	Euro £'000	US dollar £'000	Euro £'000	US dollar £'000
Assets:				
Financial assets at fair value through profit and loss	30,894	–	21,125	–
Cash and cash equivalents	9,277	–	7,808	–
Trade and other receivables	67	–	64	–
Total assets	40,238	–	28,997	–
Liabilities:				
Trade and other payables	(3,475)	(9)	–	(16)
Total liabilities	(3,475)	(9)	–	(16)
Impact on profit/(loss)	36,763	(9)	28,997	(16)

The Investment Adviser monitors the Company's currency position on a regular basis and reports the impact of currency movements on the performance of the investment portfolio to the Risk Committee quarterly. As per the Company's investment policy, all investments in quoted equity securities and unquoted equity and debt securities are denominated in Pounds, placing currency risk on the counterparty. The investments in the Funds are denominated in Euros.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

5. Financial risk management continued

5.4 Market risk continued

c) Price risk – market fluctuations

The Company's management of price risk, which arises primarily from quoted and unquoted equity instruments, is through the careful selection of financial assets within specified limits as advised by the Investment Adviser and approved by the Risk Committee.

For quoted equity securities, the market risk variable is deemed to be the market price itself. A 15% change in the price of those investments would have the following direct impact on the consolidated statement of comprehensive income:

	2017		2016	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Quoted equity investments:				
15% movement in price of listed investment				
Impact on profit/(loss)	6,177	(6,177)	6,578	(6,578)
Impact on net assets attributable to shareholders	6,177	(6,177)	6,578	(6,578)

For the investment in the Funds and unquoted equity securities, the market risk is deemed to be the change in fair value. A 15% change in the fair value of those investments would have the following direct impact on the consolidated statement of comprehensive income:

	2017		2016	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Funds and unquoted equity securities:				
15% movement in price of Funds and unquoted equity securities				
Impact on profit/(loss)	46,341	(46,341)	31,688	(31,688)
Impact on net assets attributable to shareholders	46,341	(46,341)	31,688	(31,688)

The Company is exposed to a variety of market risk factors which may change significantly over time. As a result, measurement of such exposure at any given point may be difficult given the complexity and limited transparency of the investments held by the underlying portfolio companies.

Limitations of sensitivity analysis

The sensitivity information included in Notes 5 and 8 demonstrates the estimated impact of a change in a major input assumption while other assumptions remain unchanged. In reality, there are normally significant levels of correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results. Furthermore, estimates of sensitivity may become less reliable in unusual market conditions such as instances when risk free interest rates fall towards zero.

5.5 Capital management

The Company's capital is represented by ordinary shares with £0.01 par value and they carry one vote each. The shares are entitled to dividends when declared. The Company has no additional restrictions or specific capital requirements on the issuance and repurchase of ordinary shares. The movements of capital are shown in the consolidated statement of changes in equity.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to achieve positive returns in all market environments. In order to maintain or adjust the capital structure, the Company may return capital to shareholders through the issue and repurchase of treasury shares. The effects of the issue, the repurchase and resale of treasury shares as a result of market making activities are listed in Note 24. Liberum Capital Limited acts as the Company's nominated adviser and broker.

6. Investments

Investments as at 31 December 2017:

	2016 Fair value £'000	Purchases / capital calls £'000	Total sales*/ distributions £'000	Realised gains/(losses) £'000	Interest and other £'000	Net change in unrealised gains/(losses) £'000	2017 Fair value £'000
Oakley funds							
Fund I	64,906	12,309	(17,847)	–	–	(22,817)	36,551
Fund II	144,015	12,319	(49,183)	18,274	–	11,629	137,054
Fund III	2,333	99,962	(11,427)	(2,683)	–	20,873	109,058
Total Oakley funds	**211,254**	**124,590**	**(78,457)**	**15,591**	**–**	**9,685**	**282,663**
Co-Investment funds							
OCPE Education (Feeder) L.P.	–	39,932	(35,355)	8,400	–	13,303	26,280
Total co-investment funds	–	39,932	(35,355)	8,400	–	13,303	26,280
Total funds	**211,254**	**164,522**	**(113,812)**	**23,991**	**–**	**22,988**	**308,943**
Quoted equity securities							
Time Out Group plc	43,854	–	–	–	–	(2,672)	41,182
Total quoted equity securities	**43,854**	**–**	**–**	**–**	**–**	**(2,672)**	**41,182**
Unquoted debt securities							
Bellwood Holdings Ltd	–	1,878	(1,970)	–	92	–	–
Daisy Group Holdings Limited	17,202	–	(6,610)	–	2,109	–	12,701
Ellisfield (Bermuda) Limited	14,530	–	–	–	925	–	15,455
Fund I	12,256	7,288	(13,844)	–	651	–	6,351
Fund II	4,337	18,661	(23,551)	–	553	–	–
Fund III	–	1,319	(1,356)		37		–
NSG Apparel BV	21,978	–	–	–	2,637	–	24,615
Oakley Capital II Limited	768	–	(769)	–	1	–	–
Oakley Capital III Limited	5,210	3,470	(1,872)	–	360	–	7,168
Oakley NS (Bermuda) L.P.	–	2,940	–		272		3,212
OCPE Education L.P.	–	1,426	(1,432)	–	6	–	–
TO (Bermuda) Limited	9,480	–	(9,826)	–	346	–	–
Total unquoted debt securities	**85,761**	**36,982**	**(61,230)**	**–**	**7,989**	**–**	**69,502**
Total investments	**340,869**	**201,504**	**(175,042)**	**23,991**	**7,989**	**20,316**	**419,627**

* Total sales include sales, loan repayments and transfers.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

6. Investments continued

Investments as at 31 December 2016:

	2015 Fair value £'000	Purchases / capital calls £'000	Total sales*/ distributions £'000	Realised gains/(losses) £'000	Interest and other £'000	Net change in unrealised gains/(losses) £'000	2016 Fair value £'000
Oakley funds							
Fund I	56,318	–	(6,271)	(13,686)	–	28,545	64,906
Fund II	102,051	33,989	(42,365)	23,089	–	27,251	144,015
Fund III	–	7,857	–	–	–	(5,524)	2,333
Total Oakley funds	**158,369**	**41,846**	**(48,636)**	**9,403**	**–**	**50,272**	**211,254**
Quoted equity securities							
Time Out Group plc	–	47,155	–	–	–	(3,301)	43,854
Total quoted equity securities	**–**	**47,155**	**–**	**–**	**–**	**(3,301)**	**43,854**
Unquoted equity securities							
Flypay Limited	7,115	–	(6,990)	–	–	(125)	–
Time Out Group HC Limited	13,271	4,000	(15,635)	(2,165)	529	–	–
Time Out Mercado Limited	5,564	2,754	(9,530)	747	574	(109)	–
Total unquoted equity securities	**25,950**	**6,754**	**(32,155)**	**(1,418)**	**1,103**	**(234)**	**–**
Unquoted debt securities							
Bellwood Holdings Ltd	2,805	2,200	(5,055)	–	50	–	–
BH(B) 55 Limited	10,948	–	(11,175)	–	227	–	–
Daisy Group Holdings Limited	14,061	–	–	–	3,203	(62)	17,202
Damoco Holdco Ltd	4,212	–	(4,300)	–	88	–	–
Ellisfield (Bermuda) Limited	25,711	–	(12,537)	–	1,356	–	14,530
Fund I	10,550	12,037	(11,032)	–	701	–	12,256
Fund II	–	43,567	(39,838)	–	608	–	4,337
NSG Apparel BV	10,066	10,000	–	–	1,912	–	21,978
Oakley Capital II Limited	2,895	–	(2,214)	–	87	–	768
Oakley Capital III Limited	–	5,500	(529)	–	239	–	5,210
Parship GmbH	–	5,172	(5,292)	–	120	–	–
Time Out Group BC Limited	4,032	–	(4,211)	–	179	–	–
Time Out Group HC Limited	–	2,000	(2,053)	–	53	–	–
TO (Bermuda) Limited	11,222	–	(2,652)	–	910	–	9,480
TONY MC LLC	8,395	–	(9,088)	560	612	(479)	–
Total unquoted debt securities	**104,897**	**80,476**	**(109,976)**	**560**	**10,345**	**(541)**	**85,761**
Total investments	**289,216**	**176,231**	**(190,767)**	**8,545**	**11,448**	**46,196**	**340,869**

* Total sales include sales, loan repayments and transfers.

7. Net gains/(losses) from investments at fair value through profit and loss

	2017 £'000	2016 £'000
Net change in unrealised gains/(losses) on investments at fair value through profit and loss:		
Funds	22,988	50,272
Quoted equity securities	(2,672)	(3,301)
Unquoted equity securities	–	(234)
Unquoted debt securities	–	(541)
Total net change in unrealised gains/(losses) on investments at fair value through profit and loss	20,316	46,196
Realised gains/(losses) on investments at fair value through profit and loss:		
Funds	23,991	9,403
Quoted equity securities	–	–
Unquoted equity securities	–	(1,418)
Unquoted debt securities	–	560
Total realised gains/(losses) on investments at fair value through profit and loss	23,991	8,545

8. Disclosure about fair value of financial instruments

The Company has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The Company classifies financial instruments measured at fair value in the investment portfolio according to the following hierarchy:

- Level I: Quoted prices (unadjusted) in active markets for identical instruments that the Company can access at the measurement date. Level I investments include quoted equity instruments.
- Level II: Inputs other than quoted prices included within Level I that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level III: Inputs that are not based on observable market data. Level III investments include private equity funds, unquoted equity and debt securities.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the instrument. The determination of what constitutes 'observable' requires significant judgment by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

8. Disclosure about fair value of financial instruments continued

The following table analyses the Company's investments measured at fair value as of 31 December 2017 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level III £'000	Total £'000
Funds	–	308,943	308,943
Quoted equity securities	41,182	–	41,182
Unquoted debt securities	–	69,502	69,502
Total investments measured at fair value	41,182	378,445	419,627

The following table analyses the Company's investments measured at fair value as of 31 December 2016 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level III £'000	Total £'000
Funds	–	211,254	211,254
Quoted equity securities	43,854	–	43,854
Unquoted debt securities	–	85,761	85,761
Total investments measured at fair value	43,854	297,015	340,869

Level I

Quoted equity investment values are based on quoted market prices in active markets, and are therefore classified within Level I investments. The Company does not adjust the quoted price for these investments.

Level II

The Company did not hold any Level II investments as of 31 December 2017 or 31 December 2016.

Level III

The Company has determined that Funds and unquoted debt securities fall into the category Level III. Funds and unquoted debt securities are measured in accordance with the IPEV Valuation Guidelines with reference to the most appropriate information available at the time of measurement. The consolidated financial statements as of 31 December 2017 include Level III investments in the amount of £378,445,332, representing approximately 75.38% of shareholders' equity (2016: £297,014,877; 67.74%).

Funds

The Company primarily invests in portfolio companies via the Funds. The Funds are unquoted equity securities that primarily invest in unquoted securities. The Company's investments in unquoted equity securities are recognised in the consolidated balance sheet at fair value, in accordance with IPEV Valuation Guidelines and IFRS 13 and are considered Level III investments.

The valuation of unquoted fund investments is generally based on the latest available net asset value ("NAV") of the Fund as reported by the corresponding General Partner or administrator, provided that the NAV has been appropriately determined using fair value principles in accordance with IFRS 13.

The NAV of a Fund is calculated after determining the fair value of a Fund's investment in any portfolio company. This value is generally obtained by calculating the Enterprise Value ("EV") of the portfolio company and then adding excess cash and deducting financial instruments, such as external debt, ranking ahead of the fund's highest ranking instrument in the portfolio company.

A common method of determining the EV is to apply a market-based multiple (e.g. an average multiple based on a selection of comparable quoted companies) to the 'maintainable' earnings or revenues of the portfolio company. This market-based approach presumes that the comparative companies are correctly valued by the market. A discount is sometimes applied to market-based multiples to adjust for points of difference between the comparatives and the company being valued.

As at 31 December 2017, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	OCPE Education €'000
Investments	42,516	199,645	129,410	29,282
Loans	(4,565)	(25,004)	(46,015)	–
Provisional profit allocation	–	(21,815)	(2,847)	–
Other net assets	3,164	1,341	42,127	278
Total value of the Fund attributable to the Company	41,115	154,167	122,675	29,560
	£'000	**£'000**	**£'000**	**£'000**
Total value of the Fund attributable to the Company	36,551	137,054	109,058	26,280

As at 31 December 2016, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	OCPE Education €'000
Investments	82,225	213,160	–	–
Loans	(9,241)	(27,564)	–	–
Provisional profit allocation	–	(17,751)	–	–
Other net assets	3,090	949	2,734	–
Total value of the Fund attributable to the Company	76,074	168,794	2,734	–
	£'000	**£'000**	**£'000**	**£'000**
Total value of the Fund attributable to the Company	64,906	144,015	2,333	–

The Company does not utilise valuation models to calculate the fair value of its Fund investments. The NAV as reported by the Funds' General Partner or administrator is considered to be the key unobservable input. In addition, the Company has the following control procedures in place to evaluate whether the NAV of the underlying Fund investments is calculated in a manner consistent with IFRS 13:

- Thorough initial due diligence process and the Board of Directors performing ongoing monitoring procedures, primarily discussions with the Investment Adviser;
- Comparison of historical realisations to last reported fair values; and
- Review of the Auditor's report of the respective Fund.

Unquoted debt securities

The fair values of the Company's investments in unquoted debt securities are derived from a discounted cash flow calculation based on expected future cash flows to be received, discounted at an appropriate rate. Expected future cash flows include interest received and principal repayment at maturity.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

8. Disclosure about fair value of financial instruments continued

Unobservable inputs for Level III investments

Funds

In arriving at the fair value of the unquoted Fund investments, the key input used by the Company is the NAV as provided by the General Partner or administrator. It is recognised by the Company that the NAV of the Funds are sensitive to movements in the fair values of the underlying portfolio companies.

The underlying portfolio companies owned by the Funds may include both quoted and unquoted companies. Quoted portfolio companies are valued based on market prices and no unobservable inputs are used. Unquoted portfolio companies are valued based on a market approach for which significant judgment is applied.

For the purposes of sensitivity analysis, the Company considers a 10% adjustment to the fair value of the unquoted portfolio companies of the Funds as reasonable. For the year ending 31 December 2017 a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 5.9% movement in net assets attributable to shareholders (2016: 4.9%). A 10% decrease to the fair value of the unquoted portfolio companies held by the Funds would have an equal and opposite effect.

Unquoted debt securities

In arriving at the fair value of the unquoted debt securities, the key inputs used by the Company are future cash flows expected to be received until maturity of the debt securities and the discount factor applied. The discount factor applied is considered to be an unobservable input and range between 6.5% and 15%.

For the purposes of sensitivity analysis, the Company considers a 1% adjustment to the discount factor applied as reasonable. For the year ending 31 December 2017 a 1% increase to the discount factor would result in a 0.3% movement in net assets attributable to shareholders (2016: 0.4%). A 1% decrease to the discount factor would have an equal and opposite effect.

Transfers between levels

There were no transfers between the Levels during the year ended 31 December 2017.

The following table presents the transfers between the Levels for the year ended 31 December 2016:

	Level I £'000	Level III £'000
Funds	–	–
Quoted equity securities	47,155	–
Unquoted equity securities	–	(32,155)
Unquoted debt securities	–	(15,000)
Total transfers between Level I and Level III	47,155	(47,155)

On 14 June 2016, the Time Out unquoted debt and equity securities classified as Level III were exchanged for listed shares of Time Out Group plc ("Time Out Group") as part of the reorganisation and Initial Public Offering ("IPO") of the Time Out Group. Transfers are recognised at the date of transfer.

Level I and Level III reconciliation

The changes in investments measured at fair value, for which the Company has used Level I and Level III inputs to determine fair value as of 31 December 2017 and 2016, are as follows:

Level I Investments:	2017 £'000	2016 £'000
Quoted equity securities		
Fair value at the beginning of the year	43,854	–
Shares transferred from unquoted debt and equity securities	–	47,155
Net change in unrealised gains/(losses) on investments	(2,672)	(3,301)
Fair value of Level I investments at the end of the year	41,182	43,854

Level III Investments:

	Funds £'000	Unquoted equity securities £'000	Unquoted debt securities £'000	Total £'000
2017				
Fair value at the beginning of the year	211,254	–	85,761	297,015
Purchases	164,522	–	36,982	201,504
Proceeds on disposals (including interest)	(113,812)	–	(61,230)	(175,042)
Realised gain on sale	23,991	–	–	23,991
Interest income and other fee income	–	–	7,989	7,989
Net change in unrealised gains/(losses) on investments	22,988	–	–	22,988
Fair value at the end of the year	308,943	–	69,502	378,445

	Funds £'000	Unquoted equity securities £'000	Unquoted debt securities £'000	Total £'000
2016				
Fair value at the beginning of the year	158,369	25,950	104,897	289,216
Purchases	41,846	6,754	80,476	129,076
Proceeds on disposals (including interest)	(48,636)	–	(94,976)	(143,612)
Realised gain on sale	9,403	–	–	9,403
Accrued interest capitalised in debt for share conversion	–	1,103	–	1,103
Net realised loss on debt for share conversion	–	(1,418)	560	(858)
Transferred to quoted equity securities (Level I)	–	(32,155)	(15,000)	(47,155)
Interest income and other fee income	–	–	10,345	10,345
Net change in unrealised gains/(losses) on investments	50,272	(234)	(541)	49,497
Fair value at the end of the year	211,254	–	85,761	297,015

Financial instruments not carried at fair value

Financial instruments, other than financial instruments at fair value through profit and loss, where carrying values are equal to fair values:

	2017 £'000	2016 £'000
Cash and cash equivalents	117,836	106,509
Trade and other receivables	668	673
Trade and other payables	36,091	9,619

As at 31 December 2017, trade and other payables includes a balance of €39,093,600 (£34,457,099) which is due to Fund III in relation to a capital call made by Fund III.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

9. Segment information

The Company has two reportable segments, as described below. For each of them, the Board of Directors receives detailed reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

- Fund investments: includes commitments/investments in four private equity funds.
- Direct investments and loans: includes direct investments, loans to the Funds' portfolio companies, loans to the Funds and other loans.

Balance sheet and income and expense items which cannot be clearly allocated to one of the segments are shown in the column "Unallocated" in the following tables.

The reportable operating segments derive their revenue primarily by seeking investments to achieve an attractive return in relation to the risk being taken. The return consists of interest, dividends and/or unrealised and realised capital gains.

The financial information provided to the Board of Directors with respect to total assets and liabilities is presented in a manner consistent with the consolidated financial statements. The assessment of the performance of the operating segments is based on measurements consistent with IFRS. With the exception of capital calls payable, liabilities are not considered to be segment liabilities but rather managed at the corporate level.

There have been no transactions between the reportable segments during the financial year 2017 (2016: none).

The segment information for the year ended 31 December 2017 is as follow:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	23,991	–	23,991	–	23,991
Net unrealised gains/(losses) on financial assets at fair value through profit and loss	22,988	(2,672)	20,316	–	20,316
Interest income	–	7,683	7,683	39	7,722
Net foreign currency gains/(losses)	–	–	–	(839)	(839)
Other income	–	306	306	–	306
Expenses	–	–	–	(6,529)	(6,529)
Interest expense	–	–	–	(42)	(42)
Profit/(loss) for the year	46,979	5,317	52,296	(7,371)	44,925
Total assets	308,943	110,684	419,627	118,504	538,131
Total liabilities	(34,457)	–	(34,347)	(1,634)	(36,091)
Net assets	274,486	110,684	385,170	116,870	502,040
Total assets include:					
Financial assets at fair value through profit and loss	308,943	110,684	419,627	–	419,627
Cash and others	–	–	–	118,504	118,504

The segment information for the year ended 31 December 2016 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	9,403	(858)	8,545	–	8,545
Net unrealised gains/(losses) on financial assets at fair value through profit and loss	50,272	(4,076)	46,196	–	46,196
Interest income	–	11,355	11,355	282	11,637
Net foreign currency gains/(losses)	–	–	–	4,733	4,733
Other income	–	93	93	47	140
Expenses	–	–	–	(4,519)	(4,519)
Interest expense	–	–	–	(55)	(55)
Profit/(loss) for the year	59,675	6,514	66,189	488	66,677
Total assets	211,254	129,615	340,869	107,182	448,051
Total liabilities	–	–	–	(9,619)	(9,619)
Net assets	211,254	129,615	340,869	97,563	438,432
Total assets include:					
Financial assets at fair value through profit and loss	211,254	129,615	340,869	–	340,869
Cash and others	–	–	–	107,182	107,182

10. Cash and cash equivalents

	2017 £'000	2016 £'000
Cash and demand balances at banks	91,229	80,402
Short-term deposits	26,607	26,107
	117,836	106,509

11. Trade and other receivables

	2017 £'000	2016 £'000
Prepayments	1	34
Amounts due from related parties	667	639
	668	673

12. Trade and other payables

	2017 £'000	2016 £'000
Trade payables	1,634	1,078
Dividend payable	–	8,541
Capital call payable	34,457	–
	36,091	9,619

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

13. Interest income

	2017 £'000	2016 £'000
Interest income on investments carried at amortised cost:		
Cash and cash equivalents	39	282
Interest income on investments designated as at fair value through profit and loss:		
Debt securities	7,683	11,355
	7,722	11,637

14. Expenses

	Notes	2017 £'000	2016 £'000
Management fees	15	535	2,264
Operational and advisory fees	16	2,568	–
Professional fees	17	872	1,196
Performance fees	15,16	1,246	607
Other expenses	16	1,308	452
		6,529	4,519

15. Management and performance fees until 31 March 2017

Pursuant to a management agreement dated 30 July 2007, the Company appointed Oakley Capital (Bermuda) Limited (the "Manager") to provide management services. On 31 March 2017, the management agreement was terminated. The terms of the management agreement were as follows:

a) Management fees

The Manager was not entitled to receive a management fee from the Company in respect of amounts either committed or invested by the Company in the Funds. The Manager received a management fee at the rate of 1% per annum in respect of assets that were not committed to the Funds and which were invested in cash, cash deposits or near cash deposits and a management fee at the rate of 2% per annum in respect of those assets which were invested directly in co-investments. The management fee was payable monthly in arrears.

Management fees for the period 1 January 2017 through 31 March 2017 totalled £535,090 (1 January 2016 - 31 December 2016: £2,263,915) and are presented in the consolidated statement of comprehensive income. There were no management fees payable to the Manager at 31 December 2017 (2016: £802,283).

b) Performance fees

The Manager was also entitled to receive 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 any Fund. Any co-investment was treated as a segregated pool of investments by the Company. If the calculation period was greater than one year, the hurdle rate was compounded on each anniversary of the start of the calculation period for each segregated co-investment. If the amount earned did not exceed the hurdle rate on any given co-investment, that co-investment was included in the next calculation so that the hurdle rate is measured across both co-investments.

The Company did not incur any performance fee for the period 1 January 2017 through 31 March 2017 (1 January 2016 – 31 December 2016: £606,701). There was no performance fee payable to the Manager at 31 December 2017 (2016: £nil).

The Manager entered into an Investment Advisory Agreement with the Investment Adviser to advise the Manager on the investment of the assets of the Company. The Investment Advisory Agreement was terminated on 31 March 2017. The Investment Adviser did not receive a management or performance fee from the Company. Any fees due to the Investment Adviser were paid by the Manager out of the management and performance fees it received from the Company.

16. Operational, advisory and performance fees from 1 April 2017

Pursuant to an operational services agreement dated 1 April 2017 (the "Operational Services Agreement"), the Company appointed Oakley Capital Manager Limited (the "Administrative Agent") to provide operational assistance and services to the Board with respect to the Company's investments and its general administration.

a) Operational fees

Under the Operational Services Agreement, the Administrative Agent receives an operational services fee equal to 2% per annum of the net asset value (before deduction of any accrued performance fees) of all investments held by the Company except for the investments in and any revolvers with Fund I, Fund II and Fund III and any loans to entities affiliated with the Administrative Agent. The fee is *pro rata* for partial periods and payable quarterly in arrears.

The operational services fee for the period 1 April 2017 through 31 December 2017 totalled £1,892,118 (2016: £nil) and is presented in the consolidated statement of comprehensive income. The amount outstanding as at 31 December 2017 was £635,022 (2016: £nil) and is included in 'Trade and other payables' in the consolidated balance sheet.

b) Advisory fees

Under the Operational Services Agreement, the Administrative Agent also receives an advisory fee based on the successful buy-side and sell-side transactions of the Company for any equity investment. The advisory fee is 2% of the equity transaction value unless otherwise agreed between the parties.

Advisory fees for the period 1 April 2017 through 31 December 2017 totalled £675,712 (2016: £nil) and are presented in the consolidated statement of comprehensive income. There are no amounts outstanding as at 31 December 2017 (2016: £nil).

c) Performance fees

The Administrative Agent also receives a performance fee of 20% of the excess of any proceeds from the full or partial realisation on disposal of each of the Company's co-investments over and above an 8% hurdle rate after the deduction of the original cost of the co-investment and the attributable proportion of all other expenses incurred by the Company in respect of co-investments.

Performance fees for the period 1 April 2017 through 31 December 2017 totalled £1,246,443 (2016: £nil) and are presented in the consolidated statement of comprehensive income. The amount outstanding as at 31 December 2017 was £624,297 (2016: £nil) and is included in 'Trade and other payables' in the consolidated balance sheet.

d) Other fees

Under the Operational Services Agreement, the Administrative Agent may also recharge costs incurred, either directly or indirectly by its contracted advisors, on behalf of the Company. For the period 1 April 2017 through 31 December 2017, the Administrative Agent recharged such other costs to the Company totalling £595,659 (2016: £nil) and is included in other expenses (Note 14). The amount outstanding as at 31 December 2017 was £189,464 (2016: £nil) and is included in 'Trade and other payables' in the consolidated balance sheet.

The Administrative Agent has entered into an Investment Advisory Agreement with the Investment Adviser to advise on the investment of the assets of the Company. The Investment Adviser does not receive any management or performance fees from the Company. Any fees earned by the Investment Adviser are paid by the Administrative Agent.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

17. Professional fees

	Notes	2017 £'000	2016 £'000
Administration fees	18	359	368
Consulting fees		34	300
Directors' fees	19	205	261
Auditor's remuneration	20	85	124
Legal fees		104	63
Other fees		85	80
		872	1,196

18. Administration fees

The Company has appointed Mayflower Management Services (Bermuda) Limited (the "Administrator") to provide administration services pursuant to the Administration Agreement dated 30 July 2007 and it receives an annual administration fee at prevailing commercial rates. Administration fees for the year ended 31 December 2017 totalled £359,432 (2016: £367,553) and are included in Professional fees (Note 17). There was no administration fee payable to the Administrator as at 31 December 2017 (2016: £91,226).

The Company has also entered into an agreement with Mayflower Corporate Services Limited ("MCS"), a subsidiary of the Administrator to provide corporate secretarial services. Any fees due to MCS will be paid by the Administrator.

19. Directors' fees

	2017 £'000	2016 £'000
Chairman's remuneration	65	55
Directors' fees	140	206
	205	261

The members of the Board of Directors are listed on pages 38 and 39 of the annual report and are considered to be Key Management Personnel. No pension contributions were made in respect of any of the Directors and none of the Directors receives any pension from any portfolio company held by the Company.

During the year none of the Directors waived remuneration (2016: none). Other fees paid to the Directors included consulting fees of £24,694 paid to the Chairman of the Board. No fees were payable as at the year end (2016: none). For the years ended 31 December 2017 and 31 December 2016 members of the Board of Directors held shares in the Company and were entitled to dividends as detailed below:

	2017 '000	2016 '000
Shares at the beginning of the year	2,231	385
Shares acquired during the year	459	1,846
Shares at the end of the year	2,690	2,231
Dividends paid to Directors	£161	–
Dividends payable to Directors	–	£100

20. Auditors' remuneration

	2017 £'000	2016 £'000
Audit of consolidated financial statements	85	96
Other assurance services	–	28
Total Auditor's remuneration	85	124

21. Withholding tax

Under current Bermuda law the Company is not required to pay tax 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 is exempt from such taxation at least until 31 March 2035.

The Company may, however, be subject to foreign withholding taxes in respect of income derived from its investments in other jurisdictions. For the year ended 31 December 2017, the Company was not subjected to foreign withholding taxes (2016: nil).

22. Earnings per share

The earnings per share calculation use the weighted average number of shares in issue during the year.

	2017	2016
Basic and diluted earnings per share	£0.22	£0.35
Profit for the year ('000)	£44,925	£66,677
Weighted average number of shares in issue ('000)	203,859	189,901

23. Net asset value per share

The net asset value per share calculation uses the number of shares in issue at the end of the year.

	2017	2016
Basic and diluted net asset value per share	£2.45	£2.31
Net assets attributable to shareholders ('000)	£502,040	£438,432
Number of shares in issue at year end ('000)	204,804	189,804

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

24. Share capital

a) Authorised and issued capital

The authorised share capital of the Company is 280,000,000 ordinary shares at a par value of £0.01 each. Ordinary shares are listed and traded on AIM of the London Stock Exchange. Each share confers the right to one vote and shareholders have the right to receive dividends.

As at 31 December 2017, the Company's issued and fully paid share capital was 204,804,036 ordinary shares (2016: 189,804,036).

	2017 '000	2016 '000
Ordinary shares outstanding at the beginning of the year	189,804	191,078
Treasury shares purchased	–	(1,274)
Treasury shares issued	15,000	–
Ordinary shares outstanding at the end of the year	204,804	189,804

b) Treasury shares

On 24 January 2017, the Company sold 15,000,000 (2016: nil) ordinary shares at a share price of £1.57 per share and a total net cash consideration of £23,290,950 (2016: £nil). No treasury shares were purchased during the year (2016: 1,274,279 ordinary shares for a total cash consideration of £1,853,928). On 25 January 2017, the Company cancelled its remaining 2,108,843 treasury shares.

All rights associated with treasury shares held by the Company are suspended until the shares are re-issued.

As at 31 December 2017, the Company holds no treasury shares (2016: 17,108,843).

c) Share premium

Share premium represents the amount received in excess of the nominal value of ordinary shares.

25. Dividends

On 11 September 2017, the Board of Directors declared and approved payment of an interim dividend of 2.25 pence per ordinary share which resulted in a dividend payment of £4,608,091 paid on 26 October 2017 (2016: On 16 December 2016, the Board of Directors declared and approved a final dividend of 4.5 pence per ordinary share which resulted in a dividend payment of £8,541,181 paid on 30 January 2017).

26. Commitments

The Company had the following capital commitments in Euros at the year end:

	2017 €'000	2016 €'000
Fund I		
Total capital commitment: £167,486 (2016: £160,741)	188,398	188,398
Called capital at the beginning of the year	178,978	178,978
Capital calls during the year: 3.6% (2016: 0%)	6,782	–
Called capital at the end of the year: £165,141 (2016: £152,704)	185,760	178,978
Unfunded capital commitment: £2,345 (2016: £8,037)	2,638	9,420
Aggregate recycled commitment	13,000	5,652

	2017 €'000	2016 €'000
Fund II		
Total capital commitment: £168,910 (2016: £170,640)	190,000	200,000
Called capital at the beginning of the year	153,000	114,000
Capital calls during the year: 7% (2016: 19.5%)	14,000	39,000
Adjustment for partial sale during the year	(8,350)	–
Called capital at the end of the year: £141,040 (2016: £130,540)	158,650	153,000
Unfunded capital commitment: £27,870 (2016: £40,100)	31,350	47,000

During the year, the Company sold 5% of its investment in Fund II for a total consideration of €8,216,636.

	2017 €'000	2016 €'000
Fund III		
Total capital commitment:£289,618 (2016: £277,290)	325,780	325,000
Called capital at the beginning of the year	9,750	–
Capital calls during the year: 35% (2016: 3%)	114,047	9,750
Called capital at the end of the year: £110,055 (2016: £8,319)	123,797	9,750
Unfunded capital commitment: £179,563 (2016: £268,971)	201,983	315,250
Total unfunded capital commitments: £209,778 (2016: £317,108)	235,971	371,670

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2017

26. Commitments continued

The Company had the following loan commitments at the year end:

	2017 £'000	2016 £'000
Total revolving loan facility commitments:		
Fund I	5,000	5,000
Fund II	20,000	15,000
Fund III	20,000	–
Oakley NS (Bermuda) L.P.	3,000	–
	48,000	20,000
Total unfunded loan commitments:		
Fund I	2,122	3,000
Fund II	20,000	10,688
Fund III	20,000	–
Oakley NS (Bermuda) L.P.	–	–
	42,122	13,688

27. Contingent liabilities

In the ordinary course of business, the Company may enter into contracts or agreements that 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, the Board of Directors believe that the current likelihood of such an event is remote.

As at 31 December 2017 and 2016, there are no contingent liabilities outstanding.

28. Related parties

Balances and transactions between the Company and its subsidiary have been eliminated on consolidation and are not disclosed in this note. Related parties as disclosed below are not part of the consolidation and for this reason are not eliminated.

The Investment Adviser and the Administrative Agent are considered related parties to the Company given the direct and indirect control and transactions with them. Until 31 March 2017, the Manager was considered a related party to the Company given the direct and indirect control and transactions with the Manager.

Management fees and performance fees paid for the period 1 January 2017 through 31 March 2017 are detailed in Notes 14 and 15. Operational service fees, advisory fees, performance fees and recharged costs paid to the Administrative Agent for the period 1 April 2017 through 31 December 2017 are detailed in Notes 14 and 16. The agreements between the Company and these service providers are based on normal commercial terms.

During the year ended 31 December 2017, the Investment Adviser recharged staff costs of £409,722 (2016: £132,565) and overheads of £2,343 (2016: £42,435) to the Company which is included in other expenses (Note 14).

As part of the Company's investment in Fund III, the Company agreed to pay Oakley Capital Manager Limited, the manager of Fund III (the "Fund III Manager"), 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. Under the terms of the option agreement, the Fund III Manager would repay the option fee in the event that the Company exercises the option. In November 2016, the Company exercised 50% of the option when it committed an additional €75,000,000 to Fund III. The Fund III Manager repaid 50% of the option fee to the Company at that time. In December 2016, it was agreed that the Fund III Manager would repay the remaining 50% of the option fee. The Company did not exercise the remaining portion of the option and the option agreement expired on 31 December 2016. As at 31 December 2017, the £666,750 (€750,000) is included in 'Trade and other receivables' in the consolidated balance sheet (2016: £639,300 (€750,000)).

Until 7 June 2016, the Administrator and the Company were considered related parties by virtue of a Director in common. This Director did not seek re-election to the Company's Board of Directors at the Company's 2016 Annual General Meeting. Administration fees paid to the Administrator are detailed in Note 18.

One Director of the Company is also a Director of the Investment Adviser and Oakley Advisory Limited; entities which provide services to, and receive compensation from, the Company. Until 31 March 2017, one Director of the Company was also a Director of the Manager, an entity that provided services to, and received compensation from, the Company. The agreements between the Company and these service providers were and are based on normal commercial terms.

Throughout 2017, no Director of the Company had a personal interest in any transaction of significance for the Company (2016: none).

Fund I is considered a related party due to the investment the Company has in Fund I. During the year ended 31 December 2017, the Company acquired an interest in OCPE Education L.P. from most Limited Partners of Fund I and paid €23,492,217 (£20,795,311) for such additional interests in OCPE Education L.P.

29. Events after the balance sheet date

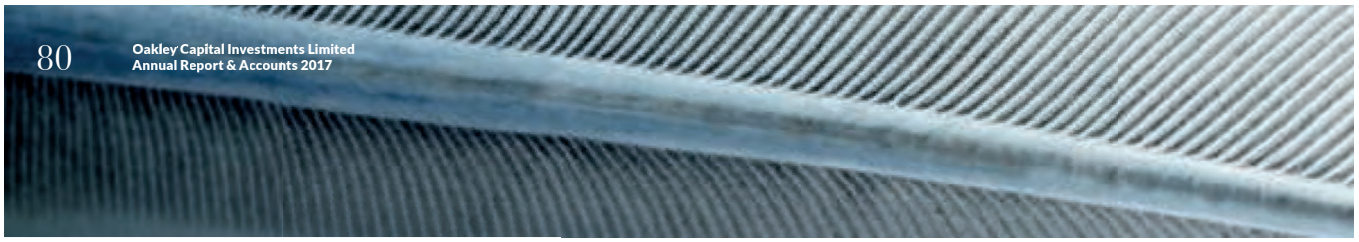
The Board of Directors has evaluated subsequent events from the year end through 14 March 2018, which is the date the consolidated financial statements were available for issue. The following events have been identified for disclosure.

On 9 February 2018, the Company increased its loan to Oakley NS (Bermuda) L.P. from £3,000,000 to £7,850,000 and extended the repayment date to 9 February 2019.

On 12 February 2018, the Company agreed to extend the repayment date on one of its loans to Oakley Capital III Limited to 30 June 2018.

On 9 March 2018, the Company received a distribution of €11,976,638 (£10,643,639) from Fund III arising from the refinancing of capital by Casa & atHome.

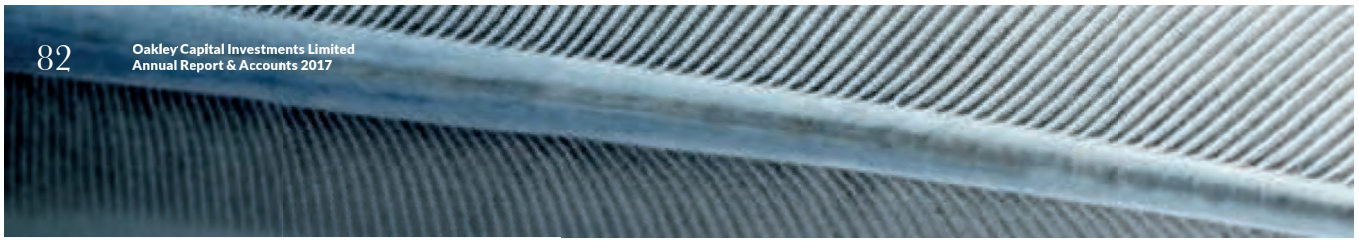
On 14 March 2018, the Board of Directors declared and approved payment of a dividend of 2.25 pence per ordinary share resulting in a dividend of £4,608,091 payable on 26 April 2018.



Glossary

Admission Document	The admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules. The admission document dated 30 July 2007 was prepared by the Company in respect to its admission to trading on AIM.
Administrative Agent	Oakley Capital Manager Limited, in respect of the Company.
AIM	The Alternative Investment Market of the London Stock Exchange.
AIFMD	Alternative Investment Fund Managers Directive became effective from July 2013. As a result, at 31 December 2017, Oakley Capital Investments Limited is registered as an Alternative Investment Fund ("AIF").
AIF	Alternative Investment Fund, as at 31 December 2017, Oakley Capital Investments Limited is a non-EU AIF.
AIM Rules	The AIM Rules for Companies, which sets out the rules and responsibilities for companies listed on AIM, as amended from time to time.
Auditor	KPMG Audit Limited or such other auditor as appointed from time to time.
Board / Directors	The Board of Directors of the Company.
Carried Interest	20 per cent of the income and realisation proceeds from the sale of investment by the Funds payable to the carried interest holders after satisfying any expenses and liabilities of the Funds and subject to the payment of the General Partner Share as described in Section 11 of Part 1 of the Admission Document.
Co-investment Fund	OPCE Education (Feeder) L.P., which together with OCPE Education L.P. collectively comprise "OCPE Education".
Commitments	The amount committed by an investor to the Funds whether or not such amount has been advances in whole or in part.
Company / OCI	Oakley Capital Investments Limited, a company incorporated with limited liability in Bermuda and registered number 40324.
Cost	In relation to the cost of investments, this is the open cost of the investment at 31 December 2017, i.e. the investment cost net of amounts realised from partial exits and refinancings, where applicable.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and is used as the typical measure of portfolio company performance.
Exchange Rate	The GBP:EUR exchange rate at 31 December 2017 was £1: €1.1254.
Fund I / Oakley Fund I	Oakley Capital Private Equity L.P.
Fund II / Oakley Fund II	Those limited partnerships constituting the fund known as Oakley Capital Private Equity II, comprising Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P, Oakley Capital Private Equity II-C L.P and OCPE II Master L.P.
Fund III / Oakley Fund III	Those limited partnerships constituting the fund known as Oakley Capital Private Equity III, comprising Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P, Oakley Capital Private Equity III-C L.P and OCPE III Master L.P.

Fund Facilities	This includes debt facilities provided by the Company to the Oakley Funds and to the General Partners of the Oakley Funds.
General Partners (GP)	Oakley Capital I Limited in respect of Fund I (previously Oakley Capital GP Limited) Oakley Capital II Limited in respect of Fund II (previously Oakley Capital GP II Limited) and Oakley Capital III Limited in respect of Fund III (previously Oakley Capital GP III Limited); all exempted companies incorporated in Bermuda.
IFRS	InternationalFinancial Reporting Standards as adopted by the European Union. The consolidated financial statements and notes have been prepared in accordance with IFRS.
Investment Adviser	Oakley Capital Limited, a company incorporated in England and Wales with registered number 4091922, which is authorised and regulated by the Financial Conduct Authority; or any successor as Investment Adviser of Fund I, Fund II or Fund III.
IPO	Initial Public Offering.
NAV	Net asset value is the value of the assets less liabilities.
Oakley	The Investment Adviser being Oakley Capital Limited.
Oakley Funds	Fund I, Fund II and Fund III and (as applicable) any successor funds.



Directors and Advisers

Directors

Christopher Wetherhill
Independent Director and Chairman

Laurence Charles Neil Blackall
Independent Director

Caroline Foulger
Independent Director

Peter Adam Daiches Dubens
Director

James Michael Keyes
Independent Director

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Bermuda

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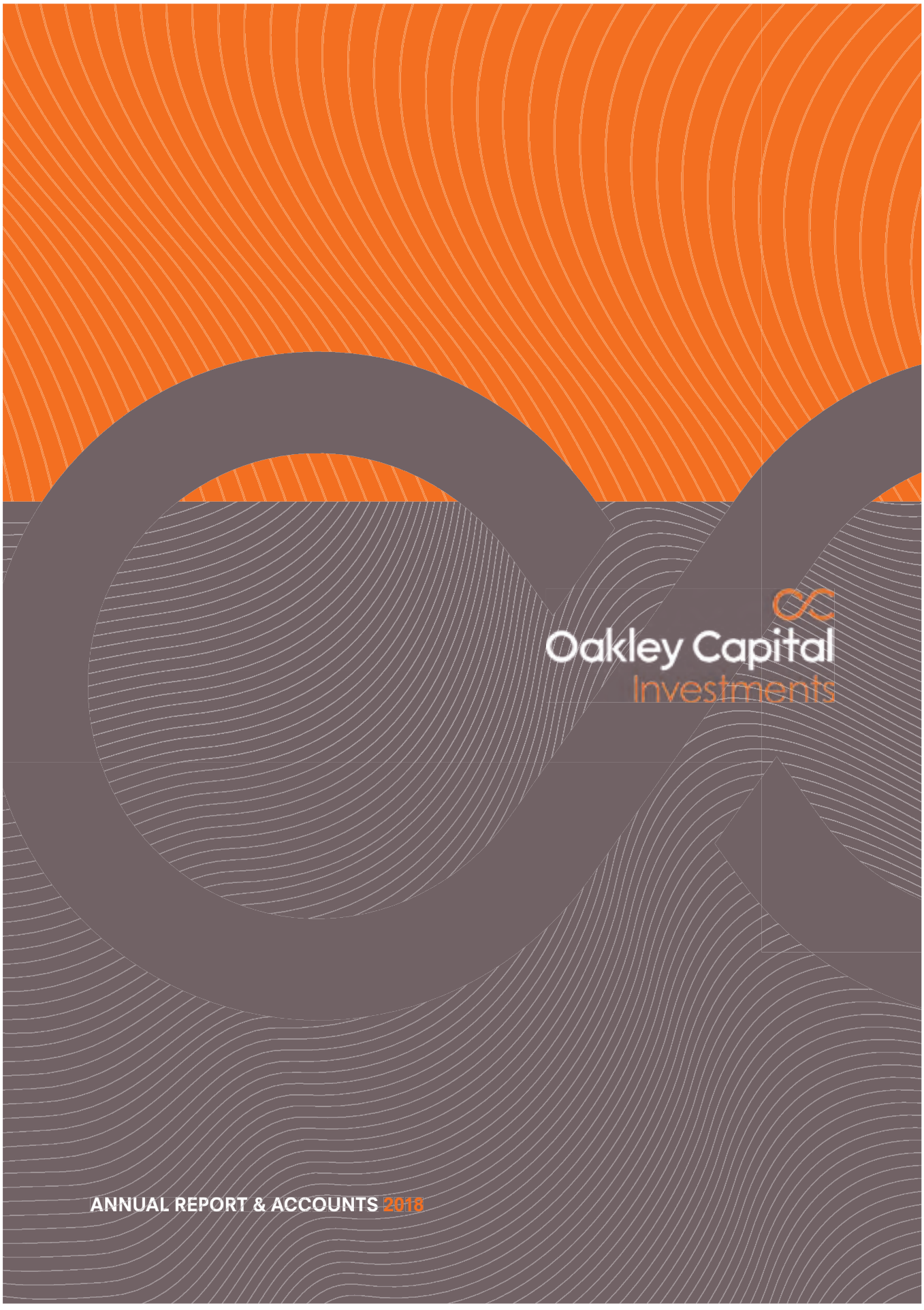
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Notes

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Oakley Capital
Investments
ANNUAL REPORT & ACCOUNTS 2018

Oakley Capital Investments Limited ("OCI" or the "Company") provides its shareholders with access to a portfolio of high quality private equity assets through its investments in the Oakley Funds and co-investments

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The Company's net asset value increased in the year by £72.8 million to £574.8 million

OCI overview

Net asset value	£574.8m
Market capitalisation	£356.4m
Net asset value per share	£2.81
Share price	£1.74
Full year dividend	4.5 pence

2018 OCI highlights

- 16% NAV total return year-on-year
- £130.8m capital deployed
- £165.8m proceeds received
- Commitment of €400.0m to Oakley Fund IV
- Full year dividend of 4.5 pence
- Continued focus on Board governance

2018 Oakley Funds' highlights

- Portfolio valuation growth of +33%*
- Realisations at a 36% premium to book value
- €244.1m total invested capital across the Funds
- €477.6m distributed to Limited Partners in 2018
- Combined gross money multiple of 4.0x on 2018 realisations
- 39% average EBITDA growth across the portfolio

* Calculated on a like-for-like basis

Investment Sectors

	NO. OF INVESTMENTS
Consumer See portfolio companies on page 12	4
TMT See portfolio companies on page 20	3
Education See portfolio companies on page 26	4

At a glance

→ Providing investors with long-term capital appreciation

£574.8m NAV breakdown

1. Oakley Fund investments

51.9% of total NAV › £298.6m

Assets in the underlying Oakley Funds

2. Co-investments

EQUITY

11.2% of total NAV › £64.1m

Consists of the direct equity holdings in Time Out Group plc and Inspired

DEBT

18.6% of total NAV › £107.1m

Debt investments relate to the unquoted debt securities issued by OCI to portfolio companies and to the Oakley Funds (Time Out, North Sails, Daisy)

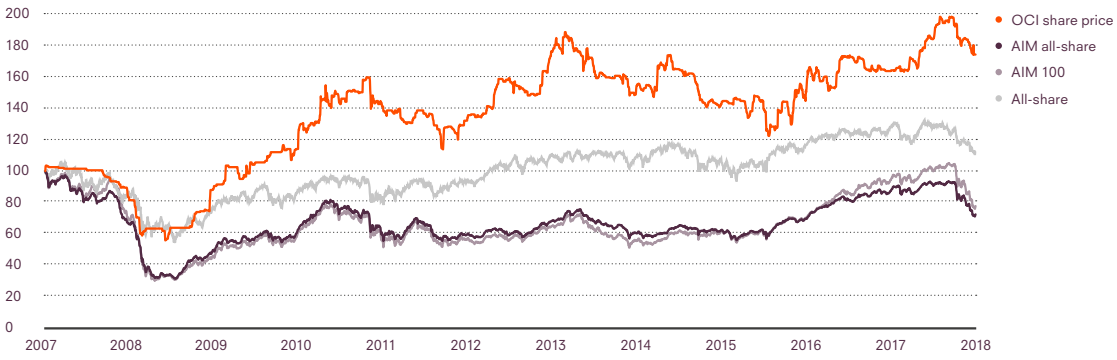
3. Cash, other assets and liabilities

18.3% of total NAV › £105.0m

Cash and cash equivalents of £107.9m offset by liabilities of £2.9m

10 year track record of outperforming market indices

OCI long-term performance vs indices



View our performance in detail on page 32

Oakley's sector expertise

Oakley Capital Limited (Investment Adviser to OCI and the Oakley Funds) has developed expertise in the following three core sectors in which OCI and the Oakley Funds have invested:

Consumer

Oakley's focus within this sector is in Digital Consumer, marketing-led, online businesses with leading positions in their respective markets.

VALUE OF ASSETS* › £214.8m
OF TOTAL NAV › 37%

See consumer market overview on page 12

TMT

Originally investing in hosting and telecoms space, Oakley's experience and insightful network has helped to target businesses that are key to supporting advancements in associated technologies.

VALUE OF ASSETS* › £115.0m
OF TOTAL NAV › 20%

See TMT market overview on page 20

Education

A sector with attractive fundamentals, Education has become a significant sector for Oakley, with investment across the space, including premium private school, higher education and after-school tutoring.

VALUE OF ASSETS* › £173.3m
OF TOTAL NAV › 30%

See education market overview on page 26

Portfolio

The Company invests in a number of portfolio companies, indirectly through the Oakley Funds, or directly through its co-investments. The composition of OCI's look-through and direct investments in the underlying portfolio companies is represented below, (including both debt and equity investments).

Consumer		TMT		Education	
North Sails	£80.0m	WebPros	£71.5m	Inspired	£72.9m
Time Out	£63.6m	Daisy	£30.1m	Career Partner Group	£45.6m
Casa & atHome	£41.8m	TechInsights	£13.4m	Schülerhilfe	£39.7m
Facile	£29.4m			AMOS	£15.1m

TOTAL INVESTMENTS £469.8m **



* Sector values are calculated on a look-through basis for each individual portfolio company as described on page 34. These values are gross of OCI's proportionate stake of the Oakley Funds' liabilities and debt assets.

** Total investments is net of OCI's proportionate liabilities held by the Oakley Funds of £64.1m, and includes £30.6m of debt assets.

Chair's statement

Impressive portfolio company growth and successful realisations resulted in another excellent year for returns. Oakley continues to demonstrate its unique sourcing model, identifying and completing exciting new opportunities for investments.

In my first statement to you as Chair I am pleased to report another successful 12 months for the Company ("OCI"). A total NAV return of 16.3% was driven by very strong profit growth across the Oakley Funds' portfolio companies and realisations at significant premiums to their holding value.

Realisations and portfolio company refinancings in the Oakley Funds returned total capital of £130.5 million. The Investment Adviser also continues to source exciting new opportunities in high-growth sectors in Western Europe. A total of £58.8 million was deployed into the Oakley Funds as a result of two new acquisitions and follow-on investments. Today, OCI provides access to a high-quality portfolio of 11 private companies across Oakley's established areas of expertise - consumer, education and TMT.

We continue to focus on the best interests of shareholders and in doing so are taking actions which we hope will narrow the discount between the OCI share price and the NAV per share. Steps have been taken to improve governance with the beginning of a refresh of the Board and a strengthening of its committees, improve communications with a refresh of this report and our website and improve our investor relations ("IR") programme with greater investor and analyst engagement. The year ahead will provide further opportunities for new initiatives aimed at enhancing and protecting shareholder value.

Performance

The OCI NAV per share grew from £2.45 to £2.81 in the last 12 months. The key contributors to this were:

- Fund Revaluations (+29 pence) - There have been continued positive revaluations in the underlying portfolio, most notably to Inspired, WebPros and Career Partner Group. These uplifts have been driven by strong trading performance with portfolio company EBITDA growth of 39% on average.
- Realisations (+14 pence) - OCI benefited from the sale of Parship Elite Group, Verivox, Facile and Damovo, which generated a combined gross money multiple of 4.0x and returned £114.8 million to the Company. The reason for the NAV increase was the combined 36% premium to book value achieved upon realisations, demonstrating the level of demand for these quality businesses and the consistently conservative approach to the OCI NAV.
- Co-investment revaluations (-1 pence) - The Company holds two direct equity investments in underlying portfolio companies; Inspired and Time Out. Inspired (+8 pence) has undergone another transformative year and now comprises 42 schools, educating over 31,000 students. Consistent growth coupled with strong revenue visibility makes this a highly attractive investment. Time Out Group's (-9 pence) publicly-listed shares fell 46% despite the operational progress made in the period. This reflects overall stock market weakness, low Time Out share liquidity and delays to delivery of some strategic objectives. 2019 is, however, a potential inflection point for the group with the global roll-out of the Time Out Market concept.
- In addition, dividends paid within the year amounted to 4.5 pence per share and fees paid equated to 2 pence per share.

Commitments and cash

OCI has £152 million of outstanding commitments to Oakley Funds I, II and III. As a result of 24 months of successful investment, Oakley Fund III is now approximately 70% deployed. In January 2019, OCI announced a €400 million commitment to Oakley Capital Fund IV. The Board is focused on maximising shareholder exposure to the out performance of the Oakley Funds and the size of this commitment reflects that.

At year-end, OCI held net cash and cash equivalents of £105 million and short-term debt investments of £107 million. We foresee a consistent level of capital returning to the Company as a result of continued Fund activity. 2019 will provide further opportunity for realisations and refinancings. Following extensive analysis of the Funds' cycles and expected cash returns, the Board is satisfied that the Company has the right balance between Fund commitments and cash.

Governance and shareholder value

Having originally joined the Board as an Independent Director in June 2016, I replaced Christopher Wetherhill as Chair following his retirement in September after 11 years of service. I would like to take the opportunity to thank Christopher, on behalf of the entire Board, for his contribution over those years. As OCI continues its growth journey and its successful strategy of partnering with Oakley, I was pleased to welcome Stewart Porter as Director to the Board in September 2018. We anticipate further changes to the Board membership as we continue to evolve and keep pace with the demands and growth of OCI.

I look forward to leading OCI in this period and ensuring that the Company's governance and risk management structures provide a strong foundation for its growth. The Company's Risk committee and Audit committee have continued their important roles this year in an environment of increasing regulation and accounting change. Additionally, at the start of the year, the Management Engagement committee was established to provide the Board with greater oversight over the Company's suppliers and service providers. This represents a continuation of our drive to enhance internal governance structures.

As stated in last year's report, the Board remains committed to shareholder value and is focused on initiatives aimed at closing the gap between the share price and the NAV per share. As a result, a variety of measures have been undertaken to increase and improve investor communication. We continue to upgrade the content of the Annual Report, providing increased disclosure and a clearer reflection of the investment opportunity we offer. In line with these efforts, our website and investor materials have been relaunched alongside the publication of this report. Our IR programme has increased and broadened our investor and analyst engagement. I am pleased to report that, as a result, share liquidity has further improved, with volumes increasing by an additional 36% year-on-year. There has been an increased alignment of interest, with Board members now holding over 5% of the Company's shares, up from 1% last year. The Board considers this to be an appropriate alignment whilst maintaining the requisite degree of independence. The year ahead will provide further opportunities for new initiatives aimed at improving and protecting shareholder value. The Board continues to focus on the enhancement of its capital management by reviewing the options for share buybacks and also reiterates its commitment to not issuing shares at a discount to the NAV per share.

Dividend

In October, an interim dividend of 2.25 pence per share was paid for the period ended 30 June 2018, and I am now pleased to announce a final dividend for 2018 of 2.25 pence per share.

Prospects

Against a backdrop of uncertainty over the prospects for the world economy in the coming year, the Company has a balanced and resilient portfolio which will provide an element of protection against any softening in the underlying economic outlook. Investment opportunities have been targeted with the potential for structural growth and are not reliant on cyclical economic strength. By way of an example, OCI's 30% exposure to education offers highly attractive and defensive fundamentals. The underlying portfolio continues to perform well, as demonstrated by the profit growth. Leverage across the portfolio is also relatively conservative, with average net debt to EBITDA standing at 3.8x. As a result, the Board is confident of delivering further growth to shareholders over the coming year.

Additionally, despite a continuation of high valuations during 2018, Oakley has demonstrated, with two acquisitions and follow-ons, its continued ability to source high-quality and attractively-priced investment opportunities outside of competitive auction processes. Through its investments in the Oakley Funds, OCI is therefore able to offer shareholders access to private companies. which can often yield higher returns than the public markets.

Caroline Foulger

Chair





Strategic report by the Investment Adviser

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Market overview and outlook

→ Private equity fundraising and activity remains at highs, as the asset class continues to outperform

Record fundraising and buy-out activity

2018 was a record year for private equity fundraising, as investors sought to gain exposure to absolute and risk-adjusted returns that have outperformed other asset classes. Total commitments rose 7.8% versus 2017, with total undeployed commitments reaching $2 trillion (source: Preqin). High levels of dry powder supported a 15% year-on-year rise in the value of private equity buyouts in continental Europe, reaching €79.3 billion across 523 deals in 2018, the highest annual figure since 2007 (source: CMBOR). Despite this investment activity, Oakley's target geographies have relatively low private equity market penetration. According to figures from Invest Europe, European PE investment as a percentage of GDP was 0.3% compared to the US total at 1.75% (source: EMPEA). Some of the core Oakley target markets were lower still, with Germany at 0.26%, and Italy at 0.19%.

Managing the risk of overpayment

A combination of high levels of buy-out capital, record stock-market valuations and increased competition from strategic buyers, have seen transaction EBITDA multiples remain at elevated levels of over 11x (source: Preqin). There are growing concerns that high valuations are making it increasingly difficult to buy quality assets at reasonable valuations and this could, in turn, affect future returns. The Investment Adviser, however, remains disciplined in its approach to investing. Its strategy of pursuing entrepreneur-led, non-competitive, proprietary deals has been advantageous to OCI - over 70% of all Oakley's investments have been uncontested deals. Oakley is not reliant on the intermediated market, but rather its strong founder/manager relationships, wide network and reputation for sector expertise, all of which help to drive off-market deal flow. As such, Oakley has been able to make acquisitions below prevailing rates, with an average entry EV/EBITDA multiple of 8.3x versus comparable peer group averages in double digits.

The rising tide of debt capital

Average debt multiples have entered territory not seen since the peak of the last cycle, standing at c6x EBITDA. This is the result of readily available and relatively covenant-lite debt aiding deal makers (source: Bain & Company). There is nervousness that the high leveraging of businesses is driving PE returns and may not be sustainable, especially if credit markets tighten. Oakley's approach to debt is relatively conservative, with the underlying portfolio being levered an average 3.8x at the year end. Oakley's propensity to target asset-light, highly cash-generative businesses provides confidence in the suitability of these debt levels. In turn, OCI itself remains prudent in its approach, with no external debt on its balance sheet.

Softening economic momentum and high uncertainty

Whilst Europe and the global economy are expected to grow at 1.3% and 3.5% respectively in 2019 (source: IMF), these forecasts have been revised downwards (from 1.9% and 3.7%) in the light of weakening financial market sentiment, trade policy uncertainty, and concerns about China's outlook. Risks to global growth are to the downside, with a range of triggers beyond escalating trade tensions that could spark economic decline, especially given the high levels of public and private debt. These potential triggers include a "no-deal" withdrawal of the United Kingdom from the European Union and a greater-than-envisaged slowdown in China.

Against this backdrop, Oakley believes that the Funds' portfolio companies enjoy robust, resilient business models. They are businesses that hold dominant market positions in attractive niches, which enjoy structural growth drivers and limited downside risk. Oakley has invested across Western Europe and beyond. As a result, its experience of a wide range of geographies and sectors provides it with the flexibility to take advantage of the opportunities that an uncertain future may present.

Introduction to the Investment Adviser

→ OCI's structure gives access to a unique network and exposure to high-performance

The Company
Oakley Capital Investments Limited

About OCI

OCI is a closed-ended investment company with the principal objective of achieving capital appreciation through investments via the Oakley Funds in a diversified portfolio of private mid-market businesses, primarily in Europe. OCI offers investors a liquid investment vehicle, through which they can obtain exposure to the underlying Oakley Funds with minimal administrative burden, no long-term lock-up and no minimum investment size. The OCI Board takes the ultimate decision to invest (or to take any other action) in an Oakley Fund or in a co-investment. In the ordinary course it makes decisions after reviewing the recommendations provided by the Investment Adviser.

What OCI does

Sets business objectives

Governance, portfolio management and risk management

Appoints and oversees its service providers

The Administrative Agent
Oakley Capital Manager Limited

About OCML

Oakley Capital Manager Limited (the "Administrative Agent") provides operational assistance and services to the Board with respect to OCI's investments and its general administration. The Administrative Agent is managed by experienced third-party administrative and operational executives.

What OCML does

Carries out the day-to-day and administrative operations of OCI

Provides operational assistance with respect to OCI's investments

The Investment Adviser
Oakley Capital Limited

About OCL

Oakley Capital Limited ("Oakley") serves as investment adviser to the Administrative Agent with respect to OCI. Oakley is responsible for making investment recommendations and for structuring and negotiating deals for the Oakley Funds and OCI co-investments.

Oakley is authorised and regulated by the Financial Conduct Authority.

What OCL does

Identifies due diligence of investment opportunities

Recommends potential investments and realisations for consideration

Structures and negotiates deals for the Oakley Funds

Investment Adviser's approach

→ Preferred partner for top entrepreneurs

Key resources

Leveraging our unique business network

Team
Experienced leadership team of investment professionals, entrepreneurs and skilled operators

Network
Oakley has built a close partnership with entrepreneurial founders and managers to become their long-term partner and to source off-market deals with them

€81m
of commitments backed by Oakley management teams across Fund II and Fund III

How we invest

Sourcing proprietary deals through our industry relationships and experience

Strong management partnerships
Oakley's entrepreneurial heritage allows it to partner with strong management teams and become their preferred partner completing repeat deals

Key geography and sectors
Focuses on core sectors and geographic locations to build on the network and operating experience gained from previous investments

Complexity
Seeks out complex deals outside intermediate auctions

Structural growth
Targets companies with sustainable structural growth dynamics and opportunity for M&A

96%
of Oakley deals have been primary deals

"Complexity, along with strong management partnerships can present opportunities and enable Oakley to create value"

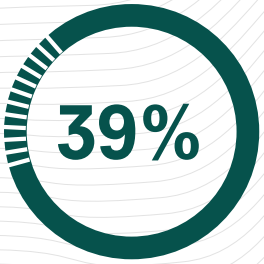
Creating value

Driving growth across the portfolio

Sourcing
Working with founders or newly carved-out companies to develop infrastructure and systems to support organic growth

Buy and build
Creating scale and synergies through targeted M&A opportunities

Accelerate growth
Helping portfolio companies to achieve full potential with appropriate capital and operational resources



average EBITDA growth across the full portfolio

Generating returns

Generating consistently high returns

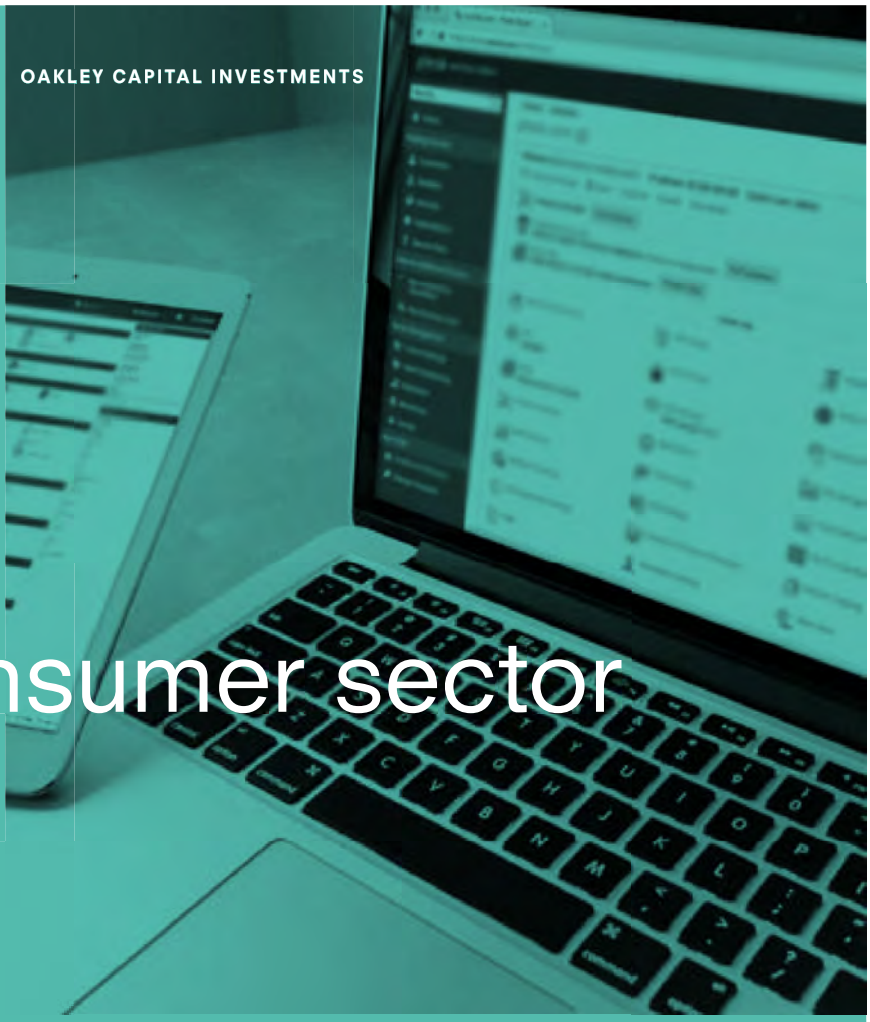
Oakley Funds:

	MM*	IRR*
OAKLEY FUND I (vintage 2007)	2.1x	36%
OAKLEY FUND II (vintage 2013)	2.2x	39%
OAKLEY FUND III (vintage 2016)	1.7x	54%

OCI, as LP in the Oakley Funds:

CALLED CAPITAL TO DATE	£492.1m
CAPITAL RETURNED TO DATE	£513.5m
FAIR VALUE OF OAKLEY FUNDS	£298.6m

* Gross money multiple and gross IRR are based on realised and unrealised portfolio returns as at 31 December 2018.



Consumer sector

Market review

Following the acquisition of Verivox in 2009, Oakley has continued to invest in digital, marketing-led, consumer-focused businesses. Oakley has developed strong knowledge of these business models, enabling the replication of successful strategies across assets from different industries

The sector is benefitting from continued growth as consumers increasingly switch from traditional channels to online, a trend which is expected to continue.

Successful businesses have strong brand awareness, which attracts lower-cost, direct traffic to their websites, helping to drive improved profitability. Brand awareness can be built and reinforced by continued investment in marketing, which also acts as a barrier to entry. Businesses are typically highly cash generative, given their limited capex requirements, and can scale rapidly once adoption by consumers reaches an inflexion point. Online business models also enable detailed tracking of KPIs, as well as allowing for continued improvements to conversion rates and the user experience, all of which can help generate incremental value.

Given the attractiveness of the sector, these businesses can often attract premium valuation multiples at exit once they have reached scale.

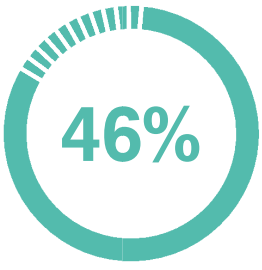
Sector investments*

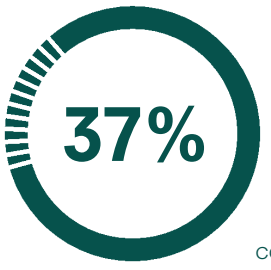
Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
North Sails	OCI/Fund II	£70.4m	£80.0m	14
Time Out	OCI/Fund I	£112.1m	£63.7m	11
Casa & atHome	Fund III	£26.3m	£41.8m	7
Facile	Fund III	£29.4m	£29.4m	5

2018 realistions	Fund proceeds	OCI proceeds	% uplift on book value
Parship Elite Group	€137.9m	£35.6m	21
Verivox	€53.5m	£15.1m	38
Facile	€198.4m	£51.5m	56

→ **The sector is benefitting from continued growth as consumers increasingly switch from traditional channels to online**

CONSUMER SECTOR EBITDA GROWTH**





CONSUMER SECTOR AS % OF OCI NAV

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on page 34. These values include both direct and indirect equity and debt securities in the relevant portfolio companies. Where the location of the investment states "OCI" rather than or as well as an Oakley Fund, there is a direct equity or debt element included in the respective cost and valuation.

** Based on the results of the portfolio companies' most recent respective financial year-ends, calculated using the simple average method.

Consumer portfolio companies

North Technology Group ("NTG"), comprises three market-leading marine brands (North Sails, Southern Spars and EdgeWater Power Boats) focused on providing innovative and high-performance products and solutions for the world's sailors and yachtsmen.

The group has expanded globally since Oakley's initial acquisition in 2014, acquiring a number of licensee companies around the world, whilst also developing the North Sails brand in apparel and accessories.

NTG's revenue and EBITDA were both significantly ahead of last year, driven by particularly strong performance by Southern Spars. NTG continues to invest in the launch of its new kiteboarding division, which included the acquisition of a kiteboarding accessories equipment business, North Action Sports, in January 2019.

In addition, North Sails Apparel revenues were 25% ahead of the prior year on an underlying basis. This was driven by strong growth in all core channels of the business, in particular in online and crew apparel. Overhead costs were closely managed during the year, and whilst the business remains loss making, EBITDA has improved on last year.

£32.8m (debt)	£37.6m (equity)
OCI'S OPEN COST	
£40.6m (debt)	£39.4m (equity)
OCI'S VALUATION	
14%	
OF OCI NAV	



Leading multi-platform media and e-commerce brand with a global content distribution network comprising websites, mobile apps, magazines and a physical presence via live events and Time Out Market.

The Time Out Market in Lisbon continues to perform strongly and Time Out's top strategic priority remains the rollout of the Time Out Market concept to new cities. In the year ahead, Time Out are set to open five new markets in North America, including Miami, New York, Boston, Chicago and Montreal, the Group's first management agreement. Impressive line-ups of some of the cities' top chefs have already been announced by the company.

Despite the operational progress made during 2018 in Time Out, the share price performance has been poor, declining from £1.31 at 31 December 2017 to £0.71 at 31 December 2018. This reflects overall stock market weakness, low Time Out share liquidity and delays to delivery of some strategic objectives.

Time Out will release their full year 2018 results on 28th March 2019.

£20.0m (debt)	£92.1m (equity)
OCI'S OPEN COST	
£20.9m (debt)	£42.7m (equity)
OCI'S VALUATION	
11%	
OF OCI NAV	



casa.it
atHomegroup

Casa & atHome is an online property group comprising a portfolio of real estate websites and mobile applications, including the number one property portal in Luxembourg, atHome.lu, and the number 2 player in Italy, Casa.it.

The investment thesis for Casa & atHome was one of restructuring the cost base and realising synergies between the two businesses, and then accelerating growth through adding other verticals to the platforms. The cost reduction was completed in July 2017 delivering material cost savings. atHome has delivered solid growth to date and in 2018 successfully added (through strategic bolt-on acquisitions) mortgage broking and automotive classified verticals to its core property real estate classifieds proposition. Casa has begun to accelerate its top line growth through more focused and innovative sales and marketing initiatives.

On a consolidated basis, in the half-year ended 31 December 2018 (30 June year-end) the group increased revenue by 13% and EBITDA by 5% versus the equivalent prior year period. EBITDA growth has been more subdued due to investments made in product, technology and marketing initiatives to support future innovation and growth.

£26.3m
OCI'S OPEN COST

£41.8m
OCI'S VALUATION

7%
OF OCI NAV



facile.it

Italy's leading online destination for consumers to compare prices for motor insurance, energy, telecoms and personal finance.

Oakley originally invested in Facile in 2014 via Oakley Fund II, building on the sector experience gained through an earlier investment in Verivox, the Germany-based online price comparison website.

In June 2018, Oakley Fund II sold its entire stake in Facile to EQT, valuing Facile at an enterprise value of €445 million. As part of the sale of Facile to EQT, Oakley Fund III invested €80 million for a 21% stake in order to benefit from the next stage of Facile's development in partnership with a leading international growth investor.

The Italian price comparison market is still relatively undeveloped versus other markets, providing significant headroom for further growth. Facile is expected to leverage its market leadership across multiple product verticals to achieve continued organic growth in its online channel, supported by expansion into physical distribution channels to access an additional segment of the Italian market.

£29.4m
OCI'S OPEN COST

£29.4m
OCI'S VALUATION

5%
OF OCI NAV



Consumer portfolio companies
Realised investments

PARSHIP ELITE Group

Parship Elite Group was formed through the combination of the two leading online dating brands in the DACH region, Parship and ElitePartner.

During Oakley's ownership, Parship Elite Group established itself as the market leader in DACH "online matchmaking" through realisation of synergies, continued focus on product improvements and new marketing initiatives. Following the success of the merger and strong organic growth, Oakley sold a controlling stake in 2016 to the German media group ProSiebenSat.1 Media BV ("ProSiebenSat.1"), and fully realised its investment in 2018.



€137.9m	£35.6m	21%
FUND II PROCEEDS	OCI PROCEEDS	UPLIFT ON BOOK VALUE

Realisation

Oakley Fund II completed the sale of its remaining 38.5% stake in Parship Elite Group to NCG Commerce GmbH, a new joint venture with ProSiebenSat.1, based on an enterprise value of €440 million.

Oakley Fund II received gross proceeds of €137.9 million, resulting in overall returns of 4.7x gross money multiple and a gross IRR of 118%.

OCI received £35.6 million from this realisation, representing 21% of its total commitments to Oakley Fund II.

Parship Elite Group - key events from acquisition to realisation:

APRIL 2015	JUNE 2015	NOVEMBER 2015	SEPTEMBER 2016	APRIL 2018
Completion of Parship acquisition	Signing of Elite Partner acquisition	Completion of Elite Partner acquisition	Partial realisation to ProSiebenSat.1	Completion of sale of remaining stake to NuCom Group

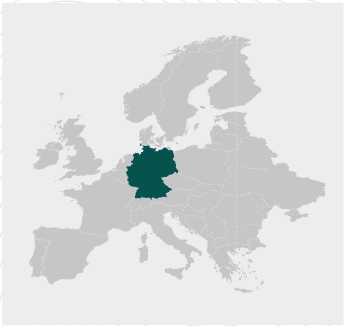
→ **Realised returns for Oakley Fund II were 4.7x gross money multiple and 118% gross IRR**

£35.6 million proceeds received by OCI

Verivox

Germany's leading consumer energy and household services price comparison website, receiving commission and advertising revenues when consumers elect to switch providers.

The sale of Verivox marked the conclusion of a nine-year partnership with Oakley dating back to 2009, which laid the foundation for further successful investments in the digital consumer sector.



€53.5m	£15.1m	38%
FUND II PROCEEDS	OCI PROCEEDS	UPLIFT ON BOOK VALUE

Realisation

Oakley Fund II reached an agreement to sell its 9.9% stake in Verivox to NCG Commerce GmbH, based on an enterprise value of €530 million.

Oakley Fund II received gross proceeds of €53.5 million, crystallising returns of 2.5x gross money multiple and 44% gross IRR.

OCI received £15.1 million from this realisation, representing 9% of its total commitments to Oakley Fund II.

Verivox - key events from acquisition to realisation:

DECEMBER 2009	AUGUST 2015	AUGUST 2015	APRIL 2018
Initial partnership with Verivox via Oakley Fund I	Completion of realisation of Verivox by Oakley Fund I	Acquisition of Verivox by Oakley Fund II	Completion of sale to NuCom Group

→ **Realised returns for Oakley Fund II were 2.5x gross money multiple and 44% gross IRR**

£15.1 million proceeds received by OCI

Consumer portfolio companies

Realised investments CONTINUED

facile.it
RISPARMIARE È FACILE

Italy's leading online destination for consumers to compare prices for motor insurance, energy, telecoms and personal finance.

Oakley originally invested in Facile in 2014, building on the sector experience gained through an earlier investment in Verivox, the Germany-based online price comparison website. Under Oakley's ownership, Facile has successfully expanded its market share in its core automotive price comparison market, whilst also establishing leading positions in the Broadband, Gas and Power verticals, and a growing challenger positions in mortgages.

Since acquisition, Facile has more than trebled EBITDA and today helps three million monthly users to compare prices on key elements of their household expenditure.



€198.4m	£51.5m	56%
FUND II PROCEEDS	OCI PROCEEDS	UPLIFT ON BOOK VALUE

Realisation

On 20 June 2018, Oakley Fund II completed the sale of its stake in Facile to EQT VIII ("EQT"). Oakley Fund II received gross proceeds of €198.4 million generating overall returns of 3.7x gross money multiple and a gross IRR of 51%.

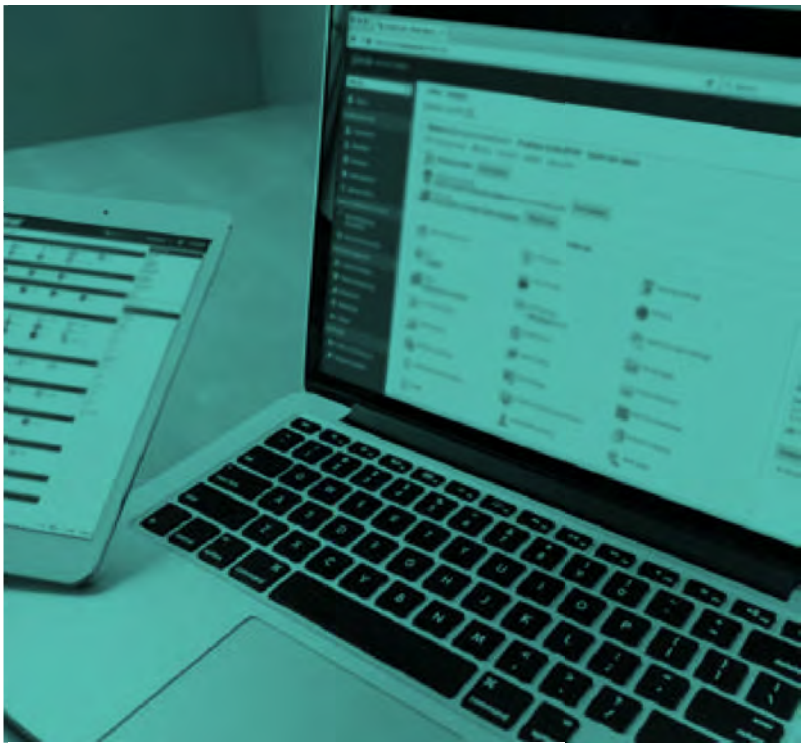
Oakley Fund III invested €80 million alongside EQT as a minority partner to continue to benefit from Facile's strong market-leading position in the Italian market, which still has significant structural growth potential. OCI continues to hold a stake in Facile through its 40.7% stake in Oakley Fund III.

Facile - key events from acquisition to realisation:

SEPTEMBER 2014	MAY 2015	JULY 2016	JUNE 2018	JUNE 2018
Completion of Facile acquisition	Refinancing achieved, returning €13.5 million to Fund II	Further refinancing achieved, returning €11.8 million to Fund II	Completion of sale of Facile to EQT by Fund II	Acquisition of a minority stake in Facile by Fund III

→ **Realised returns for Oakley Fund II were 3.7x gross money multiple and 51% gross IRR**

£51.5 million proceeds received by OCI



→ 177m

Website visits per month across the portfolio



TMT sector

Market review

From initial investments in telecoms and webhosting, Oakley has built on its experience and industry expertise to evolve its approach to investing in technology assets as the sector continues to develop

Over time, Oakley has built a network of insightful entrepreneurs and founders who have repeatedly partnered with us to identify and unlock opportunities in the TMT space.

There are two key themes that dominate the hosting industry and are causing businesses to change the way in which they operate. Firstly, the maturity of the outsourcing model in IT services has led to consolidation, with many large hosting players making major acquisitions in recent years.

Secondly, the growth of public cloud hosting has forced changes to established business models.

In future, industry players will need to emphasise the added value of their service wrapper to maintain market position and enhance their users'/ customers' experience.

As disruptive innovation continues across the TMT sector, Oakley looks for opportunities to invest in companies which stand to benefit from such changes.

Sector investments*

Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
WebPros	Fund III	£24.0m	£71.5m	13
Daisy	OCI/Fund II	£24.6m	£30.1m	5
TechInsights	Fund III	£0.4m	£13.4m	2

2018 realisation	Fund Proceeds	OCI proceeds	% uplift on book value
Damovo	€45.1m	£12.6m	18%

→ **Oakley has built on its experience and industry expertise to evolve its approach to investing in technology assets**

TMT SECTOR EBITDA GROWTH**





TMT SECTOR AS % OF OCI NAV

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on page 34. These values include both direct and indirect equity and debt securities in the relevant portfolio companies. Where the location of the investment states "OCI" rather than or as well as an Oakley Fund, there is a direct equity or debt element included in the respective cost and valuation.

** Based on the results of the portfolio companies' most recent respective financial year-ends, calculated using the simple average method.

TMT portfolio companies

WebPros

The WebPros Group comprises two of the most widely-used web hosting automation software platforms, simplifying the lives of developers and web professionals the world over. WebPros Group, encompassing cPanel and Plesk, is the leading software as a service ("SaaS") platform for server management globally.

Both cPanel and Plesk are software solutions that automate server-related tasks for hosting providers and web professionals. These hosting control panels provide intuitive web interfaces that allow customers to administer every facet of their websites simply and conveniently, allowing developers to focus on creating web applications and websites.

2018 has been a transformative year for Webpros, having acquired cPanel and SolusVM during the period.

£24.0m
OCI'S OPEN COST

£71.5m
OCI'S VALUATION

13%
OF OCI NAV



daisy

The UK's #1 independent provider of converged B2B communications, IT and cloud services, serving three primary customer segments

- Small and medium businesses ("SMB" 2 - 249 employees),
- Corporate (250 + employees); and
- Enterprise (2000 + employees).

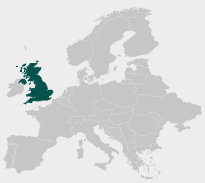
Daisy's year-to-date financial year 2019 (nine months to 31 December 2018) revenue was in line with last year. This was driven by a strong performance in the SMB division from a combination of organic growth and acquisitions, offset by some weaker trading in the Corporate division, driven primarily by regulatory changes, as well as disruption from integrating acquired businesses.

The group continues to proactively seek M&A opportunities, including accretive bolt-on acquisitions, as well as strategic disposals to create value.

£14.2m (debt) **£10.4m** (equity)
OCI'S OPEN COST

£14.9m (debt) **£15.2m** (equity)
OCI'S VALUATION

5%
OF OCI NAV



TechInsights

A global leader in the intellectual property and technology services market.

TechInsights is trusted by the world's leading technology companies to support intellectual property licensing activities and inform technology strategies by leveraging its proprietary database of technical intelligence and unparalled reverse engineering capabilities.

The investment thesis includes leveraging TechInsights' extensive, proprietary technology database to accelerate growth in its subscription business, whilst maintaining its market leading position in project-based patent portfolio management and licensing work.

Strong performance achieved in 2018 with revenue up 9% year-on-year and EBITDA up 16%. Business mix continues to improve, with subscriptions growing 33% year-on-year and now accounting for 25% of total revenue versus 20% in 2017.

£0.4m OCI'S OPEN COST	
£13.4m OCI'S VALUATION	
2% OF OCI NAV	



TMT portfolio companies
Realised investments

DAMOVO
UNDERSTAND. DELIVER. IMPROVE.

Damovo provides professional and managed information communication technology ("ICT") solutions and services to over 2,000 customers across eight European countries and through a global network spanning over 120 countries.

Damovo Group has been transformed under Oakley's ownership, growing organically and through three strategic acquisitions. Oakley supported management by investing in working capital and people, contributing towards a revenue CAGR of 10.5% between FY16A and FY18A.



€45.1m	£12.6m	18%
FUND II PROCEEDS *	OCI PROCEEDS	UPLIFT ON BOOK VALUE

Realisation

On 23 August 2018, Oakley Fund II sold its stake in Damovo to Eli Global based on an enterprise value of up to €140 million. Oakley Fund II received initial gross proceeds of €45.1 million and a further €11.4 million is expected to be received by Fund II in 2019. This realisation generated an overall return of 5.4x gross money multiple and a gross IRR of 56% for Fund II.

OCI received proceeds of £12.6m from this realisation in August, representing 7% of its total commitment to Oakley Fund II. A further £3.7 million is expected on receipt of the deferred consideration in late 2019.

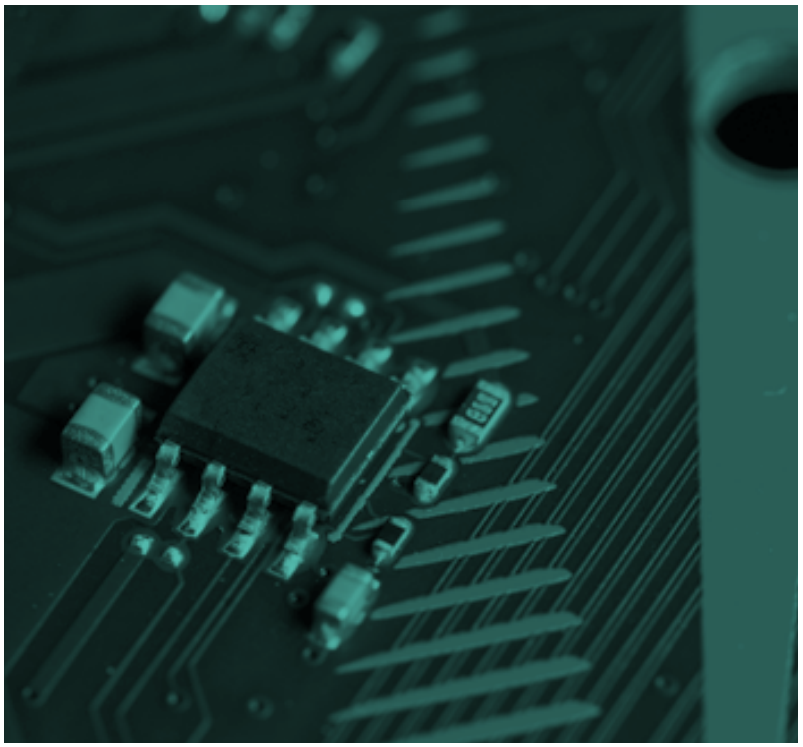
Damovo - key events from acquisition to realisation:

JANUARY 2015	AUGUST 2015	NOVEMBER 2016	JUNE 2017	AUGUST 2018
Completion of acquisition by Fund II	Damovo acquires Luxembourg-based Mitel partner CTTL	Acquisition of Cisco specialists Netfarmers in Germany	Avaya partner Vodanet added to the Damovo group	Fund II completes sale of Damovo Group to Eli Global

→ **Realised returns for Oakley Fund II were 5.4x gross money multiple and 56% gross IRR***

£12.6 million proceeds received by OCI

* Returns include the expected receipt of €11.4 million of deferred consideration, which is based on Damovo's results for the year ended 31 January 2019. Overall proceeds following this receipt will be €56.5 million.



→ 440k

Customers globally across the portfolio



Education sector

Market review

Education has become a significant sector for Oakley, with investments across the space, including premium private schools, higher education and after-school tutoring

Having successfully backed an entrepreneur to build a premium private schools group, Oakley began to increase its focus on the wider education space. With our experience of investing in Inspired and having carried out extensive market mapping and research, Oakley now has a well-established knowledge base.

Education assets have many attractive characteristics which Oakley believes makes the sector an exciting and interesting area in which to invest.

Demand for education is growing strongly in both emerging and developed markets, and supply is limited by public spending constraints and high barriers to entry.

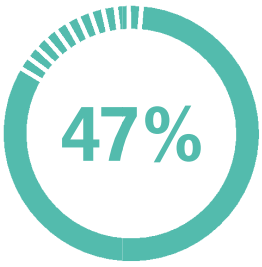
This is also a large and fragmented market so there is value to be created in consolidation and building scale. Our preferred sub-sectors of education are typically non-cyclical, as parents place great importance on the investment they make in their children's education. There are also multiple growth opportunities from market consolidation, technological disruption, privatisation, pricing growth and internationalisation.

Sector investments*

Investment	Oakley Fund	OCI's open cost	OCI's valuation	% of OCI NAV
Inspired	OCI/Fund II	£36.0m	£72.9m	13
Career Partner	Fund III	£30.7m	£45.6m	8
Schülerhilfe	Fund III	£30.8m	£39.7m	7
AMOS	Fund III	£10.0m	£15.1m	2

→ **Demand for education is growing in both emerging and developed markets**

EDUCATION SECTOR EBITDA GROWTH**





EDUCATION SECTOR AS % OF OCI NAV

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on page 34. These values include both direct and indirect equity and debt securities in the relevant portfolio companies. Where the location of the investment states "OCI" rather than or as well as an Oakley Fund, there is a direct equity or debt element included in the respective cost and valuation.

** Based on the results of the portfolio companies' most recent respective financial year-ends, calculated using the simple average method.

Education Portfolio Companies

inspired

A leading global premium private schools group, with over 30 schools across five continents, Inspired has grown rapidly through both greenfield developments and acquisition. All schools are individually developed and designed to deliver an excellent education to their respective communities.

Inspired finished the financial year to August 2018 with revenue up 42% and EBITDA up 60% year-on-year.

Over 20% of the growth in 2018 EBITDA was organic, with the remainder driven by a number of acquisitions, including the acquisition of the British School of Bahrain, one of the leading premium international schools in Bahrain educating over 2,500 students; Blue Valley school in Costa Rica; and Sotogrande School in Costa del Sol, Spain. These acquisitions were partly funded with debt as well as cash on the balance sheet. Inspired continues to have an active pipeline of future deals.

£36.0m OCI'S OPEN COST
£72.9m OCI'S VALUATION
13% OF OCI NAV



Career Partner

One of the fastest-growing and most highly-ranked private university businesses in Germany, with over 19,000 students enrolled in three types of programmes: traditional on-campus universities, online university degrees and dual studies (private on-site education in cooperation with corporate partners).

Oakley Fund III acquired 66.7% of Cartner Partner Group in January 2018 for €84.6 million, and seeks to support the continued development of the business, particularly in the online university and dual studies segments, two high-growth sectors in Germany.

For the year ended 31 December 2018, Cartner Partner Group continued its rapid growth across these segments and performed in line with plan on revenue and EBITDA and well ahead of plan on student intake.

The business continues to invest significantly in scaling up its marketing and IT departments, launching new online programmes and opening new dual-study centre locations in Germany.

£30.7m OCI'S OPEN COST
£45.6m OCI'S VALUATION
8% OF OCI NAV



Germany's leading provider of after-school tutoring, Schülerhilfe educates 125,000 students across Germany and Austria each year. Schülerhilfe's core service offering comprises small group tutoring lessons, which provide better results at lower cost compared to one-to-one tutoring.

Schülerhilfe has a track record of highly consistent growth, which has continued into 2018. Under Oakley's ownership the business has increased the rate of new centre openings and franchised centre buy- backs, which brings the group to 527 centres, from 487 at 31 December 2017.

For the year ended 31 December 2018, there was an uplift of 7% year-on-year in revenue terms and 12% in EBITDA terms.

£30.8m OCI'S OPEN COST
£39.7m OCI'S VALUATION
7% OF OCI NAV



France's leading business school focused entirely on sport management and sport business.

AMOS educates over 1,800 students across eight campuses in France, and offers international study through its London campus. It was acquired by Oakley Fund III as part of a higher education strategy with the aim of replicating the success of Inspired in the K-12 (Kindergarten to year 12) market.

AMOS' student enrolments for the current academic year have increased by 34% over the prior year, with revenues and EBITDA in line with expectations since acquisition.

In November 2018, AMOS acquired the Centre Européen de Management Hotelier International ("CMH"). CMH is a leading business school in Paris, focused on the hotel management, luxury brand and tourism sectors, with over 400 students. Oakley and management are also evaluating further acquisition targets which could form part of the higher education roll-up strategy.

£10.0m OCI'S OPEN COST
£15.1m OCI'S VALUATION
2% OF OCI NAV



Environmental, Social and Governance

Oakley approach

Oakley has a Responsible Investment ("RI") Committee comprising two investment professionals, the general counsel and senior partner David Till. Committee members are responsible for the implementation of the RI policy under the oversight of David Till. A quarterly group compliance meeting is held where RI and Environmental, Social and Governance ("ESG") issues constitute a standing agenda item.

All investment professionals are required to follow the RI policy and consider its effects both pre- and post-investment. Oakley has created an ESG risk assessment toolkit to aid investment professionals in understanding a variety of inherent ESG-related risks by both sector and geography. Oakley's investment team receives training on the RI policy and accompanying toolkit.

Pre-investment

When considering potential new investments, Oakley conducts an inherent ESG risk assessment on the investee company's sector and countries of operation.

The sector risk assessment outlines the key environmental and social risks inherent to operations of companies in that sector. The categories of inherent environmental and social risk assessment are environment, health and safety, labour and community.

The country risk assessment reviews the overall inherent ESG risk for each country of direct and indirect operations. The external indices which inform this assessment consider the level of corruption, political development, economic development, socio-economic development, and environmental protection within each country.

The outputs of these risk assessments are included in the initial investment papers and are discussed at the Investment Committee meetings.

When the outputs of these risk assessments suggest a high ESG risk, Oakley may itself, or may instruct external consultants to, conduct ESG due diligence and produce reports on significant ESG risks and opportunities. Since mid-2018, the team has used a global database to search for sanctions and adverse media on all transactions.

Post-investment

Once Oakley has invested in a company, the following activities are undertaken:

- Investee companies are required to complete Oakley's ESG questionnaire which assesses their current level of maturity in managing five overarching ESG topics: governance, workplace, marketplace, environment and community;
- Oakley works with investee companies to understand where ESG efforts should be focused, based on an assessment of the materiality of the company's ESG impacts, and progress to date;
- Where ESG risks have been identified, they are considered at Board meetings and the investee company's performance is monitored in relation to the management of ESG issues; and
- Where applicable, Oakley encourages investee companies to discuss ESG issues with their top-tier suppliers, with a view to the identification and improved management of material ESG matters.

Prior to exit

Prior to exiting an investment, Oakley will ensure that information on material ESG issues is captured and made available to potential buyers.

This policy is reviewed on an annual basis by Oakley's RI Committee and will be updated as appropriate.

→ **Oakley is committed to supporting these initiatives and recognises that value can be created from embracing sustainable practices both for investors and the wider community**

ESG In Action: North Sails

> North Sails is the world leader in sail-making and is focused on providing innovative, high-performance products including 3Di, the sail of choice on the majority of America's Cup, Grand Prix, ocean race boats and Superyachts. North Sails also produces and distributes branded apparel throughout Europe and Asia through its partnership network of over 700 chain and independent stores, as well as through proprietary and franchise retail stores across Europe.







North Sails' origins are centred on the sea. In recognition of this close affiliation with the ocean, and as a pioneer in the marine industry, North Sails has developed an environmental mission to raise awareness on the issue of plastic pollution in the ocean, fully supported by Oakley. North Sails is committed to its #GoBeyondPlastic philosophy and supporting the #CleanSeas pledge, a UN Environment Programme focused on reducing plastic usage.

North Sails is at the beginning of a challenging and exciting journey to develop its environmental programmes; however, it has already implemented a number of major initiatives across the group, including:

- The appointment of the North Sails Group Sustainability Officer to lead its environmental initiative. This initiative involves ensuring all local sail lofts around the globe adopt best practices which have been developed in North Sails' leading locations to reduce plastic use. North Sails Group will also work with local marine conservation groups and help participate in regular beach clean-ups. The North Sails R&D lab is also working on cutting edge, innovative ways to recycle sailcloth, which could significantly reduce wastage in North Sails' manufacturing processes.
- Starting from the Spring/Summer 2018 collection, North Sails Apparel is donating 1% of its revenues to the Ocean Family Foundation, a UK-based organisation that supports ocean-related projects, raising awareness with children and influencers, as well as fighting for the protection and preservation of our oceans.
- Season after season, North Sails Apparel is increasing the portion of its collection that is sustainable.
- Most recently, North Sails Group launched a t-shirt collection made entirely out of upcycled cotton and recycled PET bottles. North Sails has introduced environmental, social and governance policies across the group, including adoption of the SA (Social Accountability) 8000 standard, to ensure it conducts its business in a socially responsible and sustainable way. In addition to this, North Sails has issued guidelines to employees to increase awareness of sustainable practices and help reduce the company's impact on the environment. North Sails recognises that there is much more that can be done to protect oceans but has taken the first steps to start mitigating its impact on the seas and reducing the use of plastics.

Oakley is committed to supporting these initiatives and recognises that value can be created from embracing sustainable practices both for investors and the wider community. As the trend for consumers to become increasingly "plastic conscious" continues, so does the relevance of ESG principles for manufacturing businesses. Oakley believes it is important for North Sails to adapt and respond to these challenges.

OCI NAV overview

OCI's NAV and NAV per share increased to £574.8 million and £2.81 respectively, an increase of 14% since 31 December 2017.

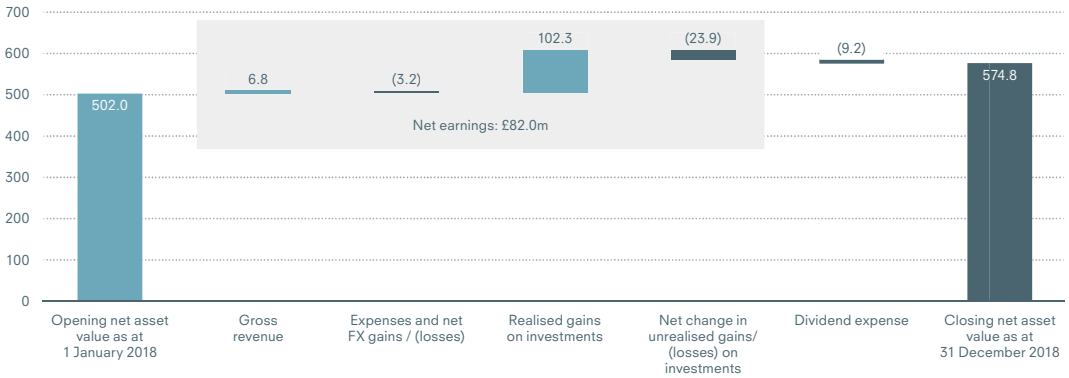
	31 Dec 2017 £m	31 Dec 2018 £m
Opening net asset value at the start of the year	438.4	502.0
Gross revenue	7.7	6.8
Expenses	(6.2)	(6.4)
Net foreign currency gains/(losses)	(0.8)	3.2
Realised gains on investments	23.9	102.3
Net change in unrealised gains/(losses) on investments	20.3	(23.9)
Treasury shares sold	23.3	–
Dividend expense	(4.6)	(9.2)
Closing net asset value at the end of the year	**502.0**	**574.8**
Number of shares in issue	**204.8**	**204.8**
NAV per share	**£2.45**	**£2.81**

Net earnings were £82.0 million for the year, comprising:

- Gross revenue of £6.8 million arising from interest income earned predominantly on the debt facilities provided by the Company.
- Expenses of £6.4 million partly offset by £3.2 million of foreign exchange gains. Expenses include fees paid to the Administrative Agent.
- Realised gains of £102.3 million earned from the realisations that occurred in the Oakley Funds during the year. Net change in unrealised gains/(losses) on investments of £23.9 million, driven predominantly by the decline in the Time Out share price during the year.

A final dividend for the year ended 31 December 2017 of 2.25 pence per share was paid in April 2018, and an interim dividend for the year ended 31 December 2018 of the same amount was paid to shareholders in October 2018, totalling a £9.2 million expense.

Movement in Net Asset Value (£m)



Outstanding commitments of OCI

Outstanding commitments to the Oakley Funds as at 31 December 2018 were £151.8 million. OCI committed €400 million to Fund IV at its first close in early 2019. As this Fund has not started investing yet, the Investment Adviser anticipates the majority of Fund III outstanding commitments will be drawn first as it continues to deploy capital for investments.

The Board has concluded that as Oakley Fund II is in its realisation phase and, having already distributed proceeds of €131.3 million (£115.1 million) to OCI in 2018, and in the light of the expected distributions to be received from the remaining three investments, it is satisfied that OCI will be able to meet its unfunded commitments in the normal course of business.

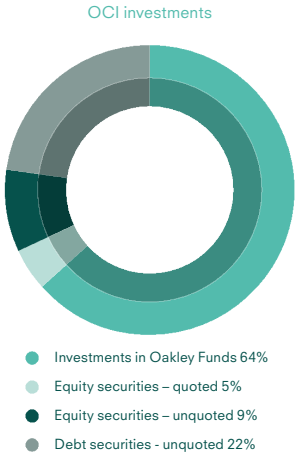
The table below illustrates OCI's outstanding commitments to the Oakley Funds, and their respective percentage of OCI's NAV at 31 December 2018.

Fund	Fund vintage	Current commitment (€m)	Outstanding at 31 Dec 2018 (€m)	Outstanding at 31 Dec 2018 (£m)	% of NAV
Oakley Fund I	2007	188.4	2.6	2.4	0
Oakley Fund II	2013	190.0	13.3	11.9	2
Oakley Fund III	2016	325.8	153.1	137.5	24
			169.0	**151.8**	**26**
Cash and cash equivalents				**(107.9)**	
Net outstanding commitments unfunded by cash resources				**43.9**	**8**

OCI investment activity

The Company's investment portfolio for the year ended 31 December 2018 is summarised below:

Investment	31 Dec 2017 Fair value £m	31 Dec 2018 Fair value £m
Investment in Oakley Funds	282.7	298.6
	282.7	**298.6**
Co-investments		
Equity securities – quoted	41.2	22.3
Equity securities – unquoted	26.2	41.8
Debt securities – unquoted	69.5	107.1
	136.9	**171.2**
Total investments	**419.6**	**469.8**



The following pages explain movements in the underlying portfolios and their respective investments.

OCI investment activity

CONTINUED

Overview of OCI's underlying investments

Fund	Investments	Sector	Location	Year of investment	Residual cost £m	Fair value £m
Fund I	Time Out	Consumer	Global	2010	44.9	20.4
OCI's proportionate allocation of Fund I investments (on a look-through basis)						**20.4**
Other assets and liabilities						(2.3)
OCI's investment in Oakley Fund I						**18.2**
Fund II	North Sails	Consumer	Global	2014	37.6	39.4
Fund II	Inspired	Education	Global	2014	17.2	31.1
Fund II	Daisy	TMT	UK	2015	10.4	15.2
OCI's proportionate allocation of Fund II investments (on a look-through basis)						**85.8**
Other assets and liabilities						(14.0)
OCI's investment in Oakley Fund II						**71.8**
Fund III	Casa & atHome	Consumer	Italy / Luxembourg	2017	26.3	41.8
Fund III	Schülerhilfe	Education	Germany	2017	30.8	39.7
Fund III	WebPros	TMT	Switzerland	2017	24.0	71.5
Fund III	TechInsights	TMT	Canada	2017	0.4	13.4
Fund III	AMOS	Education	France	2017	10.0	15.1
Fund III	Career Partner Group	Education	Germany	2018	30.7	45.6
Fund III	Facile	TMT	Italy	2018	29.4	29.4
OCI's proportionate allocation of Fund III investments (on a look-through basis)						**256.5**
Other assets and liabilities						(47.8)
OCI's investment in Oakley Fund III						**208.6**
Co-investment:						
Equity	Time Out	Consumer	Global	2014	47.2	22.3
Equity	Inspired	Education	Global	2017	18.8	41.8
Debt	Time Out	Consumer	Global	2018	20.0	20.9
Debt	Daisy	TMT	UK	2015	14.2	14.9
Debt	North Sails	Consumer	Global	2014	32.8	40.6
Debt	Fund Facilities	n/a	n/a		n/a	30.6
OCI's co-investments (both equity and debt)						**171.1**
Total OCI investments						**469.7**

The OCI look-through values are calculated using the OCI attributable proportion (determined as the ratio which OCI's commitments to the respective Fund bear to total commitments to that Fund) applied to each investment's fair value as held in the relevant Oakley Fund, net of any accrued performance fees relating to that investment, and converted using the year end EUR:GBP exchange rate.

The "Other assets and liabilities" noted in the table above include OCI's proportion of the Investec debt facilities that are used by Oakley Fund II and Fund III.

Portfolio review

Oakley Fund I investment activity

The investment portfolio of Oakley Fund I is summarised in the table below. Oakley Fund I is denominated in euros, and the year-end exchange rate was used, where applicable. OCI holds a 65.5% interest in Oakley Fund I.

OAKLEY FUND I	31 Dec 2017 Fair value €m	31 Dec 2018 Fair value €m
Time Out	64.3	34.7
Broadstone	0.6	0.6
Total current investments	**64.9**	**35.3**

Oakley Fund I's one remaining investment is Time Out Group plc ("Time Out"). This is a public entity however, and is listed on AIM of the London Stock Exchange. As such, its fair value is determined by a mark-to-market valuation, based on the 31 December 2018 share price of £0.71. There is €0.6 million remaining in fair value for Broadstone at 31 December 2018.

Despite the operational progress made during 2018 in Time Out, the share price performance has been poor, declining from £1.31 at 31 December 2017 to £0.71 at 31 December 2018. This reflects overall stock market weakness, low Time Out share liquidity and delays to delivery of some strategic objectives.

Time Out celebrated its 50th year in 2018 and continues to provide highly regarded professional content to global users across digital, print and physical platforms. Time Out continues to make progress in its two key areas of operational focus:

Time Out Markets

The first Time Out Market in Lisbon continues to exceed expectations, as annual visitors grew a further 11% to c4 million in 2018. Company-owned and operated markets are set to open in Miami, New York, Boston and Chicago in 2019. In Q4 2019, the first franchise location, in partnership with Ivanhoé Cambridge, is expected to open in Montreal. Time Out is in the unique position of being able to attract the best chefs and food offerings in a city, and to drive customers to its locations through its global digital reach.

Time Out Media

Following the successful integration of franchises in Spain, Australia, Hong Kong and Singapore and the expansion of its content, Time Out now owns and operates the Time Out Media business in 288 cities, and has licence agreements in 27 others. Through these recent acquisitions and further improvements in operating structure, Time Out will benefit from a much-rationalised cost base going forward. Furthermore, following a review of revenue lines, Time Out Media has removed low-margin activity, leading to significantly improved gross margins which are expected to continue in 2019. Digital advertising continues to perform well, enjoying industry-leading sales growth. These moves ensured the group delivered significantly lower losses in the second half and remains on track to deliver near-term EBITDA profitability.

As at 31 December 2018, Oakley Fund I had called €198.8 million (£178.5 million) from OCI, including recycled commitments of €13.0 million (£11.7 million).

Portfolio review
CONTINUED

Oakley Fund II investment activity

The investment portfolio of Oakley Fund II is summarised in the table below. Oakley Fund II is denominated in euros, and the year-end exchange rate was used, where applicable. The Company holds a 36.2% interest in Oakley Fund II.

OAKLEY FUND II	31 Dec 2017 Fair value €m	31 Dec 2018 Fair value €m
North Sails	106.1	121.2
Inspired	67.3	106.4
Daisy	55.5	49.8
Facile	123.7	–
Parship Elite Group	111.9	–
Damovo	49.6	–
Verivox	36.8	–
Total investments	**550.9**	**277.4**

Oakley Fund II ("Fund II") had an active year of divestments with four portfolio realisations in 2018, generating proceeds of €435.6 million, with total proceeds received by OCI of €131.3 million (£115.1 million).

In April, Fund II realised its remaining interests in Verivox and Parship Elite Group, both of which had benefited from a partnership with ProSiebenSat.1 Media SE, the leading German broadcaster. Both transactions highlight Oakley's proven ability to benefit from further upside in portfolio companies through the retention of an interest following an initial exit. These sales generated a combined gross money multiple of 4.1x and a combined IRR of 101%, and returned a total of €58.2 million (£50.7 million) to OCI.

In June, Fund II completed the sale of Facile, Italy's leading online price comparison site, having originally invested in the business in September 2014. This represented Oakley's second investment in the price comparison sector following the successful investment in Verivox by both Fund I and Fund II. The sale generated a gross money multiple of 3.7x and an IRR of 51%, and returned €58.8 million (£51.5 million) to OCI. As part of the transaction, Fund III took a minority stake in Facile in order to benefit from Facile's further growth potential.

In August, Fund II sold its stake in telecoms company Damovo, generating a gross money multiple of 5.4x and an IRR of 56%, and proceeds for OCI of €14.0 million (£12.6 million). The transaction represented a continuation of a successful partnership with telecoms entrepreneur Matthew Riley, alongside whom Oakley has also invested in Daisy, demonstrating how Oakley looks to support entrepreneurial partners across multiple transactions.

The remaining three investments showed strong growth in the year, with EBITDA and revenue increases in both Inspired and Daisy. There was further capital of €27.0 million invested in two of these companies by Fund II; €12.1 million in North Sails to fund the development of North Sails Apparel and for M&A activities; and €14.9 million in Inspired for the acquisition of new schools during the year.

In July 2018, Daisy undertook a partial refinancing. This further debt was used to fully repay shareholder loan notes including interest. As part of this transaction Fund II and OCI redeemed their position in the Daisy loan notes, receiving £1.5 million and £13.7 million respectively. Fund II used these proceeds to re-invest back into Daisy with a further equity investment of €1.7 million.

As at 31 December 2018, Fund II had called €176.7 million (£158.6 million) from OCI as at 31 December 2018, representing 93% of its total capital commitments.

Oakley Fund III investment activity

The investment portfolio of Oakley Fund III is summarised in the table below. Oakley Fund III is denominated in euros, and the year-end exchange rate was used, where applicable. The Company holds a 40.7% interest in Oakley Fund III.

OAKLEY FUND III	31 Dec 2017 Fair value €m	31 Dec 2018 Fair value €m
Casa & atHome	140.4	122.0
Schülerhilfe	85.9	113.0
WebPros	40.7	220.9
TechInsights	33.4	43.6
AMOS	17.4	44.0
Career Partner Group	–	132.4
Facile	–	80.4
Total investments	**317.8**	**756.3**

Oakley Fund III ("Fund III") had an active investment year, completing two further acquisitions, two follow-on investments, and two refinancings.

In January, Fund III invested €84.6 million for a 67% stake in Career Partner Group, one of the fastest growing and most highly ranked private providers of higher education and personnel development in Germany.

In June, Fund III invested €80.4 million for a 21% stake in Facile as part of the transaction in which Oakley Fund II exited its investment in full. The Italian online price comparison market is less developed than in other European countries, and Facile's market leading position means it is well-placed to benefit from this future growth potential.

WebPros (formerly known as "Plesk") completed two follow-on investments during 2018, adding scale and geographic coverage. The acquisition of Solus was completed in June at an enterprise value of $12 million, funded from existing cash resources. In September, Plesk acquired cPanel – a provider of one of the internet infrastructure industry's most reliable and intuitive control panel software platforms. Fund III provided further funding of $47.2 million (€40.4 million) in support of the acquisition and now holds a 39.4% stake in the combined group, which has since been renamed WebPros B.V.

In November, AMOS completed the bolt-on acquisition of the Centre Européen de Management Hotelier International ("CMH"). CMH is a leading business school in Paris, focused on the hotel management, luxury brand and tourism sectors, with over 400 students. The acquisition of CMH represents the first addition to the AMOS group as part of a buy-and-build strategy in the French tertiary education sector. Fund III provided funding of €8.5 million in support of the acquisition.

Casa & atHome and TechInsights increased their debt financing during the year, with proceeds of €28.9 million (28% of total cost invested) and €12.7 million (93% of total cost invested) returned to Fund III respectively. OCI received €16.9 million (£15.0 million) from these transactions.

The main driver of the uplift in fair values in the Fund III portfolio at 31 December 2018, was due to the strong and steady performances from the underlying operations of the portfolio, especially WebPros, which accounted for 53%of the uplift.

Oakley Fund III had called €172.7 million (£155.0 million) from OCI as at 31 December 2018, representing 53% of the Company's total committed capital.

Oakley Funds' realisations and distributions

→ Year of intense activity for the Oakley Funds with a total of £130.5 million returned to OCI

The key transactions that were realised during 2018 by the Oakley Funds' are noted below:

PARSHIP ELITE Group

Oakley Fund II
Realisation

- Fund II completed the sale of Parship based on an enterprise value of €440 million to NuCom Group ("NuCom"), ProSiebenSat.1's Commerce unit.
- Total proceeds received by Fund II were €137.9 million.
- This represented a gross money multiple of 4.7x and a gross IRR of 118%.

OCI'S PROCEEDS: £35.6m

Verivox

Oakley Fund II
Realisation

- Fund II completed the sale of Verivox based on an enterprise value of €530 million to NuCom.
- Total proceeds received by Fund II were €53.5 million.
- This represented a gross money multiple of 2.5x and a gross IRR of 44%.

OCI'S PROCEEDS: £15.1m

facile.it

Oakley Fund II
Realisation

- Fund II completed the sale of Facile based on an enterprise value of €445 million to EQT.
- Total proceeds received by Fund II were €198.4 million.
- This represented a gross money multiple of 3.7x and a gross IRR of 51%.

OCI'S PROCEEDS: £51.5m

DAMOVO
UNDERSTAND. DELIVER. IMPROVE.

Oakley Fund II
Realisation

- Fund II completed the sale of Damovo based on an enterprise value of €135 million to Eli Global.
- Total proceeds received by Fund II were €45.1 million, with consideration of €11.4 million expected to be received in late 2019.
- This represented a gross money multiple of 5.4x and a gross IRR of 56%.

OCI'S PROCEEDS: £12.6m

casa.it
atHome

Oakley Fund III
Re-financing

- Casa & atHome was refinanced in March 2018 resulting in a distribution of €28.9 million to Fund III

OCI'S PROCEEDS: £10.5m

Tech Insights

Oakley Fund III
Re-financing

- TechInsights was further refinanced in October 2018 resulting in a distribution of €12.7 million to Fund III.

OCI'S PROCEEDS: £4.6m

Portfolio review: Co-investment activity

The co-investment portfolio as at 31 December 2018 is summarised in the table below:

Co-investments:	31 Dec 2017 Fair value £m	31 Dec 2018 Fair value £m
Equity securities		
Inspired	26.2	41.8
Time Out	41.2	22.3
Debt securities		
North Sails	27.8	40.6
Fund Facilities	13.5	30.6
Time Out	–	20.9
Daisy	28.2	14.9
Total investments	136.9	171.2

Equity securities

Inspired, held by OCPEE Feeder L.P., continues to grow rapidly through acquisition and organically, with expansion into the Middle East, and further acquisitions of schools in Costa Rica, Spain, Italy and Portugal. A further deal was signed to acquire a group of eight premium schools across New Zealand, Vietnam and Indonesia, generating an estimated €24 million EBITDA. With this acquisition, Inspired is now one of the three largest global K-12 groups, with a sizeable platform to pursue further acquisitions in Asia. Enrolment levels and current trading are in line with expectations. This is reflected in the uplift in fair value since 31 December 2017.

Despite the operational progress made during 2018 in Time Out, as discussed on page 35, the share price performance has been poor, declining from £1.31 at 31 December 2017 to £0.71 at 31 December 2018. This reflects overall stock market weakness, low Time Out share liquidity and delays to delivery of some strategic objectives.

Debt securities

The Company provides debt facilities to certain underlying entities and portfolio companies. These debt facilities are provided on an arm's-length basis at competitive market interest rates. The interest income generated from these facilities exceeds the interest earned on OCI's bank deposits, allowing OCI to earn higher returns on part of its cash reserves.

During the year, OCI has earned £6.5 million of interest from the debt facilities provided. During the year, a debt facility provided to North Sails was increased to £25.8 million with £13.1 million drawn at the year end. This was used to provide additional working capital to North Sails Apparel. OCI continues to support the turnaround of North Sails through its growth and the earnings that are expected to be derived from it.

The Company also provides revolving credit facilities to each of the Oakley Funds. Each drawing under these facilities is for no more than one year. The loans are used to fund short-term cash requirements of the Oakley Funds to pay fees and expenses as they fall due. As at 31 December 2018, the Company had outstanding debt facilities of £30.6 million with the Oakley Funds, including accrued interest.

A short-term loan was issued to Time Out during the year bearing 15% interest per annum. Time Out drew a total of £20 million during 2018. Daisy undertook a partial refinancing in July. The financing received was used to fully repay shareholder loan notes including interest. As part of this transaction OCI redeemed its position in the Daisy loan notes and received proceeds of £13.7 million, repaying the full Daisy loan that was outstanding. The Ellisfield loan remains in place at year end with a balance of £14.9 million, earning interest for OCI at a rate of 6.5% per annum.

OCI risk management framework

The Board has developed a set of risk management policies, procedures and controls, and has delegated the management and mitigation of these principal risks to the Risk Committee who provide feedback and oversight to the Board on a regular basis.

The risk governance framework is designed to identify, evaluate and mitigate the risks identified by the Risk Committee as being of significant relevance to the Company in view of its risk profile and risk appetite.

The underlying process aims to assist the Risk Committee to understand and mitigate, rather than eliminate these risks to the Company and, therefore can only provide reasonable and not absolute assurance against loss.

Principal risks and uncertainties

The Board is ultimately accountable for effective risk management within the Company. During the year under review, the Risk Committee has undertaken an exercise to identify, assess and manage the risks within the Company, including those that would threaten its future performance, solvency or liquidity. This review includes the maintenance of a Risk Matrix which documents the key risks and uncertainties of the Company and assesses each risk on a scale, classifying the risks on a RAG (Red, Amber Green) basis depending on their impact on the Company. This Risk Matrix serves as a detailed assessment of the Company's exposure to risks based within five core categories; operational, regulatory, liquidity, company performance and financial performance as summarised below.

Operation risk

The Company has no employees and relies upon the services provided by third parties. The valuation of the underlying portfolio companies, security of the Company's assets, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of the Investment Adviser.

One of the main drivers of OCI's performance is the valuation of the underlying portfolio companies held by the Funds. The Risk Committee monitors the movements in the valuations of the underlying portfolio on a quarterly basis and challenges with the Investment Adviser movements which differ from expectations. At each year end, the Audit Committee performs a rigorous review of the valuation methodologies used and underlying business performances of the portfolio companies, to ensure that valuations are arrived at from a reasonable and fair basis.

Through the newly created Management Engagement Committee, regular reviews of the performance of the service providers (including the Investment Adviser) are conducted. The performance assessment considers cost, efficiency, performance and compliance with the terms of engagement. The results of these reviews are shared periodically with the Board, where engagement of service providers is discussed and approved.

Regulatory risk

General changes in legislation, regulation or government policy could significantly impact upon the markets in which the Company and the underlying Funds invests or could influence the views or decisions of investors. No significant changes in regulation or legislation have occurred in 2018 that materially impacted the Company. Professional advisers are regularly engaged to perform regulatory and compliance reviews to ensure the Company is in line with such regulations and the general counsel of the Investment Adviser reports to the Board periodically on any potential regulatory or compliance changes. The Board receives assurances from its service providers that they have controls in place to monitor and review changes that may impact the Company.

Liquidity risk

The Company invests predominantly in private equity closed-ended funds. It is these funds that invest in unquoted companies. Liquidity in realising these can be constrained, potentially making the timing of the realisations of these investments difficult to estimate. The Investment Adviser's objective is to realise investments that will benefit the Funds' Limited Partners through the close monitoring of the performance and operations of these underlying companies.

The Company maintains a level of liquidity to ensure, so far as can be forecast, that it can meet its capital commitments to the Funds and can participate in any other investments made by Oakley throughout the investment-realisation cycle. Cash flow modelling is performed regularly throughout the investment cycle to enable the Company to manage its liquid resources and to ensure it has the ability to pay commitments as they fall due, whilst also endeavouring to manage any surplus cash.

Company performance

The Company's aim is to provide an attractive return to its shareholders by providing access to a portfolio of high quality private equity assets through its investments in the Oakley Funds and co-investments. Given the consistent income generated from co-investments and increased cash returns from exits in the underlying Funds, the Board took the decision in 2016 to introduce an annual dividend which is currently set at 4.5 pence per share.

The Company paid an interim dividend for the six months to 30 June 2018 in October 2018, to 2.25 pence per share, which is in line with the Board's dividend policy. Total NAV return for 2018 was 16.3% - as referred to in the OCI NAV review section from page 32.

Financial performance

The Company's investment activities expose it to a variety of financial risks that include credit risk, market risk, interest rate risk, currency risk and price risk. Further details are disclosed in Note 5 to the Financial Statements, together with a summary of the policies for managing these risks.

→ The Risk Matrix serves as a detailed assessment of the Company's exposure to risk



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Board of Directors



Caroline Foulger

Chair

Caroline has been an independent Non-executive Director in the financial services industry since early 2013. In addition to her seat on the OCI Board, Caroline currently sits on the Board of a FTSE 250 insurance company, a NYSE listed bank and a number of private companies. Caroline was previously a partner with PwC for 12 years, primarily leading the insurance practice in Bermuda and servicing listed clients with both audit and advisory services and has 25 years' experience in public accounting. Caroline is a Fellow of the Institute of Chartered Accountants in England & Wales, CPA Bermuda and a Member of the Institute of Directors. Caroline is a resident of Bermuda. Caroline is Chair of the Company's Risk Committee.

Current Directorships of publicly listed entities

Non-executive Director of Hiscox Limited
Non-executive Director of The Bank of Butterfield

James Keyes

Non-executive Director

James was a Managing Director of Renaissance Capital, an emerging markets investment bank, from 2008 until 2013. He established the Renaissance Bermuda office and remained with the firm until the office closed in 2013. He was previously a partner of Appleby, the offshore law firm, for 11 years. James joined Appleby in 1993 and was team leader of the Funds and Investment Services Team. Prior to Appleby, he was employed in the corporate department of Freshfields law firm, and worked in the London, New York and Hong Kong offices. James attended Oxford University in England as a Rhodes Scholar and graduated with a degree in Politics, Philosophy and Economics (MA with Honours) in 1985. He was admitted as a solicitor in England and Wales in 1991 and called to the Bermuda Bar in 1993. He became a Notary Public in 1998. James is a resident of Bermuda and was a member of the Company's Audit Committee until November 2018.



Current Directorships of publicly listed entities

None

Laurence Blackall

Non-executive Director



Laurence has 30 years' experience in the information, media and communication industries, pioneering electronic publishing (especially at McGraw Hill where he was a Vice-President) and the internet in the United Kingdom. He has proven expertise in establishing internet companies and developing them through to public offering and subsequent sale. He holds Directorships in a number of public and private companies. Laurence is a resident of the United Kingdom, and is Chair of the Company's Audit Committee.

Current Directorships of publicly listed entities

Non-executive Director of Pembroke VCT plc



Peter Dubens

Non-executive Director

Peter is the founder and Managing Partner of the Oakley Capital Group, a privately-owned asset management and advisory group comprising Private Equity and Venture Capital operations managing over €1.6 billion. Peter founded the Oakley Capital Group in 2002 to be a best-of-breed, entrepreneurially-driven UK investment house, creating an ecosystem to support the companies in which Oakley Capital invests, whether they are early-stage companies or established businesses. David Till serves as an alternate Director to Peter Dubens.

Current Directorships of publicly listed entities

Non-executive Director of Time Out Group plc

Stewart Porter

Non-executive Director



Stewart has over 40 years of operational experience, both within private equity and TMT businesses, the latter being one of Oakley's three core sectors for investment. During his career, Stewart has held positions as COO and CFO at Wilkinson Sword and TI Group, as well as Director of Finance and Business Development for Global Markets at Cable & Wireless. He was a founder and CFO of Pipex Communications plc and was instrumental in the development and successful sale of the Pipex group, helping it to grow from early stage start-up in 2000 to a business with over £400 million of revenues in 2009, mainly driven by a series of 14 acquisitions. Stewart worked as Chief Operating Officer of the Investment Adviser from 2010 until his retirement in 2018. He was appointed as a member of the Audit Committee in November 2018.

Current Directorships of publicly listed entities

None

Corporate Governance report

The Board recognises the importance of sound corporate governance and has chosen to comply with the Association of the Investment Companies ("AIC") Code of Corporate Governance (the "AIC Code"), as is appropriate to the Company's size and listing

The AIC represents closed-ended investment companies whose shares are traded on public markets. The purpose of the AIC Code is to provide a framework of best practice in respect of the governance of investment companies. A copy of the AIC Code is available on AIC's website at www.theaic.co.uk.

The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting consistent with the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Board recognises the importance of sound corporate governance and has chosen to comply with the AIC Code as is appropriate to the Company's size and listing. This report describes the Company's corporate governance practices that were in place or adopted in the year ended 31 December 2018.



Chair's introduction to Corporate Governance

Good corporate governance is a key component of the Company's activities. Governance and oversight of these activities form an integral part of the Company's operations and it is as important as ever to monitor these to create and deliver value to the Company's shareholders. The primary function of the Board is to provide leadership and strategic direction and it is responsible for the overall management and control of the Company. It is through these functions that the Board creates and delivers value and growth for its shareholders.

DIRECTORS' 2018 REMUNERATION

£234k

OCI SHARES HELD BY THE BOARD

9.7m

Statement of independence

The AIC Code recommends that the chair should be independent in character and judgment and free from relationships or circumstances that may affect, or could appear to affect his or her judgment.

In addition to this provision, a majority of the Board of Directors should be independent of the Investment Adviser.

Independence is determined by ensuring that, apart from receiving their fees for acting as Directors or owning shares, Non-executive Directors do not have any other material relationships with, nor derive additional remuneration from or as a result of transactions with, the Company, its promoters, its management or its partners, which in the judgment of the Board may affect, or could appear to affect the independence of their judgment.

Explanation of exceptions

The Company has complied with all recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to the role of the Chief Executive, Executive Directors' remuneration and the need for an internal audit function. The Board considers these provisions are not relevant to the Company with majority of the Company's day-to-day management and administrative functions being outsourced to third parties (investment management and risk management decisions are taken by the Board and its Committees). As a result, the Company has no Executive Directors, employees or internal audit function. The Company has, therefore, not reported further in respect of these provisions. This position is re-assessed on an annual basis.

In the context of the nature, scale and complexity of the Company, certain recommendations of the AIC Code have not been deemed appropriate to the governance framework of the Company, an explanation of which is set out as follows:

- The Company established a separate Nomination and Remuneration Committee at the Board Meeting held in November 2018. However, the Committee was not operational throughout the year and therefore is noted as an exception to the AIC Code. For the year ended 31 December 2018, the Board as a whole considered matters relating to the Non-executive Directors' remuneration. The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate Directors of a quality required to run the Company successfully. An external assessment of Directors' remuneration has not been undertaken. However, the Board does perform informal benchmarking and has made some changes to remunerations for 2019 to provide improved consistency.
- The Board has chosen not to adopt a fixed policy on tenure as recommended by Principle 4 of the AIC Code. While the Board recognises the value of refreshing its members regularly, it does not consider it necessary or appropriate to adopt a policy whereby Directors only serve for limited periods of time. The Directors prefer to retain the flexibility to assess the balance of skills and experience of the Board as a whole. Furthermore, given the long-term nature of the Company's investments, the Directors consider that maintaining some degree of continuity and a long-term perspective at Board level can be particularly valuable.
- The Board has not adopted a formal policy on diversity, as recommended under Principle 9 of the AIC Code. In view of the nature, scale and complexity of the Company, the Board does not consider a specific policy with respect to diversity to be necessary at this time. Diversity of the Board is further considered on at least an annual basis through the Board evaluation process.
- The costs and charges of the Company are disclosed in Notes 15 to 19 in the financial statements. The Board has chosen not to disclose the ongoing charges calculation as the Company is currently working with trade bodies including LPeC to develop consistent disclosure of fees in the industry. The Board will review the policy throughout 2019.
- The Board has chosen to appoint a non-independent Director to the Audit Committee. Whilst Stewart is not independent due to his previous role in Oakley, the Board feels it is appropriate to appoint him to the Committee due to his experience and knowledge of accounting and auditing.

Corporate Governance report

CONTINUED

The Board

The Board was comprised of the Chair, Caroline Foulger, and four other Non-executive Directors at 31 December 2018. The following Directors are not considered independent, Peter Dubens, who is founder and Managing Partner of the Oakley Capital Group, and Stewart Porter, who is a former employee of the Investment Adviser.

Caroline Foulger, James Keyes and Laurence Blackall remain independent despite their individual length of service on the Board, as they are free from any business or other relationship that could materially interfere with their exercise of judgment. The Company does not have a formal policy of tenure in place but assesses each Director's role on an individual basis based on their performance. Peter Dubens and Stewart Porter do not vote on matters in respect of which they are deemed to have a conflict of interest.

On 11 September 2018, it was announced that after 11 years as Chair of the Board, Christopher Wetherhill notified the Board of his intention to retire and step down as Director. Caroline Foulger, a Non-executive Director since joining the Board in 2016, was appointed as Chair in his place. Further to this, on 25 September 2018, the Board announced the appointment of Stewart Porter as a Non-executive Director of OCI.

It is the Board's responsibility to ensure that the Company has a clear strategy and vision, and to oversee the overall management and oversight of the Company, and for its growing success. In particular, the Board is responsible for making investment decisions, monitoring financial performance, setting and monitoring the Company's risk appetite and ensuring that obligations to shareholders are understood and met.

The Directors believe that the Board has an appropriate balance of skills and experience, independence and knowledge of the Company to enable it to provide effective strategic leadership and proper governance of the Company.

Biographies of the Board of Directors, including details of their relevant experience, are available on page 44 and the Company's website at http://oakleycapitalinvestments.com/about-us/board/

Directors' terms of appointment

The terms and conditions of appointment for Non-executive Directors are outlined in their letters of appointment and are available for inspection at the Company's registered office during normal business hours and at the AGM for 15 minutes prior to and during the AGM.

In accordance with the Company's Bye-laws and best practice, Directors retire on a rotational basis, and are then subject to re-election. In accordance with the appointment and rotation policy included in the Bye-Laws of the Company, Caroline Foulger retired and was re-elected at the AGM on 4 July 2018.

The Board's process for the appointment of new Directors is conducted in a manner which is transparent, engaged and open. The Chair takes the lead in the nomination of a new Board member. In summary, the process includes, but is not limited to:

- Reviewing the succession plans and needs for the Chair and Directors
- Seeking the best available candidates considering specific criteria determined by the Board
- Agreeing a short-list of candidates, considering the views of the Company's advisers and the use of a recruitment consultant as necessary
- Conducting interviews both individually and inclusive of the Board as a whole

Only the independent Directors (including the Chair) vote on the election of new candidates. The Board strives to get a unanimous vote on the appointment of the proposed candidate, failing that, a super majority vote will suffice.

AVERAGE DIRECTOR ATTENDANCE AT BOARD MEETINGS



Board meetings

The Board holds four scheduled Board meetings annually, and in 2018 additionally held three further formal meetings to address certain matters coming up between those scheduled meetings. Where necessary, the Directors may seek independent professional advice at the expense of the Company to aid their duties.

Director	Board attendance
Total meetings held	7
Number attended:	
Christopher Wetherhill (retired 10 September 2018)*	5
James Keyes	7
Laurence Blackall	6
Caroline Foulger	6
Peter Dubens	6
Stewart Porter (appointed 24 September 2018)**	1

* Christopher Wetherhill attended all Board meetings in 2018 during the period which he served as a Director.

** Stewart Porter attended all Board meetings held in 2018 following his appointment to the Board.

The principal matters reviewed and considered by the Board during 2018 included:

- Regular reports from the Investment Adviser on the Oakley Funds;
- Regular reports and updates from the Investment Adviser on the co-investments and debt facilities held by the Company;
- Co-investment opportunities;
- Reports and updates from the Administrative Agent;
- Consideration of the Company's share price and net asset value;
- Regular reports from the Board's committees;
- The Annual Report and Accounts and half-yearly Report;
- Reports from external consultants on market and regulatory updates; and
- Corporate matters including dividend policy and share buy-backs.

The Board receives information that it considers to be sufficient and appropriate to enable it to discharge its duties. Directors receive Board papers in advance of Board meetings and are able to consider in detail the Company's performance and any issues to be discussed at the relevant meeting.

Board training

New Directors are provided with an induction programme tailored to the particular circumstances of the appointee and which includes being briefed fully about the Company by the Chair and Senior Executives of the Investment Adviser. The Board determines the training and development needs of both the Board as a whole and of individual Directors.

Information and support

The Board ensures it receives, in a timely manner, information of an appropriate quality to enable it to adequately discharge its responsibilities. Papers are provided to the Directors in advance of the relevant Board or committee meeting to enable them to make further enquiries about any matter prior to the meeting, should they so wish. This also allows the Directors who are unable to attend to submit views in advance of the meeting.

Corporate Governance report

CONTINUED

Board committees

The Board has delegated a number of areas of responsibility to its committees. The Company's Risk committee and Audit committee have continued their important roles, along with the addition of a new Management Engagement committee which was set up during the year. The Board established a separate Nomination and Remuneration committee in November 2018 to take effect from 1 January 2019. For the year ended 31 December 2018, all remuneration decisions are taken by the Board as a whole. The Board assesses each committee's performance on its compliance with its respective Terms of Reference and its members attendance at committee meetings.

Audit committee

The Audit committee is appointed under terms of reference from the Board of Directors, available on the Company's website at: http://oakleycapitalinvestments.com/investor-relations/publications/

The Chairman of the Audit committee is appointed by the Board of Directors. As at 31 December 2018, the Audit committee comprised Laurence Blackall (Chair) and Stewart Porter. The role and responsibility of the Chair of the Audit committee is to set the agenda for meetings of the Audit committee and, in doing so, take responsibility for ensuring the Audit committee fulfils its duties under its terms of reference. These include, but are not limited to:

- Monitoring the integrity of the financial statements of the Company, including its annual and interim reports and any other formal announcement relating to its financial performance.
- Reviewing and reporting to the Board on significant financial reporting issues and judgments which they contain, having regard to matters communicated to it by the auditor.
- Overseeing the relationship with the external auditor including (but not limited to): approval of their remuneration, approval of their terms of engagement, assessing annually their independence and objectivity, monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners and assessing annually their qualifications, expertise and resources and the effectiveness of the audit process.
- Reviewing the adequacy and security of the Company's arrangements for its Directors and the employees of the Investment Adviser and contractors to raise concerns, in confidence about possible wrongdoing in financial reporting or other matters.
- Reporting formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

For more information, please find the full Audit committee report on page 54.

Risk committee

The Risk committee is appointed under terms of reference from the Board of Directors, available on the Company's website at: http://oakleycapitalinvestments.com/investor-relations/publications/

The Risk committee oversees the adequacy and effectiveness of the Company's risk management framework and policies. It is responsible for the oversight of the Company's current and emerging material risks and for the monitoring of the procedures and policies performed in mitigation of those risks. Until September 2018, the Risk committee comprised of Caroline Foulger (Chair) and Christopher Wetherhill. Since Christopher's retirement from the Board in September 2018, the committee falls short of the quorum and therefore, the risk and responsibilities of the Risk committee will be performed by the Board as a whole until a new member of the Risk committee is appointed by the Chair.

The role and responsibility of the Chair of the Risk committee is to set the agenda for meetings of the Risk committee and, in doing so, take responsibility for ensuring that the Risk committee fulfils its duties under its terms of reference. The main role of the Risk committee is to provide oversight to the operation of the risk management framework in relation to all identified risk types, with the exception of Investment Risk which is the responsibility of the Investment Adviser. The responsibilities of the Risk committee include, but are not limited to:

- Monitoring the Company's risk profile in order to confirm the Company is operating within the Board-approved risk appetite
- Recommending risk limits and risk appetite criteria to the Board
- Considering the need for specific risk exposures and ensuring appropriate action is taken where necessary
- Ensuring there is a suitable structure in place to i dentify the changing nature of risks and to react to forward-looking risk issues
- Reviewing risk training programmes to ensure the strengthening of a risk aware culture in the Company
- Reviewing the Company's alignment to relevant Bermudian, UK and EU regulatory standards for systems, controls and conduct of business

Through the Risk committee, the Board has an ongoing process in place for the identification, evaluation and management of these risks.

For more information, please find the full Risk committee report on page 56, and strategic risk management framework on page 40.

Management Engagement committee

The Management Engagement committee is appointed under terms of reference from the Board of Directors, available on the Company's website at: http://oakleycapitalinvestments.com/investor-relations/publications/

The purpose of the committee is to review on a regular basis the appointment, remuneration and performance of the key service providers to the Company. Laurence Blackall is Chair of the committee, and the committee includes any other Independent Director. The role and responsibility of the Chair of the Management Engagement committee is to set the agenda for meetings of this committee and, in doing so, take responsibility for ensuring the committee fulfils its duties under its terms of reference. These include, but are not limited to:

- Monitoring compliance by providers of services to the Company with the terms of their respective agreements
- Reviewing and considering the appointment and remuneration of providers of services to the Company
- Considering any potential conflict of interest which may arise between the providers of services of the Company
- Monitoring the performance of all key service providers
- Monitoring and reviewing the Investment Adviser's performance, taking into account the following factors: contractual arrangements with the Administrative Agent and Investment Adviser; investment performance; cash flow analysis; marketing performance; communication and support
- Providing feedback to the Investment Adviser on its performance, and if necessary, suggesting changes and improvements to the Board.

Corporate Governance report

CONTINUED

The Administrative Agent

Pursuant to an operational services agreement dated 1 April 2017 (the "Operational Services Agreement"), the Company appointed Oakley Capital Manager Limited ("OCML" or the "Administrative Agent") to provide operational assistance and services to the Board with respect to the Company's investments and with its general administration. The Administrative Agent is managed by experienced third-party administrative and operational executives.

The Administrative Agent is responsible for carrying out the day-to-day administrative operations of the Company and provides operational assistance with respect to the Company's investments. The Administrative Agent has entered into an Investment Advisory Agreement with the Investment Adviser to advise on the investment of the assets of the Company. The Investment Adviser also provides administrative support services to the Administrative Agent.

Under the Operational Services Agreement, the Administrative Agent receives an operational services fee equal to 2% per annum of the net asset value (before deduction of any accrued performance fees) of all investments held by the Company except for the investments in and any debt facilities with the Oakley Funds. The fee is *pro rata* for partial period and payable quarterly in arrears.

The Administrative Agent may receive also an advisory fee based on the successful buy-side and sell-side transactions of the Company for any direct equity investments of up to 2% of the equity transaction value as agreed between the parties.

The Administrative Agent also receives a performance fee of 20% of the excess of any proceeds from the full or partial realisation on disposal of each of the Company's co-investments over and above an 8% hurdle rate after the deduction of the original cost of the co-investment and the attributable proportion of all other expenses incurred by the Company in respect of co-investments.

Under the Operational Services Agreement, the Administrative Agent may also recharge costs incurred, either directly or indirectly by its contracted advisors, on behalf of the Company.

The Investment Adviser

Oakley Capital Limited ("Oakley") serves as the Investment Adviser to the Administrative Agent with respect to the Company. It was incorporated in England and Wales in 2000 under the Companies Act 1985 and is authorised and regulated by the Financial Conduct Authority. The Investment Adviser is primarily responsible for making investment recommendations to the Company along with structuring and negotiating deals for the Oakley Funds.

The Investment Adviser does not receive any management or performance fees from the Company. Any fees which are earned by the Investment Adviser are paid by the Administrative Agent.

Administrator and Company Secretary

The Company has appointed Mayflower Management Services (Bermuda) Limited (the "Administrator") to provide administration services pursuant to an Administration Agreement dated 30 July 2007. It receives an annual administration fee at prevailing commercial rates. The Administrator is responsible for the Company's general administrative requirements such as the calculation of the net asset value and net asset value per share and maintenance of the Company's accounting and statutory records.

The Company has also entered into an agreement with Mayflower Corporate Services Limited, a subsidiary of the Administrator to provide corporate secretarial services. Any fees due to Mayflower Corporate Services Limited are paid by the Administrator.

Shareholder communications

Board oversight

The Company places great importance on communication with its shareholders and endeavours to provide clear information, as well as maintaining a regular dialogue with shareholders.

The Investment Adviser briefs the Board on a regular basis with regard to any feedback received from analysts and investors. Any significant concern raised by shareholders in relation to the Company is also communicated to the Board. The Company's Nominated Broker (Liberum Capital Limited) regularly reports directly to the Board at meetings. In addition, research reports published by financial institutions on the Company are circulated to the Board.

AGM

An Annual General Meeting is held each year, where a separate resolution is proposed on each substantially separate issue along with the presentation of the Annual Report and Accounts. All proxy votes are counted and, except where a poll is called, the level of proxies lodged for each resolution is announced at the Meeting and is published on the Company's website. The notice of the Annual General Meeting and related papers are sent to shareholders at least 21 working days before the Meeting.

The Chair and the Directors can be contacted through the Company Secretary, Mayflower Corporate Services Limited, 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Capital Markets Day

An annual Capital Markets Day consists of a presentation to shareholders and analysts by senior Partners of the Investment Adviser and management teams from a selection of Oakley Funds' portfolio companies. The OCI Board attends the Capital Market's Day to be available to shareholders. The event is held in London. The presentations are focused on the performance of the underlying Oakley Funds' investment portfolio.

Public reporting

The Company's Annual Report and Accounts, along with the half-year Financial Statements and other RNS releases are prepared in accordance with applicable regulatory requirements.

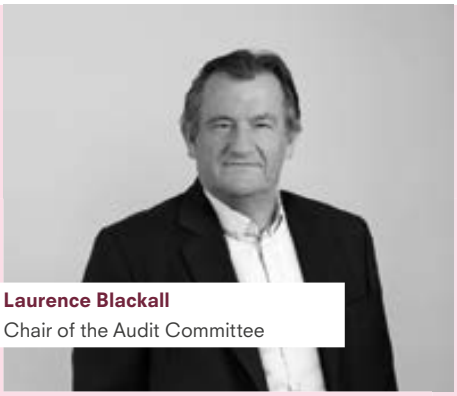
Signed on behalf of the Board

Caroline Foulger
Chair

13 March 2019

Audit Committee report

The Board is supported by the Audit Committee, which comprises two Non-executive Directors. Laurence Blackall is Chair of the Committee and James Keyes served on the Committee until November 2018, when he was replaced by Stewart Porter. The Board would like to thank James for his valuable service on the Committee over the past number of years.



Laurence Blackall
Chair of the Audit Committee

AUDIT COMMITTEE MEMBERS
2

NUMBER OF MEETINGS HELD
4

Objectives for 2019

- Continuing to monitor and review the relationship with the Auditor
- Ensuring the accounting and internal control systems of the service providers are adequate
- Challenging the investment valuation process and methodology to ensure valuations are fairly valued

Achievements in 2018

- Maintaining and monitoring the relationship with the Auditor, and the services it provides the Company
- Concluding that the year-end valuations have been effectively carried out and the investments fairly valued

We are pleased to report on the range of matters which the Audit Committee has considered during the year, the key risks and judgment areas and the decisions applied.

The principal role of the Audit Committee is to consider the following matters and make appropriate recommendations to the Board to ensure that:

- the accounting and internal control systems of the Investment Adviser are adequate;
- the integrity of the Consolidated Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- the independence, objectivity and effectiveness of the appointed Auditor is monitored and reviewed. The Committee additionally reviews their performance in terms of quality, control and value and discusses whether shareholders would be better served by a change of Auditor; and
- the Company's policy on the provision of non-audit services by the Auditor is developed and implemented.

The Audit Committee met four times during the year under review and has continued to support the Board in fulfilling its oversight responsibilities.

Committee meetings

Director	Committee attendance
Total meetings held	4
Number attended:	
Laurence Blackall	4
James Keyes *	4
Stewart Porter **	1

* James Keyes attended all Audit Committee meetings while he served on the Committee in 2018

** Stewart Porter attended all Audit Committee meetings held in 2018 following his appointment to the Board

Review of accounting policies and areas of judgment or estimation

The most significant risk in the Company's accounts is the valuation of the Oakley Funds and of the Company's co-investments and whether those investments are fairly and consistently valued. This issue is considered carefully when the Audit Committee reviews the Company's Annual and Interim Report and Accounts. The Investment Adviser provides detailed explanations of the rationale for the valuation of each investment. These are discussed in detail by the Committee and with the Auditor.

The key area of focus of the Committee is the valuation methodology and underlying business performance of the Oakley Funds' portfolio companies.

The valuations are produced by the Investment Adviser's respective deal teams and are independently reviewed by a professional valuation firm who report on their procedures and the conclusions of their work. The Audit Committee concluded that the year-end valuation process had been effectively carried out and that the investments have been fairly valued.

The Audit Committee reports to the Board after each Audit Committee meeting on the main matters discussed at the meeting.

Audit

The Company's Auditor, KPMG Audit Limited ("KPMG" or "the Auditor"), located in Hamilton, Bermuda, has been Auditor since 2007 and the Audit Committee reviews their performance annually. The Audit Committee considers a range of factors including the quality of service, the Auditor's specialist expertise and the level of audit fee. The Audit Committee remains satisfied with KPMG's effectiveness and therefore has not considered it necessary to date, to require the Auditor to re-tender for the audit work. The Auditor is required to rotate the audit partner every five years. For the year ended 31 December 2018, it is the second year of the audit partner's engagement on the audit of the Company.

The Audit Committee has reviewed the provision of non-audit services by KPMG and believes it to be cost-effective and not an impediment to the Auditor's objectivity and independence. This is assessed by ensuring that KPMG has appropriate measures in place to safeguard its independence. Such measures include ensuring that separate engagement teams provide audit and non-audit services.

The Audit Committee must approve in advance all non-audit work to be carried out by the Auditor for the Company.

On behalf of the Audit Committee

Laurence Blackall
Chair of the Audit Committee

PERCENTAGE OF MEETINGS ATTENDED



Risk Committee report

The Board is supported by the Risk Committee, which until September 2018 comprised two Non-executive Directors, Christopher Wetherhill and Caroline Foulger. Since Christopher's retirement in September 2018, Risk Committee functions have been performed by the Board as a whole. We anticipate appointing a new Non-executive Director in 2019 who will join the Risk Committee and enable us to re-establish the Committee separately as before.



Caroline Foulger
Chair

RISK COMMITTEE MEMBERS *
2

NUMBER OF MEETINGS HELD
3

Objectives for 2019

- Appointing a new Non-executive Director to join the Risk Committee
- Continuing to monitor the key risks identified, reporting to the Board periodically
- Continuing to improve the methodologies and processes used by the Company for identifying, evaluating and monitoring risks

Achievements in 2018

- Monitoring the compliance of the Company with regard to the various regulatory submissions
- Challenging and maintaining the risk framework for the Company ensuring the correct reporting to the Board on key risks for the Company

The Board is pleased to report on the range of matters which the Risk Committee has considered during 2018, the key risks and judgment areas and the decisions applied.

Risk is an integral part of business and the effective identification and management of risks is central to operating a successful business and to the Company achieving its strategic objectives. Having a clear and well understood risk management strategy, assists the Board to ensure the Company achieves an appropriate balance between generating returns for its investors, meeting its regulatory and governance responsibilities, considering the views of other stakeholders and taking proportionate and managed risks. In that respect, the Board has established the Risk Committee to have oversight of those identified risks.

The Risk Committee met three times during the year under review and has continued to support the Board in fulfilling its oversight responsibilities.

Committee meetings

Director	Committee attendance
Total meetings held	3
Number attended:	
Caroline Foulger	3
Christopher Wetherhill	3

* Christopher Wetherhill attended all Risk Committee meetings in 2018 during the period which he served as a Director. After his retirement from the Board in September, a quorum was not met by the Risk Committee and therefore Risk Committee functions were performed by the Board. This will continue until a new Director is appointed to the Risk Committee in 2019.

The principal risks and uncertainties faced by the Company are described below and Note 5 to the Consolidated Financial Statements provides detailed explanations of the risks associated with the Company's financial instruments.

- **Operational:** relates to risks associated with, and supporting the operating environment of, the Company. The operating environment middle and back-office functions such as valuation, accounting, administration and reporting, are primarily performed by service providers. The Company is dependent on its Investment Adviser, the Administrative Agent and their professionals. The Investment Adviser's employees, on behalf of the Administrative Agent, play key roles in the operation of the Company. The departure or reassignment of some or all of these professionals could limit the Company's ability to achieve its investment objectives.
- **Regulatory:** the risk that a change in the laws and regulations will materially impact the business if the Company is not in compliance. The laws and regulations include the AIM Rules, AIFMD requirements, FCA requirements, Bermuda legal and corporate governance requirements. This risk also relates to the quality of the Company's relationship with its regulators.
- **Liquidity:** relates to the risk that the Company's commitments to either meet the capital calls from its investments in the Oakley Funds or to pay its regular dividend will not be met from available cash resources. The Investment Adviser has regard to the liquidity and life-cycle phases of the Oakley Funds when making investment decisions, and the Company manages its liquid resources to ensure sufficient cash is available to meet its contractual commitments. At certain points in the investment cycle, the Company may hold substantial amounts of cash awaiting investment, which it may temporarily invest in government or corporate securities, or in bank deposits.
- **Market:** relates to losses that could be incurred due to changes in external market factors (i.e. prices, volatilities, correlations, foreign exchange, political risk and event risk). The Company faces market risks from its exposures through investing into the Oakley Funds and through its loans or co-investments pursued alongside the Oakley Funds.
- **Counterparty:** relates to losses that could be incurred due to declines in the creditworthiness of entities in which the Company either directly, or through the Oakley Funds invests. From time-to-time the Company may provide bridging or debt finance to other entities, such as the Oakley Funds or underlying portfolio companies. The credit risk of lending to these entities, together with any accumulative risk, is considered on a case-by-case basis by the Board and Risk Committee.
- **Financial:** relates to inadequate controls by the Investment Adviser or other third-party service providers which could lead to misappropriation of assets, inappropriate valuation or incorrect financial reporting. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations. Valuation is particularly judgmental depending as it does upon estimates of future events and circumstances and upon the methodology used.

For further details on how the Company has addressed and mitigated these risks throughout 2018, see the risk management report on page 40.

On behalf of the Risk Committee

Caroline Foulger
Chair

PERCENTAGE OF MEETINGS ATTENDED



Directors' report

The Directors present their report and financial statements for the year ended 31 December 2018. The results for the year are set out in the attached financial statements and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's registered office and principal place of business is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Directors

The Board currently comprises the Chair and four other Non-executive Directors as disclosed in their respective biographies on page 44. During the year, the former Chair, Christopher Wetherhill, retired from the Board, after holding the position for 11 years. The Company would like to thanks Christopher for his valuable contribution to the Company during his tenure. In his place, Caroline Foulger was named Chair of the Board. The Board also welcomed Stewart Porter as a Non-executive Director in September 2018. With over 40 years of operational experience within private equity and TMT businesses, the Board feels he is a valuable addition.

All Directors, other than Peter Dubens and Stewart Porter, are considered to be independent. Peter Dubens and David Till (both Directors of the Investment Adviser), with a team of 19 investment professionals, are together primarily responsible for performing investment advisory obligations with respect to the Company and the Oakley Funds. Peter Dubens is a Director of both the Investment Adviser and the Company and cannot vote on any Board decision relating to the Investment Advisory Agreement whilst he has an interest.

Stewart Porter is a former employee of the Investment Adviser and retired from his role of Chief Operating Officer in June 2018. In line with the AIC Code of Compliance, Stewart is not independent due to his former employment with the Investment Adviser. He will be submitted for re-election on an annual basis in accordance with the Bye-Laws of the Company.

The Company is not aware of any other potential conflicts of interest between any duty of any of the Directors owed to it and their respective private interests.

Share capital

As at the date of this report, the Company had an issued share capital of 204,804,036. The rights attaching to the shares are set out in the Bye-Laws of the Company. There are no restrictions on the transfer of ordinary shares in the capital of the Company other than those which may be imposed by law from time-to-time. There are no special control rights in relation to the Company's shares and the Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights, except for the lock-ups agreed at the time of admission as set out in the prospectus. In accordance with the Disclosure and Transparency Rules, Board members and certain employees of the Company's service providers are required to seek approval to deal in the Company's shares.

Voting rights

In a general meeting of the Company, every holder of shares who is present in person or by proxy shall, on a poll, have one vote for every share of which they are the holder. All the rights attached to a treasury share shall be suspended and shall not be exercised by the Company while it holds such treasury share and, where required by the Act, all treasury shares shall be excluded from the calculation of any percentage or fraction of the share capital or shares of the Company. As at 31 December 2018, the Company does not hold any treasury shares.

Directors' interests in shares

As at 13 March 2019, Directors who are beneficial owners of shares in the Company are:

Director	No. of shares
Caroline Foulger	122,000
Laurence Blackall	200,000
Peter Dubens	9,554,068
Stewart Porter	0
James Keyes	60,000

Save as disclosed above, none of the Directors nor any member of their respective immediate families, nor any person connected with a Director, has any interest whether beneficial or non-beneficial in the share capital of the Company.

Relations with shareholders

The Board recognises that it is important to maintain appropriate contact with major shareholders in order to understand their issues and concerns. Members of the Board have had the opportunity to attend meetings with major shareholders, and the Board receives major shareholders' views of the Company via direct face-to-face contact, analyst and broker briefings.

In addition, the Investment Adviser maintains dialogue with institutional shareholders, the feedback from which is reported to the Board. The Board monitors the Company's trading activity on a regular basis.

The Company reports formally to shareholders twice a year. In addition, current information is provided to shareholders on an ongoing basis through the Company's website.

Corporate responsibility

The Board considers the ongoing interests of shareholders on the basis of open and regular dialogue with the Investment Adviser. The Board receives regular updates outlining regulatory and statutory developments and responds as appropriate.

Significant agreements

The following agreements are considered significant to the Company:

- Oakley Capital Manager Limited ("Administrative Agent") under the Operational Services Agreement
- Oakley Capital Limited ("Oakley") as Investment Adviser to the Administrative Agent, under the terms of the Investment Adviser Agreement
- Mayflower Management Services (Bermuda) Limited and its subsidiary Mayflower Corporate Services Limited, under the Administrator Agreement
- Computershare as Registrar under the Registration Agreement
- KPMG as appointed external Auditor
- Liberum Capital Limited as Nominated Adviser and Broker

Substantial shareholdings

As at 13 March 2019, the Company has received the following notifications of interest of 3% or more in the voting rights attached to the Company's ordinary shares:

Shareholder	% of voting rights
Invesco Perpetual	20.4
Woodford Investment Management	19.8
Asset Value Investors	10.8
FIL Investment International	5.6
OCI Directors, employees and related parties	5.1
Sarasin and Partners	5.0
Rothschild Private Management	4.0
Jon Wood and Family	3.4

Compensation for loss of office

There are no agreements between the Company and its Directors providing for compensation for loss of office that occurs because of a change of control.

Delegation of responsibilities

Under the Operational Services Agreement, the Board has delegated to the Administrative Agent substantial authority for carrying out the day-to-day administrative functions of the Company. The Board has the ultimate decision to invest (or take any other action) in the Oakley Funds or as a co-investment. In the ordinary course it makes decisions after reviewing the recommendations provided by the Investment Adviser on behalf of the Administrative Agent.

The Directors of the Company believe this creates the proper conditions to enhance long-term shareholder value and to achieve a high level of corporate performance.

The exercise of voting rights attached to the Company's underlying investments lies with Oakley. Oakley has a policy of active portfolio management and ensures that significant time and resource is dedicated to every investment, with Oakley executives and Operating Partners typically being appointed to portfolio company boards, in order to ensure the application of active, results-orientated corporate governance.

Directors' report

CONTINUED

Board responsibilities

The Board meets at least quarterly and between these scheduled meetings there is regular contact between Directors and the Investment Adviser as otherwise required for the purpose of considering key investment decisions of the Company.

The Directors are kept fully informed of investments and other matters that are relevant to the business of the Company. Such information is brought to the attention of the Board by the Investment Adviser and by the Administrator in their periodic reports detailing the Company's performance. The Board also receives other information as may, from time-to-time, be reasonably required by the Directors for the purpose of such meetings from the Administrative Agent and other service providers.

For the avoidance of doubt, the Directors do not make investment decisions on behalf of the Oakley Funds, nor do they have any role or involvement in selecting or implementing transactions by the Oakley Funds or in the management of the Oakley Funds.

Employees

The Company does not have any direct employees.

Political donations and expenditure

The Company has made no political donations in the period since incorporation or since admission.

Dividends and distributions

The Board has adopted a dividend policy which takes into account the profitability and underlying performance of the Company in addition to capital requirements, cash flows and distributable reserves. The Company has experienced strong NAV growth in 2018 due to the successful realisations the Oakley Funds have completed in the year and the growth in the Oakley Funds' underlying portfolio companies.

The Company declared a final dividend of 2.25 pence per share in respect of the year ended 31 December 2017, which was paid in April 2018. An interim dividend of 2.25 pence per share was paid by the Company in respect of the six months to 30 June 2018, in October 2018.

Events after the reporting period

The Audit Committee noted the following significant post-balance sheet events:

- On 3 January 2019, the Company committed €400 million to Oakley Capital IV, an exempted limited partnership established in Luxembourg.
- On 13 March 2019, the Board of Directors approved a final dividend of 2.25 pence per share in respect of the financial year ended 31 December 2018. This is due to be paid on 25 April 2019, to shareholders registered on or before 5 April 2019. The ex-dividend date is 4 April 2019.

Going concern

After making enquiries and given the nature of the Company and its investments, the Directors, after due consideration, conclude that the Company should be able to continue for the foreseeable future.

In reaching this conclusion, the Directors have assessed the nature of the Company's assets and considers that adverse investment performance should not have a material impact on the Company's ability to meet its liabilities as they fall due. Accordingly, they are satisfied that it is appropriate to adopt a going concern basis in preparing these financial statements.

Disclosure of information to the auditor

Having made enquiries of fellow Directors and key service providers, each of the Directors confirms that:

- To the best of their knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware; and
- They have taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

AGM

Details of the AGM will be notified to shareholders seperately to this report.

The Directors' report has been approved by the Board and is signed on its behalf by:

Caroline Foulger
Chair

Directors' remuneration report

As the Company is a self-managed investment company with a Board comprised wholly of Non-executive Directors, AIC provisions relating to executive Directors' remuneration are not deemed relevant.

In particular, the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive Directors, employees or internal operations. The Company therefore, not reported further in respect of these provisions.

Remuneration report

The Non-executive Directors who served in the period from 1 January 2018 to 31 December 2018 received the fees detailed in the table below. Directors are remunerated in the form of fees, payable annually in advance, to the Director personally.

Director	Fees £
Christopher Wetherhill	75,000
James Keyes	45,000
Caroline Foulger	55,000
Peter Dubens *	–
Laurence Blackall	45,000
Stewart Porter **	14,000

* Peter Dubens is also a Director of the Investment Adviser and accordingly serves without fee

** Stewart Porter was appointed in September 2018

There are no long-term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company and each Director is appointed by a letter of appointment setting out the terms of their appointment. Directors are elected by shareholders at the AGM.

The table above details the Director's fee paid to each Director of the Company for the year ended 31 December 2018.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable laws and regulations.

Bermuda company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS). Under Bermuda company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it is inappropriate to presume that the Company will continue in business.

The Consolidated Financial Statements are published on www.oakleycapitalinvestments.com. The responsibility for the maintenance and integrity of the website, so far as it relates to the Company, has been delegated to the Investment Adviser. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Financial Statements since they were initially presented on the website.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Bermuda Companies Act (1981 (as amended)). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement of the Directors in respect of the annual financial report

Each of the Directors, whose names and functions are listed in the Board of Directors section of the Annual Report, confirms that, to the best of his/her knowledge:

- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces;
- the consolidated financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and results of the Company, taken as a whole are in compliance with the requirements set out in the Bermuda Companies Act 1981 (as amended);
- the Annual Report includes a fair review of the information which provides an indication of important events and a description of the principal risks and uncertainties the Company faces;
- the Investment Adviser's report, together with the Directors' report and Chair's statement, include a fair review of the information as required; and
- the Annual Report and consolidated financial statements, taken as a whole, provide the information necessary to assess the Company's position and performance, business model and strategy, and is fair, balanced and understandable.

Signed on behalf of the Board of Directors

Caroline Foulger
Chair

13 March 2019

Alternative Investment Fund Managers' Directive

Status and legal form

The Company is a self-managed non-EU Alternative Investment Fund. It is a closed-ended investment company incorporated in Bermuda and traded on AIM of the London Stock Exchange. The Company's registered office is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Remuneration disclosure

The total amount of remuneration paid by the Company, to its Directors was £234,000. This comprised solely of fixed remuneration, no variable remuneration was paid. Fixed remuneration was composed of agreed fixed fees. There were five beneficiaries of this remuneration.



Financial Statements



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Independent Auditor's report

To the Shareholders and Board of Directors of Oakley Capital Investments Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Oakley Capital Investments Limited (the "Company"), which comprise the consolidated balance sheet as at 31 December 2018 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2018 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter that arose is as follows:

Valuation of the unquoted investment portfolio

As discussed in the Audit Committee report on page 54, the accounting policies on pages 75 to 78 and in Notes 6 and 8 to the consolidated financial statements on pages 84 to 85 and 86 to 90, respectively, the Company holds investments in private equity partnerships (the Funds) and unquoted debt securities at 31 December 2018 of £447.4 million, where quoted prices do not exist. Such unquoted equity investments and debt securities are carried at their estimated fair values based upon the principles of the International Private Equity and Venture Capital Association ("IPEV") valuation guidelines.

The valuation of the unquoted private equity partnerships and debt securities held in the Company's investment portfolio is the key driver of its net asset value and total return to shareholders.

The private equity partnerships hold equity investments in unquoted portfolio companies. The valuation of these portfolio companies is complex and requires the application of judgment by the Investment Adviser.

The fair values are based upon the income approach, where estimated future cash flows are discounted at an appropriate interest rate, or the market approach which estimates the enterprise value of the investee using a comparable multiple of revenues or EBITDA, information from recent comparable transactions, or the underlying net asset value.

The risk

The significance of the unquoted investments to the Company's consolidated financial statements, combined with the judgment required in estimating their fair values means this was an area of focus during our audit.

Our response to the risk

We performed the following procedures:

We selected a sample of the unquoted debt securities held by the Company and unquoted equity investments held indirectly through investments in private equity partnerships and performed the following audit procedures:

- Obtained independent confirmations of the existence and accuracy of the unquoted equity investments and debt securities or agreed them to loan agreements;
- Obtained the Investment Adviser's models for valuing the unquoted equity investments and debt securities;
- Determined that the valuation specialists engaged by the Investment Adviser are qualified and independent of the Company;
- Challenged the Investment Adviser on the methodologies followed and key assumptions used in determining the valuations of the unquoted equity investments and debt securities in the context of the IPEV valuation guidelines;
- Obtained management information, including budgets and forecasts for revenues and EBITDA, which are the key inputs used in the valuation models by the Investment Adviser and compared this information to that used in the models;
- Independently sourced multiples for comparable companies used by the Investment Adviser, considered whether those companies are comparable to the investee and compared them to the multiples used in the valuations;
- Tested the mathematical accuracy of the valuation models;
- Tested the disclosures made about the unquoted equity investments and debt securities in the Notes to the consolidated financial statements for compliance with IFRS; and
- Monitored any events that emerged in the post balance sheet period (up to the date of signing the Company's consolidated financial statements) that would have a potential impact on the value of the unquoted equity investments and debt securities held at the year-end.

Other information in the Annual Report

Management is responsible for the other information contained within the Annual Report. The other information comprises the overview, strategic report by the Investment Adviser, and governance sections.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's report

CONTINUED

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James Berry.

KPMG Audit Limited

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda

13 March 2019

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Income			
Interest income	13	6,629	7,722
Net realised gains on investments at fair value through profit and loss	6, 7	102,314	23,991
Net change in unrealised gains/(losses) on investments at fair value through profit and loss	6, 7	(23,877)	20,316
Net foreign currency gains/(losses)		3,149	(839)
Other income		217	306
Total income		88,432	51,496
Expenses	14	(6,045)	(6,529)
Operating profit		82,387	44,967
Interest expense		(389)	(42)
Profit attributable to equity shareholders/total comprehensive income		81,998	44,925
Earnings per share			
Basic and diluted earnings per share (pence)	22	£0.40	£0.22

The Notes on pages 74 to 100 are an integral part of these financial statements.

Consolidated balance sheet

AS AT 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Assets			
Non-current assets			
Investments	6, 8	469,749	419,627
		469,749	419,627
Current assets			
Trade and other receivables	11	11	668
Cash and cash equivalents	10	107,888	117,836
		107,899	118,504
Total assets		577,648	538,131
Liabilities			
Current liabilities			
Trade and other payables	12	2,826	36,091
Total liabilities		2,826	36,091
Net assets attributable to shareholders		574,822	502,040
Equity			
Share capital	24	2,048	2,048
Share premium	24	244,533	244,533
Retained earnings		328,241	255,459
Total shareholders' equity		574,822	502,040
Net asset per ordinary share			
Basic and diluted net assets per share	23	£ 2.81	£ 2.45
Ordinary shares in issue at 31 December ('000)	24	204,804	204,804

The Notes on pages 74 to 100 are an integral part of these financial statements.

The financial statements of Oakley Capital Investments Limited (registration number: 40324) on pages 70 to 100 were approved by the Board of Directors and authorised for issue on 13 March 2019 and were signed on their behalf by:

Caroline Foulger
Director

Laurence Blackall
Director

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £'000	Share premium £'000	Treasury shares £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1 January 2017	2,069	246,245	(25,024)	215,142	438,432
Profit for the year/total comprehensive income	–	–	–	44,925	44,925
Sale of treasury shares	–	(259)	23,550	–	23,291
Cancellation of treasury shares	(21)	(1,453)	1,474	–	–
Dividends	–	–	–	(4,608)	(4,608)
Total transactions with equity shareholders	(21)	(1,712)	25,024	(4,608)	18,683
Balance at 31 December 2017	2,048	244,533	–	255,459	502,040
Profit for the year/total comprehensive income	–	–	–	81,998	81,998
Dividends	–	–	–	(9,216)	(9,216)
Total transactions with equity shareholders	–	–	–	(9,216)	(9,216)
Balance at 31 December 2018	2,048	244,533	–	328,241	574,822

The Notes on pages 74 to 100 are an integral part of these financial statements.

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Purchases of investments		(165,302)	(167,047)
Sales of investments		158,712	167,773
Interest income received		7,077	7,001
Expenses paid		(4,196)	(5,967)
Interest expense paid		(389)	(42)
Other income received		217	306
Net cash (used in)/provided by operating activities		(3,881)	2,024
Cash flows from financing activities			
Proceeds from treasury shares sold	24	–	23,291
Dividends paid	25	(9,216)	(13,149)
Net cash (used in)/provided by financing activities		(9,216)	10,142
Net (decrease)/increase in cash and cash equivalents		(13,097)	12,166
Cash and cash equivalents at the beginning of the year		117,836	106,509
Effect of foreign exchange rate changes		3,149	(839)
Cash and cash equivalents at the end of the year	10	107,888	117,836

The Notes on pages 74 to 100 are an integral part of these financial statements.

Notes to the consolidated financial statements

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Reporting entity

Oakley Capital Investments Limited (the "Company") is a closed-ended 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 the following four 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. (the "Fund II Master") collectively comprise "Fund II";
- 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. (the "Fund III Master") collectively comprise "Fund III"; and
- OCPE Education (Feeder) L.P., which together with OCPE Education L.P. collectively comprise "OCPE Education".

Fund I, Fund II, Fund III and OCPE Education are all constituent limited partnerships and are exempted limited partnerships established in Bermuda.

The defined term "Company" shall, where the context requires for the purposes of consolidation, include the Company's sole and wholly owned subsidiary, OCIL Financing (Bermuda) Limited ("OCI Financing").

The Company listed on AIM of the London Stock Exchange Limited on 3 August 2007, with "OCI" as its listed ticker.

2. Basis of preparation

The consolidated financial statements of the Company have been prepared on a going concern basis and under the historical cost convention, except for financial instruments at fair value through profit and loss, which are measured at fair value.

The Board of Directors consider that it is appropriate to adopt the going concern basis of accounting in preparing these consolidated financial statements. In reaching this assessment, the Board of Directors have considered a wide range of information relating to the present and future conditions, including the consolidated balance sheet, future projections, cash flows and the longer-term strategy of the Company.

2.1 Basis for compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS").

2.2 Functional and presentation currency

The consolidated financial statements are presented in pounds sterling ("pounds"), which is the Company's functional currency.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

The following amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2018, and have been applied in preparing these consolidated financial statements.

A. IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 contains a new classification and measurement approach for financial assets with three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income and fair value through profit and loss. It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities as the new requirements affect only the accounting of financial liabilities specifically classified at fair value through profit or loss. The Company does not have such liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies relating to financial assets or financial liabilities.

Under IAS 39, the Company classified its investments in private equity funds, direct investments and loans to the Funds, portfolio companies and other loans (herein referred to as "unquoted debt securities") as financial assets held at fair value through profit and loss. These investments were managed on a fair value basis and their performances were monitored on this basis. The Company has elected to continue to classify these investments as financial assets held at fair value through profit and loss under IFRS 9 and no changes to retained earnings are required.

Trade and other receivables were classified at amortised cost under IAS 39. The Company continues to classify it as amortised cost under IFRS 9 and no adjustments to the consolidated financial statements are required.

ii. Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward looking "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost and debt investments at fair value through other comprehensive income, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets held by the Company at amortised cost consist of trade receivables and cash and cash equivalents. Due to the nature of these financial assets, the Company does not believe that the risk of impairment is significant and has determined that the credit risk at the reporting date is low and does not significantly increase after initial recognition.

iii. Hedge accounting

The new hedge accounting model introduced by IFRS 9 requires hedge accounting relationships to be aligned with the Company's risk management strategy and objectives, and to apply a more qualitative and forward-looking approach to assessing their effectiveness. Hedge accounting relationships are to be discontinued only when the relationships no longer qualify for hedge accounting.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Significant accounting policies continued

(a) New and amended standards adopted by the Company continued

iii. Hedge accounting continued

The Company does not currently apply hedge accounting and changes to hedge accounting due to IFRS 9 does not affect the Company.

The Company has elected to apply IFRS 9 retrospectively.

B. IFRIC 22 Foreign currency transactions and advance consideration

IFRIC 22 (the "Interpretation") clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

This Interpretation does not have any impact on the Company's consolidated financial statements.

Several other amendments and interpretations apply for the first time effective 1 January 2018 but do not have a material effect on the Company's consolidated financial statements and did not require retrospective adjustments.

(b) New standards, amendments and interpretations that are not yet effective and might be relevant for the Company:

A number of standards have been issued but are not yet effective as at the year end. The Company is currently in the process of analysing the impact of these new standards, amendments to existing standards and annual improvements to IFRS in detail but these are not expected to have a material effect on the consolidated financial statements of the Company.

3.2 Basis for consolidation

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. While the Company may have a greater than 50% ownership interest in a Fund, it is a limited partner and does not have the ability to affect the decisions of the Fund's General Partner or the returns of the Funds. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary, after the elimination of all significant intercompany balances and transactions. The financial statements of the Company's sole wholly owned subsidiary, OCI Financing, are included in the consolidation. As at 31 December 2018, the Company holds $29,201,704 share capital in OCI Financing (2017: $29,201,704).

As per IFRS 10, investment entities are exempted from consolidating controlled investees. The Company meets the definition of an investment entity, as the following conditions are met:

- The Company provides investment management services.
- The business purpose of the Company is to invest into private equity funds and to purchase, hold and dispose of investments directly in portfolio companies with above-average growth potential with the goal of achieving returns from capital appreciation and investment income.
- The performance of these investments is measured and evaluated on a fair value basis.
- The Company holds multiple investments.

The Company therefore measures its investments at fair value through profit and loss in accordance with the investment entity exemption. The Company does not consolidate any of its investments in the Funds.

3.3 Investments

(a) Classification

The Company classifies its investments in private equity funds, direct investments and loans as financial assets held at fair value through profit and loss at inception.

Financial assets held at fair value through profit and loss at inception are assets that are managed and their performance evaluated on a fair value basis in accordance with the Company's investment strategy.

(b) Recognition and measurement

Financial assets held at fair value through profit and loss are recognised initially on the trade date. Financial assets held at fair value through profit and loss are recognised initially at fair value, with transaction costs recognised in profit or loss.

Net gains and losses from financial assets held at fair value through profit and loss include all realised and unrealised fair value changes and foreign exchange differences and are included in the consolidated statement of comprehensive income in the period in which they arise.

Quoted investments are subsequently carried at fair value. Fair value is measured using the closing bid price at the reporting date, where the investment is quoted on an active stock market.

Unquoted investments, including both equities and loans, are subsequently carried in the consolidated balance sheet at fair value. Fair value is determined in line with the Company's investment valuation policy, which is compliant with the fair value guidelines under IFRS 13 and the International Private Equity and Venture Capital (IPEV) Valuation Guidelines.

(c) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest on such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3.4 Cash and cash equivalents

Cash and cash equivalents include deposits held on call with banks and other short-term deposits. The Company considers all short-term deposits with a maturity of 90 days or less as equivalent to cash.

3.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for impairment, using the effective interest method.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Significant accounting policies continued

3.6 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired or received in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.7 Interest income

Interest on unquoted debt securities held at fair value through profit and loss is accrued on a time-proportionate basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts over the expected life of the debt security to its net carrying amount on initial recognition. Interest income is recognised gross of withholding tax, if any. Interest income on unquoted debt securities is recognised as a separate line item in the consolidated statement of comprehensive income and classified within operating activities in the consolidated cash flows statement.

3.8 Expenses

Expenses are recognised on the accruals basis.

3.9 Foreign currency translation

The functional currency of the Company is pounds. Transactions in currencies other than pounds are recorded at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, investments and other monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Capital drawdowns and proceeds of distributions from the Funds and foreign currencies and income and expense items denominated in foreign currencies are translated into pounds 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 foreign currency gains and losses in the consolidated statement of comprehensive income.

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 gains or losses on investments in the consolidated statement of comprehensive income.

3.10 Share capital

Ordinary shares issued by the Company are recognised based on the proceeds or fair value received, with the excess of the amount received over their nominal value being credited to the share premium account. Direct issue costs are deducted from equity.

3.11 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares.

4. Critical accounting estimates, assumptions and judgment

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its consolidated financial statements. IFRS require the Board of Directors, in preparing the Company's consolidated financial statements, to select suitable accounting policies, apply them consistently and make judgments and estimates that are reasonable and prudent. The Company's estimates and assumptions are based on historical experience and the Board of Directors' expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The judgments, assumptions and estimates involved in the Company's accounting policies that are considered by the Board of Directors to be the most important to Company's results and financial condition are the fair valuation of the investments and the assessment regarding investment entities.

(a) Fair valuation of investments

The fair values assigned to investments held at fair value through profit and loss are based upon available information and do not necessarily represent amounts which might ultimately be realised. Because of the inherent uncertainty of valuation, these estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed, and those differences could be material.

Investments held at fair value through profit and loss are valued by the Company in accordance with relevant IFRS requirements. Judgment is required in order to determine the appropriate valuation methodology under these standards and subsequently in determining the inputs into the valuation models used. These judgments include making assessments of the future earnings potential of portfolio companies, appropriate earnings multiples to apply, estimating future cash flows and determining appropriate discount rates.

(b) Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit and loss.

The Board of Directors has concluded that the Company meets the definition of an investment entity as its strategic objective is to invest in portfolio investments on behalf of its investors for the purpose of generating returns in the form of investment income and capital appreciation.

5. Financial risk management

5.1 Introduction and overview

The Board of Directors, the Company's Risk Committee (the "Risk Committee") and Oakley Capital Limited (the "Investment Adviser") attribute great importance to professional risk management, proper understanding and negotiation of appropriate terms and conditions and active monitoring, including a thorough analysis of reports and financial statements and ongoing review of investments made. It is also key to structure the investment vehicles for the portfolio taking into account issues such as liquidity and tax. The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Investment Adviser provides the Board of Directors with recommendations as to the Company's asset allocation and annual investment levels that are consistent with the Company's objectives. The Risk Committee reviews and agrees policies for managing the risks as summarised below.

The Company has exposures to the following risks from financial instruments: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and price risk). The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

5. Financial risk management continued

5.2 Credit risk

The Company is subject to credit risk on its unquoted investments and cash. The schedule below summarises the Company's exposure to credit risk on its cash and unquoted investments.

	2018		2017	
	Total £'000	Rating (Moody's)	Total £'000	Rating (Moody's)
Cash at HSBC	27,135	A2	29,868	A2
Cash at Barclays	80,641	A2	87,855	A1
Cash at Lloyds	112	Aa3	113	Aa3
Investments in Funds	340,370	n/a	308,943	n/a
Investments in debt securities	107,059	n/a	69,502	n/a

In accordance with the Company's policy, the Investment Adviser monitors the Company's exposure to credit risk on cash on a quarterly basis and the Risk Committee regularly reviews the Company's exposure to credit risk. The credit quality of the investments in the funds and unquoted equity and debt securities, which are held at fair value and include debt and equity elements, is based on the financial performance of the individual investments and they are not rated.

5.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Company. The Company's policy and the Investment Adviser's approach to managing liquidity is to have sufficient cash available to meet its liabilities, including estimated capital calls, without incurring undue losses or risking damage to the Company's reputation.

Unfunded commitments to the Funds are irrevocable and can exceed cash and cash equivalents available to the Company. Based on current short-term cash flow projections and barring unforeseen events, the Company expects to be able to honour all capital calls by the Funds.

As of 31 December 2018 cash and cash equivalents of the Company amount to £107,888,282 (2017: £117,836,056). The Company has total unfunded capital and loan commitments of £187,476,040 (2017: £251,900,575) relating to the Funds with the option of further investment to OCPE Education but no commitment. The unfunded commitments of the Company are listed in Note 26. As per the Company's Bye-laws, the Company can borrow up to 25% of total shareholders' equity which would equal approximately £143,705,500 for the year ending 31 December 2018 (2017: £125,510,000). As at 31 December 2018, the Company has incurred no borrowings (2017: nil).

The majority of the investments held by the Company are unquoted and subject to specific restrictions on transferability and disposal. Consequently, the risk exists that the Company might not be able to readily dispose of its holdings in such markets at the time of its choosing and also that the price attained on a disposal may be below the amount at which such investments were included in the Company's consolidated balance sheet.

The table below analyses the Company's consolidated financial liabilities based on the remaining period between the balance sheet date and the contractual maturity date. The amounts in the schedule are the contractual undiscounted cash flows. Balances due within 12 months equal their fair values, as the impact of discounting is not significant. In accordance with the Company's policy, the Investment Adviser monitors the Company's liquidity position and the Risk Committee reviews it on a regular basis.

	2018 £'000	2017 £'000
Trade and other payables		
• Less than 1 month	–	34,457
• 1 – 3 months	2,826	1,634
Total trade and other payables	2,826	36,091

5.4 Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company's sensitivity to these items is set out below.

a) Interest rate risk

Interest rate risk arises principally from changes in interest receivable on cash and deposits. The Company holds unquoted debt securities at fixed rates of interest and is therefore exposed to interest rate risk.

The impact of an increase or decrease on interest rates of 100 basis points on cash and deposits, based on the closing consolidated balance sheet position over a 12 month period, would have been:

	2018		2017	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Impact on interest income from cash and deposits	1,226	(1,226)	840	(840)
Impact on profit/(loss)	1,226	(1,226)	840	(840)

The Company's unquoted debt investments consist of mezzanine loans, financing loan facilities, revolving loan facilities and senior secured loans, which carry fixed rates of interest ranging from 6.5 % to 15%. These loans are subject to interest rate risk as increases and decreases in interest rates will have an impact on their fair value. A 100 basis point increase in interest rates would result in a decrease in fair value of those loans of £2,426,686 and a corresponding decrease of 100 basis points in interest rates would result in an increase in their fair value by the same amount (2017: £1,523,034).

In addition, the Company has indirect exposure to interest rates through changes to the financial performance and valuation in equity investments in the Funds and portfolio companies that have issued debt caused by interest rate fluctuations. Short term receivables and payables are excluded as the risks due to fluctuation in the prevailing levels of market interest rates associated with these instruments are not significant and is limited to the Company's investment in these Funds.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

5. Financial risk management continued

5.4 Market risk continued

b) Currency risk

The Company holds assets and liabilities denominated in currencies other than its functional currency, which expose the Company to the risk that the exchange rates of those currencies against the pound will change in a manner which adversely impacts the Company's net profit and net assets attributable to shareholders. The following sensitivity analysis is presented based on the sensitivity of the Company's net assets to movements in foreign currency exchange rates assuming a 10% increase in exchange rates against the pound. A 10% decrease in exchange rates against the pound would have an equal and opposite effect.

	2018		2017	
	Euro £'000	US dollar £'000	Euro £'000	US dollar £'000
Assets:				
Financial assets at fair value through profit and loss	34,041	–	30,894	–
Cash and cash equivalents	8,236	–	9,277	–
Trade and other receivables	–	–	67	–
Total assets	42,277	–	40,238	–
Liabilities:				
Trade and other payables	–	–	(3,475)	(9)
Total liabilities	–	–	(3,475)	(9)
Impact on profit/(loss)	42,277		36,763	(9)

The Investment Adviser monitors the Company's currency position on a regular basis and reports the impact of currency movements on the performance of the investment portfolio to the Risk Committee quarterly. As per the Company's investment policy, all investments in quoted equity securities and unquoted equity and debt securities are denominated in pounds, placing currency risk on the counterparty. The investments in the Funds are denominated in euros.

c) Price risk – market fluctuations

The Company's management of price risk, which arises primarily from quoted and unquoted equity instruments, is through the selection of financial assets within specified limits as advised by the Investment Adviser and approved by the Risk Committee.

For quoted equity securities, the market risk variable is deemed to be the market price itself. A 15% change in the price of those investments would have the following direct impact on the consolidated statement of comprehensive income:

	2018		2017	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Quoted equity investments:				
15% movement in price of listed investment				
Impact on profit/(loss)	3,348	(3,348)	6,177	(6,177)
Impact on net assets attributable to shareholders	3,348	(3,348)	6,177	(6,177)

For the investment in the Funds and unquoted equity securities, the market risk is deemed to be the change in fair value. A 15% change in the fair value of those investments would have the following direct impact on the consolidated statement of comprehensive income:

	2018		2017	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Funds and unquoted equity securities:				
15% movement in price of Funds and unquoted equity securities				
Impact on profit/(loss)	51,056	(51,056)	46,341	(46,341)
Impact on net assets attributable to shareholders	51,056	(51,056)	46,341	(46,341)

The Company is exposed to a variety of market risk factors which may change significantly over time. As a result, measurement of such exposure at any given point in time may be difficult given the complexity and limited transparency of the investments held by the underlying portfolio companies.

Limitations of sensitivity analysis

The sensitivity information included in Notes 5 and 8 demonstrates the estimated impact of a change in a major input assumption while other assumptions remain unchanged. In reality, there are normally significant levels of correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results. Furthermore, estimates of sensitivity may become less reliable in unusual market conditions such as instances when risk free interest rates fall towards zero.

5.5 Capital management

The Company's capital is represented by ordinary shares with £0.01 par value and they carry one vote each. The shares are entitled to dividends when declared. The Company has no additional restrictions or specific capital requirements on the issuance and re-purchase of ordinary shares. The movements of capital are shown in the consolidated statement of changes in equity.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to achieve positive returns in all market environments. In order to maintain or adjust the capital structure, the Company may return capital to shareholders through the issue and repurchase of shares or by paying dividends. The effects of the issue, the repurchase and resale of shares as a result of market making activities are listed in Note 24. Liberum Capital Limited acts as the Company's nominated adviser and broker.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

6. Investments

Investments as at 31 December 2018

	2017 Fair value £'000	Purchases/ capital calls £'000	Total sales*/ distributions £'000	Realised gains/ (losses) £'000	Interest and other £'000	Net change in unrealised gains/ (losses) £'000	2018 Fair value £'000
Oakley Funds							
Fund I	36,551	–	–	–	–	(18,392)	18,159
Fund II	137,054	15,732	(115,337)	103,988	–	(69,643)	71,794
Fund III	109,058	43,097	(15,189)	(1,674)	–	73,336	208,628
Total Oakley Funds	282,663	58,829	(130,526)	102,314	–	(14,699)	298,581
Co-investment Fund							
OCPE Education (Feeder) LP	26,280	5,825	–	–	–	9,684	41,789
Total co-investment Fund	26,280	5,825	–	–	–	9,684	41,789
Total Funds	308,943	64,654	(130,526)	102,314	–	(5,015)	340,370
Quoted equity securities							
Time Out Group plc	41,182	–	–	–	–	(18,862)	22,320
Total quoted equity securities	41,182	–	–	–	–	(18,862)	22,320
Unquoted debt securities							
Daisy Group Holdings Limited	12,701	–	(13,748)	–	1,047	–	–
Ellisfield (Bermuda) Limited	15,455	–	(1,528)	–	962	–	14,889
Fund I	6,351	7,711	(7,466)	–	439	–	7,035
Fund II	–	24,386	(7,224)	–	250	–	17,412
Fund III	–	4,011	–	–	22	–	4,033
NSG Apparel BV	24,615	–	–	–	1,954	–	26,569
Oakley Capital III Limited	7,168	–	(5,303)	–	304	–	2,169
Oakley NS (Bermuda) LP	3,212	10,113	–	–	713	–	14,038
Time Out Group plc	–	19,970	–	–	944	–	20,914
Total unquoted debt securities	69,502	66,191	(35,269)	–	6,635	–	107,059
Total investments	419,627	130,845	(165,795)	102,314	6,635	(23,877)	469,749

* Total sales include sales, loan repayments and transfers

Investments as at 31 December 2017

	2016 Fair value £'000	Purchases/ capital calls £'000	Total sales*/ distributions £'000	Realised gains/ (losses) £'000	Interest and other £'000	Net change in unrealised gains/ (losses) £'000	2017 Fair value £'000
Oakley Funds							
Fund I	64,906	12,309	(17,847)	–	–	(22,817)	36,551
Fund II	144,015	12,319	(49,183)	18,274	–	11,629	137,054
Fund III	2,333	99,962	(11,427)	(2,683)	–	20,873	109,058
Total Oakley Funds	211,254	124,590	(78,457)	15,591	–	9,685	282,663
Co-investment Fund							
OCPE Education (Feeder) LP	–	39,932	(35,355)	8,400	–	13,303	26,280
Total co-investment Fund	–	39,932	(35,355)	8,400	–	13,303	26,280
Total Funds	211,254	164,522	(113,812)	23,991	–	22,988	308,943
Quoted equity securities							
Time Out Group plc	43,854	–	–	–	–	(2,672)	41,182
Total quoted equity securities	43,854	–	–	–	–	(2,672)	41,182
Unquoted debt securities							
Bellwood Holdings Ltd	–	1,878	(1,970)	–	92	–	–
Daisy Group Holdings Limited	17,202	–	(6,610)	–	2,109	–	12,701
Ellisfield (Bermuda) Limited	14,530	–	–	–	925	–	15,455
Fund I	12,256	7,288	(13,844)	–	651	–	6,351
Fund II	4,337	18,661	(23,551)	–	553	–	–
Fund III	–	1,319	(1,356)	–	37	–	–
NSG Apparel BV	21,978	–	–	–	2,637	–	24,615
Oakley Capital II Limited	768	–	(769)	–	1	–	–
Oakley Capital III Limited	5,210	3,470	(1,872)	–	360	–	7,168
Oakley NS (Bermuda) LP	–	2,940	–	–	272	–	3,212
OCPE Education LP	–	1,426	(1,432)	–	6	–	–
TO (Bermuda) Limited	9,480	–	(9,826)	–	346	–	–
Total unquoted debt securities	85,761	36,982	(61,230)	–	7,989	–	69,502
Total investments	340,869	201,504	(175,042)	23,991	7,989	20,316	419,627

* Total sales include sales, loan repayments and transfers

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

7. Net gains/(losses) from investments at fair value through profit and loss

	2018 £'000	2017 £'000
Net change in unrealised gains/(losses) on investments at fair value through profit and loss:		
Funds	(5,015)	22,988
Quoted equity securities	(18,862)	(2,672)
Unquoted debt securities	–	–
Total net change in unrealised gains/(losses) on investments at fair value through profit and loss	(23,877)	20,316
Realised gains/(losses) on investments at fair value through profit and loss:		
Funds	102,314	23,991
Quoted equity securities	–	–
Unquoted debt securities	–	–
Total realised gains/(losses) on investments at fair value through profit and loss	102,314	23,991

8. Disclosure about fair value of financial instruments

The Company has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The Company classifies financial instruments measured at fair value in the investment portfolio according to the following hierarchy:

- Level I: Quoted prices (unadjusted) in active markets for identical instruments that the Company can access at the measurement date. Level I investments include quoted equity instruments.
- Level II: Inputs other than quoted prices included within Level I that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level III: Inputs that are not based on observable market data. Level III investments include private equity funds, unquoted equity and debt securities.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the instrument. The determination of what constitutes 'observable' requires significant judgment by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses the Company's investments measured at fair value as of 31 December 2018 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level III £'000	Total £'000
Funds	–	340,370	340,370
Quoted equity securities	22,230	–	22,230
Unquoted debt securities	–	107,059	107,059
Total investments measured at fair value	22,230	447,429	469,749

The following table analyses the Company's investments measured at fair value as of 31 December 2017 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level I £'000	Level III £'000	Total £'000
Funds	–	308,943	308,943
Quoted equity securities	41,182	–	41,182
Unquoted debt securities	–	69,502	69,502
Total investments measured at fair value	41,182	378,445	419,627

Level I

Quoted equity investment values are based on quoted market prices in active markets, and are therefore classified within Level I investments. The Company does not adjust the quoted price for these investments.

Level II

The Company did not hold any Level II investments as of 31 December 2018 or 31 December 2017.

Level III

The Company has determined that Funds and unquoted debt securities fall into the category Level III. Funds and unquoted debt securities are measured in accordance with the IPEV Valuation Guidelines with reference to the most appropriate information available at the time of measurement. The consolidated financial statements as of 31 December 2018 include Level III investments in the amount of £447,429,457, representing approximately 77.84% of shareholders' equity (2017: £378,445,332; 75.38%).

Funds

The Company primarily invests in portfolio companies via the Funds. The Funds are unquoted equity securities that primarily invest in unquoted securities. The Company's investments in unquoted equity securities are recognised in the consolidated balance sheet at fair value, in accordance with IPEV Valuation Guidelines and IFRS 13 and are considered Level III investments.

The valuation of unquoted Fund investments is generally based on the latest available net asset value ("NAV") of the Fund as reported by the corresponding general partner or administrator, provided that the NAV has been appropriately determined using fair value principles in accordance with IFRS 13.

The NAV of a Fund is calculated after determining the fair value of a Fund's investment in any portfolio company. This value is generally obtained by calculating the Enterprise Value ("EV") of the portfolio company and then adding excess cash and deducting financial instruments, such as external debt, ranking ahead of the Fund's highest ranking instrument in the portfolio company.

A common method of determining the EV is to apply a market-based multiple (e.g. an average multiple based on a selection of comparable quoted companies) to the "maintainable" earnings or revenues of the portfolio company. This market-based approach presumes that the comparative companies are correctly valued by the market. A discount is sometimes applied to market based multiples to adjust for points of difference between the comparatives and the company being valued.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

8. Disclosure about fair value of financial instruments continued

As at 31 December 2018, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	OCPE Education €'000
Investments	23,112	100,530	307,986	46,225
Loans	(5,157)	(19,935)	(55,442)	–
Provisional profit allocation	–	(4,987)	(22,300)	–
Other net assets	2,273	4,367	2,158	326
Total value of the Fund attributable to the Company	20,228	79,975	232,402	46,551
	£'000	**£'000**	**£'000**	**£'000**
Total value of the Fund attributable to the Company	18,159	71,794	208,628	41,789

As at 31 December 2017, the value of the Funds' investments, other assets and liabilities attributable to the Company based on its respective percentage interest in each Fund was as follows:

	Fund I €'000	Fund II €'000	Fund III €'000	OCPE Education €'000
Investments	42,516	199,645	129,410	29,282
Loans	(4,565)	(25,004)	(46,015)	–
Provisional profit allocation	–	(21,815)	(2,847)	–
Other net assets	3,164	1,341	42,127	278
Total value of the Fund attributable to the Company	41,115	154,167	122,675	29,560
	£'000	**£'000**	**£'000**	**£'000**
Total value of the Fund attributable to the Company	36,551	137,054	109,058	26,280

The Company does not utilise valuation models to calculate the fair value of its Fund investments. The NAV as reported by the Funds' general partner or administrator is considered to be the key unobservable input. In addition, the Company has the following control procedures in place to evaluate whether the NAV of the underlying Fund investments is calculated in a manner consistent with IFRS 13:

- Thorough initial due diligence process and the Board of Directors performing ongoing monitoring procedures, primarily discussions with the Investment Adviser;
- Comparison of historical realisations to the last reported fair values; and
- Review of the Auditor's report of the respective Fund.

Unquoted debt securities

The fair values of the Company's investments in unquoted debt securities are derived from a discounted cash flow calculation based on expected future cash flows to be received, discounted at an appropriate rate. Expected future cash flows include interest received and principal repayment at maturity.

Unobservable inputs for Level III investments

Funds

In arriving at the fair value of the unquoted fund investments, the key input used by the Company is the NAV as provided by the general partner or administrator. It is recognised by the Company that the NAVs of the Funds are sensitive to movements in the fair values of the underlying portfolio companies.

The underlying portfolio companies owned by the Funds may include both quoted and unquoted companies. Quoted portfolio companies are valued based on market prices and no unobservable inputs are used. Unquoted portfolio companies are valued based on a market approach for which significant judgment is applied.

For the purposes of sensitivity analysis, the Company considers a 10% adjustment to the fair value of the unquoted portfolio companies of the Funds as reasonable. For the year ending 31 December 2018, a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 6.2% movement in net assets attributable to shareholders (2017: 5.9%). A 10% decrease to the fair value of the unquoted portfolio companies held by the Funds would have an equal and opposite effect.

Unquoted debt securities

In arriving at the fair value of the unquoted debt securities, the key inputs used by the Company are future cash flows expected to be received until maturity of the debt securities and the discount factor applied. The discount factor applied is considered to be an unobservable input and range between 6.5% and 15%.

For the purposes of sensitivity analysis, the Company considers a 1% adjustment to the discount factor applied as reasonable. For the year ending 31 December 2018, a 1% increase to the discount factor would result in a 0.4% movement in net assets attributable to shareholders (2017: 0.3%). A 1% decrease to the discount factor would have an equal and opposite effect.

Transfers between levels

There were no transfers between the Levels during the year ended 31 December 2018 (2017: none).

Level I and Level III reconciliation

The changes in investments measured at fair value, for which the Company has used Level I and Level III inputs to determine fair value as of 31 December 2018 and 2017, are as follows:

Level I Investments:	2018 £'000	2017 £'000
Quoted equity securities		
Fair value at the beginning of the year	41,182	43,854
Shares transferred from unquoted debt and equity securities	–	–
Net change in unrealised gains/(losses) on investments	(18,862)	(2,672)
Fair value of Level I investments at the end of the year	22,320	41,182

Level III Investments:	Funds £'000	Unquoted debt securities £'000	Total £'000
2018			
Fair value at the beginning of the year	308,943	69,502	378,445
Purchases	64,654	66,191	130,845
Proceeds on disposals (including interest)	(130,526)	(35,269)	(165,795)
Realised gain on sale	102,314	–	102,314
Interest income and other fee income	–	6,635	6,635
Net change in unrealised gains/(losses) on investments	(5,015)	–	(5,015)
Fair value at the end of the year	340,370	107,059	447,429

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

8. Disclosure about fair value of financial instruments continued

	Funds £'000	Unquoted debt securities £'000	Total £'000
2017			
Fair value at the beginning of the year	211,254	85,761	297,015
Purchases	164,522	36,982	201,504
Proceeds on disposals (including interest)	(113,812)	(61,230)	(175,042)
Realised gain on sale	23,991	–	23,991
Interest income and other fee income	–	7,989	7,989
Net change in unrealised gains/(losses) on investments	22,988	–	22,988
Fair value at the end of the year	308,943	69,502	378,445

Financial instruments not carried at fair value

Financial instruments, other than financial instruments at fair value through profit and loss, where carrying values are equal to fair values:

	2018 £'000	2017 £'000
Cash and cash equivalents	107,888	117,836
Trade and other receivables	11	668
Trade and other payables	2,826	36,091

9. Segment information

The Company has two reportable segments, as described below. For each of them, the Board of Directors receives detailed reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

- Fund investments: includes commitments/investments in four private equity funds.
- Direct investments and loans: includes direct investments, loans to the Funds' portfolio companies, loans to the Funds and other loans.

Balance sheet and income and expense items which cannot be clearly allocated to one of the segments are shown in the column "Unallocated" in the following tables.

The reportable operating segments derive their revenue primarily by seeking investments to achieve an attractive return in relation to the risk being taken. The return consists of interest, dividends and/or unrealised and realised capital gains.

The financial information provided to the Board of Directors with respect to total assets and liabilities is presented in a manner consistent with the consolidated financial statements. The assessment of the performance of the operating segments is based on measurements consistent with IFRS. With the exception of capital calls payable, liabilities are not considered to be segment liabilities but rather managed at the corporate level.

There have been no transactions between the reportable segments during the financial year ended 31 December 2018 (2017: none).

The segment information for the year ended 31 December 2018 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	102,314	–	102,314	–	102,314
Net change in unrealised gains/(losses) on financial assets at fair value through profit and loss	(5,015)	(18,862)	(23,877)	–	(23,877)
Interest income	–	6,515	6,515	114	6,629
Net foreign currency gains/(losses)	–	–	–	3,149	3,149
Other income	–	120	120	97	217
Expenses	–	–	–	(6,045)	(6,045)
Interest expense	–	–	–	(389)	(389)
Profit/(loss) for the year	97,299	(12,227)	85,072	(3,074)	81,998
Total assets	340,370	129,379	469,749	107,899	577,648
Total liabilities	–	–	–	(2,826)	(2,826)
Net assets	340,370	129,379	469,749	105,073	574,822
Total assets include:					
Financial assets at fair value through profit and loss	340,370	129,379	469,749	–	469,749
Cash and others	–	–	–	107,899	107,899

The segment information for the year ended 31 December 2017 is as follows:

	Fund investments £'000	Direct investments and loans £'000	Total operating segments £'000	Unallocated £'000	Total £'000
Net realised gains on financial assets at fair value through profit and loss	23,991	–	23,991	–	23,991
Net change in unrealised gains/(losses) on financial assets at fair value through profit and loss	22,988	(2,672)	20,316	–	20,316
Interest income	–	7,683	7,683	39	7,722
Net foreign currency gains/(losses)	–	–	–	(839)	(839)
Other income	–	306	306	–	306
Expenses	–	–	–	(6,529)	(6,529)
Interest expense	–	–	–	(42)	(42)
Profit/(loss) for the year	46,979	5,317	52,296	(7,371)	44,925
Total assets	308,943	110,684	419,627	118,504	538,131
Total liabilities	(34,457)	–	(34,457)	(1,634)	(36,091)
Net assets	274,486	110,684	385,170	116,870	502,040
Total assets include:					
Financial assets at fair value through profit and loss	308,943	110,684	419,627	–	419,627
Cash and others	–	–	–	118,504	118,504

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

10. Cash and cash equivalents

	2018 £'000	2017 £'000
Cash and demand balances at banks	82,782	91,229
Short-term deposits	25,107	26,607
	107,888	117,836

11. Trade and other receivables

	2018 £'000	2017 £'000
Prepayments	11	1
Amounts due from related parties	–	667
	11	668

12. Trade and other payables

	2018 £'000	2017 £'000
Trade payables	97	151
Amounts due to related parties	2,729	1,483
Capital call payable	–	34,457
	2,826	36,091

13. Interest Income

	2018 £'000	2017 £'000
Interest income on investments carried at amortised cost:		
Cash and cash equivalents	114	39
Interest income on investments designated as at fair value through profit and loss:		
Debt securities	6,515	7,683
	6,629	7,722

14. Expenses

	Notes	2018 £'000	2017 £'000
Operational and advisory fees	15	2,505	2,568
Management fees	16	–	535
Professional fees	17	876	872
Performance fees	15,16	1,613	1,246
Other expenses	15	1,051	1,308
		6,045	6,529

15. Operational, advisory and performance fees

Pursuant to an operational services agreement dated 1 April 2017 (the "Operational Services Agreement"), the Company appointed Oakley Capital Manager Limited (the "Administrative Agent") to provide operational assistance and services to the Board with respect to the Company's investments and its general administration.

a) Operational fees

Under the Operational Services Agreement, the Administrative Agent receives an operational services fee equal to 2% per annum of the net asset value (before deduction of any accrued performance fees) of all investments held by the Company except for the investments in and any revolvers with Fund I, Fund II and Fund III and any loans to entities affiliated with the Administrative Agent. The fee is *pro rata* for partial periods and payable quarterly in arrears.

The operational services fee for the year ended 31 December 2018 totalled £2,504,757 (2017: £1,892,118) and is presented in the consolidated statement of comprehensive income. The amount outstanding as at 31 December 2018 was £913,692 (2017: £635,022) and is included in "Trade and other payables" in the consolidated balance sheet.

b) Advisory fees

Under the Operational Services Agreement, the Administrative Agent also receives an advisory fee based on the successful buy-side and sell-side transactions of the Company for any equity investment. The advisory fee is 2% of the equity transaction value unless otherwise agreed between the parties.

The Company did not incur advisory fees for the year ended 31 December 2018 (2017: £675,712 and are presented in the consolidated statement of comprehensive income). There are no amounts outstanding as at 31 December 2018 (2017: £nil).

c) Performance fees

The Administrative Agent also receives a performance fee of 20% of the excess of any proceeds from the full or partial realisation on disposal of each of the Company's co-investments over and above an 8% hurdle rate after the deduction of the original cost of the co-investment and the attributable proportion of all other expenses incurred by the Company in respect of co-investments.

Performance fees for the year ended 31 December 2018 totalled £1,613,530 (2017: £1,246,443) and are presented in the consolidated statement of comprehensive income. The amount outstanding as at 31 December 2018 was £1,801,381 (2017: £624,297) and is included in "Trade and other payables" in the consolidated balance sheet.

d) Other fees

Under the Operational Services Agreement, the Administrative Agent may also recharge costs incurred, either directly or indirectly by its contracted advisors, on behalf of the Company.

For the year ended 31 December 2018, the Administrative Agent recharged such other costs to the Company totalling £714,873 (2017: £595,659) and is included in other expenses (Note 14). There are no amounts outstanding as at 31 December 2018 (2017: £189,464 and is included in "Trade and other payables" in the consolidated balance sheet).

The Administrative Agent has entered into an Investment Advisory Agreement with the Investment Adviser to advise on the investment of the assets of the Company. The Investment Adviser does not receive any management or performance fees from the Company. Any fees earned by the Investment Adviser are paid by the Administrative Agent.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

16. Management and performance fees

Pursuant to a management agreement dated 30 July 2007, the Company appointed Oakley Capital (Bermuda) Limited (the "Manager") to provide management services. On 31 March 2017, the management agreement was terminated. The terms of the management agreement were as follows:

a) Management fees

The Manager was not entitled to receive a management fee from the Company in respect of amounts either committed or invested by the Company in the Funds. The Manager received a management fee at the rate of 1% per annum in respect of assets that were not committed to the Funds and which were invested in cash, cash deposits or near cash deposits and a management fee at the rate of 2% per annum in respect of those assets which were invested directly in co-investments. The management fee was payable monthly in arrears.

Management fees for the period 1 January 2017 through 31 March 2017 totalled £535,090 and are presented in the consolidated statement of comprehensive income.

b) Performance fees

The Manager was also entitled to receive 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 any Fund. Any co-investment was treated as a segregated pool of investments by the Company. If the calculation period was greater than one year, the hurdle rate was compounded on each anniversary of the start of the calculation period for each segregated co-investment. If the amount earned did not exceed the hurdle rate on any given co-investment, that co-investment was included in the next calculation so that the hurdle rate was measured across both co-investments.

The Company did not incur any performance fees for the period 1 January 2017 through 31 March 2017.

The Manager entered into an Investment Advisory Agreement with the Investment Adviser to advise the Manager on the investment of the assets of the Company. The Investment Advisory Agreement was terminated 31 March 2017. The Investment Adviser did not receive a management or performance fee from the Company. Any fees due to the Investment Adviser were paid by the Manager out of the management and performance fees it received from the Company.

17. Professional fees

	Notes	2018 £'000	2017 £'000
Administration fees	18	327	359
Consulting fees		48	34
Directors' fees	19	234	205
Auditor's remuneration	20	96	85
Legal fees		19	104
Other fees		152	85
		876	872

18. Administration fees

The Company has appointed Mayflower Management Services (Bermuda) Limited (the "Administrator") to provide administration services pursuant to the administration agreement dated 30 July 2007 and it receives an annual administration fee at prevailing commercial rates. Administration fees for the year ended 31 December 2018 totalled £326,743 (2017: £359,432) and are included in Professional fees (Note 17). There was no administration fee payable to the Administrator as at 31 December 2018 (2017: £nil).

The Company has also entered into an agreement with Mayflower Corporate Services Limited ("MCS"), a subsidiary of the Administrator to provide corporate secretarial services. Any fees due to MCS will be paid by the Administrator.

19. Directors' fees

	2018 £'000	2017 £'000
Chair's remuneration	75	65
Directors' fees	159	140
	234	205

The members of the Board of Directors are considered to be Key Management Personnel. No pension contributions were made in respect of any of the Directors and none of the Directors receives any pension from any portfolio company held by the Company. During the year, one of the Directors waived remuneration (2017: one). During 2018, no other fees were paid to the Directors (2017: £24,694 consulting fees to the former Chair of the Board). No fees were payable as at 31 December 2018 (2017: none). For the years ended 31 December 2018 and 2017 members of the Board of Directors held shares in the Company and were entitled to dividends as detailed below:

	2018 '000	2017 '000
Shares at the beginning of the year	2,690	2,231
Shares acquired during the year	7,277	459
Shares held by a Director who resigned during the year	(231)	–
Shares at the end of the year	9,736	2,690
Dividends paid to Directors	278	161
Dividends payable to Directors	–	–

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

20. Auditor's remuneration

	2018 £'000	2017 £'000
Audit of consolidated financial statements	96	85
Other assurance services	–	–
Total auditor's remuneration	96	85

21. Withholding tax

Under current Bermuda law the Company is not required to pay tax 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 is exempt from such taxation at least until 31 March 2035.

The Company may, however, be subject to foreign withholding taxes in respect of income derived from its investments in other jurisdictions. For the year ended 31 December 2018, the Company was not subjected to foreign withholding taxes (2017: nil).

22. Earnings per share

The earnings per share calculation uses the weighted average number of shares in issue during the year.

	2018	2017
Basic and diluted earnings per share	£0.40	£0.22
Profit for the year ('000)	£81,998	£44,925
Weighted average number of shares in issue ('000)	204,804	203,859

23. Net asset value per share

The net asset value per share calculation uses the number of shares in issue at the end of the year.

	2018	2017
Basic and diluted net asset value per share	£2.81	£2.45
Net assets attributable to shareholders ('000)	£574,822	£502,040
Number of shares in issue at the year end ('000)	204,804	204,804

24. Share capital

a) Authorised and issued capital

The authorised share capital of the Company is 280,000,000 ordinary shares at a par value of £0.01 each. Ordinary shares are listed and traded on AIM of the London Stock Exchange. Each share confers the right to one vote and shareholders have the right to receive dividends.

As at 31 December 2018, the Company's issued and fully paid share capital was 204,804,036 ordinary shares (2017: 204,804,036).

	2018 '000	2017 '000
Ordinary shares outstanding at the beginning of the year	204,804	189,804
Treasury shares issued	–	15,000
Ordinary shares outstanding at the end of the year	204,804	204,804

b) Share premium

Share premium represents the amount received in excess of the nominal value of ordinary shares.

25. Dividends

On 14 March 2018, the Board of Directors declared and approved payment of a final dividend for the year ended 31 December 2017 of 2.25 pence per ordinary share resulting in a dividend payment of £4,608,091 paid on 26 April 2018.

On 3 September 2018, the Board of Directors declared and approved payment of an interim dividend of 2.25 pence per ordinary share which resulted in a dividend payment of £4,608,091 paid on 25 October 2018 (2017: On 11 September 2017, declared and approved an interim dividend of 2.25 pence per ordinary share which resulted in a dividend payment of £4,608,091 paid on 26 October 2017).

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

26. Commitments

The Company had the following capital commitments in euros at the year-end:

	2018 €'000	2017 €'000
Fund I		
Total capital commitment £169,144; (2017: £167,486)	188,398	188,398
Called capital at the beginning of the year	185,760	178,978
Capital calls during the year 0%; (2017: 3.6%)	–	6,782
Called capital at the end of the year £166,775; (2017: £165,141)	185,760	185,760
Unfunded capital commitment £2,368; (2017: £2,345)	2,638	2,638
Aggregate recycled commitment	13,000	13,000

	2018 €'000	2017 €'000
Fund II		
Total capital commitment £170,582; (2017: £168,910)	190,000	190,000
Called capital at the beginning of the year	158,650	153,000
Capital calls during the year 9.5%; (2017: 7%)	18,050	14,000
Adjustment for partial sale during the year	–	(8,350)
Called capital at the end of the year £158,641; (2017: £141,040)	176,700	158,650
Unfunded capital commitment £11,941; (2017: £27,870)	13,300	31,350

	2018 €'000	2017 €'000
Fund III		
Total capital commitment £292,485; (2017: £289,618)	325,780	325,780
Called capital at the beginning of the year	123,797	9,750
Capital calls during the year 15%; (2017: 35%)	48,867	114,047
Called capital at the end of the year £155,017; (2017: £110,055)	172,664	123,797
Unfunded capital commitment £137,468; (2017: £179,563)	153,116	201,983
Total unfunded capital commitments £151,777; (2017: £209,778)	169,054	235,971

The Company had the following loan commitments at the year-end:

	2018 £'000	2017 £'000
Total loan facility commitments:		
Fund I	5,000	5,000
Fund II	20,000	20,000
Fund III	20,000	20,000
Time Out Group plc	20,000	–
Oakley NS (Bermuda) L.P.	25,850	3,000
	90,850	48,000
Total unfunded loan commitments:		
Fund I	4,200	2,122
Fund II	2,773	20,000
Fund III	15,989	20,000
Oakley NS (Bermuda) L.P.	12,737	–
	35,699	42,122

27. Contingent liabilities

In the ordinary course of business, the Company may enter into contracts or agreements that 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, the Board of Directors believe that the current likelihood of such an event is remote.

As at 31 December 2018 and 2017, there are no contingent liabilities outstanding.

Notes to the consolidated financial statements CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2018

28. Related parties

Balances and transactions between the Company and its subsidiary have been eliminated on consolidation and are not disclosed in this note. Related parties as disclosed below are not part of the consolidation and for this reason are not eliminated.

One Director of the Company, Peter Dubens, is also a Director of the Investment Adviser and Oakley Advisory Limited, entities which provide services to, and receive compensation from, the Company. These, along with the Administrative Agent are considered related parties to the Company given the indirect control this Director has over these entities. Until 31 March 2017, one Director of the Company was also a Director of the Manager, an entity that provided services to, and received compensation from, the Company. The agreements between the Company and these service providers were and are based on normal commercial terms.

Throughout 2018, no Director of the Company had a personal interest in any transaction of significance for the Company (2017: none).

Management fees and performance fees paid for the period 1 January 2017 through 31 March 2017 are detailed in Notes 14 and 16. Operational service fees, advisory fees, performance fees and recharged costs paid to the Administrative Agent for the year ending 31 December 2018 and the period 1 April 2017 through 31 December 2017 are detailed in Notes 14 and 15. The agreements between the Company and these service providers are based on normal commercial terms.

During the year ended 31 December 2018, the Investment Adviser recharged staff costs of £714,873 (2017: staff cost of £409,722 and overheads of £2,343) to the Company which is included in other expenses (Note 14).

During the year ended 31 December 2018, Oakley Capital Manager Limited (the "Fund III Manager") repaid the remaining 50% of the option fee of €750,000, along with accrued interest. This was due to the Company based on the terms of the Fund III Manager option agreement when the Company only exercised 50% of the option by committing an additional €75,000,000 to Fund III. As at 31 December 2018 no balance is receivable from the Fund III Manager (2017: €750,000 (£666,750) which is included in "Trade and other receivables" in the consolidated balance sheet).

Fund I is considered a related party due to the 65.5% investment the Company has in Fund I. During the year ended 31 December 2017, the Company acquired an interest in OCPE Education L.P. from most limited partners of Fund I and paid €23,492,217 (£20,795,311) for such additional interests in OCPE Education L.P.

29. Events after the balance sheet date

The Board of Directors has evaluated subsequent events from the year end through 13 March 2019, which is the date the consolidated financial statements were available for issue. The following events have been identified for disclosure:

On 2 January 2019, the Company bought an additional 4.87% interest in Fund I for a total consideration of €2,000,000. The Company's unfunded commitment in Fund I increased to €2,833,576.

On 3 January 2019, the Company committed €400,000,000 to Oakley Capital IV-A SCSp, which together with Oakley Capital IV-B SCSp, Oakley Capital IV-C SCSp (collectively the "Fund IV Feeder Funds") and Oakley Capital IV Master SCSp (the "Fund IV Master") collectively comprise "Fund IV". Fund IV is an exempted limited partnership established in Luxembourg.

On 13 March 2019, the Board of Directors declared and approved payment of a final dividend for the year ended 31 December 2018 of 2.25 pence per ordinary share resulting in a dividend of £4,608,091 payable on 25 April 2019.

Directors and advisers

Directors

Caroline Foulger
Independent Director and Chair

Laurence Blackall
Independent Director

Stewart Porter
Director

Peter Dubens
Director

James Keyes
Independent Director

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Glossary

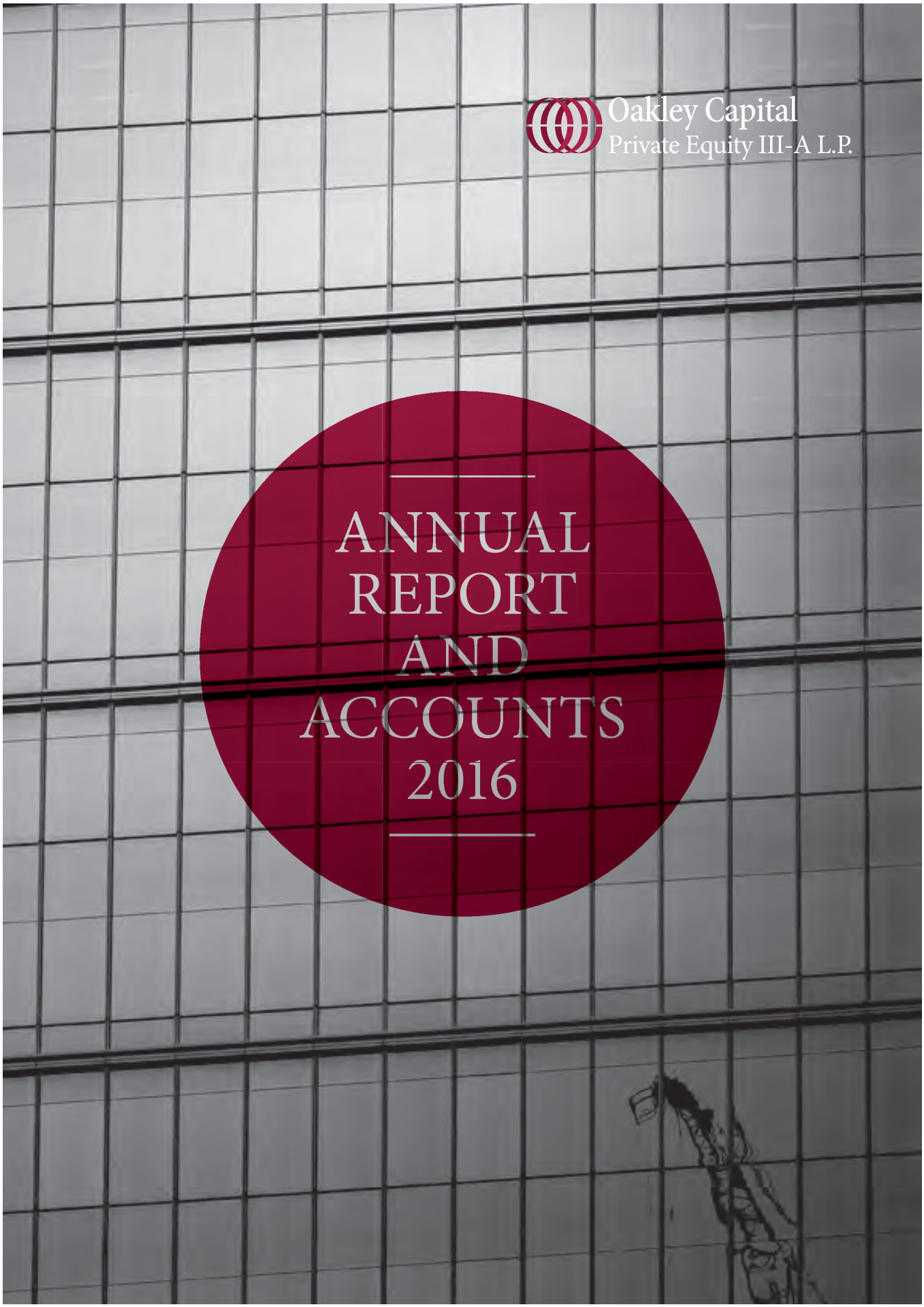
Admission Document	The admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules. The admission document dated 30 July 2007 was prepared by the Company in respect to its admission to trading on AIM.
Administrative Agent	Oakley Capital Manager Limited, in respect of the Company.
AIM	The Alternative Investment Market of the London Stock Exchange.
AIFMD	Alternative Investment Fund Managers Directive became effective from July 2013. As a result, at 31 December 2018, Oakley Capital Investments Limited is registered as an Alternative Investment Fund ("AIF").
AIF	Alternative Investment Fund, as at 31 December 2018, Oakley Capital Investments Limited is a non-EU AIF.
AIM Rules	The AIM Rules for Companies, which sets out the rules and responsibilities for companies listed on AIM, as amended from time-to-time.
Auditor	KPMG Audit Limited or such other auditor as appointed from time-to-time.
Board / Directors	The Board of Directors of the Company.
Carried Interest	20 per cent of the income and realisation proceeds from the sale of investment by the Funds payable to the carried interest holders after satisfying any expenses and liabilities of the Funds and subject to the payment of the General Partner Share as described in Section 11 of Part 1 of the Admission Document.
Co-investment Fund	OPCE Education (Feeder) L.P., which together with OCPE Education L.P. collectively comprise "OCPE Education".
Commitments	The amount committed by an investor to the Funds whether or not such amount has been advances in whole or in part.
Company / OCI	Oakley Capital Investments Limited, a company incorporated with limited liability in Bermuda and registered number 40324.
Cost	In relation to the cost of investments, this is the open cost of the investment at 31 December 2018, i.e. the investment cost net of amounts realised from partial exits and refinancings, where applicable.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and is used as the typical measure of portfolio company performance.
Exchange Rate	The GBP:EUR exchange rate at 31 December 2018 was £1: €1.1139.
Fund I / Oakley Fund I	Oakley Capital Private Equity L.P.
Fund II / Oakley Fund II	Those limited partnerships constituting the fund known as Oakley Capital Private Equity II, comprising Oakley Capital Private Equity II-A L.P., Oakley Capital Private Equity II-B L.P., Oakley Capital Private Equity II-C L.P. and OCPE II Master L.P.
Fund III / Oakley Fund III	Those limited partnerships constituting the fund known as Oakley Capital Private Equity III, comprising Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P., Oakley Capital Private Equity III-C L.P. and OCPE III Master L.P.

Oakley Capital Fund IV/ Fund IV	Those limited partnerships constituting the fund know as Oakley Capital IV, compromising Oakley Capital IV-A SCSp, Oakley Capital IV-B SCSp, Oakley Capital IV-C SCSp and Oakley Capital IV Master SCSp.
Fund Facilities	This includes debt facilities provided by the Company to the Oakley Funds and to the General Partners of the Oakley Funds.
General Partners (GP)	Oakley Capital I Limited in respect of Fund I (previously Oakley Capital GP Limited) Oakley Capital II Limited in respect of Fund II (previously Oakley Capital GP II Limited) and Oakley Capital III Limited in respect of Fund III (previously Oakley Capital GP III Limited); all exempted companies incorporated in Bermuda.
IFRS	International Financial Reporting Standards. The consolidated financial statements and notes have been prepared in accordance with IFRS.
Investment Adviser	Oakley Capital Limited, a company incorporated in England and Wales with registered number 4091922, which is authorised and regulated by the Financial Conduct Authority; or any successor as Investment Adviser of Fund I, Fund II or Fund III.
IPO	Initial Public Offering.
NAV	Net asset value is the value of the assets less liabilities.
Oakley	The Investment Adviser being Oakley Capital Limited.
Oakley Funds	Fund I, Fund II and Fund III and (as applicable) any successor funds.

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APPENDIX 2

EXTRACTS FROM THE ANNUAL REPORTS OF FUND III FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016 AND EACH OF THE FINANCIAL YEARS ENDED 31 DECEMBER 2017 AND 2018 (INCLUDING AUDITED FINANCIAL STATEMENTS)


Oakley Capital
Private Equity III-A L.P.
ANNUAL
REPORT
AND
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2016



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04



GENERAL PARTNER'S REPORT

GENERAL PARTNER'S REPORT

OVERVIEW

Oakley Capital III Limited (the "General Partner"), a Bermuda incorporated company, is the general partner of Oakley Capital Private Equity III-A L.P. (the "Partnership"). The General Partner is also the general partner of Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively, with the Limited Partnership, the "Feeder Funds"). The Feeder Funds invest substantially all of their assets in OCPE III Master L.P. (the "Master Fund"). The manager to the Funds is Oakley Capital Manager Limited (the "Manager"). The General Partner has appointed Oakley Capital Limited (the "Investment Adviser") as investment adviser to the General Partner with respect to the Feeder Funds and the Master Fund. The Investment Adviser is primarily responsible for advising the General Partner on the investment of the assets of the Feeder Funds and the Master Fund as well as advising on certain administrative functions.

This report should be read in conjunction with the 2016 Annual Report and Financial Statements for the Master Fund. This latter report provides investment and performance information in relation to the portfolio companies underlying the Partnership's 62.7% interest in the Master Fund.

INVESTMENT STRATEGY

The Master Fund aims to replicate the investment strategy successfully implemented to date in Oakley Capital Private Equity L.P. ("Fund I") and OCPE Master II L.P. ("Fund II"). This is based on identifying investment opportunities which will enable the acquisition of businesses at below prevailing market multiples, targeting businesses under stress in fragmented sectors that it believes require consolidation or are capable of significant organic growth. The Master Fund will generally invest in situations outside of those which appeal to the mainstream private equity community. The Master Fund's deals are likely to be challenging or complex.

Deals may include the following:

- Challenging or complex management buy-outs and buy-ins
- Carve-outs
- Operational businesses that require improvement

The Master Fund looks for businesses where the Investment Adviser's team can make a difference. Senior team members have demonstrated that the Investment Adviser is able to deliver capital appreciation and to manage risk through consolidation and operational improvements through the successful track record of Fund I and Fund II to date.

Deals can be executed in relatively short and demanding timescales, where the circumstances of the business or the situation demand it. Target investment size is from €30.0 million to €100.0 million. The Master Fund seeks to take controlling equity positions, but can also invest in other parts of the capital structure, including mezzanine and senior debt in support of equity-led transactions.

The Master Fund aims to deliver in excess of 25% IRR per annum on investments. The life of the Master Fund is expected to be approximately ten years, which includes a five year investment period.

THE YEAR IN SUMMARY

The Master Fund was established as a Bermuda Limited Partnership on 11 February 2016. As at 31 December 2016, there were no investments in the Master Fund.

Total commitments at 31 December 2016 were €430.1 million, of which €12.9 million (3% of total commitments) had been called from the Feeder Funds.

SUBSEQUENT EVENTS

Subsequent to the year end, on 31 January 2017, the Master Fund invested €137.5 million (including deal fees) in advance of securing third-party debt which is expected to reduce the cost of the investment to approximately €107.5 million. The transaction builds on Oakley Capital Limited's experience in the online consumer sector through its previous investments in Facile, Parship Elite Group and Verivox. This acquisition was funded by a 10% capital call from the Fund to its Limited Partners.

There were further commitments of €1.3 million at the close on 13 January 2017. Total commitments to the Fund at this date was €431.4 million.

OUTLOOK

The Investment Adviser continues to enjoy a strong deal pipeline of attractive investment opportunities. It is expected that the current pipeline will produce further investment recommendations.



06

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT
To the Founder Partner, General Partner and Limited Partners of Oakley Capital Private Equity III-A L.P.

We have audited the accompanying financial statements of Oakley Capital Private Equity III-A L.P., which comprise the statement of assets and liabilities, as of 31 December 2016, and the related statement of operations, changes in Partners' capital and cash flows for the period 21 October 2015 (date of establishment) to 31 December 2016, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with US generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oakley Capital Private Equity III-A L.P. as of 31 December 2016, and the results of its operations and its cash flows for the period 21 October 2015 (date of establishment) to 31 December 2016 in accordance with US generally accepted accounting principles.

This report, including our opinion, has been prepared for and only for the Founder Partner, General Partner and Limited Partners and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose, or to any other person, to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda
27 March 2017



08

FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES
31 DECEMBER 2016
(Expressed in Euros)

	Notes	2016 €
Assets		
Investment in the Master Fund	7	2,982,780
Cash and cash equivalents	3	636,246
Total assets		3,619,026
Net assets, represented by Partners' capital		3,619,026

Signed on behalf of the General Partner on 27 March 2017, by:

Paul Stevenson	Ian Pilgrim
Director	Director
Oakley Capital III Limited	Oakley Capital III Limited
General Partner	General Partner

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

STATEMENT OF OPERATIONS

FOR THE PERIOD 21 OCTOBER 2015 (DATE OF ESTABLISHMENT) THROUGH 31 DECEMBER 2016

(Expressed in Euros)

	Note	2016 €
Investment income allocated from the Master Fund		
Interest income		2,115
Investment income allocated from the Master Fund		2,115
Investment loss allocated from the Master Fund		
Professional fees		504,458
Organisational costs		797,296
Other expenses		12,281
Investment loss allocated from the Master Fund		1,314,035
Net investment loss allocated from the Master Fund		(1,311,920)
Partnership expenses		
Management fees	8	7,965,688
Other		66
Total Partnership expenses		7,965,754
Net investment loss		(9,277,674)
Net realised and unrealised losses on foreign exchange allocated from the Master Fund		
Net realised loss on foreign exchange		(5,690)
Net change in unrealised loss on foreign exchange		(610)
Net realised and unrealised losses on foreign exchange allocated from the Master Fund		(6,300)
Net decrease in Partners' capital resulting from operations		(9,283,974)

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

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

FOR THE PERIOD 21 OCTOBER 2015 (DATE OF ESTABLISHMENT) THROUGH 31 DECEMBER 2016

(Expressed in Euros)

	Limited Partners €	Founder Partner €	Net unrealised gains on investments €	Total €
Partners' capital as at 21 October 2015	–	–	–	–
Net decrease in Partners' capital resulting from operations				
Net investment loss	(9,277,674)	–	–	(9,277,674)
Net realised loss on foreign exchange allocated from the Master Fund	(5,690)	–	–	(5,690)
Net change in unrealised loss on foreign exchange allocated from the Master Fund	(610)	–	–	(610)
	(9,283,974)	**–**	**–**	**(9,283,974)**
Capital transactions				
Capital contributions	12,903,000	–	–	12,903,000
	12,903,000	**–**	**–**	**12,903,000**
Partners' capital as at 31 December 2016	**3,619,026**	**–**	**–**	**3,619,026**

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

STATEMENT OF CASH FLOWS

FOR THE PERIOD 21 OCTOBER 2015 (DATE OF ESTABLISHMENT) THROUGH 31 DECEMBER 2016

(Expressed in Euros)

	2016 €
Cash flows from operating activities	
Net decrease in Partners' capital resulting from operations	(9,283,974)
Adjustments to reconcile net decrease in Partners' capital resulting from operations to net cash used in operating activities:	
Net realised and unrealised losses on foreign exchange allocated from the Master Fund	6,300
Net investment income allocated from the Master Fund	(2,115)
Net investment expenses allocated from the Master Fund	1,314,035
Payments for purchases of investments	(4,301,000)
Net cash used in operating activities	(12,266,754)
Cash flows from financing activities	
Capital called – Limited Partners	12,903,000
Net cash provided by capital transactions	12,903,000
Net increase in cash and cash equivalents	636,246
Cash and cash equivalents at the beginning of the period	–
Cash and cash equivalents at the end of the period	636,246

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

1. THE PARTNERSHIP

Oakley Capital Private Equity III-A L.P. (the "Partnership") was established as a Bermuda limited partnership on 21 October 2015. The general partner of the Partnership is Oakley Capital III Limited (the "General Partner"). The manager of the Partnership is Oakley Capital Manager Limited (the "Manager") and the investment adviser to the Manager is Oakley Capital Limited (the "Investment Adviser"). The founder partner of the Partnership is Oakley Capital III Founder Member L.P. (the "Founder Partner"). The Partnership's primary objective is to invest in a diversified portfolio of private mid-market UK, USA and European businesses, aiming to provide investors with significant long-term capital appreciation.

The Partnership, along with Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively the "Feeder Funds") invest substantially all of their assets in OCPE III Master L.P. (the "Master Fund") a limited partnership that has the same investment objective as the Partnership.

The financial statements of the Master Fund should be read with the Partnership's financial statements. The Partnership has an interest of approximately 62.69% of the Master Fund as at 31 December 2016.

The First Closing date for the Partnership was 29 January 2016. The Partnership has an initial life of ten years from its Final Closing Date; however the life of the Partnership may be extended, at the discretion of the General Partner, by up to three additional one-year periods, to provide for the orderly realisation of investments.

2. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the Partnership:

a) Basis of presentation

The accompanying financial statements are prepared in accordance with US generally accepted accounting principles. The Partnership 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 US 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 Partners' capital from operations during the reporting period. Actual results could differ from those estimates.

c) Investment in the Master Fund

The Partnership records its investment in the Master Fund at fair value. Valuation of the investments held by the Master Fund, including, but not limited to, the valuation techniques used and the classification within the fair value hierarchy of investments, are discussed in the notes to the Master Fund's financial statements.

d) Master Fund allocations

The Partnership records its proportionate share of the Master Fund's income, expenses and realised and unrealised gains and losses. In addition, the Partnership incurs and accrues its own expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Foreign currency translation

Investments and other monetary assets and liabilities denominated in foreign currencies are translated into Euro amounts at exchange rates at the reporting date.

Purchases and sales of investments and foreign currencies, and income and expense items denominated in foreign currencies are translated into Euro 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 gains or losses and the net change in unrealised gains and losses on foreign exchange in the Statement of Operations.

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

f) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, the Partnership considers all time deposits, money market funds and commercial paper with an original maturity of ninety days or less as equivalent to cash.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 31 December 2016 consist of the following:

	2016 €
Cash	636,246
	636,246

4. PARTNERS' CAPITAL ACCOUNTS

A capital account was established for each Limited Partner at the inception of the Partnership. A Limited Partner's capital account is adjusted for each Partner's capital commitments when received, for net gains and losses allocated to each Limited Partner, as described below, and for cash distributed to partners, net of any liabilities assumed by the Partnership.

Net gains and losses generated by the Partnership for each year shall be allocated to each of the Limited Partner's capital accounts in accordance with Section 7 of the Partnership Agreement.

Each Limited Partner has an interest in the Partnership in proportion to their commitments.

Net income, net realised gains and losses, and capital losses of the Partnership shall be allocated between the Limited Partners *pro rata* to their commitments.

Distributions of income and capital proceeds are allocated as follows in accordance with clause 8.1 of the Partnership Agreement:

After the payment of or provision for fees, costs and expenses, or the payment of or provision for liabilities howsoever arising, all income and capital (other than income and capital gains earned in relation to Loans drawn down before completing a particular Investment and any realisation of a Bridge Investment within 12 months (a "Realised Bridge Investment")), shall be allocated as follows:

Firstly, to the General Partner in respect of amounts allocable, but not yet allocated and paid to it, in relation to the General Partner's Share;

Secondly, to the Limited Partners *pro rata* to their Commitments in payment of amounts equal to:

(a) Commitments drawn down to pay the Acquisition Cost of the Investment to which such Income or Capital relates together with all other Investments which have been realised (which shall include Investments that have been Written Off), except for Commitments drawn down in respect of Realised Bridge Investments;

(b) the Relevant Proportion of all Partnership Expenses, provided that at all times allocations under this sub-clause shall only be made until such time as allocations equal to the amount of all Partnership Expenses have been made; and

(c) Net Write Downs;

Thirdly, to the Limited Partners *pro rata* to their Commitments until cumulative allocations of Income and Capital to such Limited Partners represent a return at the rate of 8% per annum compounded annually and calculated on a daily basis on amounts allocated;

Fourthly, 100% to the Founder Partner until the Founder Partner has been allocated a sum equal to 20% of the aggregate of allocations made to itself and to Limited Partners under the third allocation; and

Finally, to the Limited Partners in proportion to their respective Capital Contributions.

5. CAPITAL COMMITMENTS

The Partnership has received the following capital commitments as at 31 December 2016:

	Capital commitments 2016 €
Capital commitments at the beginning of the period	–
Capital commitments during the period	
January 2016 (first close)	250,000,000
June 2016 (second close)	50,000,000
July 2016 (third close)	32,500,000
November 2016 (fourth close)	97,600,000
Capital commitments at the end of the period	**430,100,000**

The Partnership made the following capital calls during the period ended 31 December 2016:

	Called capital 2016 €
Called capital at the beginning of the period	–
Capital calls during the period	
January 2016 3% call (first close)	7,500,000
June 2016 3% (second close)	1,500,000
July 2016 3% (third close)	975,000
November 2016 3% (fourth close)	2,928,000
Called capital at the end of the period	**12,903,000**
Capital commitment available to be called	**417,197,000**

Oakley Capital Investments Limited, a closed-end investment company managed by the Adviser and listed on AIM of the London Stock Exchange, has committed 75.56% of the total capital commitments to the Partnership.

At 31 December 2016, 3% of the total capital commitments have been called by the Partnership and no called amounts were due from the Limited Partners.

6. CAPITAL DISTRIBUTIONS

The Partnership has not made any distributions.

7. INVESTMENTS

The Partnership has committed all of its capital to the Master Fund. The Partnership's share of the total capital called by the Master Fund up to 31 December 2016 was €4,301,000, representing 62.69% of the Master Fund's total capital commitments.

8. RELATED PARTIES

Certain directors of the General Partner are also directors, shareholders or partners of the Founder Partner and the Administrator; entities which provide services to, and receive compensation from, the Partnership.

(a) The General Partner is entitled to receive a General Partner's Share of 2% per annum of the capital commitments of the Founder Partner and Limited Partners. The General Partner's Share is payable semi-annually in advance. During the period ended 31 December 2016, the Partnership incurred a General Partner Share of €7,965,688 which is included in management fees in the Statement of Operations.

(b) The General Partner has entered into an Investment Advisory Agreement with the Investment Adviser to advise the General Partner on the investment of the assets of the Partnership. The Investment Adviser will not receive a management or performance fee from the Partnership. Any fees due to the Investment Adviser will be paid by the General Partner as agreed by those parties.

(c) As at 31 December 2016, there were no amounts due to or from related parties.

9. ADMINISTRATION FEE

As per the Administration Agreement between the Administrator, the Master Fund and the Feeder Funds, the Administrator receives a fee at prevailing commercial rates. The fee is incurred by the Master Fund.

10. FINANCIAL HIGHLIGHTS

Ratios to average Limited Partners' capital:

	2016
Net investment loss	(167%)
Operating expenses	(167%)
Cumulative internal rate of return (IRR)	(92)%

The operating expenses and net investment loss ratios are calculated for the Limited Partners taken as a whole, based on the allocation provisions of the Partnership Agreement. The computation of such ratios is based on the amount of income and expenses allocated to an individual Limited Partner's capital account and may vary from these ratios based on the timing of capital transactions.

The IRR is based on the actual dates of the cash inflows, outflows (cash and stock distributions) and the fair value of the Limited Partners' capital accounts as at 31 December 2016.

11. INCOME TAXES

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

The Partnership was not required to recognise any amounts for uncertain tax positions under Financial Accounting Standards Board Accounting Standards Codification Topic 740.

The Partnership is treated as a partnership for US tax purposes. Therefore, no provision has been made in the financial statements for United States federal or state income taxes, as any income tax liability arising from the operations of the Partnership is the responsibility of the Partners and not that of the Partnership.

12. SUBSEQUENT EVENTS

The General Partner has evaluated subsequent events from the year end through 27 March 2017, which is the date the financial statements were available to be issued. The following events were identified for disclosure:

On 13 January 2017, the Partnership accepted additional commitments of €1,300,000.

On 14 January 2017, as a result of the Master Fund making a 10% capital call in order to fund a new investment, the Partnership also made a 10% capital call.

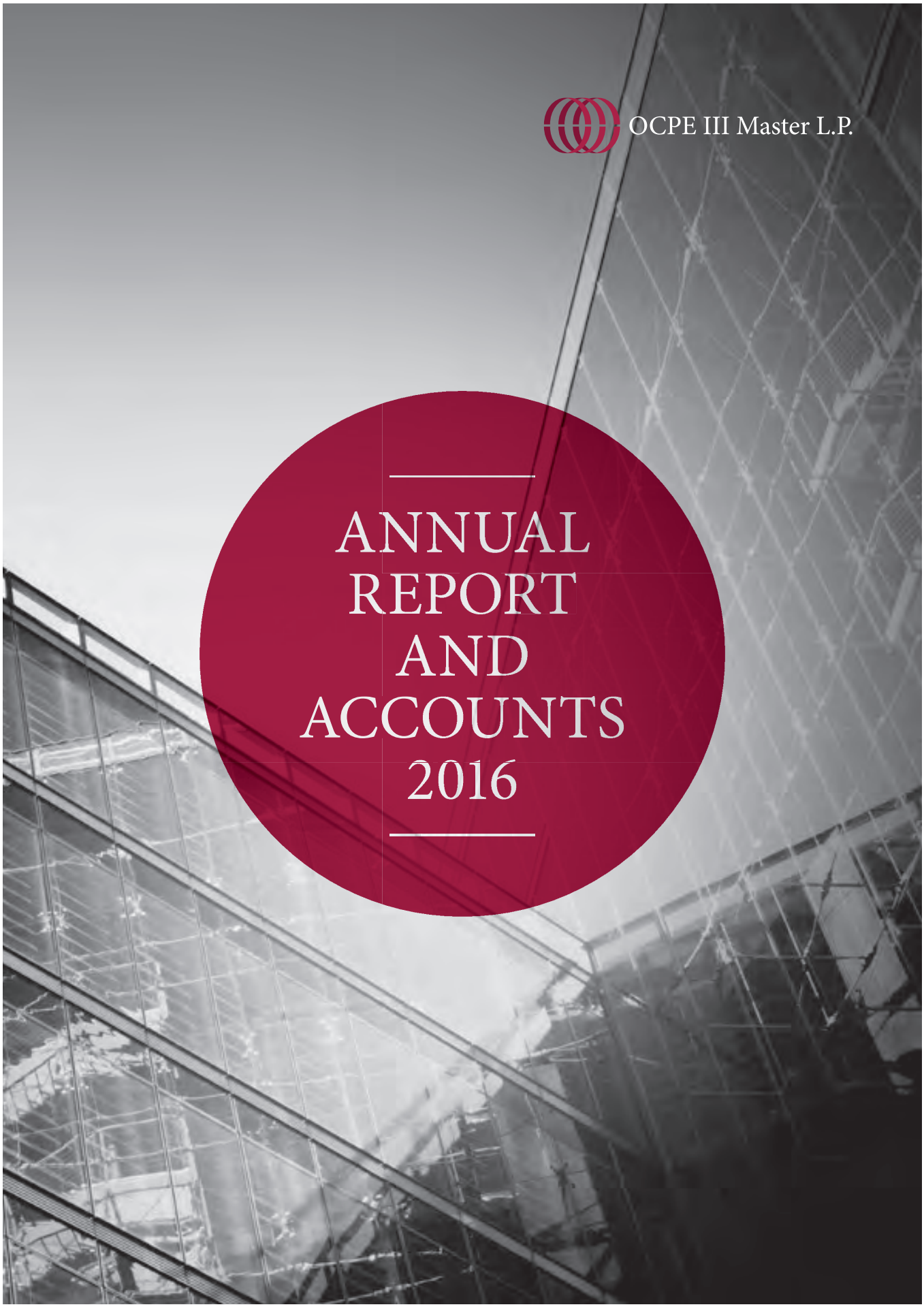

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Oakley Capital
Private Equity III-A L.P.

Oakley Capital Private Equity III-A L.P. is registered
in Bermuda with registration number 50751.

Registered office: 3rd Floor, Mintflower Place,
8 Par-la-Ville Road, Hamilton HM08, Bermuda


OCPE III Master L.P.
ANNUAL
REPORT
AND
ACCOUNTS
2016



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04

GENERAL PARTNER'S REPORT

OVERVIEW

Oakley Capital III Limited (the "General Partner"), a Bermuda incorporated company, is the general partner of OCPE III Master L.P. (the "Master Fund"). The General Partner is also the general partner of Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively the "Feeder Funds"). The Feeder Funds invest substantially all of their assets in the Master Fund. The manager to the Funds is Oakley Capital Manager Limited (the "Manager"). The General Partner has appointed Oakley Capital Limited (the "Investment Adviser") as investment adviser to the General Partner with respect to the Feeder Funds and the Master Fund. The Investment Adviser is primarily responsible for advising the General Partner on the investment of the assets of the Master Fund as well as advising on certain administrative functions.

INVESTMENT STRATEGY

The Master Fund aims to replicate the investment strategy successfully implemented to date in Oakley Capital Private Equity L.P. ("Fund I") and OCPE Master II L.P. ("Fund II"). This is based on identifying investment opportunities which will enable the acquisition of businesses at below prevailing market multiples, targeting businesses under stress in fragmented sectors that it believes require consolidation or are capable of significant organic growth. The Master Fund will generally invest in situations outside of those which appeal to the mainstream private equity community. The Master Fund's deals are likely to be challenging or complex.

Deals may include the following:

- Challenging or complex management buy-outs and buy-ins
- Carve-outs
- Operational businesses that require improvement

The Master Fund looks for businesses where the Investment Adviser's team can make a difference. Senior team members have demonstrated that the Investment Adviser is able to deliver capital appreciation and to manage risk through consolidation and operational improvements through the successful track record of Fund I and Fund II to date.

Deals can be executed in relatively short and demanding timescales, where the circumstances of the business or the situation demand it. Target investment size is from €30.0 million to €100.0 million. The Master Fund seeks to take controlling equity positions, but can also invest in other parts of the capital structure, including mezzanine and senior debt in support of equity-led transactions.

The Master Fund aims to deliver in excess of 25% IRR per annum on investments. The life of the Master Fund is expected to be approximately ten years, which includes a five-year investment period.

THE YEAR IN SUMMARY

The Master Fund was established as a Bermuda Limited Partnership on 11 February 2016. As at 31 December 2016, there were no investments in the Master Fund.

Total commitments at 31 December 2016 were €686.1 million, of which €6.9 million (1% of total commitments) had been called from the Feeder Funds.

MARKET BACKGROUND AND OUTLOOK

The overall market has changed substantially in 2016 defined by heightened levels of caution, underpinned by geopolitical and market uncertainty. Following the unexpected result of the British EU referendum in June and the presidential election in the US, the immediate effect on the markets was negative and resulted in significant currency movements which impacted Sterling. The full impact of Britain leaving the EU and the new US political regime will take time to unravel, but the Investment Adviser will closely monitor developments as they occur.

Throughout 2016 valuations have remained high due to the availability of cheap debt and low interest rates, coupled with a supply and demand equation in which deals are more scarce than the capital that funds have available to deploy, which has increased prices. This in turn has led to less capital being deployed as PE firms remain cautious of overvalued assets. The Investment Adviser continues to seek out proprietary deals using its networks, knowledge and expertise to acquire companies at favourable multiples, and remains disciplined in its investment decision making.

One of the biggest challenges facing the industry is the origination of deals. The Investment Adviser remains confident that there are good opportunities for the Master Fund to invest in and the pipeline is strong. Subsequent to the year end, the Master Fund completed its first deal and the Investment Adviser continues to look for high quality deals, and more specifically close partnerships with managers and founders, to help it to deliver an attractive proprietary pipeline.

Whilst market uncertainty remains, the Investment Adviser believes that private equity continues to be an attractive asset class. Whilst market events are likely to have some adverse effects on the industry going forward, the Investment Adviser remains positive about the outlook for the Master Fund, and optimistic that uncertainty can also create opportunity.

SUBSEQUENT EVENTS

Subsequent to the year end, on 31 January 2017 the Master Fund invested €137.5 million (including deal fees) in advance of securing third-party debt which is expected to reduce the cost of the investment to approximately €107.5 million. The transaction builds on Oakley Capital Limited's experience in the online consumer sector through its previous investments in Facile.it, Parship Elite Group and Verivox.de. This acquisition was funded by:

(i) A 10% capital call from the Master Fund to its Limited Partners. This provided the Master Fund with €69.2 million, part of which was not invested in the acquisition. The unfunded commitments at this date were €615.3 million.

(ii) A loan facility of €100.0 million provided by Investec Bank ("Investec"), of which €79.4 million was drawn and utilised for the acquisition. The loan was provided at an interest rate of 3.2% above EURIBOR with the initial €20.0 million which is to be repaid in April 2017, and the remaining outstanding amounts are repayable by January 2018, with a final maturity date of January 2022.

In March 2017, Oakley Capital Investments Limited, a limited partner in Oakley Capital Private Equity III-A L.P., provided a revolving credit facility of £20.0 million to the Master Fund at an interest rate of 6.5% per annum.

06



AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT
To the Founder Partner, General Partner and Limited Partners of OCPE III Master L.P.

We have audited the accompanying financial statements of OCPE III Master L.P., which comprise the statement of assets and liabilities, as of 31 December 2016, and the related statement of operations, changes in Partners' capital and cash flows for the period from 11 February 2016 (date of establishment) to 31 December 2016, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with US generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OCPE III Master L.P. as of 31 December 2016, and the results of its operations and its cash flows for the period from 11 February 2016 (date of establishment) to 31 December 2016 in accordance with US generally accepted accounting principles.

This report, including our opinion, has been prepared for and only for the Founder Partner, General Partner and Limited Partners and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose, or to any other person, to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda
27 March 2017



08

FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

31 DECEMBER 2016

(Expressed in Euros)

	Note	2016 €
Assets		
Cash and cash equivalents	3	4,900,312
Other receivables		14,161
Total assets		4,914,473
Liabilities		
Accounts payable and accrued expenses		156,312
Total liabilities		156,312
Net assets, represented by Partners' capital		4,758,161

Signed on behalf of the General Partner on 27 March 2017, by:

Paul Stevenson	Ian Pilgrim
Director	Director
Oakley Capital III Limited	Oakley Capital III Limited
General Partner	General Partner

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

STATEMENT OF OPERATIONS

FOR THE PERIOD 11 FEBRUARY 2016 (DATE OF ESTABLISHMENT) THROUGH 31 DECEMBER 2016

(Expressed in Euros)

	Note	2016 €
Income		
Interest income		3,375
Total income		3,375
Expenses		
Organisational costs		1,271,855
Professional fees	8	804,717
Other expenses		19,592
Total expenses		2,096,164
Net investment loss		(2,092,789)
Realised and unrealised loss on foreign exchange		
Net realised loss on foreign exchange		(9,076)
Net unrealised loss on foreign exchange		(974)
Net realised and unrealised loss on foreign exchange		(10,050)
Net decrease in Partners' capital resulting from operations		(2,102,839)

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

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

FOR THE PERIOD 11 FEBRUARY 2016 (DATE OF ESTABLISHMENT) THROUGH 31 DECEMBER 2016

(Expressed in Euros)

	Note	Limited Partners €	General Partner €	Founder Partner €	Total €
Partners' capital as at 11 February 2016		–	–	–	–
Net decrease in Partners' capital resulting from operations					
Net investment loss		(2,092,789)	–	–	(2,092,789)
Net realised loss on foreign exchange		(9,076)	–	–	(9,076)
Net change in unrealised loss on foreign exchange		(974)	–	–	(974)
		(2,102,839)	**–**	**–**	**(2,102,839)**
Capital transactions					
Capital contributions	4	6,861,000	–	–	6,861,000
		6,861,000	**–**	**–**	**6,861,000**
Partners' capital as at 31 December 2016		**4,758,161**	**–**	**–**	**4,758,161**

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

STATEMENT OF CASH FLOWS

FOR THE PERIOD 11 FEBRUARY 2016 (DATE OF ESTABLISHMENT) THROUGH 31 DECEMBER 2016

(Expressed in Euros)

	2016 €
Cash flows from operating activities	
Net decrease in Partners' capital resulting from operations	(2,102,839)
Adjustments to reconcile net decrease in Partners' capital resulting from operations to net cash used in operating activities:	
Net realised and unrealised loss on foreign exchange	10,050
Change in other receivables	(14,161)
Change in accounts payable and accrued expenses	156,312
Net cash used in operating activities	(1,950,638)
Cash flows from financing activities	
Capital called – Limited Partners	6,861,000
Net cash provided from financing activities	6,861,000
Net effect of foreign exchange	(10,050)
Net increase in cash and cash equivalents	4,900,312
Cash and cash equivalents at the beginning of the period	–
Cash and cash equivalents at the end of the period	4,900,312

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

1. THE MASTER FUND

OCPE III Master L.P. (the "Master Fund") was established as a Bermuda Limited Partnership on 11 February 2016. The general partner of the Master Fund is Oakley Capital III Limited (the "General Partner"). The founder partner of the Master Fund is OCPE III Founder Member L.P. (the "Founder Partner"). The manager of the Master Fund is Oakley Capital Manager Limited (the "Manager") and the investment adviser to the Manager is Oakley Capital Limited (the "Investment Adviser"). The Master Fund's primary objective is to invest in a diversified portfolio of private mid-market UK, USA and European businesses, aiming to provide investors with significant long-term capital appreciation.

The Master Fund has three feeder funds: Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively the "Feeder Funds"). The Feeder Funds invest all of their assets in the Master Fund.

The Master Fund has an initial life of ten years from the Final Closing Date; however the life of the Master Fund may be extended, at the discretion of the General Partner, by up to three additional one-year periods, to provide for the orderly realisation of investments.

2. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the Master Fund:

a) Basis of presentation

The accompanying financial statements are prepared in accordance with US generally accepted accounting principles. The Master Fund 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 US 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 Partners' capital from operations during the reporting period. Actual results could differ from those estimates.

c) Investment valuation

Security transactions are accounted for on a trade date basis. Realised and unrealised gains and losses are determined by the specific-cost method and are reflected in the Statements of Operations.

Investments are valued at fair value by the Investment Adviser. These valuations are in compliance with the International Private Equity and Venture Capital Guidelines, with particular consideration of the following factors:

- Fair value is the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction.
- In estimating fair value, the Investment Adviser uses a methodology which is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio using reasonable assumptions and estimations.
- An appropriate methodology incorporates all available information about factors that are likely to materially affect the fair value of the investment. The valuation methodologies are applied consistently from period to period, except where a change would result in a better estimate of fair value. Any changes in valuation methodologies are clearly disclosed in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The most widely used methodologies are listed below. In assessing which methodology is appropriate, the Investment Adviser is predisposed towards those methodologies that draw upon market-based measures of risk and return, such as:

- Cost of recent investment and transactions
- Earnings multiple
- Discounted cash flow
- Net assets
- Available market prices and data

The Investment Adviser evaluates each investment by considering its cost to the Master Fund, the financial condition and operating results of the underlying company, industry and macro-economic data, the type of investments held, the valuation of comparable private and public companies and other relevant information considered significant by the Investment Adviser.

As a result, there is significant judgment associated with the valuation of investments. Because of the inherent uncertainty of such valuations, the Investment Adviser's estimates of fair values may differ significantly from the value that would have been used had a ready market existed for the investments, and those differences could be material. There is no assurance that, upon disposal, the Master Fund will realise these estimated fair values.

The Master Fund is subject to the provisions of the FASB guidance on Fair Value Measurements and Disclosure. ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with US 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 – 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 the investments are not necessarily an indication of the risks associated with investing in those investments.

Securities traded on a national stock exchange are valued at the last reported sales price on the valuation date and are categorised in Level 1 of the fair value hierarchy. When prices are not readily available, or are determined not to reflect fair value these securities may be valued 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 by the Investment Adviser. In these circumstances, the Investment Adviser will attempt to use consistent and fair valuation criteria and may (but is not required to) obtain independent appraisals at the expense of the Master Fund.

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) Investment expenses

Investment expenses are comprised of direct costs incurred in relation to investments purchased by the Master Fund, and include legal, due diligence, investment banking fees, transaction costs, valuation, travel and other related expenses. Investment expenses attributable to a specific investment are capitalised and included in the cost of the investment. Investment expenses relating to aborted deals are expensed and included in 'Professional fees' in the Statement of Operations.

e) Income recognition

Dividend income is recognised on the ex-dividend date. Interest income and expense are recognised on the accruals basis except for securities in default for which interest is recognised on a cash basis.

f) Foreign currency translation

Investments and other monetary assets and liabilities denominated in foreign currencies are translated into Euro amounts at exchange rates selected by the Investment Adviser at the reporting date.

Purchases and sales of investments and foreign currencies, and income and expense items denominated in foreign currencies are translated into Euro 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 gains or losses and the net change in unrealised gains or losses from foreign exchange in the Statements of Operations.

The Master Fund does not isolate unrealised or realised foreign exchange gains or losses arising from changes in the fair value of investments. All such foreign exchange gains or losses are included with the net realised and change in unrealised appreciation or depreciation from investments in the Statements of Operations.

g) Cash and cash equivalents

For the purposes of the Statements of Cash Flows, the Master Fund considers all time deposits, money market funds and commercial paper with an original maturity of ninety days or less as equivalent to cash.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 31 December 2016 consist of the following:

	2016 €
Cash	4,900,312
	4,900,312

4. PARTNERS' CAPITAL ACCOUNTS

In accordance with the limited partnership agreements, profits and losses of the Master Fund are allocated to the Feeder Funds according to their respective interest in the Master Fund.

As at 31 December 2016 the respective percentage holdings of the Feeder Funds' in the Master Fund were:

	Holding %
Oakley Capital Private Equity III-A L.P.	62.69
Oakley Capital Private Equity III-B L.P.	32.72
Oakley Capital Private Equity III-C L.P.	4.59
	100.00

During July 2016 and November 2016, the Master Fund made capital calls of €5,007,500 and €1,853,500, respectively. As per the Limited Partnership Agreements, the aggregated capital calls eligible for drawing by the Master Fund from the Feeder Funds are limited to the aggregate amount which may be called from the Limited Partners of the Feeder Funds.

5. DISTRIBUTIONS

No distributions have been made by the Master Fund up to 31 December 2016.

6. INVESTMENTS

No investments have been made by the Master Fund up to 31 December 2016.

7. RELATED PARTIES

Certain directors of the General Partner are also directors of the Founder Partner and Administrator; entities which provide services to and receive compensation from the Master Fund and/or Feeder Funds.

The Investment Adviser will not receive a management or performance fee from the Master Fund. Any fees due to the Investment Adviser will be paid by the Manager on an as agreed basis.

8. ADMINISTRATION FEE

As per the Administration Agreement between the Administrator, the Master Fund and the Feeder Funds, the Administrator receives a fee at prevailing commercial rates. During the period ending 31 December 2016, the Master Fund incurred administration fees of €195,867 which is included in 'Professional fees' in the Statement of Operations. As at 31 December 2016, there was no balance payable.

9. FINANCIAL HIGHLIGHTS

Ratios to average Feeder Funds' capital:

	2016
Net investment loss	(43)%
Operating expenses	(43)%
Cumulative internal rate of return (IRR)	(64)%

The operating expenses and net investment loss ratios are calculated for the Feeder Funds taken as a whole. The computation of such ratios is based on the amount of income and expenses allocated to each Feeder Fund's capital account and may vary from these ratios based on the timing of capital transactions.

The IRR is based on the actual dates of the cash inflows, outflows (cash and stock distributions) and the fair value of each Feeder Fund's capital account as at 31 December 2016.

10. INCOME TAXES

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

The Master Fund was not required to recognise any amounts for uncertain tax positions under Financial Accounting Standards Board Accounting Standards Codification Topic 740.

The Master Fund is treated as a partnership for US tax purposes. Therefore, no provision has been made in the financial statements for United States federal or state income taxes, as any income tax liability arising from the operations of the Master Fund is the responsibility of the limited partners of the Feeder Funds and not that of the Master Fund.

11. SUBSEQUENT EVENTS

The General Partner has evaluated subsequent events from the year end through 27 March 2017, which is the date the financial statements were available to be issued. The following events have been identified for disclosure:

During January 2017, the Feeder Funds received commitments totalling €5,300,000.

In January 2017, the Master Fund made a 10% capital call of €69,140,000.

In January 2017, Investec Bank plc ("Investec") provided a loan facility, secured by unfunded commitments, of €100,000,000 to the Master Fund at an interest rate of 3.2% above EURIBOR with a maturity date of January 2022.

In January 2017, the Master Fund invested €134,501,000 to acquire a portfolio of European real estate websites including Casa.it in Italy and atHome.lu in Luxembourg. The Master Fund drew €79,360,000 under the Investec facility to partially fund this acquisition.

In March 2017, Oakley Capital Investments Limited, a limited partner in Oakley Capital Private Equity III-A L.P., provided a revolving credit facility of £20,000,000 to the Master Fund at an interest rate of 6.5% per annum.


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Oakley Capital
Private Equity III-A L.P.
ANNUAL
REPORT
AND
ACCOUNTS
2017



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04

GENERAL PARTNER'S REPORT

OVERVIEW

Oakley Capital III Limited (the "General Partner"), a Bermuda incorporated company, is the general partner of Oakley Capital Private Equity III-A L.P. (the "Partnership"). The General Partner is also the General Partner of Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively, with the Partnership, the "Feeder Funds"). The Feeder Funds invest substantially all of their assets in OCPE III Master L.P. (the "Master Fund"). The manager to the Feeder Funds is Oakley Capital Manager Limited (the "Manager"). The General Partner has appointed Oakley Capital Limited (the "Investment Adviser") as investment adviser to the General Partner with respect to the Feeder Funds and the Master Fund. The Investment Adviser is primarily responsible for advising the General Partner on the investment of the assets of the Feeder Funds and the Master Fund as well as advising on certain administrative functions.

This report should be read in conjunction with the 2017 Annual Report and Financial Statements for the Master Fund. This latter report provides investment and performance information in relation to the portfolio companies underlying the Partnership's 55.5% interest in the Master Fund.

THE YEAR IN SUMMARY

Partners' capital increased in the year from €3.6 million to €171.2 million, driven by capital called from Limited Partners of €155.9 million and a change in unrealised appreciation of the Partnership's investments in the Master Fund of €40.6 million. The revaluation arose from fair value uplifts in Casa & atHome, Plesk and TechInsights, which were acquired by the Master Fund in the earlier part of 2017. Schülerhilfe and AMOS acquired in the latter part of 2017 were valued at a fair value approximate to their total invested cost.

Capital called from Limited Partners represented 35% of commitments, bringing the total capital called to 38%, €168.8 million.

During the year there were capital calls made from the Master Fund also amounting to €155.9 million and were used by the Master Fund to make investments. The Master Fund, to date, has called 34% of commitments.

There were distributions to the Limited Partners during the year ending 31 December 2017 of €17.1 million from a refinancing of the investment in TechInsights.

INVESTMENT STRATEGY

The Partnership invests substantially all of its assets in the Master Fund. The Master Fund aims to replicate the investment strategy successfully implemented to date in Oakley Capital Private Equity L.P. ("Fund I") and OCPE Master II L.P. ("Fund II"). This is based on identifying investment opportunities which will enable the acquisition of businesses at below prevailing market multiples, targeting businesses under stress in fragmented sectors that it believes require consolidation or are capable of significant organic growth. The Master Fund will generally invest in situations outside of those which appeal to the mainstream private equity community. The Master Fund's deals are likely to be challenging or complex.

Deals may include the following:

- Challenging or complex management buy-outs and buy-ins
- Carve-outs
- Operational businesses that require improvement

The Master Fund looks for businesses where the Investment Adviser's team can make a difference. Senior team members have demonstrated that the Investment Adviser is able to deliver capital appreciation and to manage risk through consolidation and operational improvements through the successful track record of Fund I and Fund II to date.

Deals can be executed in relatively short and demanding timescales, where the circumstances of the business or the situation demand it. Target investment size is from €30 million to €100 million. The Master Fund seeks to take controlling equity positions, but can also invest in other parts of the capital structure, including mezzanine and senior debt in support of equity-led transactions.

The Master Fund aims to deliver in excess of 25% IRR per annum on investments. The life of the Master Fund is expected to be approximately ten years, which includes a five-year investment period.

PERFORMANCE

The Partnership's share of the total capital called by the Master Fund to 31 December 2017 was €151.1 million (2016: €4.3 million) and the Partnership represents 55.5% (2016: 62.7%) of the Master Fund's total capital commitments. Of this, €44.4 million was due on 2 January 2018 and is shown as 'Investments waiting to settle' on the Statement of Assets and Liabilities. The dilution of percentage holding during the year is due to further investors subscribing to the Partnership prior to the final closing. The final close occurred on 29 September 2017, with total commitments in the Master Fund of €800 million.

In August 2017, the Master Fund made a distribution to the Limited Partners of €17.1 million from the proceeds of the TechInsights refinancing.

The increase in Partners' Capital comprised unrealised appreciation on investments allocated from the Master Fund of €40.6 million; realised losses of €1.1 million; an unrealised gain of €1.6 million from foreign exchange allocated from the Master Fund, partly offset by net expenses of €12.5 million (including €9.2 million of management fees).

MARKET BACKGROUND AND OUTLOOK

The overall market throughout 2017 has seen little change from the previous year. The uncertainty will continue to preside in 2018, but arguably there are fewer downside risks in the coming year.

Investment activity has been dominated by pricing pressures as we saw in 2016. Large amounts of capital continue to be allocated to this asset class with some managers feeling the pressure to deploy capital, coupled with cheap and available debt. There has been a growing level of competition for assets, and portfolio company valuations have continued to rise further throughout 2017. Consequently, this has led to some concern that high valuations are making it increasingly difficult to buy high quality assets at reasonable valuations which could affect future returns.

The Investment Adviser's strategy of targeting entrepreneur led, non-competitive, proprietary deals has been advantageous to the Master Fund. Reliance is not on the intermediated market to source deals, rather on the Investment Adviser's strong founder/manager relationships, wide network and reputation for sector expertise. The Master Fund will continue to enjoy a strong pipeline from this sourcing model having been able to invest in six companies at attractive entry multiples since the beginning of 2017.

The Investment Adviser remains confident that it can continue to source attractive opportunities to further build out a strong portfolio over the coming year, that can deliver meaningful returns to Limited Partners.

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AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Founder Partner, General Partner and Limited Partners of Oakley Capital Private Equity III-A L.P.

We have audited the accompanying financial statements of Oakley Capital Private Equity III-A L.P., which comprise the statements of assets and liabilities, as of 31 December 2017 and 2016, and the related statements of operations, changes in Partners' capital and cash flows for the year ended 31 December 2017 and the period from 21 October 2015 (date of establishment) to 31 December 2016, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with US generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Oakley Capital Private Equity III-A L.P. as of 31 December 2017 and 2016, and the results of its operations and its cash flows for the year ended 31 December 2017 and the period from 21 October 2015 (date of establishment) to 31 December 2016 in accordance with US generally accepted accounting principles.

This report, including our opinion, has been prepared for and only for the Founder Partner, General Partner and Limited Partners and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose, or to any other person, to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda
26 February 2018



08

FINANCIAL STATEMENTS

STATEMENTS OF ASSETS AND LIABILITIES

31 DECEMBER 2017 AND 2016

(Expressed in Euros)

	Notes	2017 €	2016 €
Assets			
Investment in the Master Fund	7	170,544,052	2,982,780
Cash and cash equivalents	3	11,614,239	636,246
Called capital receivable	5	41,973,600	–
Other receivables	8	1,983,833	–
Total assets		**226,115,724**	**3,619,026**
Liabilities			
Amounts due to the Master Fund	8	10,217,484	–
Investments waiting to settle	7	44,433,000	–
Other payables		265,946	–
Total liabilities		**54,916,430**	**–**
Net assets, represented by Partners' capital		**171,199,294**	**3,619,026**

Signed on behalf of the General Partner on 26 February 2018

On behalf of the Board:

Paul Stevenson
Director
Oakley Capital III Limited
General Partner

Ian Pilgrim
Director
Oakley Capital III Limited
General Partner

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

STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE PERIOD 21 OCTOBER 2015 (Date of Establishment) TO 31 DECEMBER 2016

(Expressed in Euros)

	Note	2017 €	2016 €
Income allocated from the Master Fund			
Interest income		25,108	2,115
Income allocated from the Master Fund		**25,108**	**2,115**
Expenses allocated from the Master Fund			
Professional fees		786,767	504,458
Organisational costs		132,416	797,296
Interest expense		1,891,052	–
Other expenses		601,656	12,281
Expenses allocated from the Master Fund		**3,411,891**	**1,314,035**
Net investment loss allocated from the Master Fund		**(3,386,783)**	**(1,311,920)**
Partnership expenses			
Management fees	8	9,150,147	7,965,688
Other expenses		2,056	66
Total Partnership expenses		**9,152,203**	**7,965,754**
Net investment loss		**(12,538,986)**	**(9,277,674)**
Net realised and unrealised gains and losses on investments and foreign exchange allocated from the Master Fund			
Net realised gains/(losses) on foreign exchange		133,353	(5,690)
Net change in unrealised gains/(losses) on foreign exchange		1,603,950	(610)
Net realised losses on sale of investments		(1,072,846)	–
Net change in unrealised appreciation on investments		40,576,164	–
Net realised and unrealised gains/(losses) on investments and foreign exchange allocated from the Master Fund		**41,240,621**	**(6,300)**
Net increase/(decrease) in Partners' capital resulting from operations		**28,701,635**	**(9,283,974)**

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

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE PERIOD 21 OCTOBER 2015 (Date of Establishment) TO 31 DECEMBER 2016

(Expressed in Euros)

	Limited Partners €	Founder Partner €	Net change in unrealised appreciation on investments €	Total €
Partners' capital as at 21 October 2015	**–**	**–**	**–**	**–**
Net increase in Partners' capital resulting from operations				
Net investment loss	(9,277,674)	–	–	(9,277,674)
Net realised loss on foreign exchange allocated from the Master Fund	(5,690)	–	–	(5,690)
Net change in unrealised loss on foreign exchange allocated from the Master Fund	(610)	–	–	(610)
	(9,283,974)	**–**	**–**	**(9,283,974)**
Capital transactions				
Capital contributions	12,903,000	–	–	12,903,000
	12,903,000	**–**	**–**	**12,903,000**
Partners' capital as at 31 December 2016	**3,619,026**	**–**	**–**	**3,619,026**
Net increase in Partners' capital resulting from operations				
Net investment loss	(12,538,986)	–	–	(12,538,986)
Net realised gain on foreign exchange allocated from the Master Fund	133,353	–	–	133,353
Net change in unrealised gain on foreign exchange allocated from the Master Fund	1,603,950	–	–	1,603,950
Net realised loss on sale of investments allocated from the Master Fund	(1,072,846)	–	–	(1,072,846)
Net change in unrealised appreciation on investments allocated from the Master Fund	–	–	40,576,164	40,576,164
	(11,874,529)	**–**	**40,576,164**	**28,701,635**
Capital transactions				
Capital contributions	155,942,400	–	–	155,942,400
Capital distributions	(17,063,767)	–	–	(17,063,767)
Provisional profit allocation	(3,883,532)	3,883,532	–	–
	134,995,101	**3,883,532**	**–**	**138,878,633**
Partners' capital as at 31 December 2017	**126,739,598**	**3,883,532**	**40,576,164**	**171,199,294**

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE PERIOD 21 OCTOBER 2015 (Date of Establishment) TO 31 DECEMBER 2016

(Expressed in Euros)

	2017 €	2016 €
Cash flows from operating activities		
Net increase/decrease) in Partners' capital resulting from operations	28,701,635	(9,283,974)
Adjustments to reconcile net increase/(decrease) in Partners' capital resulting from operations to net cash used in operating activities:		
Net realised and unrealised (gains)/losses on investments and foreign exchange allocated from the Master Fund	(41,240,621)	6,300
Net investment loss allocated from the Master Fund	3,386,783	1,311,920
Payments for purchases of investments	(102,338,200)	(4,301,000)
Proceeds on disposal of investments	17,063,766	–
Change in other receivables	(1,983,833)	–
Change in amounts due to related parties	10,217,484	–
Change in other payables	265,946	–
Net cash used in operating activities	**(85,927,040)**	**(12,266,754)**
Cash flows from financing activities		
Capital called – Limited Partners	113,968,800	12,903,000
Distributions – Limited Partners	(17,063,767)	–
Net cash provided by financing activities	**96,905,033**	**12,903,000**
Net increase in cash and cash equivalents	10,977,993	636,246
Cash and cash equivalents at the beginning of the year/period	636,246	–
Cash and cash equivalents at the end of the year/period	**11,614,239**	**636,246**

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

1. THE PARTNERSHIP

Oakley Capital Private Equity III-A L.P. (the "Partnership") was established as a Bermuda limited partnership on 21 October 2015. The general partner of the Partnership is Oakley Capital III Limited (the "General Partner"). The manager of the Partnership is Oakley Capital Manager Limited (the "Manager") and the investment adviser to the Manager is Oakley Capital Limited (the "Investment Adviser"). The founder partner of the Partnership is Oakley Capital III Founder Member L.P. (the "Founder Partner").

The Partnership, along with Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively the "Feeder Funds") invest substantially all of their assets in OCPE III Master L.P. (the "Master Fund") a limited partnership that invests in a diversified portfolio of private mid-market UK, US and European businesses, aiming to provide investors with significant long-term capital appreciation.

The financial statements of the Master Fund should be read with the Partnership's financial statements. The Partnership has an interest of 55.54% (2016: 62.69%) of the Master Fund as at 31 December 2017.

The First Closing date for the Partnership was 29 January 2016. The Partnership has an initial life of ten years from its Final Closing Date of 29 September 2017; however the life of the Partnership may be extended, at the discretion of the General Partner, by up to three additional one-year periods, to provide for the orderly realisation of investments.

2. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the Partnership:

a) Basis of presentation

The accompanying financial statements are prepared in accordance with US generally accepted accounting principles. The Partnership 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 US 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 Partners' capital from operations during the reporting period. Actual results could differ from those estimates.

c) Investment in the Master Fund

The Partnership records its investment in the Master Fund at fair value. Valuation of the investments held by the Master Fund, including, but not limited to, the valuation techniques used and the classification within the fair value hierarchy of investments, are discussed in the notes to the Master Fund's financial statements.

d) Master Fund allocations

The Partnership records its proportionate share of the Master Fund's income, expenses, and realised and unrealised gains and losses. In addition, the Partnership incurs and accrues its own expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Foreign currency translation

Investments and other monetary assets and liabilities denominated in foreign currencies are translated into Euro amounts at exchange rates at the reporting date.

Purchases and sales of investments and foreign currencies, and income and expense items denominated in foreign currencies are translated into Euro 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 gains or losses' and the 'Net change in unrealised gains or losses on foreign exchange' in the Statement of Operations.

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

f) Cash and cash equivalents

The Partnership considers all time deposits, money market funds and commercial paper with an original maturity of ninety days or less as equivalent to cash.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 31 December 2017 and 2016 consist of the following:

	2017 €	2016 €
Cash	11,614,239	636,246
	11,614,239	**636,246**

4. PARTNERS' CAPITAL ACCOUNTS

A capital account was established for each Limited Partner at the inception of the Partnership. A Limited Partner's capital account is adjusted for each Partner's capital commitments when received, for net gains and losses allocated to each Limited Partner, as described below, and for cash distributed to Partners, net of any liabilities assumed by the Partnership.

Net gains and losses generated by the Partnership for each year are allocated to each of the Limited Partner's capital accounts in accordance with Section 7 of the Partnership Agreement.

Each Limited Partner has an interest in the Partnership in proportion to their commitments.

Net income, net realised gains and losses, and capital losses of the Partnership are allocated between the Limited Partners *pro rata* to their commitments.

Distributions of income and capital proceeds are allocated as follows in accordance with clause 8.1 of the Partnership Agreement:

After the payment of or provision for fees, costs and expenses, or the payment of or provision for liabilities howsoever arising, all Income and Capital (other than income and capital gains earned in relation to Loans drawn down before completing a particular Investment and any realisation of a Bridge Investment within 12 months (a "Realised Bridge Investment")), shall be allocated as follows:

Firstly, to the General Partner in respect of amounts allocable, but not yet allocated and paid to it, in relation to the General Partner's Share;

Secondly, to the Limited Partners *pro rata* to their Commitments in payment of amounts equal to:

(a) Commitments drawn down to pay the Acquisition Cost of the Investment to which such Income or Capital relates together with all other Investments which have been realised (which shall include Investments that have been Written Off), except for Commitments drawn down in respect of Realised Bridge Investments;

(b) the Relevant Proportion of all Partnership Expenses, provided that at all times allocations under this sub-clause shall only be made until such time as allocations equal to the amount of all Partnership Expenses have been made; and

(c) Net Write Downs;

Thirdly, to the Limited Partners *pro rata* to their Commitments until cumulative allocations of Income and Capital to such Limited Partners represent a return at the rate of 8% per annum compounded annually and calculated on a daily basis on amounts allocated;

Fourthly, 100% to the Founder Partner until the Founder Partner has been allocated a sum equal to 20% of the aggregate of allocations made to itself and to Limited Partners under the third allocation; and

Fifthly, to the Limited Partners in proportion to their respective Capital Contributions.

5. CAPITAL COMMITMENTS

The Partnership has received the following capital commitments as at 31 December 2017 and 2016:

	Capital commitments 2017 €	Capital commitments 2016 €
Capital commitments at the beginning of the year/period	430,100,000	–
Capital commitments during the year/period		
January 2016 (first close)	–	250,000,000
June 2016 (second close)	–	50,000,000
July 2016 (third close)	–	32,500,000
November 2016 (fourth close)	–	97,600,000
January 2017(fifth close)	1,300,000	–
August 2017 (sixth close)	5,650,000	–
September 2017 (final close)	7,280,000	–
Capital commitments at the end of the year/period	**444,330,000**	**430,100,000**

The Partnership made the following capital calls during the year ended 31 December 2017 and the period ended 31 December 2016:

	Called capital 2017 €	Called capital 2016 €
Called capital at the beginning of the year/period	12,903,000	–
Capital calls during the year/period		
January 2017 10% call	43,179,000	–
June 2017 13% call	56,082,000	–
August 2017 (follow on commitment call)	1,469,000	–
October 2017 (follow on commitment call)	1,892,800	–
December 2017 12% call	53,319,600	–
January 2016 3% call	–	7,500,000
June 2016 (follow on commitment call)	–	1,500,000
July 2016 (follow on commitment call)	–	975,000
November 2016 (follow on commitment call)	–	2,928,000
Called capital at the end of the year/period	**168,845,400**	**12,903,000**
Capital commitment available to be called	**275,484,600**	**417,197,000**

Oakley Capital Investments Limited, a closed-end investment company managed by the Adviser and listed on AIM of the London Stock Exchange, has committed 73.32% (2016: 75.56%) of the total capital commitments to the Partnership.

At 31 December 2017, 38% of the total capital commitments have been called by the Partnership (2016: 3%). To the extent that a distribution is made within 12 months of the date of acquisition as a result of an investment being realised, repaid or refinanced and forms part or all of the acquisition cost, this amount is available to be drawn. As at 31 December 2017, €41,973,600 of the December 2017 capital call was due from the Limited Partners (2016: €nil).

6. CAPITAL DISTRIBUTIONS

The Partnership made the following distributions during the year ended 31 December 2017 and period ended 31 December 2016:

	2017 €	2016 €
Limited Partners	17,063,767	–
	17,063,767	–

During 2017, the Master Fund made distributions to the Partnership of €17,063,767 resulting in a distribution to the Limited Partners of €17,063,767.

7. INVESTMENTS

The Partnership has committed substantially all of its capital to the Master Fund. The Partnership's share of the total capital called by the Master Fund up to 31 December 2017 was €151,072,200 (2016: €4,301,000), representing 55.54% (2016: 62.69%) of the Master Fund's total capital commitments.

In December 2017, the Master Fund called €44,433,000 from the Partnership with a payment deadline of 2 January 2018. The amount remained outstanding at 31 December 2017 and is included in the 'Investments waiting to settle' balance in the Statement of Assets and Liabilities.

8. RELATED PARTIES

Certain directors of the General Partner are also directors, shareholders or partners of the Founder Partner, Manager and the Administrator; entities which provide services to and receive compensation from the Partnership.

(a) From the inception of the Partnership to the end of the investment period, the General Partner is entitled to receive a General Partner's Share of 2% per annum of the capital commitments of the Founder Partner and Limited Partners. Thereafter 2% per annum on the acquisition cost of all investments which have not been distributed *in specie* or realised. The General Partner's Share is payable semi-annually in advance.

Transaction fees associated with the acquisition or disposal of an investment are payable as invoiced by the Manager. Any transaction fees paid to the Manager will be offset wholly against the next General Partner Share payment.

During the year ended 31 December 2017, the Partnership incurred a General Partner Share of €9,150,147 (2016: €7,965,688). Of this General Partner share €5,193,237 (2016: €nil) was invoiced by the Manager as transaction fees. The aggregate total of the General Partner Share and transaction fees are included in 'Management fees' in the Statement of Operations. As at 31 December 2017, net transaction fees of €1,983,833 (2016: €nil) included in 'Other receivables' in the Statement of Assets and Liabilities represent a prepayment of General Partner Share.

(b) The General Partner has entered into an investment management agreement with the Manager. At the same time, the Manager entered into an investment advisory agreement with the Investment Adviser to advise the Manager with respect to the investment of the Partnership's assets. Neither the Manager nor the Investment Adviser will receive any management or performance fees from the Partnership with respect to their services. Any fees due to the Manager will be paid by the General Partner as agreed between those parties. Any fees due to the Investment Adviser will be paid by the Manager as agreed between those parties.

(c) As at 31 December 2017, amounts due to related parties consisted of €10,217,484 due to the Master Fund (2016: €nil) in order to fund the payment of the General Partner Share. The balance is interest free and payable on demand.

9. ADMINISTRATION FEE

In accordance with the Administration Agreement between the Administrator, the Master Fund and the Feeder Fund, the Administrator receives a fee at prevailing commercial rates. The fee is incurred by the Master Fund.

The Master Fund and the Feeder Funds have also entered into an agreement with Mayflower Corporate Services Limited ("MCS"), a subsidiary of the Administrator to provide corporate secretarial services. Any fees due to MCS will be paid by the Administrator.

10. FINANCIAL HIGHLIGHTS

Ratios to average Limited Partners' capital:

	2017 %	2016 %
Net investment loss	(14)	(167)
Operating expenses	(14)	(167)
Cumulative internal rate of return (IRR)	21	(92)

The operating expenses and net investment loss ratios are calculated for the Limited Partners taken as a whole, based on the allocation provisions of the Partnership Agreement. The computation of such ratios is based on the amount of income and expenses allocated to an individual Limited Partner's capital account and may vary from these ratios based on the timing of capital transactions.

The IRR is based on the actual dates of the cash inflows, outflows (cash and stock distributions) and the fair value of the Limited Partners' capital accounts including unrealised gains and losses on investments, as at 31 December 2017 and 2016.

11. INCOME TAXES

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

The Partnership was not required to recognise any amounts for uncertain tax positions under Financial Accounting Standards Board Accounting Standards Codification Topic 740.

The Partnership is treated as a partnership for US tax purposes. Therefore, no provision has been made in the financial statements for US federal or state income taxes, as any income tax liability arising from the operations of the Partnership is the responsibility of the Partners and not that of the Partnership.

12. SUBSEQUENT EVENTS

The General Partner has evaluated subsequent events from the year end through 26 February 2018, which is the date the financial statements were available to be issued. There were no events identified for disclosure.


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Oakley Capital Private Equity III-A L.P. is registered
in Bermuda with registration number 50751.
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8 Par-la-Ville Road, Hamilton HM08, Bermuda


OCPE III Master L.P.
ANNUAL
REPORT
AND
ACCOUNTS
2017



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04

GENERAL PARTNER'S REPORT

OVERVIEW

OCPE III Master L.P. ("the Master Fund") had an active investment period throughout 2017. The Master Fund made five acquisitions during the year and a sixth investment was completed in January 2018.

Casa & atHome was the Master Fund's first acquisition in January 2017 and comprises a portfolio of European real estate websites in Italy and Luxembourg, with a total cost invested by the Master Fund of €137.1 million (including deal costs). The acquisition was partly financed using a bridge facility which was repaid three months after completion with €32.8 million of the proceeds from a refinancing. Casa & atHome had a fair value of €140.4 million as at 31 December 2017. Since the Master Fund's acquisition, the company has successfully restructured its cost base and completed the separation from its former parent group and has delivered strong revenue growth.

Plesk was acquired in April 2017 and is one of the most widely used control and software panels for web professionals, with a total cost invested by the Master Fund of €25.3 million. It has a fair value at 31 December 2017 of €40.7 million. Since acquisition, Plesk has been successfully carved-out from its former parent and has completed the acquisition of XOVI, an online marketing suite. This is expected to significantly increase Plesk's geographic reach, and hence its profitability in the future.

TechInsights was acquired in May 2017 and is a global leader in the intellectual property and technology services market. It was acquired for a total invested cost of $49.7 million (€44.6 million). TechInsights completed a refinancing in August 2017, reducing its open cost to $13.2 million (€11.9 million). This resulted in a distribution back to Limited Partners of €30.7 million in September 2017. Since acquisition, TechInsights has completed a merger with Chipworks (one of its main competitors) and performance has grown consistently. TechInsights has a fair value of €33.4 million at 31 December 2017.

Building on the Investment Adviser's experience in the education sector (from its investments in Inspired in both Fund I and Fund II as defined herein), two new education investments were acquired by the Master Fund in the latter part of 2017 – Schülerhilfe in July 2017 for €85.9 million, and AMOS in August 2017 for €17.4 million. These acquisitions were valued at a fair value approximate to the total invested cost at 31 December 2017.

On 29 September 2017, the Master Fund completed its final close bringing total committed capital to €800 million.

The Master Fund's portfolio companies performed well in their first period of Oakley ownership. At 31 December 2017, the portfolio had a gross IRR of 40% and gross money multiple of 1.3x (on unrealised investments).

FUND STRUCTURE

Oakley Capital III Limited (the "General Partner"), a Bermuda incorporated company, is the general partner of the Master Fund. The General Partner is also the general partner of Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively the "Feeder Funds"). The Feeder Funds invest substantially all of their assets in the Master Fund. The manager to the Funds is Oakley Capital Manager Limited (the "Manager"). The Manager has appointed Oakley Capital Limited (the "Investment Adviser") as investment adviser to the Manager with respect to the Feeder Funds and the Master Fund. The Investment Adviser is primarily responsible for advising the Manager on the investment of the assets of the Master Fund as well as advising on certain administrative functions.

PERFORMANCE

Analysis of movement in NAV	€m
Opening net asset value, 1 January 2017	**4.8**
Gross revenue	–
Other expenditure	(6.4)
Change in fair value of investments	73.1
Realised loss on investments	(1.9)
Foreign exchange movements	3.1
Distributions	(30.7)
Capital calls	265.1
Closing net asset value, 31 December 2017	**307.1**

The net assets of the Master Fund increased by €302.3 million in the year ended 31 December 2017. The principal contributors to the increase were: capital called from the Feeder Funds of €265.1 million; uplifts in fair value of the portfolio companies amounting to €73.1 million offset by a refinancing of TechInsights which gave rise to a distribution of €30.7 million back to Limited Partners and a €1.9 million loss due to FX rates.

During 2017, the Master Fund made capital calls of 31% from its Feeder Funds, increasing the total amount called to €272.0 million, representing 34% of commitments. These calls, together with short-term bridging facilities provided by Investec Bank plc (the "Investec Facility") were used to finance the investments and the Master Fund's expenses. At 31 December 2017, the aggregate amount drawn on the Investec Facility, inclusive of accrued interest was €113.6 million.

The Master Fund also has the capability of using a short-term revolving loan facility from Oakley Capital Investments Limited (the "OCI Facility"). These facilities are used by the Master Fund to limit the frequency of capital calls. At 31 December 2017, the OCI Facility had a nil amount drawn.

INVESTMENT STRATEGY

The Master Fund aims to replicate the investment strategy successfully implemented to date in Oakley Capital Private Equity L.P. ("Fund I") and OCPE Master II L.P. ("Fund II"). This is based on identifying investment opportunities which will enable the acquisition of businesses at below prevailing market multiples, targeting businesses under stress in fragmented sectors that it believes require consolidation or are capable of significant organic growth. The Master Fund will generally invest in situations outside of those which appeal to the mainstream private equity community. The Master Fund's deals are likely to be challenging or complex.

Deals may include the following:

- Challenging or complex management buy-outs and buy-ins
- Carve-outs
- Operational businesses that require improvement

The Investment Adviser looks for businesses where they can make a difference. Senior team members have demonstrated that the Investment Adviser is able to deliver capital appreciation and to manage risk through consolidation and operational improvements through the successful track record of Fund I and Fund II to date.

Deals can be executed in relatively short and demanding timescales, where the circumstances of the business or the situation demand it. Target investment size is from €30 million to €100 million. The Investment Adviser seeks controlling equity positions but can also invest in other parts of the capital structure, including mezzanine and senior debt in support of equity-led transactions.

The Master Fund aims to deliver in excess of 25% IRR per annum on investments. The life of the Master Fund is expected to be approximately ten years, which includes a five-year investment period.

MARKET BACKGROUND AND OUTLOOK

The overall market throughout 2017 has seen little change from the previous year. The uncertainty will continue to preside in 2018, but arguably there are fewer downside risks in the coming year.

Investment activity has been dominated by pricing pressures as we saw in 2016. Large amounts of capital continue to be allocated to this asset class with some managers feeling the pressure to deploy capital, coupled with cheap and available debt. There has been a growing level of competition for assets, and portfolio company valuations have continued to rise further throughout 2017. Consequently, this has led to some concern that high valuations are making it increasingly difficult to buy high quality assets at reasonable valuations which could affect future returns.

The Investment Adviser's strategy of targeting entrepreneur led, non-competitive, proprietary deals has been advantageous to the Master Fund. Reliance is not on the intermediated market to source deals, rather on the Investment Adviser's strong founder/manager relationships, wide network and reputation for sector expertise. The Master Fund will continue to enjoy a strong pipeline from this sourcing model having been able to invest in six companies at attractive entry multiples since the beginning of 2017.

The Investment Adviser remains confident that it can continue to source attractive opportunities to further build out a strong portfolio over the coming year, that can deliver meaningful returns to Limited Partners.

FAIR VALUE OF INVESTMENTS

The Master Fund's policy is to review valuations of its portfolio companies twice a year. These values have been established in accordance with the International Private Equity and Venture Capital Valuation Guidelines, by the Investment Adviser.

In determining fair value, the Investment Adviser considers various valuation approaches, including the market and income approaches. The market approach ascribes a value to a business interest or shareholding by comparing it to similar businesses, using the principle of substitution: that is, that a prudent purchaser would pay no more for an asset than it would cost to acquire a substitute asset with the same utility and income earning potential. In the income approach, an economic benefit stream from the business interest is selected, generally based on historic or forecast cash flows and a derivative of profits. The cash flow is then discounted to present value using a risk-adjusted discount rate. In general, the Investment Adviser uses the market approach to value its investments, as it deems this to be the most appropriate approximation for fair value.

The 2017 transactional activity in the Master Fund's investment portfolio is summarised in the following table:

Expressed in €m Investment	Opening cost (1 Jan 2017)	Opening fair value	Investment additions	Cost relieved	Closing cost[1]	Change in unrealised gain/(loss)	Closing fair value	Money multiple[2]	Gross IRR %
Investments held at 31 December 2017									
Casa & atHome	–	–	137.1	(32.8)	104.3	36.2	140.4	1.3	35
Plesk	–	–	25.3	–	25.3	15.4	40.7	1.6	102
TechInsights	–	–	44.6	(32.7)	11.9	21.5	33.4	2.8	133
Schülerhilfe	–	–	85.9	–	85.9	–	85.9	1.0	–
Amos	–	–	17.4	–	17.4	–	17.4	1.0	–
Total investments	**–**	**–**	**310.2**	**(65.5)**	**244.7**	**73.1**	**317.8**		

[1] This is current open cost as at 31 December 2017.
[2] The money multiple is calculated based on the net cost of the investments i.e. post refinancing.

Expressed in €m Investment	Cost	Proceeds	Realised loss	Distributions
Realisations from refinancing 2017				
Casa & atHome	32.8	32.8	–	–
TechInsights	32.7	30.7	(1.9)	30.7
Total	**65.5**	**63.5**	**(1.9)**	**30.7**
Total distributions to Limited Partners in 2017				**30.7**

The Master Fund acquired five portfolio companies during the year for a total cost of €310.2 million. Two of the acquisitions were refinanced during the year, with total proceeds of €63.5 million received by the Master Fund. The refinancing proceeds received from the Casa & atHome acquisition of €32.8 million were used to repay loan notes that were provided at the initial acquisition, reducing the Master Funds' invested cost to €104.3 million.

The refinancing proceeds of $36.5 million (€32.7 million) from the TechInsights acquisition were distributed back to the Limited Partners with a realised loss of €1.9 million due to the fluctuation in FX rates.

All investments were fair valued at 31 December 2017 with the fair value of Schülerhilfe and AMOS being approximate to the total cost of investments. A total unrealised gain of €73.1 million was achieved on the first three investments acquired by the Master Fund, driven by their strong performances and growth since acquisition.

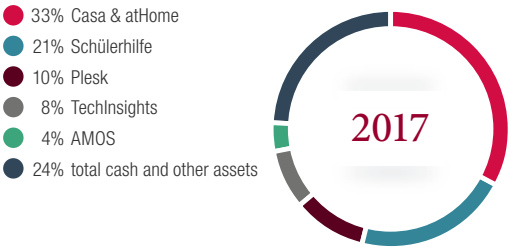
The Master Fund has a gross IRR of 40% and a gross money multiple of 1.3x on the portfolio (unrealised) at 31 December 2017.

SUBSEQUENT EVENTS

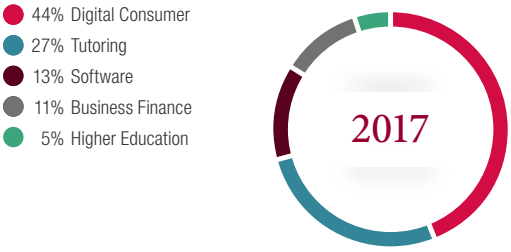
Career Partners Group

On 11 January 2018, the Master Fund completed the acquisition of Career Partner Group ("CPG"), which is a leading private provider of higher education and personnel development in Germany. The total enterprise value of CPG at acquisition was $200 million (€170 million) and the Master Fund provided equity funding of €84.6 million, with a number of Limited Partners also participating as co-investors in the transaction. The Master Fund currently holds 66.7% in CPG.

GROSS ASSETS HELD BY THE MASTER FUND



PORTFOLIO DISTRIBUTION BY SECTOR [1]



[1] Calculated based on year-end fair value.



AUDITOR'S REPORT

To the Founder Partner, General Partner and Limited Partners of OCPE III Master L.P.

We have audited the accompanying financial statements of OCPE III Master L.P., which comprise the statements of assets and liabilities as of 31 December 2017 and 2016, the schedule of investments as of 31 December 2017 and the related statements of operations, changes in Partners' capital and cash flows for the year ended 31 December 2017 and the period from 11 February 2016 (date of establishment) to 31 December 2016, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with US generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of OCPE III Master L.P. as of 31 December 2017 and 2016, and the results of its operations and its cash flows for the year ended 31 December 2017 and the period from 11 February 2016 (date of establishment) to 31 December 2016 in accordance with US generally accepted accounting principles.

This report, including our opinion, has been prepared for and only for the Founder Partner, General Partner and Limited Partners and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose, or to any other person, to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda
26 February 2018



FINANCIAL STATEMENTS

STATEMENTS OF ASSETS AND LIABILITIES

31 DECEMBER 2017 AND 2016

(Expressed in Euros)

	Notes	2017 €	2016 €
Assets			
Investments (cost 2017: €244,733,983; 2016: €nil)	6, 7	317,789,890	–
Cash and cash equivalents	3	5,176,181	4,900,312
Due from related parties	8	17,721,493	–
Called capital receivable	4	80,000,000	–
Other receivables		179,715	14,161
Total assets		**420,867,279**	**4,914,473**
Liabilities			
Loan facility	10	112,997,355	–
Accounts payable and accrued expenses	10	811,563	156,312
Total liabilities		**113,808,918**	**156,312**
Net assets, represented by Partners' capital		**307,058,361**	**4,758,161**

Signed on behalf of the General Partner on 26 February 2018

On behalf of the Board:

Paul Stevenson
Director
Oakley Capital III Limited
General Partner

Ian Pilgrim
Director
Oakley Capital III Limited
General Partner

SCHEDULE OF INVESTMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE PERIOD 11 FEBRUARY 2016 (Date of Establishment) TO 31 DECEMBER 2016

(Expressed in Euros)

31 December 2017	Fair value as a percentage of net assets	Cost €	Fair value €
Unquoted equity securities			
Canada			
TechInsights	10.88	11,914,691	33,414,313
Subtotal – Canada	10.88	11,914,691	33,414,313
France			
AMOS	5.66	17,394,567	17,394,567
Subtotal – France	5.66	17,394,567	17,394,567
Germany			
Schülerhilfe	27.97	85,898,548	85,898,548
Subtotal – Germany	27.97	85,898,548	85,898,548
Italy			
Casa & atHome	45.74	104,264,342	140,433,446
Subtotal – Italy	45.74	104,264,342	140,433,446
Switzerland			
Plesk	13.24	25,261,835	40,649,016
Subtotal – Switzerland	13.24	25,261,835	40,649,016
Total unquoted equity securities	**103.49**	**244,733,983**	**317,789,890**
Total investments	**103.49**	**244,733,983**	**317,789,890**

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

STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE PERIOD 11 FEBRUARY 2016 (Date of Establishment) TO 31 DECEMBER 2016

(Expressed in Euros)

	Notes	2017 €	2016 €
Income			
Interest income		45,641	3,375
Total income		**45,641**	**3,375**
Expenses			
Organisational costs		402,059	1,271,855
Professional fees	8, 9	1,520,086	804,717
Interest	8,10	3,404,770	–
Other expenses		1,085,781	19,592
Total expenses		**6,412,696**	**2,096,164**
Net investment loss		**(6,367,055)**	**(2,092,789)**
Realised and unrealised gains/(losses) on investments and foreign exchange			
Net realised gains/(losses) on foreign exchange		238,930	(9,076)
Net change in unrealised gains/(losses) on foreign exchange		2,887,729	(974)
Net realised loss on sale of investments	7	(1,931,620)	–
Net change in unrealised appreciation on investments		73,055,907	–
Net realised and unrealised gains/(losses) on investments and foreign exchange		**74,250,946**	**(10,050)**
Net increase/(decrease) in Partners' capital resulting from operations		**67,883,891**	**(2,102,839)**

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

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE PERIOD 11 FEBRUARY 2016 (Date of Establishment) TO 31 DECEMBER 2016

(Expressed in Euros)

	Limited Partners €	Net change in unrealised appreciation on investments €	Total €
Partners' capital at 11 February 2016	–	–	–
Net decrease in Partners' capital resulting from operations			
Net investment loss	(2,092,789)	–	(2,092,789)
Net realised loss on foreign exchange	(9,076)	–	(9,076)
Net change in unrealised loss on foreign exchange	(974)	–	(974)
	(2,102,839)	**–**	**(2,102,839)**
Capital transactions			
Capital contributions	6,861,000	–	6,861,000
	6,861,000	**–**	**6,861,000**
Partners' capital as at 31 December 2016	**4,758,161**	**–**	**4,758,161**
Net increase in Partners' capital resulting from operations			
Net investment loss	(6,367,055)	–	(6,367,055)
Net realised gain on foreign exchange	238,930	–	238,930
Net change in unrealised gain on foreign exchange	2,887,729	–	2,887,729
Net realised loss on sale of investments	(1,931,620)	–	(1,931,620)
Net change unrealised appreciation on investments	–	73,055,907	73,055,907
	(5,172,016)	**73,055,907**	**67,883,891**
Capital transactions			
Capital contributions	265,139,000	–	265,139,000
Capital distributions	(30,722,691)	–	(30,722,691)
	234,416,309	**–**	**234,416,309**
Partners' capital as at 31 December 2017	**234,002,454**	**73,055,907**	**307,058,361**

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE PERIOD 11 FEBRUARY 2016 (Date of Establishment) TO 31 DECEMBER 2016

(Expressed in Euros)

	2017 €	2016 €
Cash flows from operating activities		
Net increase/(decrease) in Partners' capital resulting from operations	67,883,891	(2,102,839)
Adjustments to reconcile net increase/(decrease) in Partners' capital resulting from operations to net cash used in operating activities:		
Net realised and unrealised (gain)/loss on investments and foreign exchange	(74,250,946)	10,050
Payments for purchases of investments	(310,188,293)	–
Proceeds on disposal of investments	63,522,691	–
Change in other receivables	(165,554)	(14,161)
Change in amounts due from related parties	(17,721,493)	–
Change in accounts payable and accrued expenses	655,251	156,312
Net cash used in operating activities	**(270,264,453)**	**(1,950,638)**
Cash flows from financing activities		
Proceeds from revolving credit facility	1,500,000	–
Payments of revolving credit facility	(1,500,000)	–
Proceeds from loan facilities	145,888,879	–
Payments of loan facilities	(32,891,525)	–
Capital called – Limited Partners	185,139,000	6,861,000
Capital distributions – Limited Partners	(30,722,691)	–
Net cash provided by financing activities	267,413,663	6,861,000
Net effect of foreign exchange	3,126,659	(10,050)
Net increase in cash and cash equivalents	275,869	4,900,312
Cash and cash equivalents at the beginning of the year/period	4,900,312	–
Cash and cash equivalents at the end of the year/period	**5,176,181**	**4,900,312**
Interest paid during the year	2,798,021	–

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

1. THE MASTER FUND

OCPE III Master L.P. (the "Master Fund") was established as a Bermuda limited partnership on 11 February 2016. The general partner of the Master Fund is Oakley Capital III Limited (the "General Partner"). The founder partner of the Master Fund is OCPE III Founder Member L.P. (the "Founder Partner"). The manager of the Master Fund is Oakley Capital Manager Limited (the "Manager") and the investment adviser to the Manager is Oakley Capital Limited (the "Investment Adviser"). The Master Fund's primary objective is to invest in a diversified portfolio of private mid-market UK, US and European businesses, aiming to provide investors with significant long-term capital appreciation.

The Master Fund has three feeder funds: Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively the "Feeder Funds"). The Feeder Funds invest substantially all of their assets in the Master Fund.

The Master Fund has an initial life of ten years from the Final Closing Date of 29 September 2017; however, the life of the Master Fund may be extended, at the discretion of the General Partner, by up to three additional one-year periods, to provide for the orderly realisation of investments.

2. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the Master Fund:

a) Basis of presentation

The accompanying financial statements are prepared in accordance with US generally accepted accounting principles. The Fund 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 US 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 Partners' capital from operations during the reporting period. Actual results could differ from those estimates.

c) Investment valuation

Security transactions are accounted for on a trade date basis. Realised and unrealised gains and losses are determined by the specific cost method and are reflected in the Statements of Operations.

Investments are valued at fair value by the Investment Adviser. These valuations are in compliance with the International Private Equity and Venture Capital Guidelines, with particular consideration of the following factors:

- Fair value is the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction.
- In estimating fair value, the Investment Adviser uses a methodology which is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio using reasonable assumptions and estimations.
- An appropriate methodology incorporates all available information about factors that are likely to materially affect the fair value of the investment. The valuation methodologies are applied consistently from period to period, except where a change would result in a better estimate of fair value. Any changes in valuation methodologies are clearly disclosed in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The most widely used methodologies are listed below. In assessing which methodology is appropriate, the Investment Adviser is predisposed towards those methodologies that draw upon market-based measures of risk and return, such as:

- Cost of recent investment and transactions
- Earnings multiple
- Discounted cash flow
- Net assets
- Available market prices and data

The Investment Adviser evaluates each investment by considering its cost to the Master Fund, the financial condition and operating results of the underlying company, industry and macro-economic data, the type of investments held, the valuation of comparable private and public companies and other relevant information considered significant by the Investment Adviser.

As a result, there is significant judgment associated with the valuation of investments. Because of the inherent uncertainty of such valuations, the Investment Adviser's estimates of fair values may differ significantly from the value that would have been used had a ready market existed for the investments, and those differences could be material. There is no assurance that, upon disposal, the Master Fund will realise these estimated fair values.

The Master Fund is subject to the provisions of the FASB guidance on Fair Value Measurements and Disclosure. ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with US 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 – 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 the investments are not necessarily an indication of the risks associated with investing in those investments.

Securities traded on a national stock exchange are valued at the last reported sales price on the valuation date and are categorised in Level 1 of the fair value hierarchy. When prices are not readily available, or are determined not to reflect fair value, these securities may be valued 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 by the Investment Adviser. In these circumstances, the Investment Adviser will attempt to use consistent and fair valuation criteria and may (but is not required to) obtain independent appraisals at the expense of the Master Fund.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Investment expenses

Investment expenses are comprised of direct costs incurred in relation to investments purchased by the Master Fund, and include legal, due diligence, investment banking fees, transaction costs, valuation, travel and other related expenses. Investment expenses attributable to a specific investment are capitalised and included in the cost of the investment. Investment expenses relating to aborted deals are expensed and included in 'Professional fees' in the Statement of Operations.

e) Income recognition

Dividend income is recognised on the ex-dividend date. Interest income and expense are recognised on the accruals basis except for securities in default for which interest is recognised on a cash basis.

f) Foreign currency translation

Investments and other monetary assets and liabilities denominated in foreign currencies are translated into Euro amounts at exchange rates selected by the Investment Adviser at the reporting date.

Purchases and sales of investments and foreign currencies, and income and expense items denominated in foreign currencies are translated into Euro 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 gains or losses' and the 'Net change in unrealised gains or losses from foreign exchange' in the Statements of Operations.

The Master Fund does not isolate unrealised or realised foreign exchange gains or losses arising from changes in the fair value of investments. All such foreign exchange gains or losses are included within the 'Net realised and change in unrealised appreciation or depreciation from investments' in the Statements of Operations.

g) Cash and cash equivalents

The Master Fund considers all time deposits, money market funds and commercial paper with an original maturity of ninety days or less as equivalent to cash.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 31 December 2017 and 2016 consist of the following:

	2017 €	2016 €
Cash	5,176,181	4,900,312
	5,176,181	**4,900,312**

4. PARTNERS' CAPITAL ACCOUNTS

In accordance with the Limited Partnership Agreements, profits and losses of the Master Fund are allocated to the Feeder Funds according to their respective interest in the Master Fund.

The Master Fund made the following capital calls during the year ending 31 December 2017 and the period ending 31 December 2016:

	Called capital 2017 €	Called capital 2016 €
Called capital at the beginning of the year/period	6,861,000	–
Capital calls during the year/period		
January 2017	53,000	–
January 2017	69,140,000	–
June 2017	89,882,000	–
August 2017	17,316,000	–
October 2017	8,748,000	–
December 2017	80,000,000	–
July 2016	–	5,007,500
November 2016	–	1,853,500
Called capital at the end of the year/period	**272,000,000**	**6,861,000**

As at 31 December 2017, the €80,000,000 of called capital in December 2017 was receivable and was due on 2 January 2018.

As at 31 December 2017 and 2016, the respective percentage holdings of the Feeder Funds in the Master Fund were:

	2017 %	2016 %
Oakley Capital Private Equity III-A L.P.	55.54	62.69
Oakley Capital Private Equity III-B L.P.	39.44	32.72
Oakley Capital Private Equity III-C L.P.	5.02	4.59
	100.00	**100.00**

As per the Limited Partnership Agreements, the aggregated capital calls eligible for drawing by the Master Fund from the Feeder Funds is limited to the aggregate amount which may be called from the Limited Partners of the Feeder Funds.

5. DISTRIBUTIONS

The Master Fund made the following distributions during the year ended 31 December 2017 and the period ended 31 December 2016:

	2017 €	2016 €
Oakley Capital Private Equity III-A L.P.	17,063,767	–
Oakley Capital Private Equity III-B L.P.	12,116,261	–
Oakley Capital Private Equity III-C L.P.	1,542,663	–
	30,722,691	–

During 2017, the Master Fund distributed €30,722,691 to the Limited Partners arising from the refinancing within TechInsights and the resulting share repurchase by Maple Investco Limited ("Maple").

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following is a summary of the inputs used in valuing the Master Fund's investments carried at fair value:

	2017 €	2016 €
Quoted prices (Level 1)	–	–
Significant observable inputs (Level 2)	–	–
Significant unobservable inputs (Level 3)	317,789,890	–
	317,789,890	–

The instruments comprising investments in securities are disclosed in the Schedule of Investments.

The Investment Advisor, has structured the Master Fund's investments through holding companies. These holding companies make their investments in a variety of debt and equity securities in an effort to create an efficient investment structure for the Master Fund. Level 3 investments include investments in equity securities of non-public entities. Level 3 investments include investments in equity securities of non-public entities. The valuation of non-public investments requires significant judgment by the Investment Adviser due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of holding such assets. Private equity investments are valued initially based upon transaction price.

Valuations are reviewed periodically utilising available market data to determine if the carrying value of the investments should be adjusted. Such market data primarily includes observations of the trading multiples of public companies considered comparable to the private companies being valued. In addition, a variety of additional factors are reviewed by the 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. In determining valuation inputs during the investment review process, in connection with ASC 820, emphasis is placed on market participants' assumptions and market-based information over entity-specific information. The Master Fund's policy is to recognise transfers into and out of the various levels as of the end of the period of change in circumstances that caused the transfer. For the year ended 31 December 2017 and the period ended 31 December 2016, the Master Fund did not have any transfers between Levels 1, 2 or 3.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used by the Investment Adviser to determine fair value.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Unquoted equity securities	2017 €	2016 €
Balance at the beginning of the year/period	–	–
Purchases	310,188,294	–
Proceeds on disposal	(63,522,691)	–
Realised loss on disposal	(1,931,620)	–
Net change in unrealised appreciation on securities held at the year/period end	73,055,907	–
Unquoted equity securities balance at the end of the year/period	**317,789,890**	**–**
Balance at the end of the year/period	**317,789,890**	**–**

The Investment Adviser completed a fair value analysis of the Master Fund's investments at 31 December 2017. The fair value of all other financial instruments held by the Master Fund approximate their carrying value due to their short-term nature.

7. INVESTMENTS

The investment activity of the Master Fund for 2017 is summarised in the following table:

2017 (€m)	Cost at the beginning of the year	Purchases	Cost relieved	Cost at the end of the year	Fair value at the beginning of the year	Net additions/ (disposals) for the year	Change in unrealised gain/(loss) for the year	Fair value at the end of the year	Change in unrealised gain/(loss) since inception	Realised gain/ (loss) for the year	Realised gain/ (loss) since inception
Casa & atHome	–	137.1	(32.8)	104.3	–	104.3	36.2	140.4	36.2	–	–
Plesk	–	25.3	–	25.3	–	25.3	15.4	40.7	15.4	–	–
TechInsights	–	44.6	(32.7)	11.9	–	11.9	21.5	33.4	21.5	(1.9)	(1.9)
Schülerhilfe	–	85.9	–	85.9	–	85.9	–	85.9	–	–	–
AMOS	–	17.4	–	17.4	–	17.4	–	17.4	–	–	–
Total investments	**–**	**310.2**	**(65.5)**	**244.7**	**–**	**244.7**	**73.1**	**317.8**	**73.1**	**(1.9)**	**(1.9)**

The following table summarises the fair value inputs used by the Investment Adviser to determine the fair value of the unquoted investments:

2017	% Holdings	Methodology	Multiples	Forecast EBITDA (millions)
Casa & atHome	83	Market	14.0x	€13.1
Plesk	41	Market	8.0x	$20.6
TechInsights	62	Market	7.5x	$14.7
Schülerhilfe	48	Transaction price		
AMOS	74	Transaction price		

7. INVESTMENTS (continued)

Casa & atHome

In January 2017, the Master Fund acquired 84.2% of Casa & atHome, online real estate companies operating in Italy and Luxembourg, respectively. The Master Fund's ownership was reduced by 1.5% since acquisition as a result of the issue of ordinary equity to key executives and management. The Master Fund acquired the investment in Casa & atHome through its wholly owned subsidiary, Renaissance Investco Ltd. ("Renaissance"), for €134,551,000, exclusive of deal costs. Following acquisition, Casa & atHome secured debt financing of €32,800,000, the proceeds of which were returned to the Master Fund in the form of a share repurchase by Renaissance. The Master Fund utilised those proceeds to repay some debt and the net investment balance at 31 December 2017, inclusive of deal costs, is €104,264,342.

Plesk

In April 2017, the Master Fund acquired a 51% (40.8% fully diluted) interest in Plesk, one of the most widely used control panels and software platforms for web-server management. The Master Fund acquired the investment in Plesk through its wholly owned subsidiary, Einsiedler Investco Limited, for €25,196,046, exclusive of deal costs. As at 31 December 2017, the Master Fund has invested €25,261,835 in Plesk, including deal costs.

TechInsights

In May 2017, the Master Fund acquired 64.2% (61.6% fully diluted) of TechInsights, a leader in the intellectual property and technology market. The Master Fund acquired the investment in TechInsights through a majority-owned subsidiary, Maple, for $49,736,377 (€44,509,084), exclusive of deal costs. Following acquisition, TechInsights secured debt financing of $36,489,340 (€32,654,311). After paying fees, net proceeds of €30,722,691 were returned to the Master Fund in the form of a share repurchase by Maple. The Master Fund utilised those proceeds to make a distribution of €30,722,691 to the Limited Partners. The net investment balance at 31 December 2017, inclusive of deal costs is €11,914,691.

Schülerhilfe

In July 2017, the Master Fund acquired 48.4% of Schülerhilfe, a leading provider of after school tutoring to primary and secondary school students in Germany and Austria. The Master Fund acquired the investment in Schülerhilfe through a wholly owned subsidiary, Tutor Bermuda Holdco Limited, for €85,877,273, exclusive of deal costs.

As at 31 December 2017, the Master Fund has invested €85,898,548 in Schülerhilfe, including deal costs.

AMOS

During 2017, the Master Fund acquired 74% of AMOS, a leading business school focused entirely on sport. The Master Fund acquired the investment in AMOS through a wholly owned subsidiary, OCPE Tertiary Investments Limited, for €16,852,000, exclusive of deal costs. In September 2017, the Master Fund invested an additional €500,000.

As at 31 December 2017, the Master Fund has invested €17,394,567 in AMOS, including deal costs.

8. RELATED PARTIES

Certain directors of the General Partner are also directors of the Founder Partner and Mayflower Management Services (Bermuda) Limited (the "Administrator"); entities which provide services to and receive compensation from the Master Fund and/or Feeder Funds.

The Investment Adviser will not receive a management or performance fee from the Master Fund. Any fees due to the Investment Adviser will be paid by the Manager on an as-agreed basis. Any fees due to the Manager will be paid by the General Partner as agreed by those parties. The Investment Adviser recharged the Master Fund €242,884 for legal and compliance services.

8. RELATED PARTIES (continued)

In March 2017, Oakley Capital Investments Limited, a limited partner in Oakley Capital Private Equity III-A L.P., provided a revolving loan facility of £20,000,000 to the Master Fund at an annual interest rate of 6.5%. During 2017, £1,318,913 (€1,500,000) was drawn and repaid, including interest. As at 31 December 2017, the balance available to be drawn under the facility was £20,000,000.

As at 31 December 2017, of the amount due from related parties of €17,721,493, €10,217,484 was due from Oakley Capital Private Equity III-A L.P. and €7,057,901 was due from Oakley Capital Private Equity III-B L.P. These balances are interest free and payable on demand.

9. ADMINISTRATION FEE

As per the Administration Agreement dated 1 January 2017 between the Administrator, the Master Fund and the Feeder Funds, the Administrator receives a fee at prevailing commercial rates. During the year ending 31 December 2017, the Master Fund incurred administration fees of €433,938 which is included in 'Professional fees' in the Statement of Operations (2016: €195,867).

The Master Fund and the Feeder Funds have also entered into an agreement with Mayflower Corporate Services Limited ("MCS"), a subsidiary of the Administrator to provide corporate secretarial services. Any fees due to MCS will be paid by the Administrator.

10. LOANS

During 2017, Investec Bank ("Investec") provided loan facilities, secured by unfunded commitments, to the Master Fund at an interest rate of 3.2% above EURIBOR in the case of Euro-denominated loans and an interest rate of 3.2% above LIBOR, in the case of US dollar-denominated loans. Two of the loans with principal amounts of €20,000,000 and €10,100,000, respectively, were in the form of bridge finance and were repaid during the year. As at 31 December 2017, there were three remaining loans outstanding as follows: €60,835,472 with a maturity date of 30 January 2018; €10,726,885 with a maturity date of 25 April 2018; and $49,807,667 (€41,434,998) with a maturity date of 18 May 2018. As at 31 December 2017, the aggregate principal outstanding was €112,997,355 with interest payable of €606,749 which is included in 'Accounts payable and accrued expenses' in the Statement of Assets and Liabilities.

11. FINANCIAL HIGHLIGHTS

Ratios to average Feeder Funds' capital:

	2017 %	2016 %
Net investment loss	(4)	(43)
Operating expenses	(4)	(43)
Cumulative internal rate of return (IRR)	54	(64)

The operating expenses and net investment loss ratios are calculated for the Feeder Funds taken as a whole. The computation of such ratios is based on the amount of income and expenses allocated to each Feeder Fund's capital account and may vary from these ratios based on the timing of capital transactions.

The IRR is based on the actual dates of the cash inflows, outflows (cash and stock distributions) and the fair value of each Feeder Fund's capital account as at 31 December 2017 and 2016.

12. INCOME TAXES

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

The Master Fund was not required to recognise any amounts for uncertain tax positions under Financial Accounting Standards Board Accounting Standards Codification Topic 740.

The Master Fund is treated as a partnership for US tax purposes. Therefore, no provision has been made in the financial statements for US federal or state income taxes, as any income tax liability arising from the operations of the Master Fund is the responsibility of Limited Partners of the Feeder Funds and not that of the Master Fund.

13. SUBSEQUENT EVENTS

The General Partner has evaluated subsequent events from the year end through 26 February 2018, which is the date the financial statements were available to be issued. The following events have been identified for disclosure:

In January 2018, the Master Fund repaid the Investec facilities of €60,835,472 and €10,726,885. The total amount paid, including interest was €71,994,691.

In January 2018, the Master Fund drew on the Investec facility in the amount of €75,517,780 which is due to mature on 31 January 2019.

In January 2018, the Master Fund completed its acquisition of Career Partner Group, a rapidly growing private university business in Germany. The Master Fund acquired a controlling interest in Career Partner Group at an enterprise value of $200,000,000 (€170,000,000) investing €30,500,000 in Oakley CP Co-Invest L.P. and an additional €54,087,530 in Oakley CP Holdco Limited.

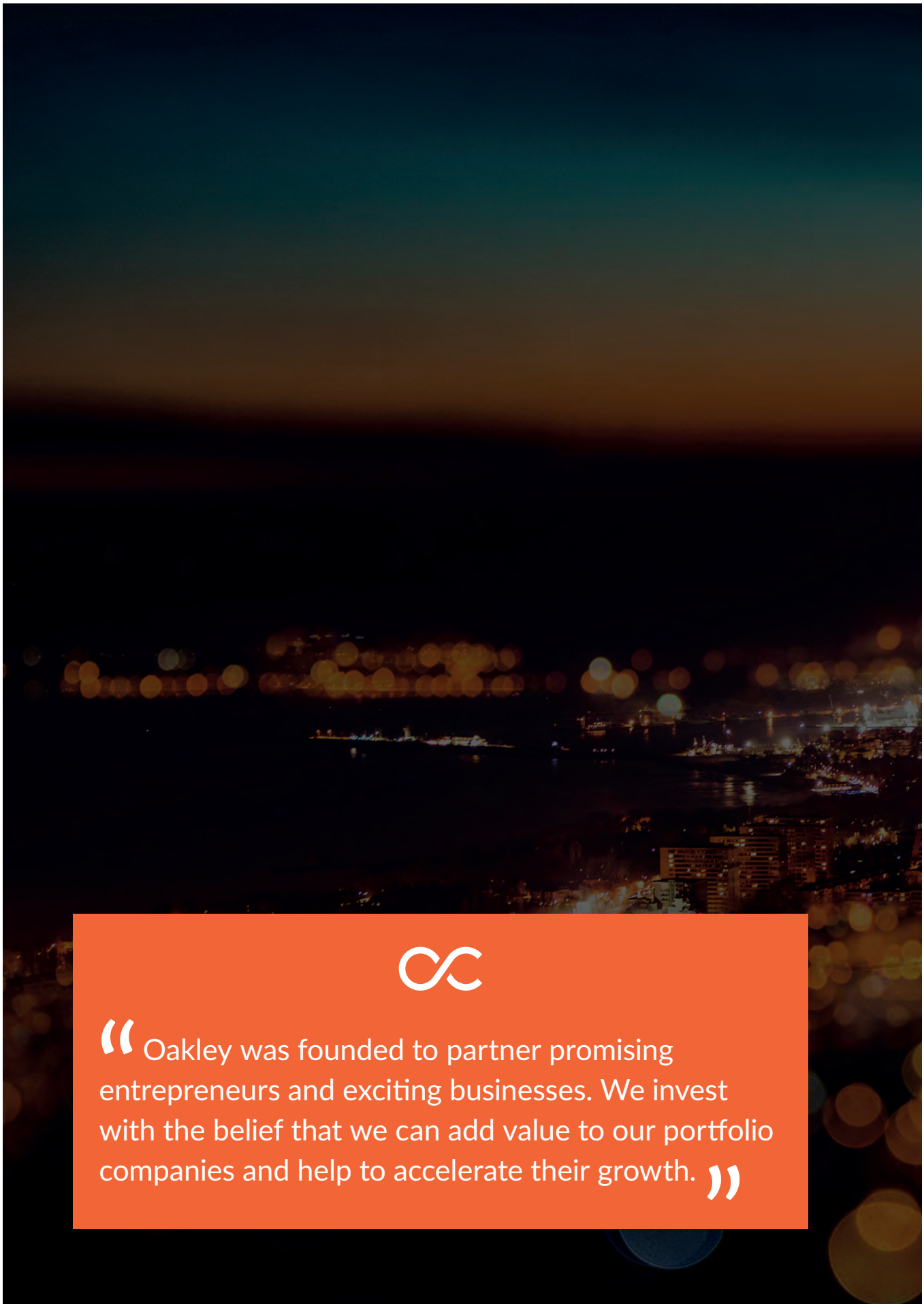

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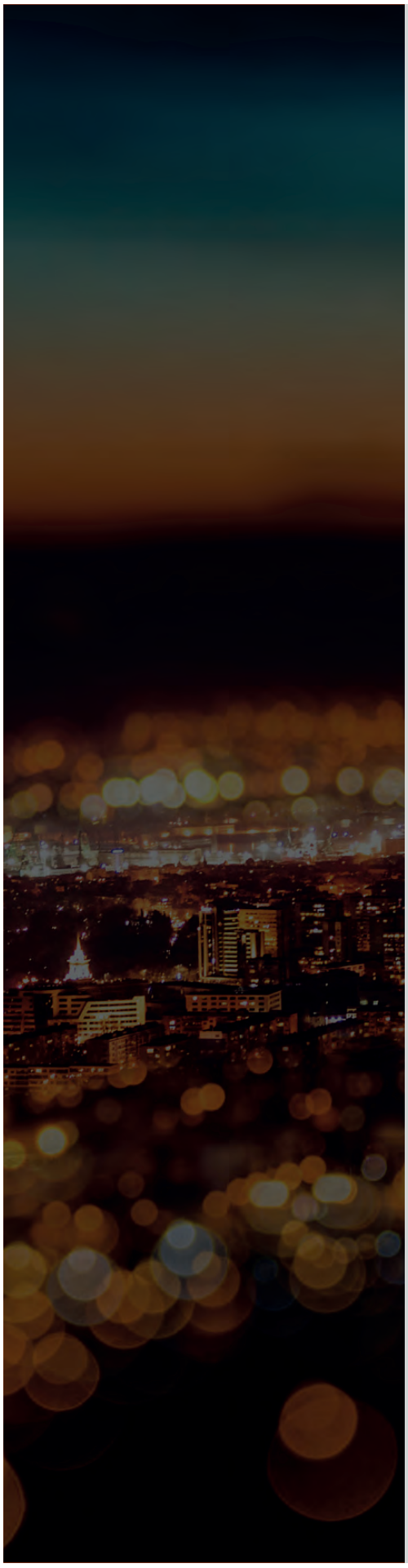

OCPE III Master L.P.
OCPE III Master L.P. is registered in Bermuda
with registration number 51201.
Registered office: 3rd Floor, Mintflower Place,
8 Par-la-Ville Road, Hamilton HM08, Bermuda



OAKLEY CAPITAL PRIVATE EQUITY III-A L.P.

ANNUAL REPORT AND ACCOUNTS 2018

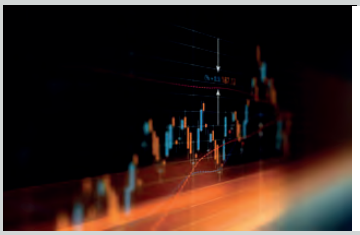

“ Oakley was founded to partner promising entrepreneurs and exciting businesses. We invest with the belief that we can add value to our portfolio companies and help to accelerate their growth. ”



Contents



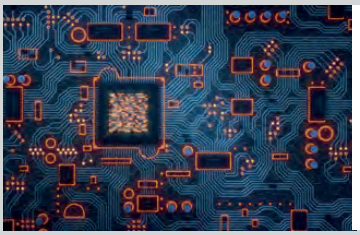
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15 Notes to the financial statements



Overview

Oakley Capital III Limited (the "General Partner"), a Bermuda incorporated company, is the general partner of Oakley Capital Private Equity III-A L.P. (the "Partnership"). The General Partner is also the General Partner of Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively, with the Limited Partnership, the "Feeder Funds"). The Feeder Funds invest substantially all of their assets in OCPE III Master L.P. (the "Master Fund"). The manager to the Funds is Oakley Capital Manager Limited (the "Manager"). The Manager has appointed Oakley Capital Limited (the "Investment Adviser") as investment adviser to the Manager with respect to the Feeder Funds and the Master Fund. The Investment Adviser is primarily responsible for advising the Manager on the investment of the assets of the Feeder Funds and the Master Fund as well as advising on certain administrative functions.

This report should be read in conjunction with the 2018 Annual Report and Financial Statements for the Master Fund. This latter report provides investment and performance information in relation to the portfolio companies underlying the Partnership's 55.5% interest in the Master Fund.

The year in summary

Partners' capital increased in the year from €171.2 million to €347.4 million, including a change in unrealised appreciation on the Partnership's investments in the Master Fund of €146.1 million. This was driven by the strong trading performances of the underlying portfolio companies in the Master Fund.

During the year there were capital calls from the Master Fund amounting to €66.6 million, equivalent to 15% of commitments. The Partnership has called 53% of commitments to date. There were distributions to the Limited Partners in the year to 31 December 2018 of €23.1 million arising from refinancings in the portfolio companies held by the Master Fund.

Investment strategy

The Master Fund aims to replicate the investment strategy successfully implemented to date in Oakley Capital Private Equity L.P. ("Fund I") and OCPE Master II L.P. ("Fund II"). This is based on identifying investment opportunities which will enable the acquisition of businesses at below prevailing market multiples, targeting businesses under stress in fragmented sectors that it believes require consolidation or are capable of significant organic growth. The Master Fund will generally invest in situations outside of those which appeal to the mainstream private equity community. The Master Fund's deals are likely to be challenging or complex.

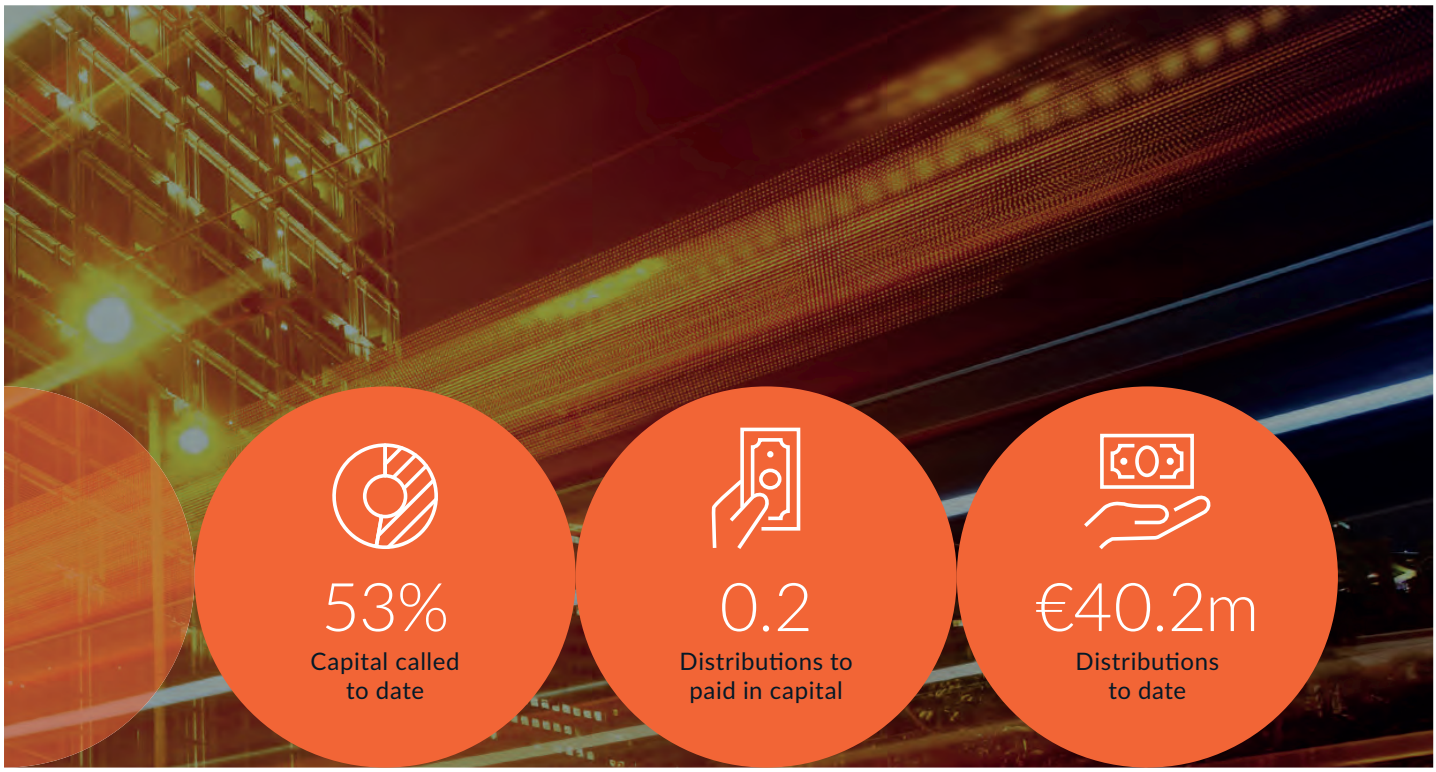
Deals may include the following:

- Challenging or complex management buy-outs and buy-ins
- Carve-outs
- Operational businesses that require improvement

The Master Fund looks for businesses where the Investment Adviser's team can make a difference. Senior team members have demonstrated that the Investment Adviser is able to deliver capital appreciation and to manage risk through consolidation and operational improvements through the successful track record of Fund I and Fund II to date.

Deals can be executed in relatively short and demanding timescales, where the circumstances of the business or the situation demand it. Target investment size is from €30 million to €100 million. The Master Fund seeks to take controlling equity positions, but can also invest in other parts of the capital structure, including mezzanine and senior debt in support of equity-led transactions.

The Master Fund aims to deliver in excess of 25% IRR per annum on investments. The life of the Master Fund is expected to be approximately ten years, which includes a five year investment period.



Performance

At 31 December 2018, the gross IRR of the Master Fund, on the unrealised portfolio was 54%, with a gross money multiple of 1.7x with a Partnership net IRR of 41% and a net money multiple of 1.5x, both exceeding the Partnership's aim of an excess of 25% IRR per annum.

During 2018, the Fund made distributions to its Limited Partners of €23.1 million, from proceeds received from the refinancings in Casa & atHome and TechInsights contributing €16.0 million and €7.1 million respectively.

During the year there was an increase in Partners' capital of €176.2 million from €171.2 million in 2017 to €347.4 million at 31 December 2018. This increase comprised unrealised appreciation on investments allocated from the Master Fund of €146.1 million, capital contributions of €66.6 million, offset by a net investment loss of €12.0 million (including €8.9 million of management fees), distributions to Limited Partners of €23.1 million, net change in unrealised loss on foreign exchange allocated from the Master Fund of €1.2 million, and net realised loss on sale of investments allocated from the Master Fund of €0.2 million.

Market background and outlook

The global private equity industry has seen another active year in 2018 as transaction values, fundraising activity and deal volumes have remained high. This performance is however set against a backdrop of uncertainty, which has continued into 2019, resulting from the concern surrounding macro-economic issues such as the ongoing US and China trade negotiations, the UK's exit from the European Union and economic slowdown risks in the wider European economy.

2018 has been a strong year for buyout activity with over 5,000 private equity-backed buyout deals announced in 2018, which is the highest number ever recorded[1].
A combination of large levels of dry powder and largely supportive credit markets have sustained high price expectations, along with increased competition from strategic buyers, the market has seen EBITDA multiples remaining at elevated levels, making it difficult to find value from assets in competitive sales processes.

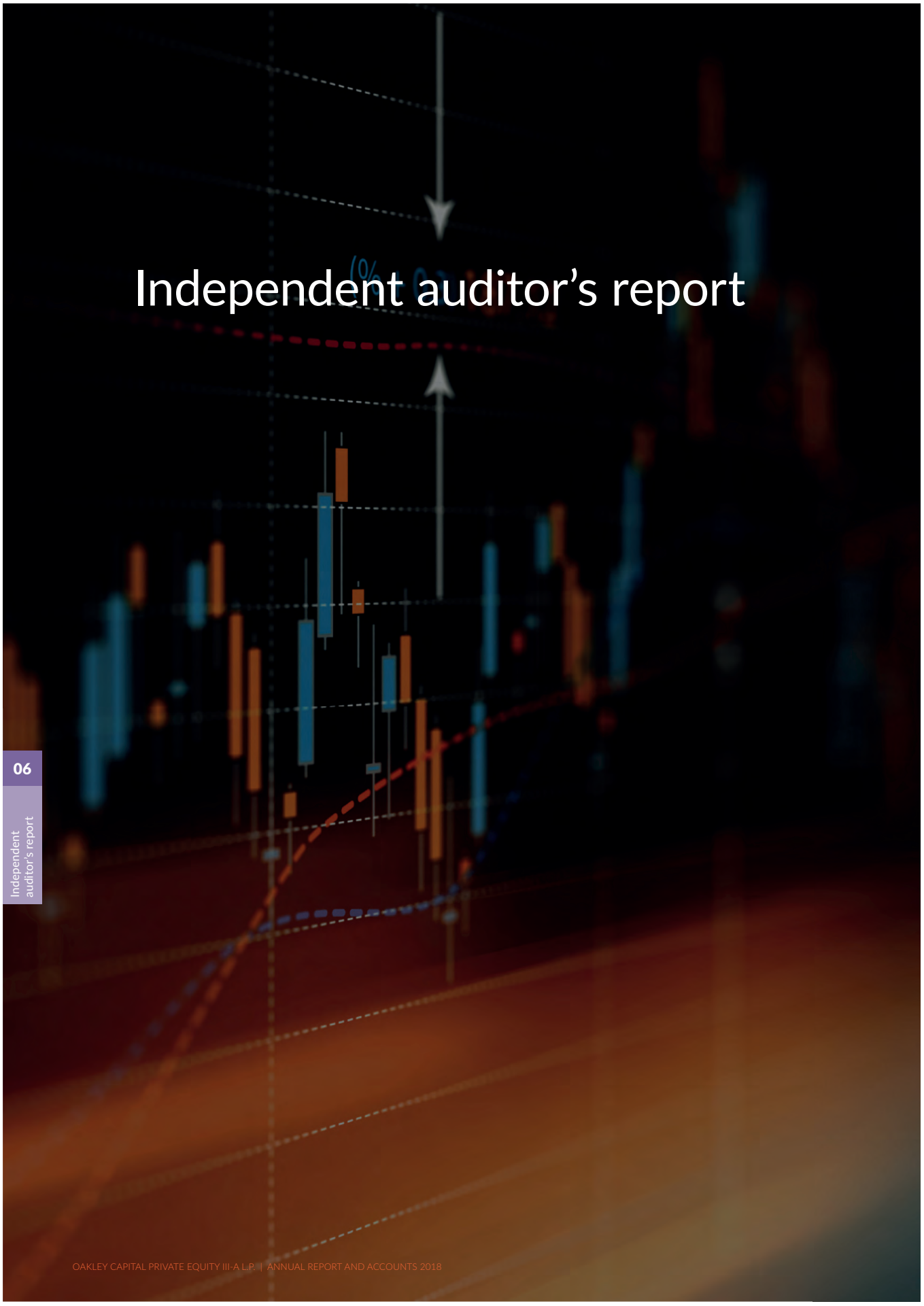
The current environment now requires GPs to be more creative and considered in their deal theses, and to focus on operational efficiencies and organic growth initiatives. The Investment Adviser believes it is well equipped to continue to source quality assets in this environment. Following its strategy of finding new investment opportunities outside of main stream private equity orientated sale processes (e.g. carve-outs, complex scenarios or entrepreneur-led opportunities) continues to be increasingly important to find interesting investment opportunities given the highly competitive nature of the current private equity market.

In the past year there has also been a trend towards GPs undertaking buy and build strategies to create value in portfolios. Add-ons have been a key value driver across Oakley's portfolio since Fund I and with vast experience in executing this strategy, the Investment Adviser believes it can continue to be successful in this area.

Having reflected on the Master Fund's portfolio in the context of the UK's political situation, the Investment Adviser believes that the impact on the portfolio companies will be relatively limited. The underlying portfolio is primarily exposed to markets outside of the UK, with robust business models, generally resilient to macro-economic trends.

Despite being relatively nascent, there have already been significant amounts of capital distributed to Limited Partners to date and the assets continue to show progression in their valuations driven by strong EBITDA growth in the companies. The Investment Adviser remains focused on executing growth strategies to create value as well as monitoring the exit environment to ultimately maximise returns to Limited Partners.

[1] Preqin Analysis: 2018 Buyout Deals and Exits – 7 January 2019



Independent auditor's report

Independent Auditor's Report to the Founder Partner, General Partner and Limited Partners of Oakley Capital Private Equity III-A L.P.

We have audited the accompanying Financial Statements of Oakley Capital Private Equity III-A L.P., which comprise the Statements of Assets and Liabilities as of 31 December 2018 and 2017, and the related Statements of Operations, Changes in Partners' Capital, and Cash Flows for the years then ended, and the related Notes to the Financial Statements.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with US generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position of Oakley Capital Private Equity III-A L.P. as of 31 December 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with US generally accepted accounting principles.

This report, including our opinion, has been prepared for and only for the Founder Partner, General Partner and Limited Partners and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose, or to any other person, to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda
1 March 2019



Financial statements



Statements of Assets and Liabilities

For the years ended 31 December 2018 and 2017 (expressed in Euros)

	Notes	2018 €	2017 €
Assets			
Investment in the Master Fund	7	355,618,835	170,544,052
Cash and cash equivalents	3	4,199	11,614,239
Called capital receivable	5	–	41,973,600
Other receivables	8	2,499,356	1,983,833
Total assets		358,122,390	226,115,724
Liabilities			
Amounts due to the Master Fund	8	10,735,216	10,217,484
Investments waiting to settle	7	–	44,433,000
Other payables		–	265,946
Total liabilities		10,735,216	54,916,430
Net assets, represented by Partners' capital		**347,387,174**	**171,199,294**

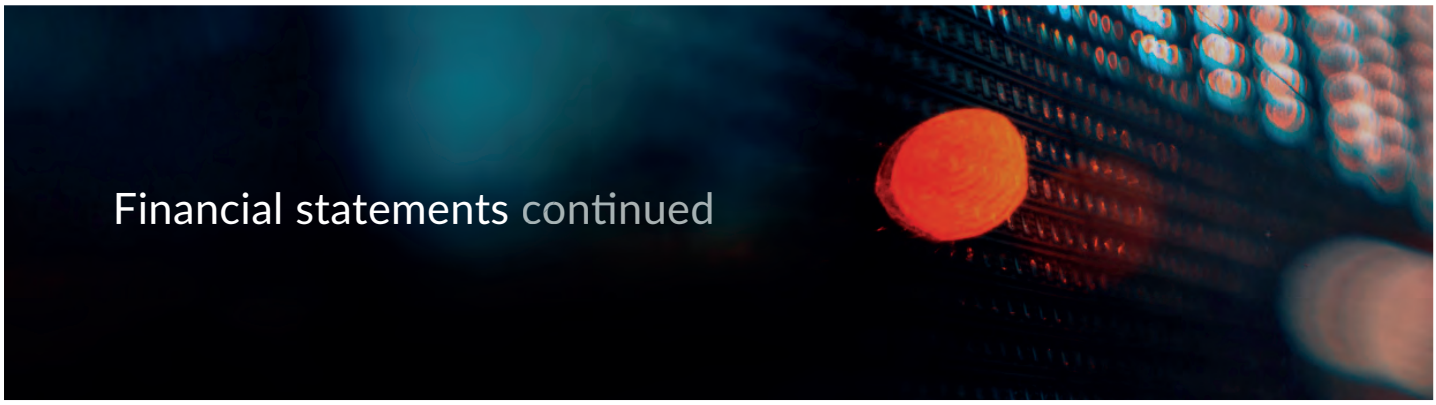
Signed on behalf of the General Partner on 1 March 2019

On behalf of the Board:

Paul Stevenson
Director
Oakley Capital III Limited
General Partner

Ian Pilgrim
Director
Oakley Capital III Limited
General Partner

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



Statements of Operations

For the years ended 31 December 2018 and 2017 (expressed in Euros)

	Note	2018 €	2017 €
Income allocated from the Master Fund			
Dividend income		1,183,043	–
Interest income		4,892	25,108
Income allocated from the Master Fund		1,187,935	25,108
Expenses allocated from the Master Fund			
Professional fees		1,067,127	786,767
Organisational costs		–	132,416
Interest expense		2,750,394	1,891,052
Other expenses		461,474	601,656
Expenses allocated from the Master Fund		4,278,995	3,411,891
Net investment loss allocated from the Master Fund		(3,091,060)	(3,386,783)
Partnership expenses			
Management fees	8	8,886,600	9,150,147
Other expenses		303	2,056
Total Partnership expenses		8,886,903	9,152,203
Net investment loss		(11,977,963)	(12,538,986)

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

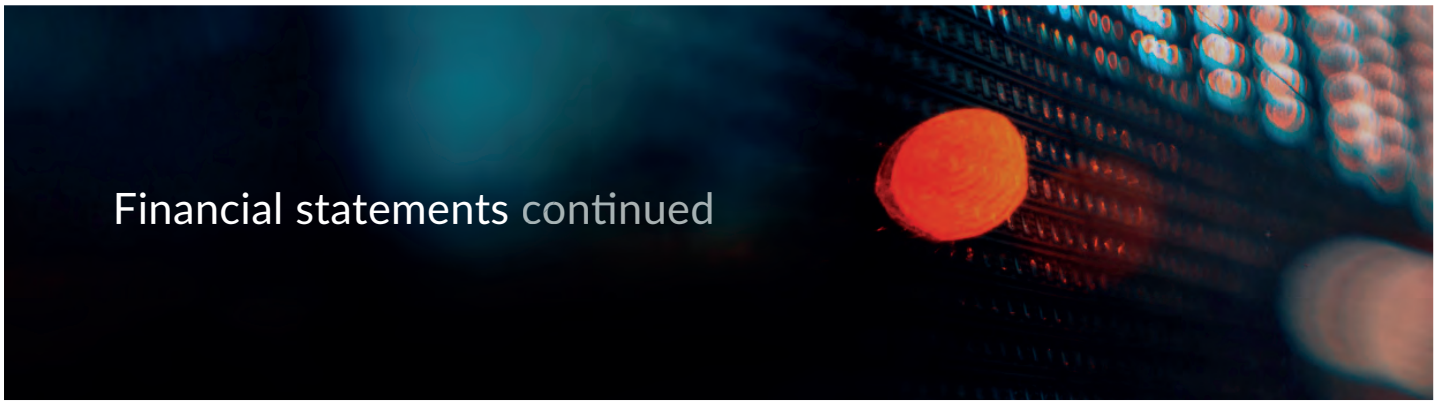


Statements of Operations continued

For the years ended 31 December 2018 and 2017 (expressed in Euros)

	Note	2018 €	2017 €
Net realised and unrealised gains and losses on investments and foreign exchange allocated from the Master Fund			
Net realised (losses)/gains on foreign exchange		(22,180)	133,353
Net change in unrealised (losses)/gains on foreign exchange		(1,231,945)	1,603,950
Net realised losses on sale of investments		(217,779)	(1,072,846)
Net change in unrealised appreciation on investments		146,105,621	40,576,164
Net realised and unrealised gains on investments and foreign exchange allocated from the Master Fund		144,633,717	41,240,621
Net increase in Partners' capital resulting from operations		**132,655,754**	**28,701,635**

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



Statements of Changes in Partners' Capital

For the years ended 31 December 2018 and 2017 (expressed in Euros)

	Limited Partners €	Founder Partner €	Net change in unrealised appreciation on investments €	Total €
Partners' capital at 1 January 2017	**3,619,026**	**–**	**–**	**3,619,026**
Net increase in Partners' capital resulting from operations				
Net investment loss	(12,538,986)	–	–	(12,538,986)
Net realised gain on foreign exchange allocated from the Master Fund	133,353	–	–	133,353
Net change in unrealised gain on foreign exchange allocated from the Master Fund	1,603,950	–	–	1,603,950
Net realised loss on sale of investments allocated from the Master Fund	(1,072,846)	–	–	(1,072,846)
Net change in unrealised appreciation on investments allocated from the Master Fund	–	–	40,576,164	40,576,164
	(11,874,529)	–	40,576,164	28,701,635
Capital transactions				
Capital contributions	155,942,400	–	–	155,942,400
Capital distributions	(17,063,767)	–	–	(17,063,767)
Provisional profit allocation	(3,883,532)	3,883,532	–	–
	134,995,101	3,883,532	–	138,878,633
Partners' capital at 31 December 2017	**126,739,598**	**3,883,532**	**40,576,164**	**171,199,294**

continues over

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

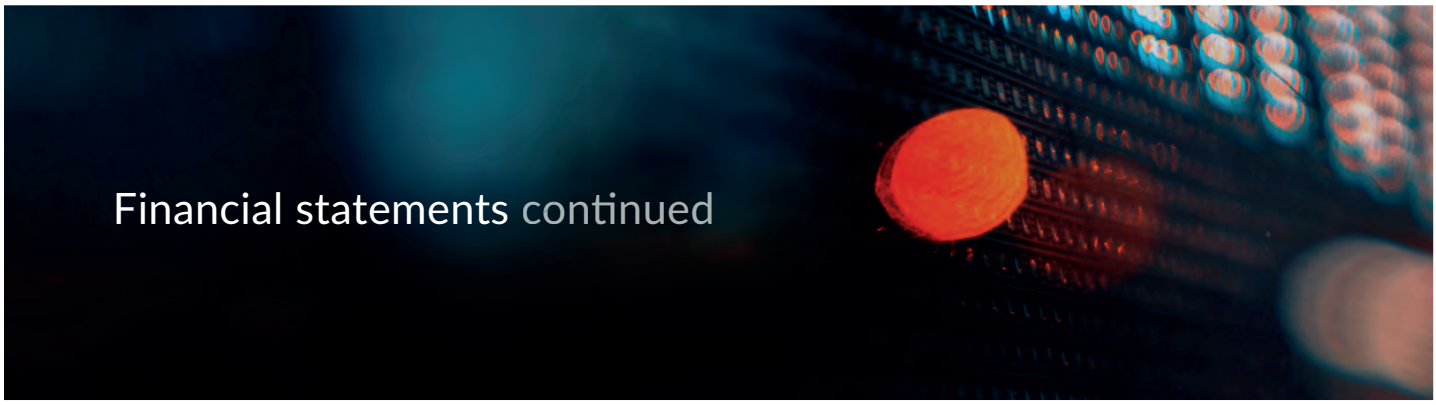


Statements of Changes in Partners' Capital continued

For the years ended 31 December 2018 and 2017 (expressed in Euros)

	Limited Partners €	Founder Partner €	Net change in unrealised appreciation on investments €	Total €
Partners' capital at 31 December 2017	**126,739,598**	**3,883,532**	**40,576,164**	**171,199,294**
Net increase in Partners' capital resulting from operations				
Net investment loss	(11,977,963)	–	–	(11,977,963)
Net realised loss on foreign exchange allocated from the Master Fund	(22,180)	–	–	(22,180)
Net change in unrealised loss on foreign exchange allocated from the Master Fund	(1,231,945)	–	–	(1,231,945)
Net realised loss on sale of investments allocated from the Master Fund	(217,779)	–	–	(217,779)
Net change in unrealised appreciation on investments allocated from the Master Fund	–	–	146,105,621	146,105,621
	(13,449,867)	–	146,105,621	132,655,754
Capital transactions				
Capital contributions	66,649,500	–	–	66,649,500
Capital distributions	(23,117,374)	–	–	(23,117,374)
Provisional profit allocation	(26,531,151)	26,531,151	–	–
	17,000,975	26,531,151	–	43,532,126
Partners' capital at 31 December 2018	**130,290,706**	**30,414,683**	**186,681,785**	**347,387,174**

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

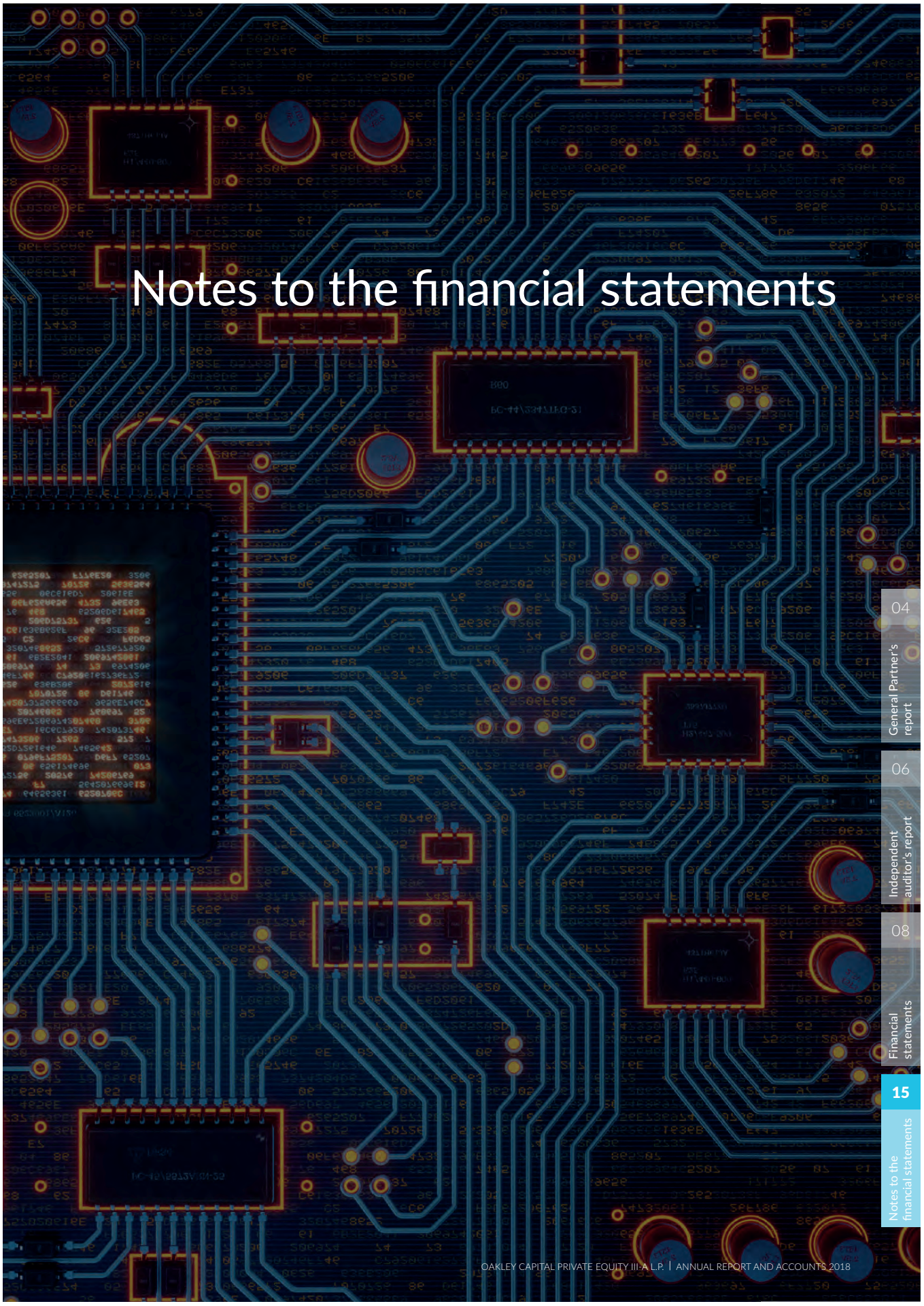


Statements of Cash Flows

For the years ended 31 December 2018 and 2017 (expressed in Euros)

	2018 €	2017 €
Cash flows from operating activities		
Net increase in Partners' capital resulting from operations	132,655,754	28,701,635
Adjustments to reconcile net increase in Partners' capital resulting from operations to net cash used in operating activities:		
Net realised and unrealised gains on investments and foreign exchange allocated from the Master Fund	(144,633,717)	(41,240,621)
Net investment loss allocated from the Master Fund	3,091,060	3,386,783
Payments for purchases of investments	(111,082,500)	(102,338,200)
Proceeds on disposal of investments	23,117,374	17,063,766
Change in other receivables	(515,523)	(1,983,833)
Change in amounts due to the Master Fund	517,732	10,217,484
Change in other payables	(265,946)	265,946
Net cash used in operating activities	(97,115,766)	(85,927,040)
Cash flows from financing activities		
Capital called – Limited Partners	108,623,100	113,968,800
Distributions – Limited Partners	(23,117,374)	(17,063,767)
Net cash provided by financing activities	85,505,726	96,905,033
Net (decrease)/increase in cash and cash equivalents	(11,610,040)	10,977,993
Cash and cash equivalents at the beginning of the year	11,614,239	636,246
Cash and cash equivalents at the end of the year	**4,199**	**11,614,239**

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



Notes to the financial statements



Notes to the financial statements continued

For the years ended 31 December 2018 and 2017

1. The Partnership

Oakley Capital Private Equity III-A L.P. (the "Partnership") was established as a Bermuda limited partnership on 21 October 2015. The general partner of the Partnership is Oakley Capital III Limited (the "General Partner"). The manager of the Partnership is Oakley Capital Manager Limited (the "Manager") and the investment adviser to the Manager is Oakley Capital Limited (the "Investment Adviser"). The founder partner of the Partnership is Oakley Capital III Founder Member L.P. (the "Founder Partner").

The Partnership, along with Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively the "Feeder Funds") invest substantially all of their assets in OCPE III Master L.P. (the "Master Fund") a limited partnership that invests in a diversified portfolio of private mid-market UK, US and European businesses, aiming to provide investors with significant long-term capital appreciation.

The Financial Statements of the Master Fund should be read in conjunction with the Partnership's Financial Statements. The Partnership has an interest of approximately 55.54% (2017: 55.54%) of the Master Fund as at 31 December 2018.

The First Closing Date for the Partnership was 29 January 2016. The Partnership has an initial life of ten years from its Final Closing Date of 29 September 2017; however the life of the Partnership may be extended, at the discretion of the General Partner, by up to three additional one-year periods, to provide for the orderly realisation of investments.

2. Significant accounting policies

The following are the significant accounting policies adopted by the Partnership:

a) Basis of presentation

The accompanying Financial Statements are prepared in accordance with US generally accepted accounting principles. The Partnership 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 US 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 Partners' capital from operations during the reporting period. Actual results could differ from those estimates.

c) Investment in the Master Fund

The Partnership records its investment in the Master Fund at fair value. Valuation of the investments held by the Master Fund, including, but not limited to, the valuation techniques used and the classification within the fair value hierarchy of investments, are discussed in the Notes to the Master Fund's Financial Statements.

d) Master Fund allocations

The Partnership records its proportionate share of the Master Fund's income, expenses and realised and unrealised gains and losses. In addition, the Partnership incurs and accrues its own expenses.

e) Foreign currency translation

Investments and other monetary assets and liabilities denominated in foreign currencies are translated into Euro amounts at exchange rates at the reporting date.

Purchases and sales of investments and foreign currencies, and income and expense items denominated in foreign currencies are translated into Euro 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 gains or losses" and the "net change in unrealised gains or losses on foreign exchange" in the Statements of Operations.

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

f) Cash and cash equivalents

The Partnership considers all time deposits, money market funds and commercial paper with an original maturity of 90 days or less as equivalent to cash.



3. Cash and cash equivalents

Cash and cash equivalents at 31 December 2018 and 2017 consist of the following:

	2018 €	2017 €
Cash	4,199	11,614,239
	4,199	**11,614,239**

4. Partners' capital accounts

A capital account was established for each Limited Partner at the inception of the Partnership. A Limited Partner's capital account is adjusted for each Partner's capital commitments when received, for net gains and losses allocated to each Limited Partner, as described below, and for cash distributed to Partners, net of any liabilities assumed by the Partnership.

Net gains and losses generated by the Partnership for each year are allocated to each of the Limited Partner's capital accounts in accordance with Section 7 of the Partnership Agreement.

Each Limited Partner has an interest in the Partnership in proportion to their commitments.

Net income, net realised gains and losses, and capital losses of the Partnership are allocated between the Limited Partners *pro rata* to their commitments.

Distributions of income and capital proceeds are allocated as follows in accordance with clause 8.1 of the Partnership Agreement:

After the payment of or provision for fees, costs and expenses, or the payment of or provision for liabilities howsoever arising, all Income and Capital (other than income and capital gains earned in relation to loans drawn down before completing a particular Investment and any realisation of a Bridge Investment within 18 months (a "Realised Bridge Investment")), shall be allocated as follows:

Firstly, to the General Partner in respect of amounts allocable, but not yet allocated and paid to it, in relation to the General Partner's Share;

Secondly, to the Limited Partners *pro rata* to their commitments in payment of amounts equal to:

a. Commitments drawn down to pay the acquisition cost of the investment to which such income or capital relates together with all other investments which have been realised (which shall include investments that have been written-off), except for commitments drawn down in respect of Realised Bridge Investments;

b. the relevant proportion of all Partnership expenses, provided that at all times allocations under this sub-clause shall only be made until such time as allocations equal to the amount of all Partnership expenses have been made; and

c. Net write-downs;

Thirdly, to the Limited Partners *pro rata* to their commitments until cumulative allocations of income and capital to such Limited Partners represent a return at the rate of 8% per annum compounded annually and calculated on a daily basis on amounts allocated;

Fourthly, 100% to the Founder Partner until the Founder Partner has been allocated a sum equal to 20% of the aggregate of allocations made to itself and to Limited Partners under the third allocation; and

Finally, 80% to the Limited Partners *pro rata* to their respective commitments and 20% to the Founder Partner.

5. Capital commitments

The Partnership has received the following capital commitments as at 31 December 2018 and 2017:

	Capital commitments 2018 €	Capital commitments 2017 €
Capital commitments at the beginning of the year	**444,330,000**	**430,100,000**
Capital commitments during the year		
January 2017 – fifth close	–	1,300,000
August 2017 – sixth close	–	5,650,000
September 2017 – final close	–	7,280,000
Capital commitments at the end of the year	**444,330,000**	**444,330,000**

The Partnership made the following capital calls during the years ended 31 December 2018 and 2017:

	Called capital 2018 €	Called capital 2017 €
Called capital at the beginning of the year	**168,845,400**	**12,903,000**
Capital calls during the year		
May 2018 – 10% call	44,433,000	–
September 2018 – 5% call	22,216,500	–
January 2017 – 10% call	–	43,179,000
June 2017 – 13% call	–	56,082,000
August 2017 – follow-on commitment call	–	1,469,000
October 2017 – follow-on commitment call	–	1,892,800
December 2017 – 12% call	–	53,319,600
Called capital at the end of the year	**235,494,900**	**168,845,400**
Capital commitment available to be called	**208,835,100**	**275,484,600**

Oakley Capital Investments Limited, a closed-end investment company managed by the Investment Adviser and listed on AIM of the London Stock Exchange, has committed 73.32% (2017: 73.32%) of the total capital commitments to the Partnership.

At 31 December 2018, 53% of the total capital commitments have been called by the Partnership (2017: 38%). To the extent that a distribution is made within 18 months of the date of acquisition as a result of an investment being realised, repaid or refinanced and forms part or all of the acquisition cost, this amount is available to be drawn. As at 31 December 2018, no called capital was receivable from the Limited Partners (2017: €41,973,600).



6. Capital distributions

The Partnership made the following distributions during the years ended 31 December 2018 and 2017:

	2018 €	2017 €
Limited Partners	23,117,374	17,063,767
	23,117,374	**17,063,767**

During 2018, the Master Fund made distributions to the Partnership of €23,117,374 (2017: €17,063,767) resulting in a distribution to the Limited Partners of €23,117,374 (2017: €17,063,767).

7. Investments

The Partnership has committed substantially all of its capital to the Master Fund. The Partnership's share of the total capital called by the Master Fund up to 31 December 2018 was €217,721,700 (2017: €151,072,200), representing 55.54% (2017: 55.54%) of the Master Fund's total capital commitments.

In December 2017, the Master Fund called €44,433,000 from the Partnership which was received on 2 January 2018. The amount outstanding as at 31 December 2017 was included in the "Investments waiting to settle" balance on the Statement of Assets and Liabilities.

8. Related parties

Certain directors of the General Partner are also directors, shareholders or partners of the Founder Partner, Manager and Mayflower Management Services (Bermuda) Limited (the "Administrator"); entities which provide services to and receive compensation from the Partnership.

a. From the inception of the Partnership to the end of the investment period, the General Partner is entitled to receive a General Partner Share of 2% per annum of the capital commitments of the Founder Partner and Limited Partners. Thereafter 2% per annum on the acquisition cost of all investments which have not been distributed *in specie* or realised. The General Partner Share is payable half-yearly in advance.

   Transaction fees associated with the acquisition or disposal of an investment are payable as invoiced by the Manager. Any transaction fees paid to the Manager will be offset wholly against the next General Partner Share payment.

   During the year ended 31 December 2018, the Partnership incurred a General Partner Share of €8,886,600 (2017: €9,150,147). Of this General Partner Share €5,400,831 (2017: €5,193,237) was invoiced by the Manager as transaction fees during the year ended 31 December 2018. The aggregate total of the General Partner Share and transaction fees are included in "Management fees" in the Statements of Operations. As at 31 December 2018, net transaction fees of €2,499,356 (2017: €1,983,833) included in "Other receivables" in the Statements of Assets and Liabilities represent a prepayment of the General Partner Share.

b. The General Partner has entered into an Investment Management Agreement with the Manager. At the same time, the Manager entered into an investment advisory agreement with the Investment Adviser to advise the Manager with respect to the investment of the Partnership's assets. Neither the Manager nor the Investment Adviser will receive any management or performance fees from the Partnership with respect to their services. Any fees due to the Manager will be paid by the General Partner as agreed between those parties. Any fees due to the Investment Adviser will be paid by the Manager as agreed between those parties.

c. As at 31 December 2018, amounts due to related parties consisted of €10,735,216 (2017: €10,217,484) due to the Master Fund in order to fund the payment of the General Partner Share. The balance is interest free and payable on demand.

9. Administration fee

In accordance with the Administration Agreement between the Administrator, the Master Fund and the Feeder Fund, the Administrator receives a fee at prevailing commercial rates. The fee is incurred by the Master Fund.

The Master Fund and the Feeder Funds have also entered into an agreement with Mayflower Corporate Services Limited ("MCS"), a subsidiary of the Administrator to provide corporate secretarial services. Any fees due to MCS will be paid by the Administrator.

10. Financial highlights

Ratios to average Limited Partners' capital:

	2018 %	2017 %
Net investment loss	(5)	(14)
Operating expenses	(5)	(14)
Profit allocation	(10)	(4)
Total expenses and profit allocation	**(15)**	**(18)**
Cumulative internal rate of return (IRR) before profit allocation	**50**	**21**
Profit allocation	(9)	(4)
Cumulative internal rate of return (IRR) after profit allocation	**41**	**17**

The operating expenses and net investment loss ratios are calculated for the Limited Partners taken as a whole, based on the allocation provisions of the Partnership Agreement. The computation of such ratios is based on the amount of income and expenses allocated to an individual Limited Partner's capital account and may vary from these ratios based on the timing of capital transactions.

The IRR is based on the actual dates of the cash inflows, outflows (cash and stock distributions) and the fair value of the Limited Partners' capital accounts, including unrealised gains and losses on investments, as at 31 December 2018 and 2017.

11. Income taxes

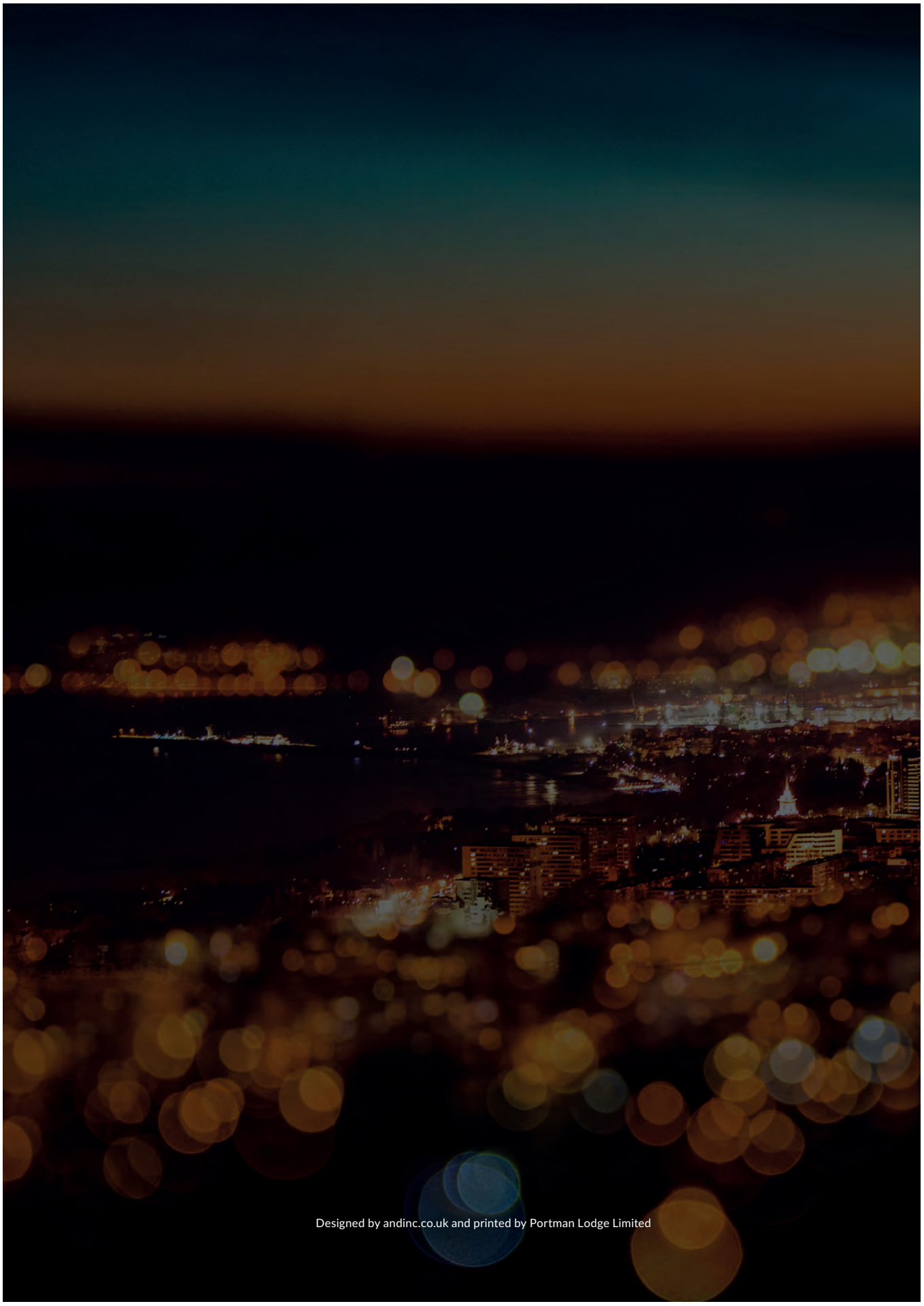
Under current Bermuda law the Partnership is not required to pay any taxes in Bermuda on either income or capital gains. The Partnership has received an undertaking from the Minister of Finance in Bermuda that in the event of such taxes being imposed, the Partnership will be exempt from such taxation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

The Partnership was not required to recognise any amounts for uncertain tax positions under Financial Accounting Standards Board Accounting Standards Codification Topic 740, Income Taxes.

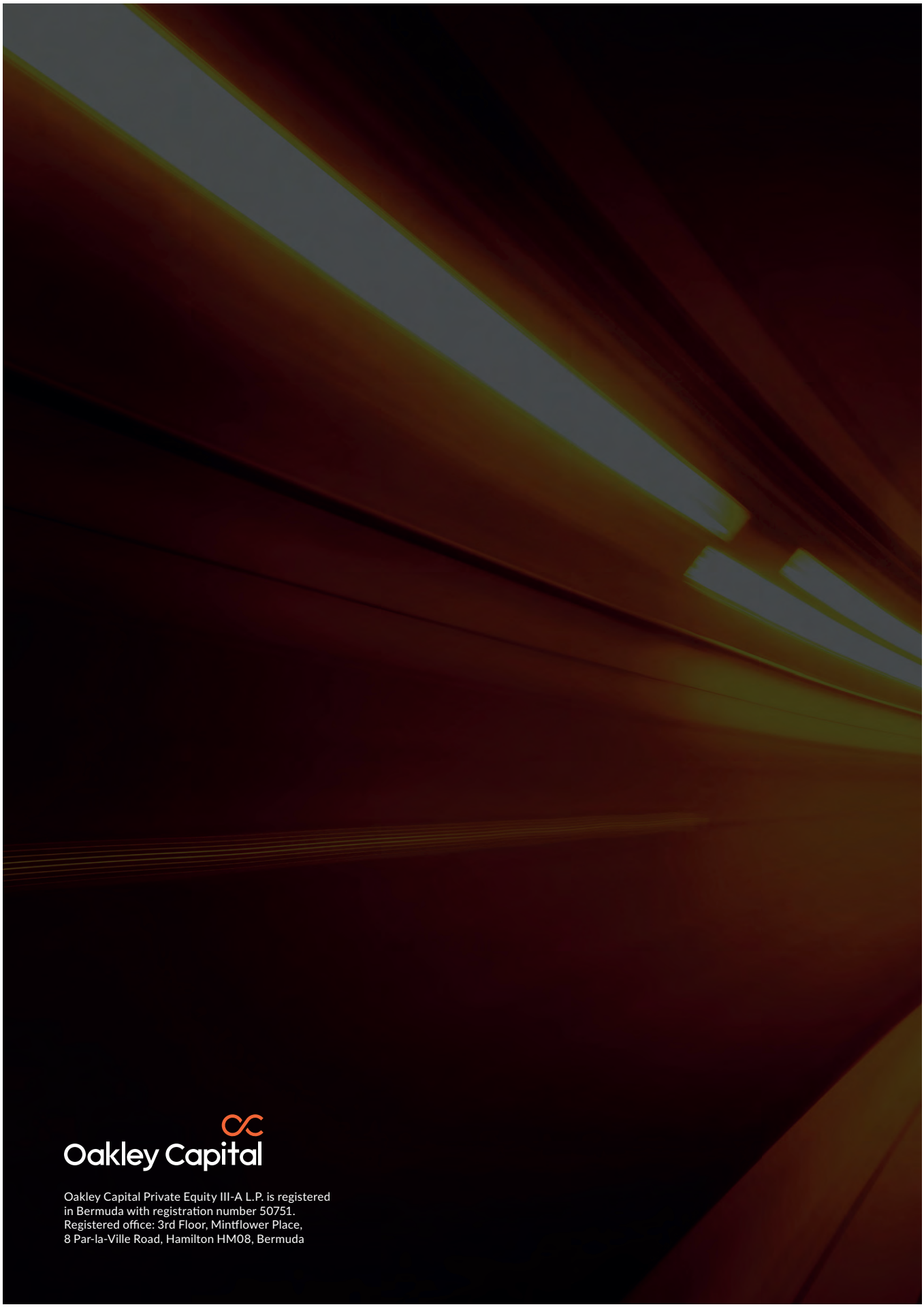
The Partnership is treated as a partnership for US tax purposes. Therefore, no provision has been made in the Financial Statements for United States federal or state income taxes, as any income tax liability arising from the operations of the Partnership is the responsibility of the Partners and not that of the Partnership.

12. Subsequent events

The General Partner has evaluated subsequent events from the year-end through 1 March 2019, which is the date the Financial Statements were available to be issued. There were no events identified for disclosure.



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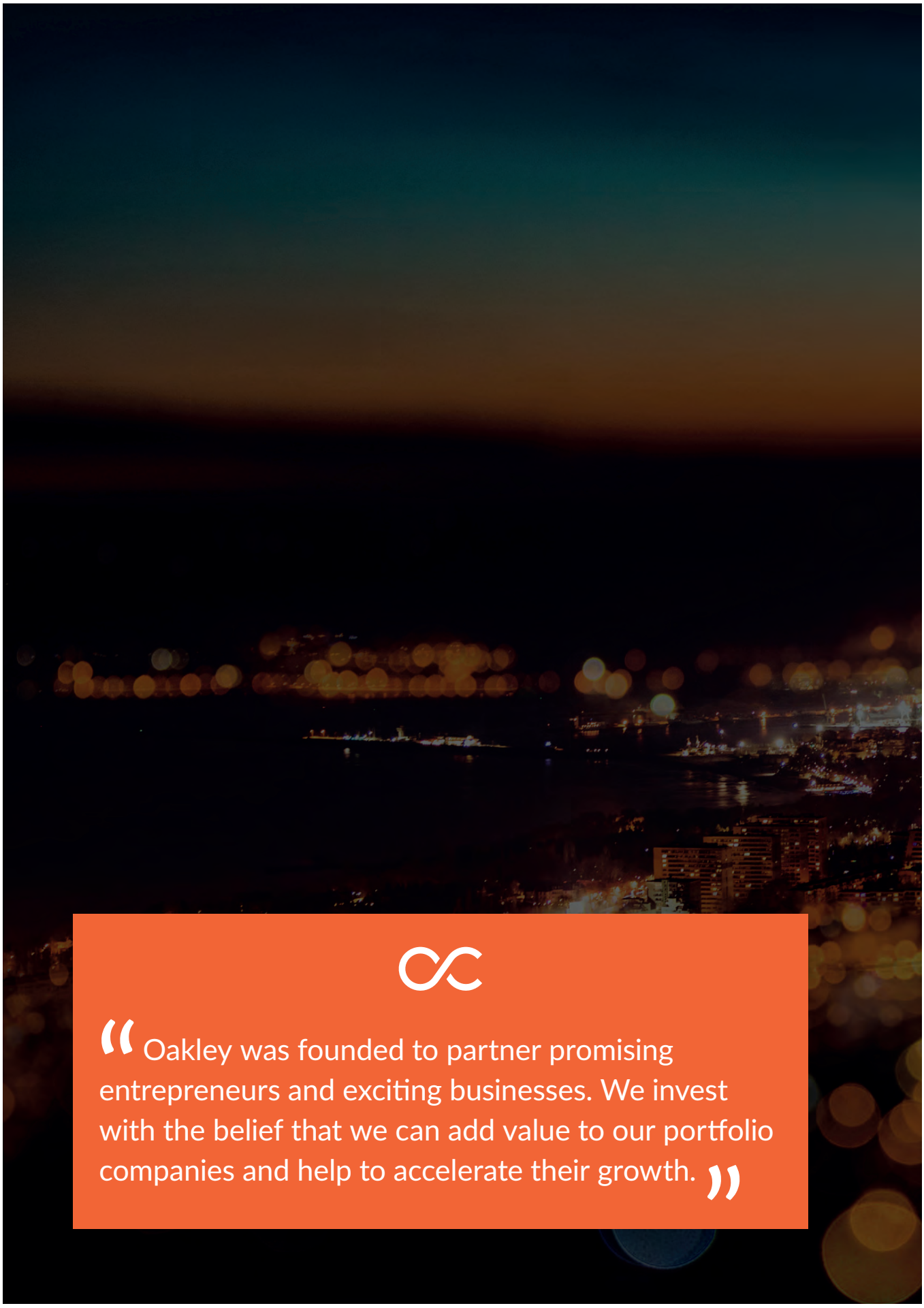


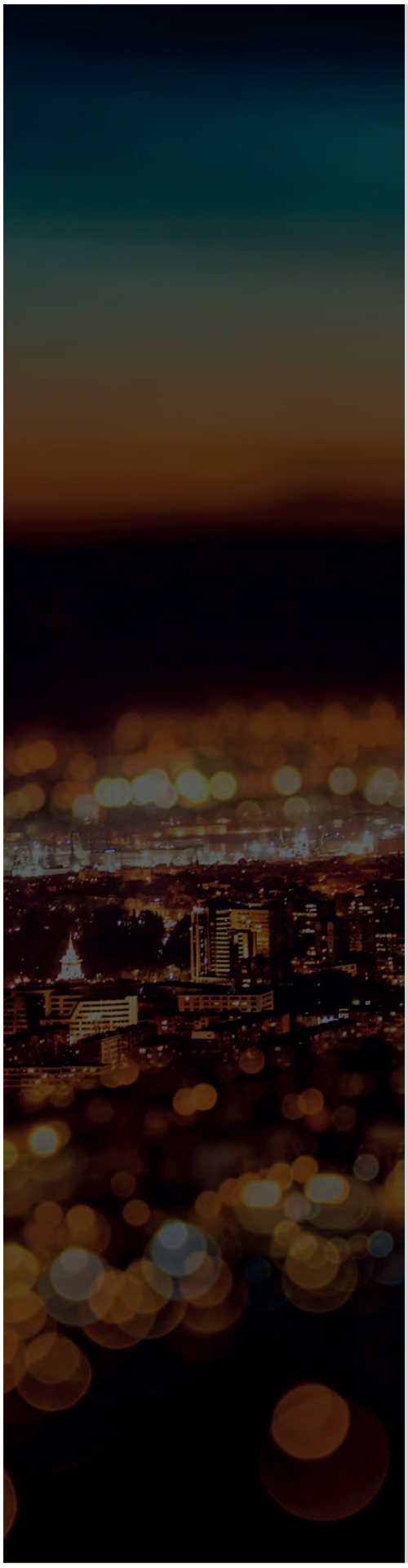
Oakley Capital Private Equity III-A L.P. is registered
in Bermuda with registration number 50751.
Registered office: 3rd Floor, Mintflower Place,
8 Par-la-Ville Road, Hamilton HM08, Bermuda



OCPE III MASTER L.P.

ANNUAL REPORT AND ACCOUNTS 2018


“Oakley was founded to partner promising entrepreneurs and exciting businesses. We invest with the belief that we can add value to our portfolio companies and help to accelerate their growth.”



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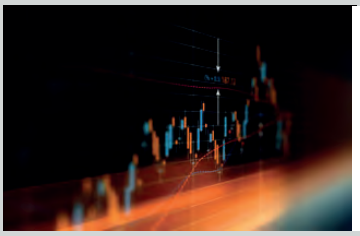
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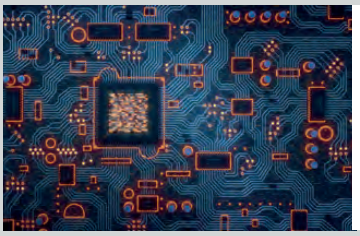
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Overview

The Master Fund had a busy investment year in 2018 which brought strong trading performances from the portfolio companies and gave rise to an increase in fair values of 65%, calculated on a like-for-like basis, since 31 December 2017. At 31 December 2018, the portfolio had a gross IRR of 54% and gross money multiple of 1.7x (all unrealised investments).

The Master Fund invested €215.4 million in new investments during the year, acquiring a controlling interest in Career Partner Group, a minority interest in Facile and follow-on investments for both Amos and WebPros (the holding company which owns Plesk, and now cPanel).

During the year, both Casa & atHome and TechInsights were able to refinance their debt thanks to strong trading and cash generation, returning a total of €41.6 million to the Master Fund. These proceeds were distributed to Limited Partners, representing 11% of the Master Fund's called capital.

Fund structure

Oakley Capital III Limited (the "General Partner"), a Bermuda incorporated company, is the General Partner of OCPE III Master L.P. (the "Master Fund"). The General Partner is also the general partner of Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively the "Feeder Funds").

The Feeder Funds invest substantially all of their assets in the Master Fund. The manager to the Funds is Oakley Capital Manager Limited (the "Manager"). The Manager has appointed Oakley Capital Limited (the "Investment Adviser") as investment adviser to the Manager with respect to the Feeder Funds and the Master Fund. The Investment Adviser is primarily responsible for advising the Manager on the investment of the assets of the Master Fund as well as advising on certain administrative functions.

Performance

Analysis of movement in NAV	€m
Opening net asset value, 1 January 2018	307.1
Gross revenue	2.1
Other expenditure	(7.7)
Change in fair value of investments	263.1
Realised loss on investments sold	(0.4)
Foreign exchange movements	(2.3)
Distributions	(41.6)
Capital calls	120.0
Closing net asset value, 31 December 2018	640.3



The net assets of the Master Fund increased by €333.2 million during the year ended 31 December 2018. The principal contributors to the increase were: the unrealised changes in the fair value of the investments of €263.1 million, the capital calls made throughout the year of €120.0 million offset slightly by the distributions to the Limited Partners of €41.6 million, other expenditure of €7.7 million and foreign exchange movement of €2.3 million.

During 2018, the Master Fund made aggregated capital calls of 15% from its Feeder Funds (10% in May for the acquisition of Facile; and 5% in September for WebPros' follow-on acquisition, cPanel), increasing the total amount called to €392 million, representing 49% of Master Fund's €800 million commitments. These calls, together with a short-term bridging facility provided by Investec Bank plc (the "Investec Facility") were used to finance investments and expenses.

The Master Fund also has a short-term revolving loan facility with Oakley Capital Investments Limited (the "OCI Facility"). These facilities are used by the Master Fund to limit the frequency of capital calls by the Master Fund.

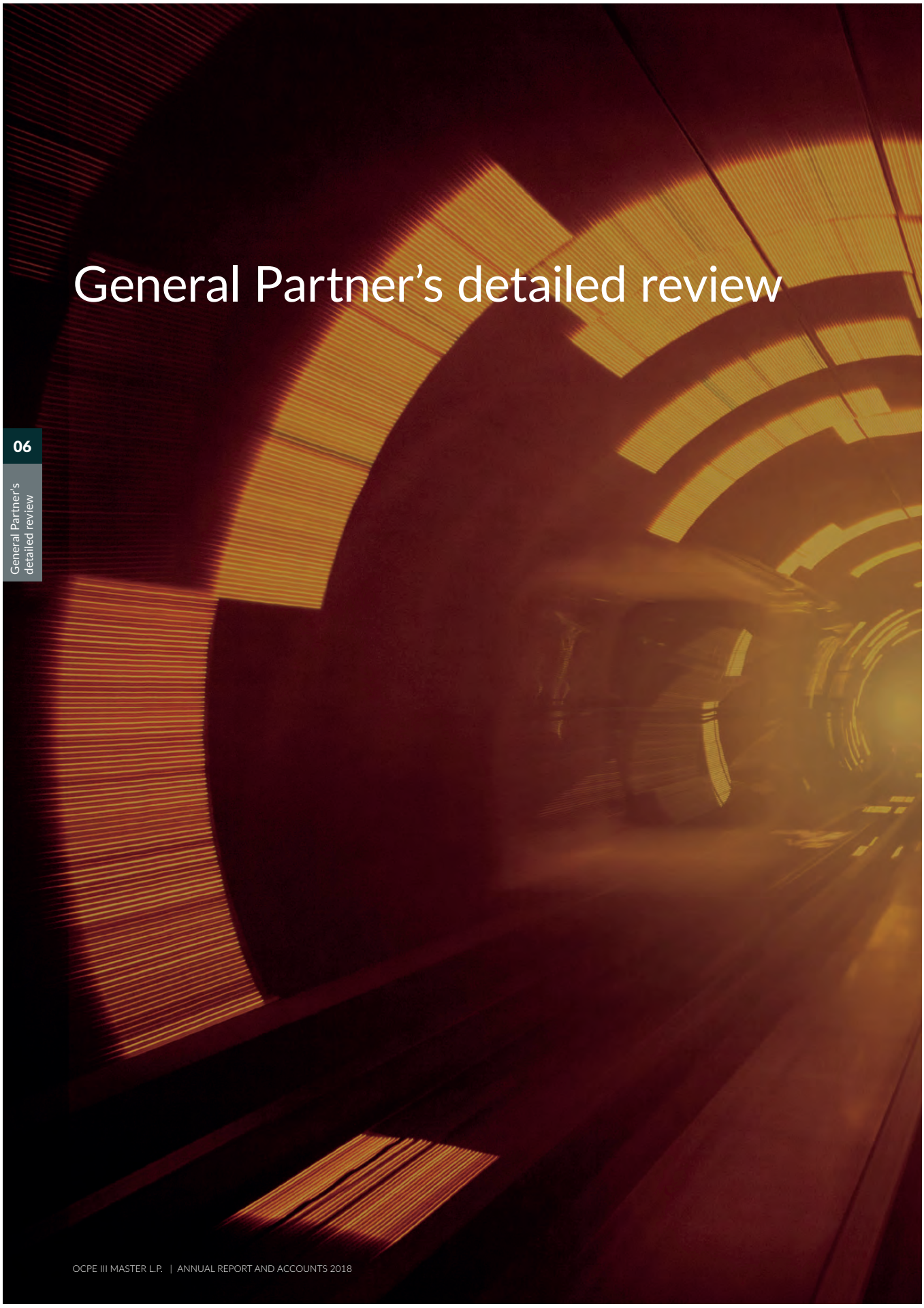
At 31 December 2018, there was an outstanding balance of €4.5 million on the OCI Facility and the aggregate amount drawn under the Investec Facility, inclusive of accrued interest, was €131.7 million.

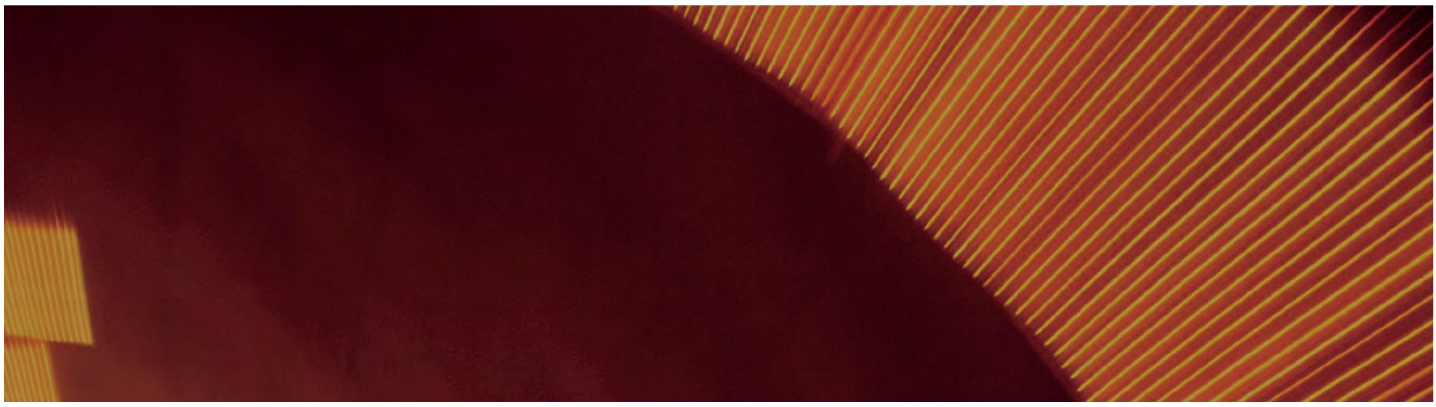
Post balance sheet events

The General Partner has evaluated subsequent events from the year end through to 1 March 2019, which is the date the Financial Statements were available to be issued.

There were no subsequent events affecting the portfolio during this period.

General Partner's detailed review





Investment strategy

The Master Fund aims to replicate the investment strategy successfully implemented to date in Oakley Capital Private Equity L.P. ("Fund I") and OCPE Master II L.P. ("Fund II"). This is based on identifying investment opportunities which will enable the acquisition of businesses at below prevailing market multiples, targeting businesses under stress in fragmented sectors that it believes require consolidation or are capable of significant organic growth. The Master Fund will generally invest in situations outside of those which appeal to the mainstream private equity community. The Master Fund's deals are likely to be challenging or complex.

Deals may include the following:

- Challenging or complex management buy-outs and buy-ins
- Carve-outs
- Operational businesses that require improvement

The Master Fund looks for businesses where the Investment Adviser's team can make a difference. Senior team members have demonstrated that the Investment Adviser is able to deliver capital appreciation and to manage risk through consolidation and operational improvements through the successful track record of Fund I and Fund II to date.

Deals can be executed in relatively short and demanding timescales, where the circumstances of the business or the situation demand it. Target investment size is from €30 million to €100 million. The Master Fund seeks to take controlling equity positions but can also invest in other parts of the capital structure, including mezzanine and senior debt in support of equity-led transactions.

The Master Fund aims to deliver in excess of 25% IRR per annum on investments. The life of the Master Fund is expected to be approximately ten years, which includes a five-year investment period.

Market background and outlook

The global private equity industry has seen another active year in 2018 as transaction values, fundraising activity and deal volumes have remained high. This performance is however set against a backdrop of uncertainty, which has continued into 2019, resulting from the concern surrounding macro-economic issues such as the ongoing US and China trade negotiations, the UK's exit from the European Union and economic slowdown risks in the wider European economy.

2018 has been a strong year for buyout activity with over 5,000 private equity-backed buyout deals announced in 2018, which is the highest number ever recorded[1]. A combination of large levels of dry powder and largely supportive credit markets have sustained high price expectations, along with increased competition from strategic buyers, the market has seen EBITDA multiples remaining at elevated levels, making it difficult to find value from assets in competitive sales processes.

The current environment now requires GPs to be more creative and considered in their deal theses, and to focus on operational efficiencies and organic growth initiatives. The Investment Adviser believes it is well equipped to continue to source quality assets in this environment. Following its strategy of finding new investment opportunities outside of main stream private equity orientated sale processes (e.g. carve-outs, complex scenarios or entrepreneur-led opportunities) continues to be increasingly important to find interesting investment opportunities given the highly competitive nature of the current private equity market.

In the past year, there has also been a trend towards GPs undertaking buy and build strategies to create value in portfolios. Add-ons have been a key value driver across Oakley's portfolio since Fund I and with vast experience in executing this strategy, the Investment Adviser believes it can continue to be successful in this area.

Having reflected on the Master Fund's portfolio in the context of the UK's political situation, the Investment Adviser believes that the impact on the portfolio companies will be relatively limited. The underlying portfolio is primarily exposed to markets outside of the UK, with robust business models, generally resilient to macro-economic trends.

Despite being relatively nascent, there have already been significant amounts of capital distributed to LPs to date and the assets continue to show progression in their valuations driven by strong EBITDA growth in the companies. The Investment Adviser remains focused on executing growth strategies to create value as well as monitoring the exit environment to ultimately maximise returns to Limited Partners.

[1] Preqin Analysis: 2018 Buyout Deals and Exits – 7 January 2019

Fair value of investments

The Master Fund's policy is to review valuations of its portfolio companies twice a year. These values have been established in accordance with the International Private Equity and Venture Capital Valuation Guidelines, by the Investment Adviser.

In determining fair value, the Investment Adviser considers various valuation approaches, including the market and income approaches. The market approach ascribes a value to a business interest or shareholding by comparing it to similar businesses, using the principle of substitution: that is, that a prudent purchaser would pay no more for an asset than it would cost to acquire a substitute asset with the same utility and income earning potential. In the income approach, an economic benefit stream from the business interest is selected, generally based on historic or forecast cash flows and a derivative of profits. The cash flow is then discounted to present value using a risk-adjusted discount rate. In general, the Investment Adviser uses the market approach to value its investments, as it deems this to be the most appropriate approximation for fair value.

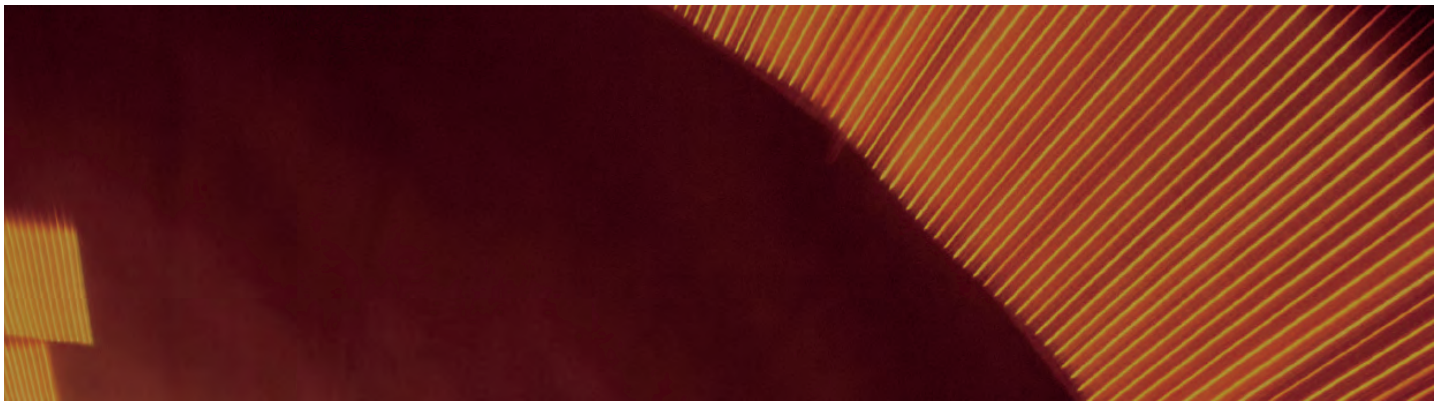
The 2018 transactional activity in the Master Fund's investment portfolio is summarised in the table below:

Investment performance 2018 (€m)

Investment	Opening cost	Opening fair value	Investment additions	Investment disposals	Closing cost[1]	Change in unrealised gain/(loss)	Closing fair value	Money multiple	Gross IRR %
Investments held at 31.12.18									
Casa & atHome	104.3	140.5	–	(28.9)	75.4	10.5	122.0	1.4	23
WebPros	25.3	40.7	40.4	–	65.7	139.8	221.0	3.4	207
TechInsights	11.9	33.4	0.1	(11.0)	1.0	21.2	43.6	4.7	101
Schülerhilfe	85.9	85.9	–	–	85.9	27.1	113.0	1.3	20
Amos	17.4	17.4	9.8	–	27.2	16.8	44.0	1.6	60
Career Partners	–	–	84.6	–	84.6	47.8	132.4	1.6	57
Facile	–	–	80.4	–	80.4	(0.1)	80.4	1.0	0
Total investments	**244.7**	**317.8**	**215.3**	**(39.9)**	**420.2**	**263.1**	**756.3**	**1.7**	**54**

Investment	Cost	Proceeds	Realised gain	Distributions
Realisations 2018				
Casa & atHome	28.9	28.9	–	28.9
TechInsights	11.0	10.6	1.7	12.7
	39.9	**39.5**	**1.7**	**41.6**
Total distributions to the Feeder Funds 2018				**41.6**

[1]This is current open cost as at 31 December 2018.
Please note that the table above may contain rounding differences.



The change in unrealised gains in the Master Fund's portfolio was €263.1 million at 31 December 2018. The main driver of the uplift in fair values was due to the strong and steady performances from the underlying operations of the portfolio especially WebPros which accounted for 53% of the unrealised gain.

The addition of cPanel to the WebPros group has been beneficial from the synergies realised since acquisition in September. Together with their complementary geographic overlap and much larger customer base which now reaches both the US and Europe, has resulted in strengthened operations and better performance which has been reflected in the December valuation. Product price increases that were made during the year have been evidently successful, with average revenue per use increasing by 38% year-on-year.

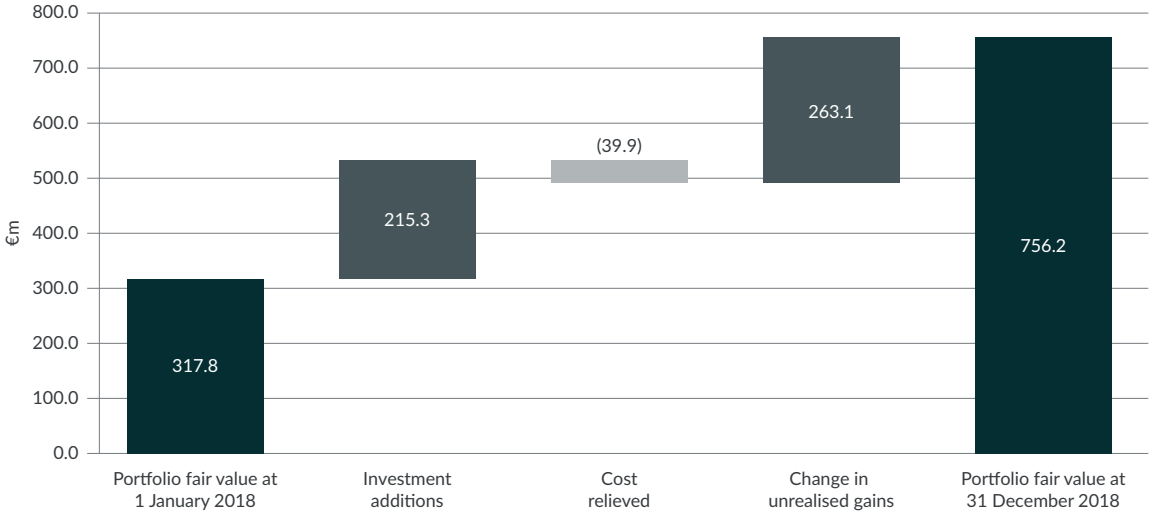
EBITDA growth has played a major part in the uplift in fair value at 31 December 2018. Average EBITDA growth[1] across the portfolio was 47%, with both Casa & atHome and Career Partner Group achieving EBITDA growth of over 70%. Both TechInsights and Casa & atHome successfully completed further refinancing during the year totalling €41.6 million which was received by the Master Fund and distributed to Limited Partners.

Fund III invested €80.4 million for a minority stake in Facile as part of the transaction in which Fund II exited its investment. The Italian online price comparison market is less developed than in other European countries, and Facile's market leading position means it is well-placed to benefit from this future growth potential. This investment remains valued at the June transaction value being equivalent to the December fair value.

The portfolio has achieved a gross money multiple of 1.7x and a gross IRR of 54% on the portfolio at 31 December 2018.

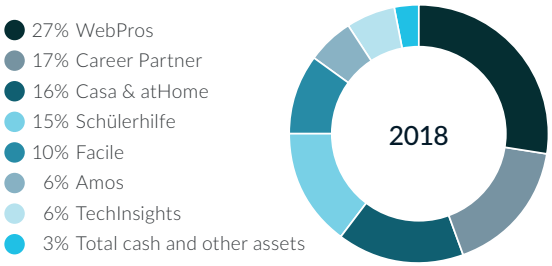
[1] Average EBITDA is calculated on a financial year end basis using the simple average method.

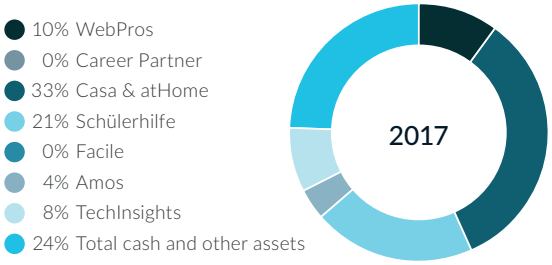
Portfolio fair value movement



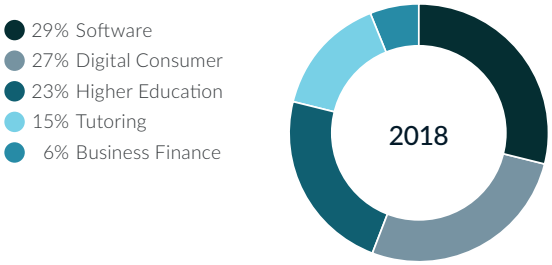
General Partner's detailed review continued

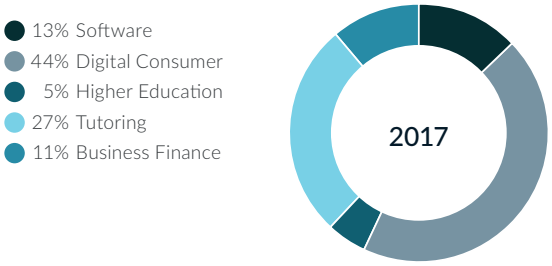
Total assets held by the Master Fund



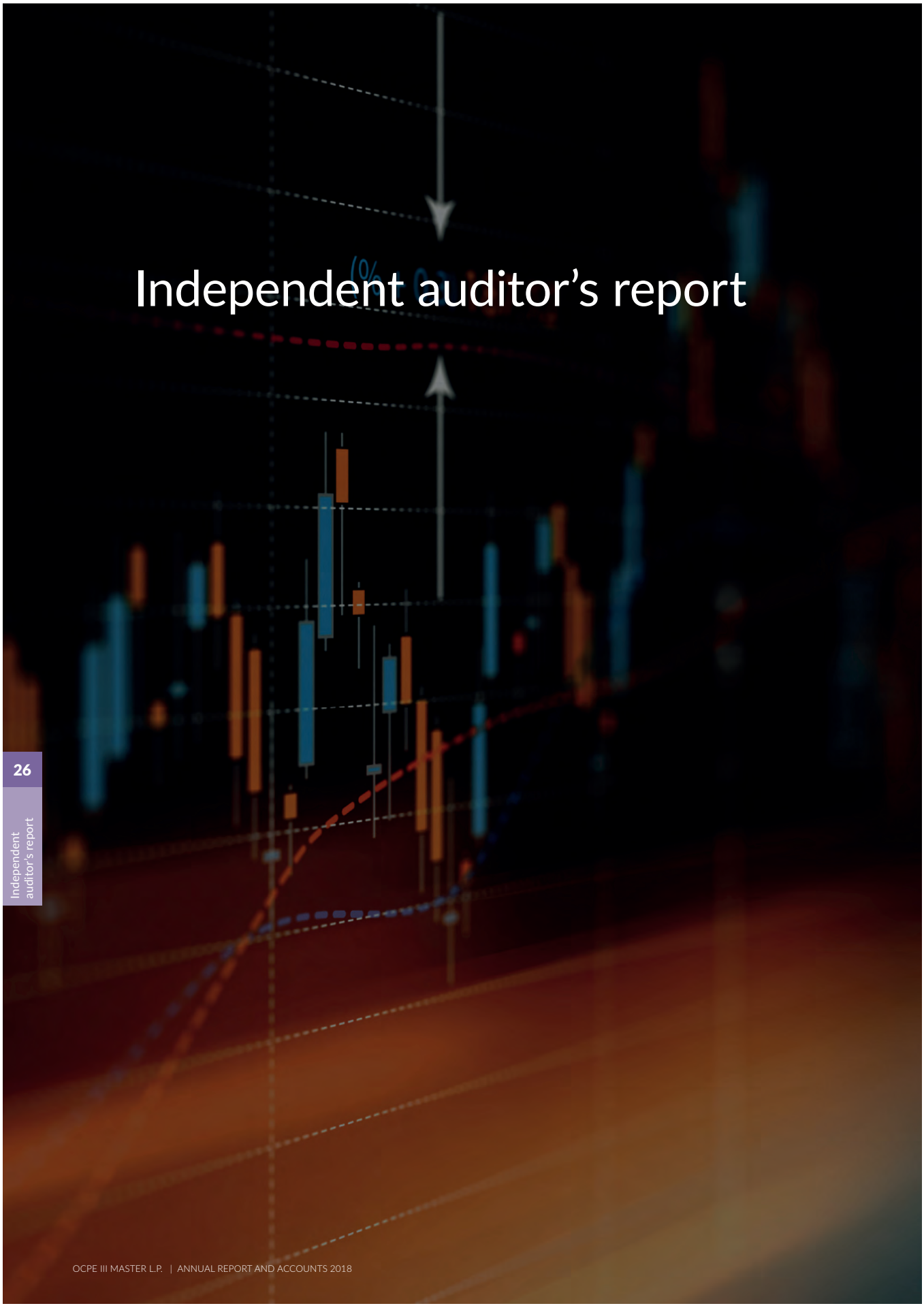


Portfolio distribution by sector[1]





[1] Calculated based on year-end fair value.



Independent auditor's report



Independent Auditor's Report to the Founder Partner, General Partner and Limited Partners of OCPE III Master L.P.

We have audited the accompanying Financial Statements of OCPE III Master L.P., which comprise the Statements of Assets and Liabilities, including the Schedules of Investments, as of 31 December 2018 and 2017, and the related Statements of Operations, Changes in Partners' Capital, and Cash Flows for the years then ended, and the related Notes to the Financial Statements.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with US generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position of OCPE III Master L.P. as of 31 December 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with US generally accepted accounting principles.

This report, including our opinion, has been prepared for and only for the Founder Partner, General Partner and Limited Partners and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose, or to any other person, to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

KPMG Audit Limited
Chartered Professional Accountants
Hamilton, Bermuda
1 March 2019



Financial statements



Statements of Assets and Liabilities

For the years ended 31 December 2018 and 2017 (expressed in Euros)

	Notes	2018 €	2017 €
Assets			
Investments	6, 7	756,314,395	317,789,890
Cash and cash equivalents	3	472,130	5,176,181
Due from related parties	8	19,258,572	17,721,493
Called capital receivable	4	–	80,000,000
Other receivables		561,987	179,715
Total assets		776,607,084	420,867,279
Liabilities			
Loan facilities	10	131,335,722	112,997,355
Revolving loan facility	8	4,467,751	–
Accounts payable and accrued expenses	10	524,836	811,563
Total liabilities		136,328,309	113,808,918
Net assets, represented by Partners' capital		**640,278,775**	**307,058,361**

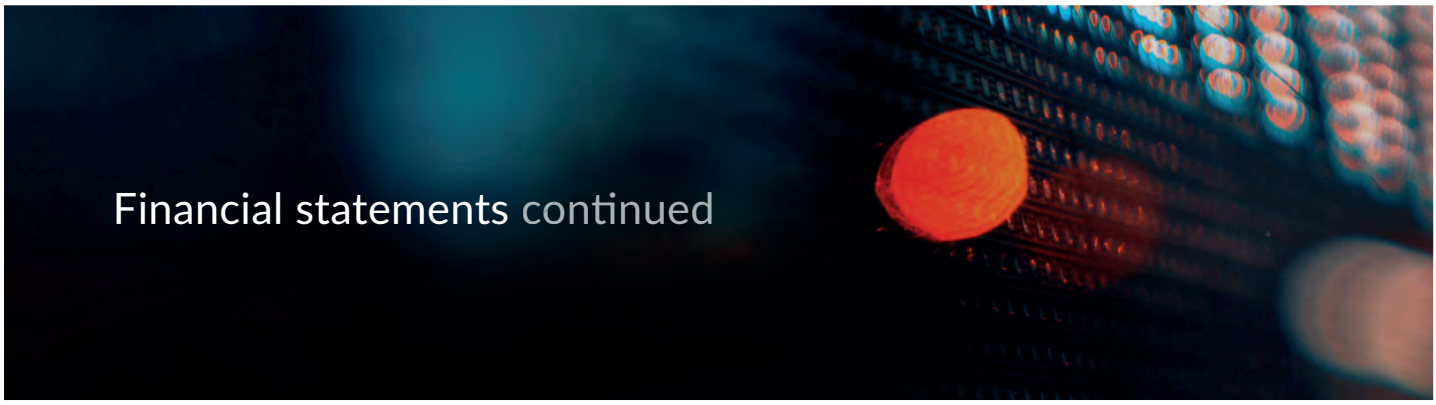
Signed on behalf of the General Partner on 1 March 2019

On behalf of the Board:

Paul Stevenson
Director
Oakley Capital III Limited
General Partner

Ian Pilgrim
Director
Oakley Capital III Limited
General Partner

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



Schedules of Investments

For the year ended 31 December 2018 (expressed in Euros)

31 December 2018	Fair value as a percentage of net assets	Cost €	Fair value €
Unquoted securities			
Canada			
TechInsights	6.80	956,058	43,622,350
Sub-total – Canada	6.80	956,058	43,622,350
France			
Amos	6.87	27,185,928	43,964,394
Sub-total – France	6.87	27,185,928	43,964,394
Germany			
Schülerhilfe	17.65	85,929,329	113,000,012
Career Partner Group	20.68	84,633,941	132,383,974
Sub-total – Germany	38.33	170,563,270	245,383,986
Italy			
Casa & atHome	19.05	75,377,747	121,964,896
Facile	12.56	80,447,442	80,447,442
Sub-total – Italy	31.61	155,825,189	202,412,338
Switzerland			
WebPros	34.51	65,670,188	220,931,327
Sub-total – Switzerland	34.51	65,670,188	220,931,327
Total unquoted securities	**118.12**	**420,200,633**	**756,314,395**
Total investments	**118.12**	**420,200,633**	**756,314,395**

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

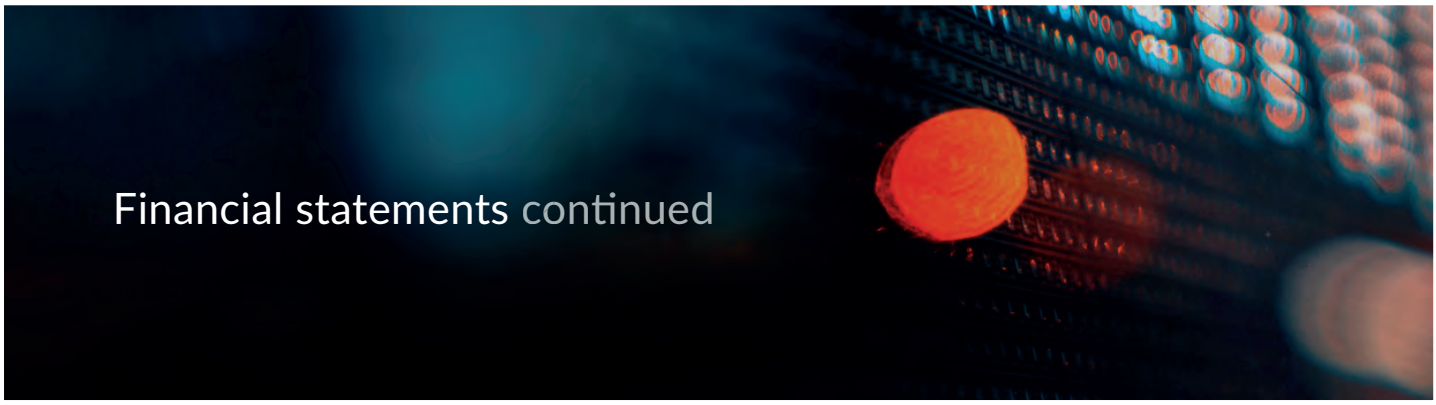


Schedules of Investments continued

For the year ended 31 December 2017 (expressed in Euros)

31 December 2017	Fair value as a percentage of net assets	Cost €	Fair value €
Unquoted securities			
Canada			
TechInsights	10.88	11,914,691	33,414,313
Sub-total – Canada	10.88	11,914,691	33,414,313
France			
Amos	5.66	17,394,567	17,394,567
Sub-total – France	5.66	17,394,567	17,394,567
Germany			
Schülerhilfe	27.97	85,898,548	85,898,548
Sub-total – Germany	27.97	85,898,548	85,898,548
Italy			
Casa & atHome	45.74	104,264,342	140,433,446
Sub-total – Italy	45.74	104,264,342	140,433,446
Switzerland			
WebPros	13.24	25,261,835	40,649,016
Sub-total – Switzerland	13.24	25,261,835	40,649,016
Total unquoted securities	**103.49**	**244,733,983**	**317,789,890**
Total investments	**103.49**	**244,733,983**	**317,789,890**

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



Statements of Operations

For the years ended 31 December 2018 and 2017 (expressed in Euros)

	Notes	2018 €	2017 €
Income			
Dividend income	7	2,130,026	–
Interest income		8,807	45,641
Total income		2,138,833	45,641
Expenses			
Interest expense	8, 10	4,951,984	3,404,770
Professional fees	8, 9	1,921,323	1,520,086
Other expenses		830,866	1,085,781
Organisational costs		–	402,059
Total expenses		7,704,173	6,412,696
Net investment loss		(5,565,340)	(6,367,055)
Realised and unrealised gains/(losses) on investments and foreign exchange			
Net realised (losses)/gains on foreign exchange		(39,934)	238,930
Net change in unrealised (losses)/gains on foreign exchange		(2,218,072)	2,887,729
Net realised loss on sale of investments	7	(392,104)	(1,931,620)
Net change in unrealised appreciation on investments	7	263,057,855	73,055,907
Net realised and unrealised gains/(losses) on investments and foreign exchange		260,407,745	74,250,946
Net increase in Partners' capital resulting from operations		**254,842,405**	**67,883,891**

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

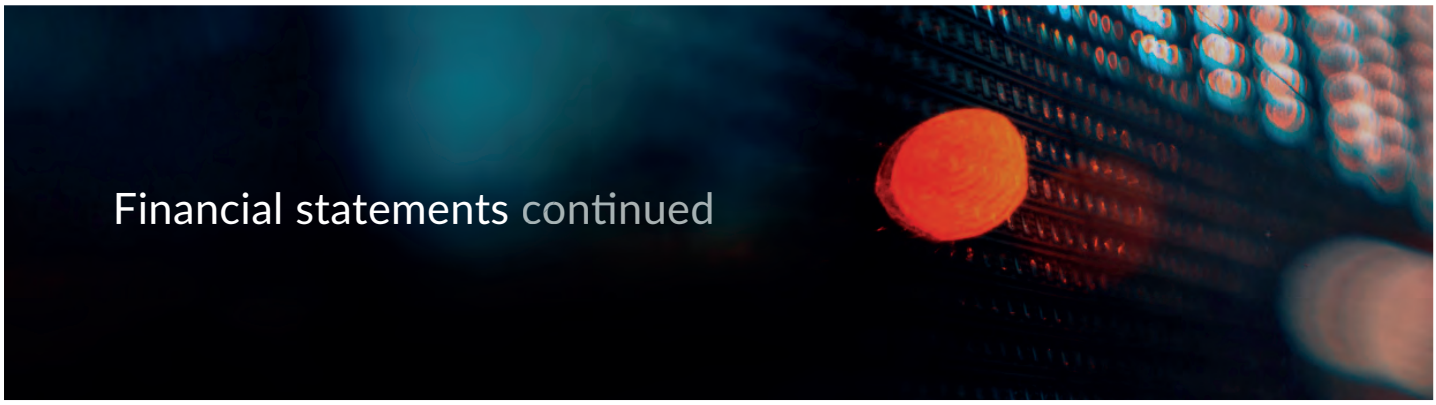


Statements of Changes in Partners' Capital

For the years ended 31 December 2018 and 2017 (expressed in Euros)

	Limited Partners €	Net change in unrealised appreciation on investments €	Total €
Partners' capital as at 1 January 2017	**4,758,161**	**–**	**4,758,161**
Net increase in Partners' capital resulting from operations			
Net investment loss	(6,367,055)	–	(6,367,055)
Net realised gain on foreign exchange	238,930	–	238,930
Net change in unrealised gain on foreign exchange	2,887,729	–	2,887,729
Net realised loss on sale of investments	(1,931,620)	–	(1,931,620)
Net change in unrealised appreciation on investments	–	73,055,907	73,055,907
	(5,172,016)	73,055,907	67,883,891
Capital transactions			
Capital contributions	265,139,000	–	265,139,000
Capital distributions	(30,722,691)	–	(30,722,691)
	234,416,309	–	234,416,309
Partners' capital as at 31 December 2017	**234,002,454**	**73,055,907**	**307,058,361**
Net increase in Partners' capital resulting from operations			
Net investment loss	(5,565,340)	–	(5,565,340)
Net realised loss on foreign exchange	(39,934)	–	(39,934)
Net change in unrealised loss on foreign exchange	(2,218,072)	–	(2,218,072)
Net realised loss on sale of investments	(392,104)	–	(392,104)
Net change in unrealised appreciation on investments	–	263,057,855	263,057,855
	(8,215,450)	263,057,855	254,842,405
Capital transactions			
Capital contributions	120,000,000	–	120,000,000
Capital distributions	(41,621,991)	–	(41,621,991)
	78,378,009	–	78,378,009
Partners' capital as at 31 December 2018	**304,165,013**	**336,113,762**	**640,278,775**

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

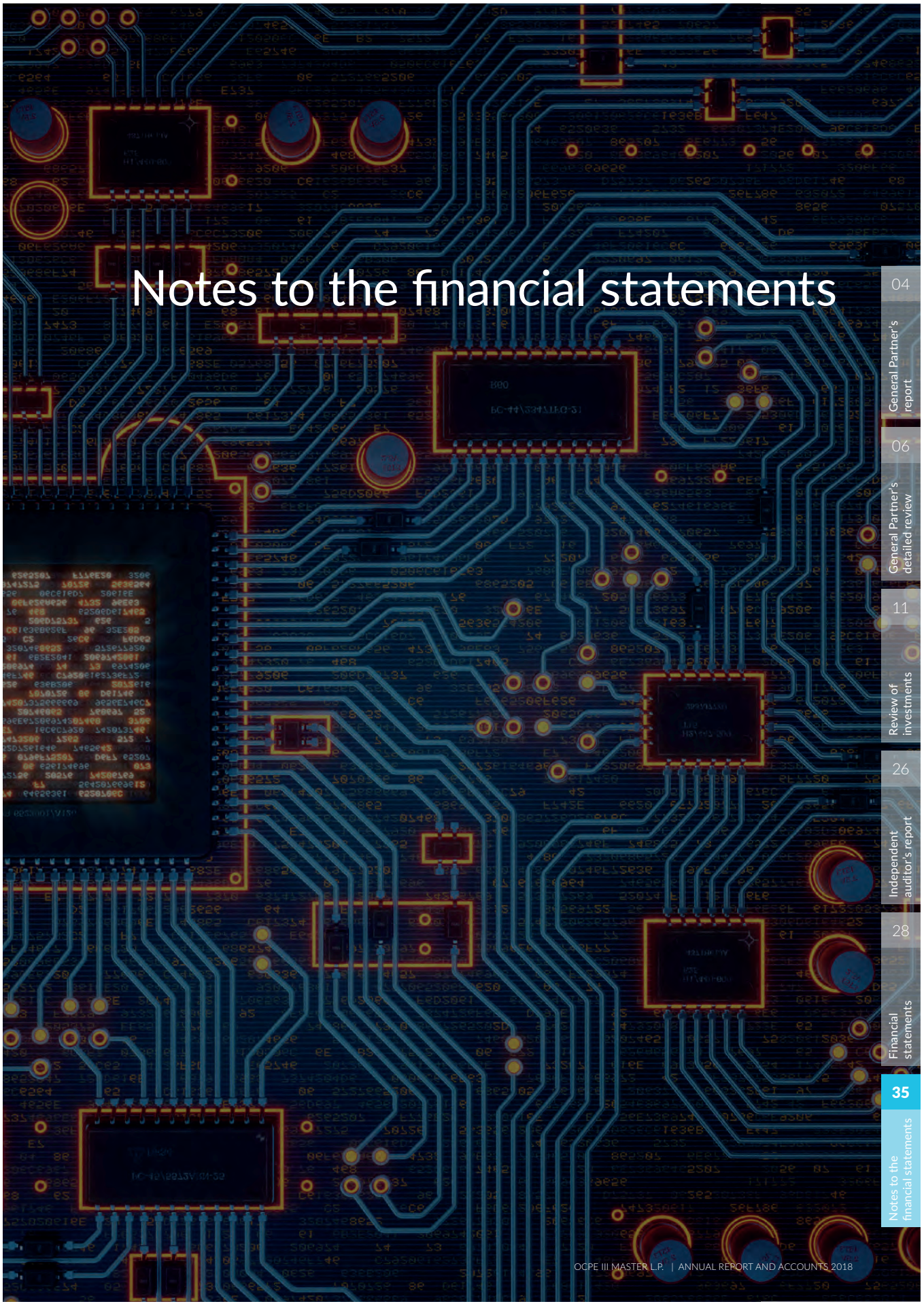


Statements of Cash Flows

For the years ended 31 December 2018 and 2017 (expressed in Euros)

	2018 €	2017 €
Cash flows from operating activities		
Net increase in Partners' capital resulting from operations	254,842,405	67,883,891
Adjustments to reconcile net increase/(decrease) in Partners' capital resulting from operations to net cash used in operating activities:		
Net realised and unrealised (gain)/loss on investments and foreign exchange	(260,407,745)	(74,250,946)
Payments for purchases of investments	(215,350,721)	(310,188,293)
Proceeds on disposal of investments	39,491,966	63,522,691
Change in other receivables	(382,272)	(165,554)
Change in amounts due from related parties	(1,537,079)	(17,721,493)
Change in accounts payable and accrued expenses	(286,727)	655,251
Net cash provided by operating activities	(183,630,173)	(270,264,453)
Cash flows from financing activities		
Proceeds from revolving credit facility	4,467,751	1,500,000
Payments of revolving credit facility	–	(1,500,000)
Proceeds from loan facilities	84,262,381	145,888,879
Capitalised interest and fees in loan facilities	3,407,668	–
Payments of loan facilities	(69,331,682)	(32,891,525)
Net effect of foreign exchange	(2,258,006)	3,126,659
Capital called – Limited Partners	200,000,000	185,139,000
Capital distributions – Limited Partners	(41,621,991)	(30,722,691)
Net cash used by financing activities	178,926,121	270,540,322
Net (decrease)/increase in cash and cash equivalents	(4,704,051)	275,869
Cash and cash equivalents at the beginning of the year	5,176,181	4,900,312
Cash and cash equivalents at the end of the year	**472,130**	**5,176,181**
Interest paid during the year	5,213,897	2,798,021

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



Notes to the financial statements

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Notes to the financial statements continued

For the years ended 31 December 2018 and 2017

1. The Master Fund

OCPE III Master L.P. (the "Master Fund") was established as a Bermuda limited partnership on 11 February 2016. The general partner of the Master Fund is Oakley Capital III Limited (the "General Partner"). The founder partner of the Master Fund is OCPE III Founder Member L.P. (the "Founder Partner"). The manager of the Master Fund is Oakley Capital Manager Limited (the "Manager") and the investment adviser to the Manager is Oakley Capital Limited (the "Investment Adviser"). The Master Fund's primary objective is to invest in a diversified portfolio of private mid-market UK, US and European businesses, aiming to provide investors with significant long-term capital appreciation.

The Master Fund has three feeder funds: Oakley Capital Private Equity III-A L.P., Oakley Capital Private Equity III-B L.P. and Oakley Capital Private Equity III-C L.P. (collectively the "Feeder Funds"). The Feeder Funds invest substantially all of their assets in the Master Fund.

The Master Fund has an initial life of ten years from the Final Closing Date of 29 September 2017; however, the life of the Master Fund may be extended, at the discretion of the General Partner, by up to three additional one-year periods, to provide for the orderly realisation of investments.

2. Significant accounting policies

The following are the significant accounting policies adopted by the Master Fund:

a) Basis of presentation

The accompanying Financial Statements are prepared in accordance with US generally accepted accounting principles. The Fund 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 US 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 Partners' capital from operations during the reporting period. Actual results could differ from those estimates.

c) Investment valuation

Security transactions are accounted for on a trade date basis. Realised and unrealised gains and losses are determined by the specific cost method and are reflected in the Statements of Operations.

Investments are valued at fair value by the Investment Adviser. These valuations are in compliance with the International Private Equity and Venture Capital Guidelines, with particular consideration of the following factors:

- Fair value is the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction.
- In estimating fair value, the Investment Adviser uses a methodology which is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio using reasonable assumptions and estimations.
- An appropriate methodology incorporates all available information about factors that are likely to materially affect the fair value of the investment. The valuation methodologies are applied consistently from year to year, except where a change would result in a better estimate of fair value. Any changes in valuation methodologies are clearly disclosed in the Financial Statements.



The most widely used methodologies are listed below. In assessing which methodology is appropriate, the Investment Adviser is predisposed towards those methodologies that draw upon market-based measures of risk and return, such as:

- Cost of recent investment and transactions
- Earnings multiple
- Discounted cash flow
- Net assets
- Available market prices and data

The Investment Adviser evaluates each investment by considering its cost to the Master Fund, the financial condition and operating results of the underlying company, industry and macro-economic data, the type of investments held, the valuation of comparable private and public companies and other relevant information considered significant by the Investment Adviser.

As a result, there is significant judgment associated with the valuation of investments. Because of the inherent uncertainty of such valuations, the Investment Adviser's estimates of fair values may differ significantly from the value that would have been used had a ready market existed for the investments, and those differences could be material. There is no assurance that, upon disposal, the Master Fund will realise these estimated fair values.

The Master Fund is subject to the provisions of the FASB guidance on Fair Value Measurements and Disclosure. ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with US 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 – 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 the investments are not necessarily an indication of the risks associated with investing in those investments.

Securities traded on a national stock exchange are valued at the last reported sales price on the valuation date and are categorised in Level 1 of the fair value hierarchy. When prices are not readily available, or are determined not to reflect fair value, these securities may be valued 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 by the Investment Adviser. In these circumstances, the Investment Adviser will attempt to use consistent and fair valuation criteria and may (but is not required to) obtain independent appraisals at the expense of the Master Fund.

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.



Notes to the financial statements continued

For the years ended 31 December 2018 and 2017

2. Significant accounting policies (continued)

d) Investment expenses

Investment expenses are comprised of direct costs incurred in relation to investments purchased by the Master Fund, and include legal, due diligence, investment banking fees, transaction costs, valuation, travel and other related expenses. Investment expenses attributable to a specific investment are capitalised and included in the cost of the investment. Investment expenses relating to aborted deals are expensed and included in "Professional fees" in the Statements of Operations.

e) Income recognition

Dividend income is recognised on the ex-dividend date. Interest income and expense are recognised on the accruals basis except for securities in default for which interest is recognised on a cash basis.

f) Foreign currency translation

Investments and other monetary assets and liabilities denominated in foreign currencies are translated into Euro amounts at exchange rates selected by the Investment Adviser at the reporting date.

Purchases and sales of investments and foreign currencies, and income and expense items denominated in foreign currencies are translated into Euro 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 gains or losses" and the "net change in unrealised gains or losses from foreign exchange" in the Statements of Operations.

The Master Fund does not isolate unrealised or realised foreign exchange gains or losses arising from changes in the fair value of investments. All such foreign exchange gains or losses are included within the "net realised" and "change in unrealised appreciation or depreciation from investments" in the Statements of Operations.

g) Cash and cash equivalents

The Master Fund considers all time deposits, money market funds and commercial paper with an original maturity of 90 days or less as equivalent to cash.

3. Cash and cash equivalents

Cash and cash equivalents at 31 December 2018 and 2017 consist of the following:

	2018 €	2017 €
Cash	472,130	5,176,181
	472,130	**5,176,181**



4. Partners' capital accounts

In accordance with the Limited Partnership Agreements, profits and losses of the Master Fund are allocated to the Feeder Funds according to their respective interest in the Master Fund.

The Master Fund made the following capital calls during the years ended 31 December 2018 and 2017:

	Called capital 2018 €	Called capital 2017 €
Called capital at the beginning of the year	272,000,000	6,861,000
Capital calls during the year		
May 2018	80,000,000	–
September 2018	40,000,000	–
January 2017	–	53,000
January 2017	–	69,140,000
June 2017	–	89,882,000
August 2017	–	17,316,000
October 2017	–	8,748,000
December 2017	–	80,000,000
Called capital at the end of the year	**392,000,000**	**272,000,000**

As at 31 December 2018, there was no capital called receivable (2017: there was €80,000,000 of called capital receivable which was received on 2 January 2018).

As at 31 December 2018 and 2017, the respective percentage holdings of the Feeder Funds in the Master Fund were:

	2018 %	2017 %
Oakley Capital Private Equity III-A L.P.	55.54	55.54
Oakley Capital Private Equity III-B L.P.	39.44	39.44
Oakley Capital Private Equity III-C L.P.	5.02	5.02
	100.00	**100.00**

As per the Limited Partnership Agreements, the aggregated capital calls eligible for drawing by the Master Fund from the Feeder Funds is limited to the aggregate amount which may be called from the Limited Partners of the Feeder Funds.



Notes to the financial statements continued

For the years ended 31 December 2018 and 2017

5. Distributions

The Master Fund made the following distributions during the years ended 31 December 2018 and 2017:

	2018 €	2017 €
Oakley Capital Private Equity III-A L.P.	23,117,374	17,063,767
Oakley Capital Private Equity III-B L.P.	16,414,673	12,116,261
Oakley Capital Private Equity III-C L.P.	2,089,944	1,542,663
	41,621,991	**30,722,691**

During 2018, the Master Fund distributed €41,621,991 to the Limited Partners arising from the refinancing within Casa & atHome and TechInsights which contributed €28,903,613 and €12,718,378, respectively.

During 2017, the Master Fund distributed €30,722,691 to the Limited Partners arising from the refinancing within TechInsights and the resulting share repurchase by Maple Investco Limited ("Maple").

6. Fair value of financial instruments

The following is a summary of the inputs used in valuing the Master Fund's investments carried at fair value:

	2018 €	2017 €
Level 1 – Quoted prices	–	–
Level 2 – Significant observable inputs	–	–
Level 3 – Significant unobservable inputs	756,314,395	317,789,890
	756,314,395	**317,789,890**

The instruments comprising investments in securities are disclosed in the Schedules of Investments.

The Investment Advisor has structured the Master Fund's investments through holding companies. These holding companies make their investments in a variety of debt and equity securities in an effort to create an efficient investment structure for the Master Fund. Level 3 investments include investments in securities of non-public entities. The valuation of non-public investments requires significant judgment by the Investment Adviser due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of holding such assets. Private equity investments are valued initially based upon transaction price, provided the transaction is at arm's-length.



Valuations are reviewed periodically utilising available market data to determine if the carrying value of the investments should be adjusted. Such market data primarily includes observations of the trading multiples of public companies considered comparable to the private companies being valued. In addition, a variety of additional factors are reviewed by the 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. In determining valuation inputs during the investment review process, in connection with ASC 820, emphasis is placed on market participants' assumptions and market-based information over entity specific information. The Master Fund's policy is to recognise transfers into and out of the various levels as of the end of the year of change in circumstances that caused the transfer. For the years ended 31 December 2018 and 2017, the Master Fund did not have any transfers between Levels 1, 2 or 3.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used by the Investment Adviser to determine fair value.

	2018 €	2017 €
Unquoted securities		
Balance at the beginning of the year	317,789,890	–
Purchases	215,350,721	310,188,294
Proceeds on disposal	(39,491,966)	(63,522,691)
Realised loss on disposal	(392,104)	(1,931,620)
Net change in unrealised appreciation on securities sold during the year	(30,957,696)	–
Net change in unrealised appreciation on securities held at the end of the year	294,015,550	73,055,907
Unquoted securities balance at the end of the year	**756,314,395**	**317,789,890**
Balance at the end of the year	**756,314,395**	**317,789,890**

The Investment Adviser completed a fair value analysis of the Master Fund's investments at 31 December 2018 and 2017. The fair value of all other financial instruments held by the Master Fund approximate their carrying value due to their short-term nature.



Notes to the financial statements continued

For the years ended 31 December 2018 and 2017

7. Investments

The investment activity of the Master Fund for 2018 is summarised in the following table:

2018 (€m)	Cost beginning of year	Purchases	Cost relieved	Cost end of year	Fair value beginning of year	Net additions/ (disposals) for the year	Change in unrealised gain/(loss) for the year	Fair value end of year	Change in unrealised gain/(loss) since inception	Realised gain/ (loss) for the year	Realised gain/ (loss) since inception
Casa & atHome	104.3	–	(28.9)	75.4	140.5	(28.9)	10.4	122.0	46.6	–	–
WebPros	25.3	40.4	–	65.7	40.7	40.4	139.9	221.0	155.3	–	–
TechInsights	11.9	0.1	(11.0)	1.0	33.4	(11.0)	21.2	43.6	42.7	(0.4)	(2.3)
Schülerhilfe	85.9	–	–	85.9	85.9	–	27.1	113.0	27.1	–	–
Amos	17.4	9.8	–	27.2	17.4	9.8	16.8	44.0	16.8	–	–
Career Partner	–	84.6	–	84.6	–	84.6	47.8	132.4	47.8	–	–
Facile	–	80.4	–	80.4	–	80.4	–	80.4	–	–	–
	244.7	**215.4**	**(39.9)**	**420.2**	**317.8**	**175.3**	**263.1**	**756.3**	**336.1**	**(0.4)**	**(2.3)**

The investment activity of the Master Fund for 2017 is summarised in the following table:

2017 (€m)	Cost beginning of year	Purchases	Cost relieved	Cost end of year	Fair value beginning of year	Net additions/ (disposals) for the year	Change in unrealised gain/(loss) for the year	Fair value end of year	Change in unrealised gain/(loss) since inception	Realised gain/ (loss) for the year	Realised gain/ (loss) since inception
Casa & atHome	–	137.1	(32.8)	104.3	–	104.3	36.2	140.4	36.2	–	–
WebPros	–	25.3	–	25.3	–	25.3	15.4	40.7	15.4	–	–
TechInsights	–	44.6	(32.7)	11.9	–	11.9	21.5	33.4	21.5	(1.9)	(1.9)
Schülerhilfe	–	85.9	–	85.9	–	85.9	–	85.9	–	–	–
Amos	–	17.4	–	17.4	–	17.4	–	17.4	–	–	–
	–	**310.2**	**(65.5)**	**244.7**	**–**	**244.7**	**73.1**	**317.8**	**73.1**	**(1.9)**	**(1.9)**



The following table summarises the fair value inputs used by the Investment Adviser to determine the fair value of the unquoted investments:

2018	% holdings	Methodology	Multiples	Forecast EBITDA (millions)
Casa & atHome	83	Market	15.0x	€13.1
WebPros	39	Market	12.0x	$74.5
TechInsights	62	Market	8.0x	$17.4
Schülerhilfe	48	Market	12.9x	€25.0
Amos	74	Market	10.0x	€5.7
Career Partner	65	Market	12.7x	€18.6
Facile	21	Transaction price		

2017	% holdings	Methodology	Multiples	Forecast EBITDA (millions)
Casa & atHome	83	Market	14.0x	€13.1
WebPros	41	Market	8.0x	$20.6
TechInsights	62	Market	7.5x	$14.7
Schülerhilfe	48	Transaction price		
Amos	74	Transaction price		

Casa & atHome

In January 2017, the Master Fund acquired 84.2% of Casa & atHome, online real estate companies operating in Italy and Luxembourg, respectively. The Master Fund's ownership was reduced by 1.5% since acquisition as a result of the issue of ordinary equity to key executives and management. The Master Fund acquired the investment in Casa & atHome through its wholly owned subsidiary, Renaissance Investco Ltd. ("Renaissance"), for €134,551,000, exclusive of deal costs.

In April 2017, Casa & atHome secured debt financing of which €32,800,000 was returned to the Master Fund in the form of a share repurchase by Renaissance.

In March 2018, Casa & atHome secured additional debt financing of which €28,903,613 was returned to the Master Fund in the form of a share repurchase by Renaissance.

The net investment balance at 31 December 2018, including deal costs, is €75,377,747 (2017: €104,264,342).

WebPros (Plesk and cPanel)

In April 2017, the Master Fund acquired a 51% (40.8% fully diluted) interest in Plesk, a provider of control panels and software platforms for web-server management. The Master Fund acquired the investment in Plesk through its wholly owned subsidiary, Einsiedler Investco Limited ("Einsiedler"), for €25,196,046, excluding deal costs.

In September 2018, the Master Fund invested an additional $47,202,645 (€40,391,303) in Einsiedler in order to acquire a 39.4% interest in cPanel control panel software platforms.

As at 31 December 2018, the Master Fund has invested €65,670,188 (2017: €25,261,835) in WebPros Hold Co BV ("WebPros"), the group name for the combined acquisitions of Plesk and cPanel by Einsiedler, including deal costs.

7. Investments (continued)

TechInsights

In May 2017, the Master Fund acquired 64.2% (61.6% fully diluted) of TechInsights, a leader in the intellectual property and technology market. The Master Fund acquired the investment in TechInsights through a majority owned subsidiary, Maple, for $49,736,377 (€44,509,084), exclusive of deal costs. In August 2017, TechInsights secured debt financing of $36,489,340 (€32,654,311). After paying fees, net proceeds of €30,722,691 were returned to the Master Fund in the form of a share repurchase by Maple.

In October 2018, TechInsights secured additional debt financing allowing Maple to repurchase shares valued at $12,270,037 (€10,588,353) as well as making a dividend payment of $2,468,325 (€2,130,026).

The net investment balance at 31 December 2018, including deal costs is €956,058 (2017: €11,914,691).

Schülerhilfe

In July 2017, the Master Fund acquired 48.4% of Schülerhilfe, a provider of after school tutoring to primary and secondary school students in Germany and Austria. The Master Fund acquired the investment in Schülerhilfe through a wholly owned subsidiary, Tutor Bermuda Holdco Limited, for €85,877,273, excluding deal costs.

As at 31 December 2018, the Master Fund has invested €85,929,329 (2017: €85,898,548) in Schülerhilfe, including deal costs.

Amos

In August 2017, the Master Fund acquired 74% of Amos, a business school focused entirely on sport. The Master Fund acquired the investment in Amos through a wholly owned subsidiary, OCPE Tertiary Investments Limited, for €16,852,000, excluding deal costs.

In September 2017, February 2018 and August 2018, the Master Fund invested an additional €500,000, €754,294 and €500,000, respectively. In November 2018, the Master Fund invested an additional €8,500,000 to fund the acquisition of Centre Européen de Management Hotelier International, a business school in Paris, a bolt-on investment for Amos.

As at 31 December 2018, the Master Fund has invested €27,185,928 (2017: €17,394,567) in Amos, including deal costs.

Career Partner

In January 2018, the Master Fund acquired 66.7% of Career Partner Group ("Career Partner") which is the leading private provider of higher education and personnel development in Germany. The Master Fund acquired the investment in Career Partner with an investment of €54,087,530 in a wholly owned subsidiary named CP Bermuda HoldCo Limited and an investment of €30,500,000 through a co-investment entity named Oakley CP Co-Investment L.P.

During 2018 there were a number of share transactions with management in the underlying Career Partner entities, diluting the Master Fund's ownership from 66.7% at acquisition to 65.0% at 31 December 2018.

As at 31 December 2018, the Master Fund has invested €84,633,941 in Career Partner, including deal costs.

Facile

In June 2018, the Master Fund acquired 20.6% of Facile ("Facile") which is a leading online destination for consumers to compare prices for motor insurance energy telecoms and personnel finance in Italy. The Master Fund acquired the investment in Facile with an investment of €80,000,000 in a wholly owned subsidiary named Oakley Facile (Bermuda) Limited.

At the same time as the Master Fund's acquisition of Facile, OCPE II Master L.P., a private equity fund managed by the Manager and advised by the Investment Adviser, sold all of its interest in Facile.

As at 31 December 2018, the Master Fund has invested €80,447,442 in Facile, including deal costs.



8. Related parties

Certain directors of the General Partner are also directors of the Founder Partner and Mayflower Management Services (Bermuda) Limited (the "Administrator"); entities which provide services to and receive compensation from the Master Fund and/or Feeder Funds.

The Investment Adviser will not receive a management or performance fee from the Master Fund. Any fees due to the Investment Adviser will be paid by the Manager on an as-agreed basis. Any fees due to the Manager will be paid by the General Partner as agreed by those parties. For the year ended 31 December 2018, the Investment Adviser recharged the Master Fund €105,517 (2017: €242,884) for legal and compliance services.

In March 2017, Oakley Capital Investments Limited ("OCI"), a limited partner in Oakley Capital Private Equity III-A L.P., provided a revolving loan facility of £20,000,000 to the Master Fund at an annual interest rate of 6.5%. As at 31 December 2018, the balance available to be drawn under the facility was £15,989,300 (2017: £20,000,000). The activity on the OCI facility for the years ended 31 December 2018 and 2017 is as follows:

	2018 €	2017 €
OCI Revolver		
Principal balance at the beginning of the year	–	–
Principal proceeds	4,500,000	1,500,000
Principal repayments	(32,249)	(1,500,000)
Principal balance at the end of the year	4,467,751	–
Accrued interest payable at the end of the year	**25,294**	**–**

The OCI facility is a GBP denominated facility with an outstanding balance of £4,010,700 (2017: £nil). The associated unrealised gain/(loss) on foreign exchange is reflected in the "Principal repayments" balance in the table.

As at 31 December 2018, of the amount due from related parties of €19,258,572 (2017: €17,721,493), €10,735,216 (2017: €10,217,484) was due from Oakley Capital Private Equity III-A L.P., €7,623,302 (2017: €7,057,910) was due from Oakley Capital Private Equity III-B L.P. and €900,054 (2017: €411,878) was due from Oakley Capital Private Equity III-C L.P. These balances are interest free and payable on demand.

9. Administration fee

Pursuant to the Administration Agreement dated 1 January 2017 between Administrator, the Master Fund and the Feeder Funds, the Administrator receives a fee at prevailing commercial rates. During the year ended 31 December 2018, the Master Fund incurred administration fees of €457,430 (2017: €433,938) which is included in "Professional fees" in the Statements of Operations.

The Master Fund and the Feeder Funds have also entered into an agreement with Mayflower Corporate Services Limited ("MCS"), a subsidiary of the Administrator to provide corporate secretarial services. Any fees due to MCS will be paid by the Administrator.



Notes to the financial statements continued

For the years ended 31 December 2018 and 2017

10. Loans

Investec Bank ("Investec") provides a loan facility, which can be drawn in multiple tranches with different maturity dates, secured by unfunded commitments, to the Master Fund at an interest rate of 3.2% above EURIBOR, in the case of Euro denominated loans, and an interest rate of 3.2% above LIBOR, in the case of US dollar denominated loans. The activity on the Investec loan for the years ended 31 December 2018 and 2017 is as follows:

	2018 €	2017 €
Investec loan facility		
Principal balance at the beginning of the year	112,997,355	–
Principal proceeds	84,262,381	145,414,807
Principal conversions	121,089,488	–
Capitalised interest and fees	3,407,688	474,073
Principal repayments	(69,331,682)	(30,010,100)
Principal repayment through conversions	(121,089,488)	–
Principal balance at the end of the year	131,335,722	112,997,355
Accrued interest payable at the end of the year	**319,592**	**606,749**

The maturity dates of the various tranches are as follows:

Tranche	Principal	Maturity
E1	$52,000,000	20 May 2019
F1	€78,600,000	31 December 2019
G	$12,100,000	19 September 2019

Tranche	Principal	Maturity
A	€62,000,000	2 January 2018
B	€20,000,000	3 May 2017
C	€10,000,000	3 May 2017
D	€10,900,000	2 January 2018
E	$50,000,000	18 May 2018
F	€75,517,780	31 December 2018

Any tranche not denominated in Euros is subject to foreign exchange gains and losses. The unrealised gain/(loss) on foreign exchange of €2,245,724 (2017: €2,881,425) is reflected in the "Principal repayments" balance in the table.

11. Contingencies and commitments

On the purchase of cPanel in September 2018, a deferred consideration amount equal to $16,087,500 plus interest was agreed to be repaid by WebPros in October 2019. If WebPros is unable to pay this either using cash from the business or by raising more debt, the Master Fund has committed to fund the balance with loan notes or shares or any combination of loan notes and shares, up to maximum of $11,700,000.



12. Financial highlights

Ratios to average Feeder Funds' capital:

	2018 %	2017 %
Net investment loss	(1)	(4)
Operating expenses	(2)	(4)
Cumulative internal rate of return (IRR)	68	54

The operating expenses and net investment loss ratios are calculated for the Feeder Funds taken as a whole. The computation of such ratios is based on the amount of income and expenses allocated to each Feeder Fund's capital account and may vary from these ratios based on the timing of capital transactions.

The IRR is based on the actual dates of the cash inflows, outflows (cash and stock distributions) and the fair value of each Feeder Fund's capital account as at 31 December 2018 and 2017.

13. Income taxes

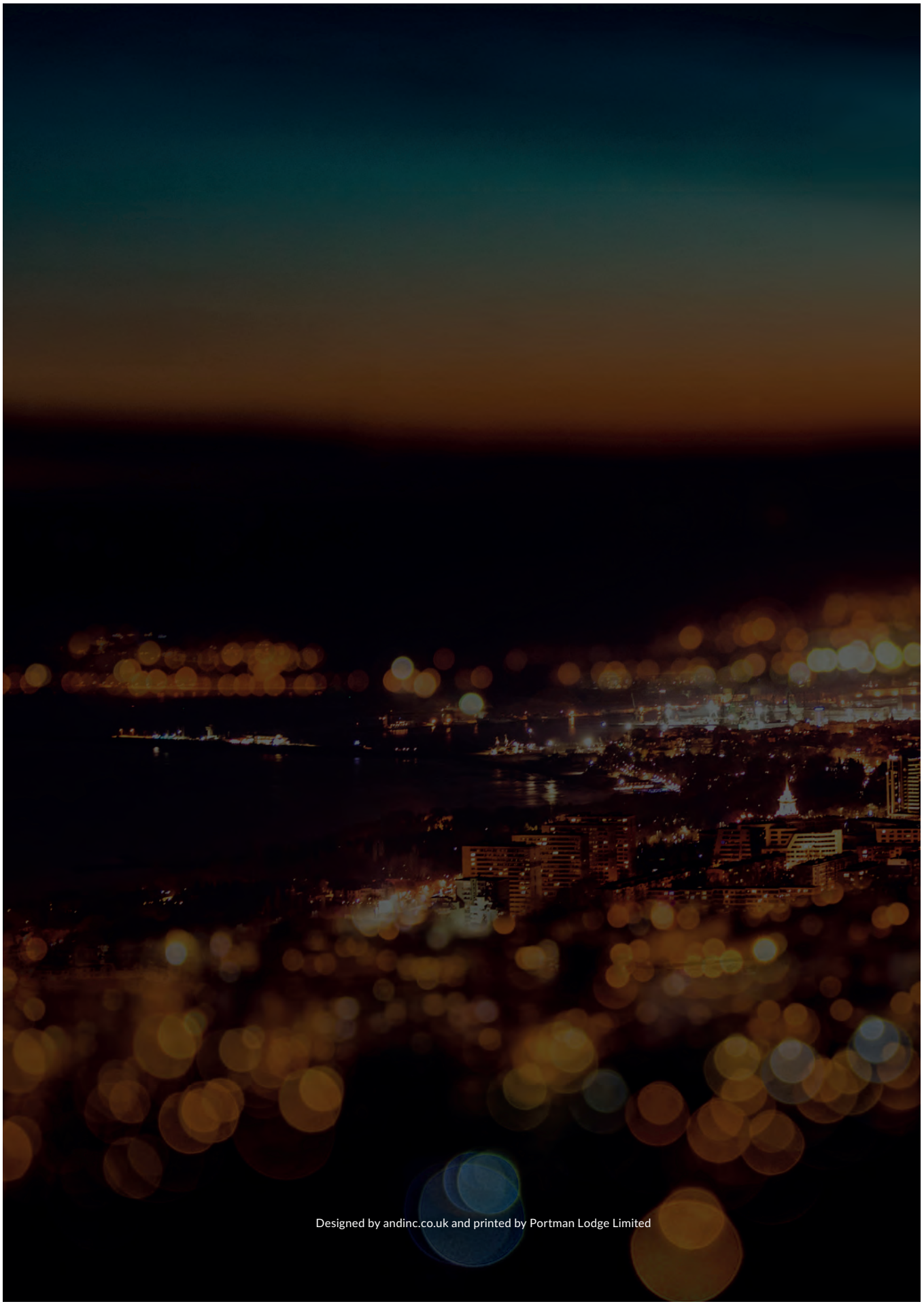
Under current Bermuda law the Master Fund is not required to pay any taxes in Bermuda on either income or capital gains. The Master Fund has received an undertaking from the Minister of Finance in Bermuda that in the event of such taxes being imposed, the Master Fund will be exempt from such taxation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

The Master Fund was not required to recognize any amounts for uncertain tax positions under Financial Accounting Standards Board Accounting Standards Codification Topic 740, Income Taxes.

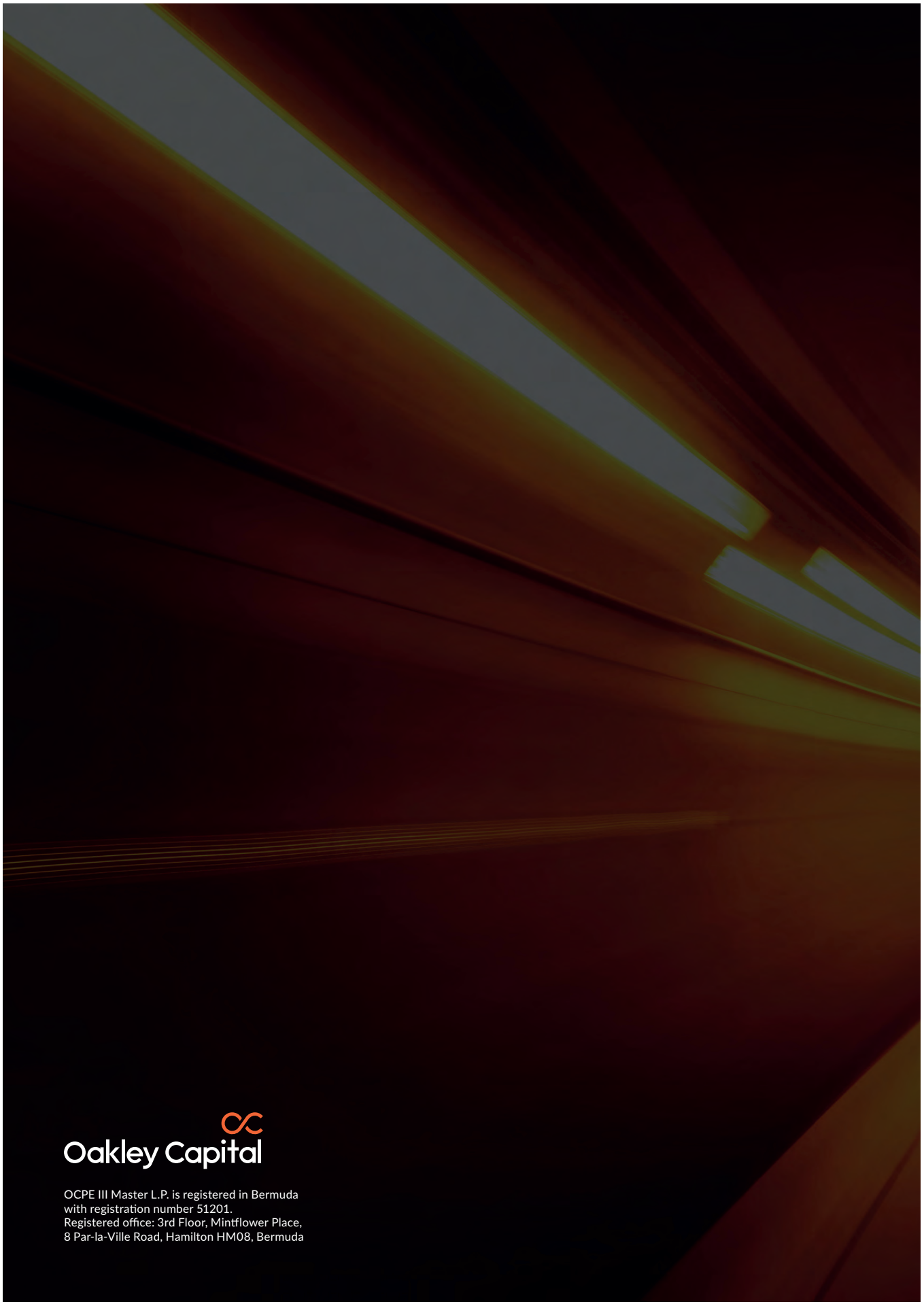
The Master Fund is treated as a partnership for US tax purposes. Therefore, no provision has been made in the Financial Statements for United States federal or state income taxes, as any income tax liability arising from the operations of the Master Fund is the responsibility of Limited Partners of the Feeder Funds and not that of the Master Fund.

14. Subsequent events

The General Partner has evaluated subsequent events from the year end through 1 March 2019, which is the date the Financial Statements were available to be issued. There were no events identified for disclosure.



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OCPE III Master L.P. is registered in Bermuda
with registration number 51201.
Registered office: 3rd Floor, Mintflower Place,
8 Par-la-Ville Road, Hamilton HM08, Bermuda

APPENDIX 3

AUDITED FINANCIAL STATEMENTS OF FUND IV FOR THE FINANCIAL PERIOD FROM THE DATE OF ESTABLISHMENT TO 30 APRIL 2019

OAKLEY CAPITAL IV A SCSP

AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 15 NOVEMBER 2018 (DATE OF INCORPORATION) TO 30 APRIL 2019

Oakley Capital IV A SCSP: R.C.S. Luxembourg: B 229.402

OAKLEY CAPITAL IV A SCSP

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OAKLEY CAPITAL IV A SCSP

OFFICERS, ADVISORS AND ADMINISTRATION

Principal place of business
8, rue Lou Hemmer
L-1748 Luxembourg - Findel
Grand-Duché de Luxembourg

General Partner

Oakley Capital IV S.à r.l.
8, rue Lou Hemmer
L-1748 Luxembourg - Findel
Grand-Duché de Luxembourg

Investment Advisor

Oakley Capital Limited
3 Cadogan Gate
London
SW1X 0AS

Administrator

Aztec Financial Services (Luxembourg) S.A.
8, rue Lou Hemmer
L-1748 Luxembourg - Findel
Grand-Duché de Luxembourg

OAKLEY CAPITAL IV A SCSP

PARTNERSHIP OVERVIEW

First closing date	2 January 2019 (date first investor is admitted)
Vintage year	2019
Total commitment at first closing	EUR 506,950,000
Term	10 years
Investment period	Earlier of: • the fifth anniversary of the First Closing Date; • the date that may be determined by the General Partner provided that on such date at least 75% of Commitments to the Partnership has been invested, committed for investment or for potential investment or reserved in writing for Follow- On Investments, operating expenses or for other potential liabilities and obligations of the Fund (including, the General Partner's Share); and; • If at any time after the Initial Closing Date but prior to the end of the Investment Period, Key Persons meeting their Key Person Responsibilities hold less than five Key Person Points.
Governing law	Luxembourg
Partnerships' domicile	Luxembourg
Legal form	Limited Partnership
Structure	Master Fund: Oakley IV Master SCSp General Partner to Master and Feeder Funds: Oakley Capital IV S.a.r.l.

Independent Auditor's Report to the Partners of Oakley Capital IV A SCSP

Opinion

We have audited the financial statements of Oakley Capital IV A SCSP for the period ended 30 April 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in partner's accounts, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the limited partnership's affairs as at 30 April 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the general partners' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the general partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The general partner is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the limited partnership and its environment obtained in the course of the audit, we have not identified material misstatements.

We have nothing to report in respect of the following, in our opinion:

- adequate accounting records have not been kept by the limited partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of general partner

The general partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the general partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for assessing the limited partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the general partner either intend to liquidate the limited partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the partners, as a body, in accordance with our terms of engagement. Our audit work has been undertaken so that we might state to the partners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited partnership and the partners as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Riverside House
40 – 46 High Street
Maidstone
Kent
ME14 1HJ

20th June 2019

OAKLEY CAPITAL IV A SCSP

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2019

	15 November 2018 to 30 April 2019 EUR
Expenses	
Legal and professional fees	221,890
Administration fees	50,000
General expenses	40
Bank charges	18
Total operating expenses	271,948
Operating loss for the period	(271,948)
Total comprehensive loss	(271,948)



The notes on pages 9-14 form an integral part of these audited financial statements

OAKLEY CAPITAL IV A SCSP

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2019

	Notes	30 April 2019 EUR
ASSETS		
Current assets		
Receivables from Partners	3	74,918
Cash and cash equivalents	4	2,459,814
Total assets		2,534,732
LIABILITIES		
Current liabilities		
Accounts payable and accrued operating expenses	5	271,930
Total current liabilities		271,930
Total net assets attributable to the Partners		2,262,802
PARTNERS' ACCOUNTS		
Partners' Contributions		2,534,750
Partners' reserves		(271,948)
Total Partners' accounts		2,262,802



The notes on pages 9-14 form an integral part of these audited financial statements

OAKLEY CAPITAL IV A SCSP

STATEMENT OF CHANGES IN PARTNERS' ACCOUNTS FOR THE PERIOD ENDED 30 APRIL 2019

	Ownership %	Total Commitment EUR	Capital contributions for the period EUR	Loss for the period EUR	Net assets at 30/04/2019 EUR
Limited Partners	100.00%	506,950,000	2,534,750	(271,948)	2,262,802
	100.00%	506,950,000	2,534,750	(271,948)	2,262,802
General Partner	0.00%	-	-	-	-
Total	100.00%	506,950,000	2,534,750	(271,948)	2,262,802

The notes on pages 9-14 form an integral part of these audited financial statements

OAKLEY CAPITAL IV A SCSP

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2019

	15 November 2018 to 30 April 2019 EUR
Operating loss for the period	(271,948)
Cash flows from operating activities	
Increase in accrued expenses	271,930
Net cash flow used in operating activities	(18)
Cash flows from financing activities	
Receipt of capital commitments contributed	2,459,832
Net cash flow from financing activities	2,459,832
Net increase in cash and cash equivalents	2,459,814
Cash and cash equivalents brought forward	-
Cash and cash equivalents at the end of the period	2,459,814

The notes on pages 9-14 form an integral part of these audited financial statements

OAKLEY CAPITAL IV A SCSP

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2019

1. General information

Oakley Capital IV A SCSp (the "Partnership") is a Special Limited Partnership incorporated and registered in Luxembourg on 15 November 2018. The Partnership is governed by the terms of the Limited Partnership Agreement dated 2 January 2019 (the "LPA").

As per Clause 10.1 of the LPA, the Partnership shall continue until the tenth anniversary of the Final Closing Date after which a Liquidator shall be appointed with a view to winding up the affairs of the Partnership.

The principal place of business of the Partnership is at 8 rue Lou Hemmer, L-1748, Luxembourg - Findel, Grand-Duché de Luxembourg.

The General Partner of the Partnership is Oakley Capital IV S.à.r.l. (the "General Partner"), having its registered office at 8 rue Lou Hemmer, L-1748, Luxembourg - Findel, Grand-Duché de Luxembourg. The General Partner is acting as the exclusive manager of the Partnership and has been granted authority to admit limited partners to the Partnership and thereafter to operate the Partnership and manage its investments. The General Partner has delegated the day to day administration of the Partnership to Aztec Financial Services (Luxembourg) S.A. (the "Administrator") under the terms of the Administration Agreement dated 15 November 2018.

As per Clause 2.4 of the LPA, the purpose of the Partnership is to carry on the activity of investing and monitoring the performance and management of such investments and in particular, but without limitation, to identify, research, negotiate, make, hold and realise investments (and to monitor the same) including the acquisition, sale and disposal of equity or equity related instruments issued by companies, undertakings or other entities, and the making of loans whether secured or unsecured to such companies, undertakings or other entities with the principal objective of generating investment return.

The Partnership is a Feeder Vehicle alongside Oakley Capital IV-B SCSp into Oakley Capital IV Master SCSp a Luxembourg Special Limited Partnership.

The Partnership is organised into one main business segment, focusing on the digital consumer and online marketplace sub-sectors.

The financial statements have been approved by the Board of Managers of the General Partner on…….

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). A summary of the significant accounting policies, which have been applied consistently throughout is set out below.

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Partnership's accounting policies.

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

The Partnership makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and future financial years. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no significant estimates or judgements for the current period.

2.1.1 Changes in accounting policy and disclosures

(a) Standards, amendments and interpretations not yet adopted by the Partnership

Certain new accounting standards, interpretations or amendments to existing standards have been issued but are not mandatory for the current reporting period and have not been early adopted by the Partnership. None of these are expected to have a material effect on the financial statements of the Partnership. The General Partner has assessed the impact of IFRS 16: Leases. There will be no impact on the financial statements.

2.1.2 Functional and presentation currency

Items included in the Partnership's financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The financial statements are presented in Euro.

When incurred, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.2 Revenue recognition

Investment income

Investment income excluding interest is recognised when the right to receive payment is established.

Interest income

Interest income and expense, including interest income from non-derivative financial assets at Fair Value through Profit or Loss, are recognised in profit or loss, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument on initial recognition. When calculating the effective interest rate, the Partnership estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

2. Summary of significant accounting policies (continued)

2.3 Expenses

Expenses are accounted for on an accruals basis.

2.4 Formation expenses

During the period ended 30 April 2019 the Partnership formation expenses of EUR 0 have been submitted and accrued in the Partnership. The maximum formation costs allowable is EUR 3,000,000 as per Clause 5.5 of the LPA.

2.5 Taxation

The Partnership is tax transparent and not itself assessable for Luxembourg tax purposes. Under the current laws of Luxembourg there are no corporate income, net wealth and capital gains or other taxes payable by the Partnership. Each partner is individually liable for their own tax payments.

2.6 Financial instruments – recognition, classification and derecognition

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Partnership has transferred substantially all the risks and rewards of ownership. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

The Partnership classifies its financial assets based on the Partnership's business model for managing those financial assets and the contractual cashflow characteristics of the financial assets. The Partnership's receivables and cash and cash equivalents are classified as subsequently measured at amortised cost as these are held to collect contractual cash flows which represent solely payments of principal and interest.

The accounting policies on measurement of the financial instruments are disclosed in the relevant notes in this section.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities in the Statement of Financial Position.

2.8 Trade payables

Accounts payable and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method. There is no material discounting effect.

2. Summary of significant accounting policies (continued)

2.9 Capital accounts and capital management

Contributions from partners are recognised at the value date that such funds are due. The capital of the Partnership is managed to ensure that it will be able to continue as a going concern in the future. The limited partners have agreed to make contributions to the Partnership. These shall be contributed at such times as the General Partner may require for the purpose of making investments, for payment of management fees, for working capital purposes or for meeting any obligation of the Partnership. As soon as practicable after the realisation or termination of an investment, all income, capital gains and capital losses, less the payment of provision for fees, costs and expenses, are allocated and distributed to the limited partners (Note 2.10) unless deemed to be re-invested.

The Partnership is not subject to externally imposed capital requirements.

2.10 Distributions

The distribution provisions as per Clause 7 of the LPA are summarised as follows:

- Firstly, to the General Partner in respect of amounts allocable, but not yet allocated and paid to it, in relation to the General Partner's Share;
- Secondly, to such Limited Partner until it has been allocated amounts equal to: Commitments drawn down from such Limited Partner, the Relevant Proportion of the Limited Partner's Proportion of all Partnership Expenses and the Limited Partner's Proportion of Net Write Downs.
- Thirdly, to such Limited Partner until cumulative allocations of Income and Capital to such Limited Partner to represent a return at the rate of 8% per annum compounded annually and calculated on a daily basis on the excess.
- Fourthly, 100% to the Founder Partner until the Founder Partner has been allocated a sum equal to 20% of the aggregate of allocations.
- Fifthly, (A) 80% to such Limited Partner and (B) 20% to the Founder Partner.

2.11 General Partner's share

The General Partner in respect of each Accounting Period, in priority to any allocation to the Limited Partners or to the Founder Partner in respect of its Carried Interest, a General Partner's Share which, subject to adjustment as provided below, shall:

(i) from the end of the investment period of OCPE III until: (x) the end of the Investment Period; or (y) if earlier, the date on which a general partner's share (or similar fee) starts to accrue on a Successor Fund, an amount equal to 2% per annum of the Partnership Commitments;

(ii) Thereafter until the Term Date, be an amount equal to 2% per annum of the Acquisition Cost of Investments that have not been Realised (including, for the avoidance of doubt, by way of distribution in specie) prior to the commencement of the six (6) month period to which such General Partner's Share relates; and

(iii) After the Term Date, be an amount equal to 1% per annum of the Acquisition Cost of Investments that have not been Realised (including, for the avoidance of doubt, by way of distribution in specie) prior to the commencement of the six (6) month period to which such General Partner's Share relates.

3. Receivables from related parties

	30 April 2019 EUR
Capital contributions due from Limited Partners	74,918
Balance as at 30 April 2019	74,918

4. Cash and cash equivalents

Cash and cash equivalents comprises the following balances:

	30 April 2019 EUR
Societe Generale - EUR	2,459,814
Balance as at 30 April	2,459,814

5. Accounts payable and accrued operating expenses

	30 April 2019 EUR
Legal fees	221,890
Administration fee accrual	50,000
Disbursements	40
	271,930

6. Payables to related parties

There are no amounts due to related parties at the end of the period.

7. Related-party transactions

Under the terms of the LPA, the Partnership appointed Oakley Capital Limited, a British private limited company as investment advisor to the General Partner from time to time. In consideration for the investment advisory service, the General Partner shall pay a fee in advance to the Investment Advisor at such rate and at such times as is agreed between the parties in writing from time to time. The Partnership shall not be responsible for any part of the Investment Advisor's fees. David Till is one of the managers of the General Partner, he is also employed by the investment advisor, Oakley Capital Limited.

Ganash Lokanathen and Dalia Bleyer are Managers of the General Partner, they are also employeed by the Administrator, Aztec. During the period ended 30 April 2019 the Partnership incurred administration fees of EUR 50,000 with a balance due as at 30 April 2019 of EUR 50,000.

7. Related-party transactions (continued)

Oakley Capital IV S.à.r.l is considered a related party to the Partnership by virtue of being its General Partner.

The General Partner considers Peter Dubens to be the ultimate controlling party as at 30 April 2019.

8. Subsequent events

On 10 May 2019 the investment period of OCPE III ended resulting in the commencement of equal to 2% per annum of the Partnership Commitments to be called as General Partner's Share.

OAKLEY CAPITAL IV MASTER SCSP

AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 13 FEBRUARY 2019 (DATE OF INCORPORATION) TO 30 APRIL 2019

OAKLEY CAPITAL IV MASTER SCSP

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OAKLEY CAPITAL IV MASTER SCSP

OFFICERS, ADVISORS AND ADMINISTRATION

Principal place of business

8, rue Lou Hemmer
L-1748 Luxembourg - Findel
Grand-Duché de Luxembourg

General Partner

Oakley Capital IV S.à r.l.
8, rue Lou Hemmer
L-1748 Luxembourg - Findel
Grand-Duché de Luxembourg

Investment Advisor

Oakley Capital Limited
3 Cadogan Gate
London
SW1X 0AS

Administrator

Aztec Financial Services (Luxembourg) S.A.
8, rue Lou Hemmer
L-1748 Luxembourg - Findel
Grand-Duché de Luxembourg

OAKLEY CAPITAL IV MASTER SCSP

PARTNERSHIP OVERVIEW

First closing date	30 April 2019
Vintage year	2019
Total commitment at first closing	EUR 1,178,900,000 (estimated)
Term	10 years
Governing law	Luxembourg
Partnerships' domicile	Luxembourg
Legal form	Limited Partnership
Structure	Oakley Capital IV Master Fund and 3 feeder funds
Feeder Funds	Oakley Capital IV A SCSp, Oakley Capital IV B SCSp and Oakley Capital IV C (the master fund and the feeder funds together being "Fund IV") General Partner to Master Fund and Feeder Funds: Oakley Capital IV S.a.r.l.

Independent Auditor's Report to the Partners of Oakley Capital IV Master SCSP

Opinion

We have audited the financial statements of Oakley Capital IV Master SCSP for the period ended 30 April 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in partner's accounts, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the limited partnership's affairs as at 30 April 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the general partners' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the general partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The general partner is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the limited partnership and its environment obtained in the course of the audit, we have not identified material misstatements.

We have nothing to report in respect of the following, in our opinion:

- adequate accounting records have not been kept by the limited partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of general partner

The general partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the general partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for assessing the limited partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the general partner either intend to liquidate the limited partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the partners, as a body, in accordance with our terms of engagement. Our audit work has been undertaken so that we might state to the partners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited partnership and the partners as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Riverside House
40 – 46 High Street
Maidstone
Kent
ME14 1HJ

20th June 2019

OAKLEY CAPITAL IV MASTER SCSP

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2019

	13 February 2019 to 30 April 2019 EUR
Expenses	
Legal and professional fees	74,785
Formation expenses	1,581,030
Total operating expenses	1,655,815
Operating loss for the period	(1,655,815)
Total comprehensive loss	(1,655,815)



The notes on pages 9 to 13 form an integral part of these combined audited financial statements.

OAKLEY CAPITAL IV MASTER SCSP

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2019

	Notes	30 April 2019 EUR
ASSETS		
Current liabilities		
Accounts payable and accrued operating expenses	3	1,655,815
Total current liabilities		1,655,815
Total net assets attributable to the Partners		(1,655,815)
PARTNERS' ACCOUNTS		
Loss for the period		(1,655,815)
Total Partners' accounts		(1,655,815)



The notes on pages 9 to 13 form an integral part of these combined audited financial statements.

OAKLEY CAPITAL IV MASTER SCSP

STATEMENT OF CHANGES IN PARTNERS' ACCOUNTS
FOR THE PERIOD ENDED 30 APRIL 2019

	Ownership %	Total Commitment EUR	Capital contributions for the period EUR	Loss for the period EUR	Net assets at 30/04/2019 EUR
Limited Partners	100.00%	1,178,900,000	-	(1,655,815)	(1,655,815)
	100.00%	1,178,900,000	-	(1,655,815)	(1,655,815)
General Partner	0.00%	-	-	-	-
Total	100.00%	1,178,900,000	-	(1,655,815)	(1,655,815)

The notes on pages 9 to 13 form an integral part of these combined audited financial statements.

OAKLEY CAPITAL IV MASTER SCSP

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2019

	13 February 2019 to 30 April 2019 EUR
Operating loss for the period	(1,655,815)
Cash flows from operating activities	
Increase in accrued expenses	1,655,815
Net cash flow used in operating activities	-
Net (decrease)/increase in cash and cash equivalents	-
Cash and cash equivalents brought forward	-
Cash and cash equivalents at the end of the period	-

The notes on pages 9 to 13 form an integral part of these combined audited financial statements.

OAKLEY CAPITAL IV MASTER SCSP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2019

1. General information

Oakley Capital IV Master SCSp (the "Partnership") is a Special Limited Partnership registered in Luxembourg on 13 February 2019. The Partnership is governed by the terms of the amended Limited Partnership Agreement dated 30 April 2019 (the “LPA”).

The Partnership shall continue until the tenth anniversary of the Final Closing Date or such later date following an extension of the Term provided that such date shall be no later than the thirteenth anniversary of the Final Closing Date.

The principal place of business of the Partnership is at 8 rue Lou Hemmer, L-1748, Luxembourg - Findel, Grand-Duché de Luxembourg.

The General Partner of the Partnership is Oakley Capital IV S.à.r.l. (the "General Partner"), having its registered office at 8 rue Lou Hemmer, L-1748, Luxembourg - Findel, Grand-Duché de Luxembourg. The General Partner is acting as the exclusive manager of the Partnership and has been granted authority to admit limited partners to the Partnership and thereafter to operate the Partnership and manage its investments. The General Partner has delegated the day to day administration of the Partnership to Aztec Financial Services (Luxembourg) S.A. (the "Administrator") under the terms of the Administration Agreement dated 15 November 2018.

As per Clause 2.4 of the LPA, the purpose of the Partnership is to carry on the activity of investing and monitoring the performance and management of such investments and in particular, but without limitation, to identify, research, negotiate, make, hold and realise investments including the acquisition, sale and disposal of equity or equity related instruments issued by companies, undertakings or other entities, and the making of loans whether secured or unsecured to such companies, undertakings or other entities with the principal objective of generating investment return.

The Partnership is organised into one main business segment, focusing on the digital consumer and online marketplace sub-sectors.

The purpose of the Partnership is to invest as part of the Fund known as ''Oakley Capital IV'' and to monitor the performance of those investements with a view to profit and to carry out all functions and acts in connection therewith in partnership.

The financial statements have been approved by the Board of Managers of the General Partner on…...

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). A summary of the significant accounting policies, which have been applied consistently throughout is set out below.

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, except for any financial assets at fair value through profit or loss which are measured at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Partnership's accounting policies.

The Partnership makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and future financial years. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no significant estimates or judgements for the current period.

2. Summary of significant accounting policies (continued)

2.1.1 Changes in accounting policy and disclosures

(a) Standards, amendments and interpretations not yet adopted by the Partnership

Certain new accounting standards, interpretations or amendments to existing standards have been issued but are not mandatory for the current reporting period and have not been early adopted by the Partnership. None of these are expected to have a material effect on the financial statements of the Partnership.

2.1.2 Functional and presentation currency

Items included in the Partnership's financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The financial statements are presented in Euro.

When incurred, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.2 Revenue recognition

Investment income

Investment income excluding interest is recognised when the right to receive payment is established.

Interest income

Interest income and expense, including interest income from non-derivative financial assets at Fair Value through Profit or Loss, are recognised in profit or loss, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument on initial recognition. When calculating the effective interest rate, the Partnership estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

2.3 Expenses

Expenses are accounted for on an accruals basis.

2. Summary of significant accounting policies (continued)

2.4 Taxation

The Partnership is tax transparent and not itself assessable for Luxembourg tax purposes. Under the current laws of Luxembourg there are no corporate income, net wealth and capital gains or other taxes payable by the Partnership. Each partner is individually liable for their own tax payments.

2.5 Financial assets at fair value through profit or loss

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Partnership has transferred substantially all the risks and rewards of ownership. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

The Partnership classifies its financial assets based on the Partnership's business model for managing those financial assets and the contractual cashflow characteristics of the financial assets. The Partnership's receivables and cash and cash equivalents are classified as subsequently measured at amortised cost as these are held to collect contractual cash flows which represent solely payments of principal and interest.

The accounting policies on measurement of the financial instruments are disclosed in the relevant notes in this section.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities in the Statement of Financial Position.

2.7 Trade payables

Account payables and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method. There is no material discounting effect.

2.8 Capital accounts and capital management

Contributions from partners are recognised at the value date that such funds are due. The capital of the Partnership is managed to ensure that it will be able to continue as a going concern in the future. The limited partners have agreed to make contributions to the Partnership. These shall be contributed at such times as the General Partner may require for the purpose of making investments, for payment of management fees, for working capital purposes or for meeting any obligation of the Partnership. As soon as practicable after the realisation or termination of an investment, all income, capital gains and capital losses, less the payment of provision for fees, costs and expenses, are allocated and distributed to the limited partners (Note 2.9) unless deemed to be re-invested.

The Partnership is not subject to externally imposed capital requirements.

2. Summary of significant accounting policies (continued)

2.9 Distributions

The distribution provisions as per Clause 5 of the LPA are summarised as follows:

- Firstly, to the General Partner in respect of amounts allocable, but not yet allocated and paid to it, in relation to the General Partner's Share;
- Secondly, to such Limited Partners pro rata to their Commitments drawn down in respect of such Investments.

2.10 General Partner's share

After payment of fees, costs and expenses or the making of appropriate provision there shall be allocated to the General Partner in respect of each Accounting Period, in priority to any allocation to the Limited Partners, a General Partner's Share in an amount equal to EUR 1,000 per annum.

3. Accounts payable and accrued operating expenses

	30 April 2019 EUR
Formation fees	1,581,030
Legal and professional fees	74,785
	1,655,815

4. Payables to related parties

There are no amounts due to related parties at the end of the period.

5. Related-party transactions

Under the terms of the LPA, the Partnership appointed Oakley Capital Limited, a British private limited company as investment advisor to the General Partner from time to time. In consideration for the investment advisory service, the General Partner shall pay a fee in advance to the Investment Advisor at such rate and at such times as is agreed between the parties in writing from time to time. The Partnership shall not be responsible for any part of the Investment Advisor's fees. David Till is one of the managers of the General Partner, he is also employed by the investment advisor, Oakley Capital Limited.

Ganash Lokanathen and Dalia Bleyer are Managers of the General Partner, they are also employeed by the Administrator, Aztec. During the period ended 30 April 2019 the Partnership incurred administration fees of EUR Nil with a balance due as at 30 April 2019 of EUR Nil.

Oakley Capital IV S.à.r.l is considered a related party to the Partnership by virtue of being its General Partner.

The General Partner considers Peter Dubens to be the ultimate controlling party as at 30 April 2019.

6. Subsequent events

On 21 May 2019 the partnership made its first call for capital of EUR 120,000 which was used for expenses of the Partnership.

On 30 May 2019, the Partnership partnered with the management teams of SG MidCo AS ("Seagull"), and Videotel Marine Asia Limited and Super Dragon Limited (collectively "Videotel"), to acquire majority stakes in the businesses from their current shareholders Herkules Private Equity Fund IV and KVH Industries (NASDAQ: KVHI), respectively. The Partnership's contribution is EUR 88.7 million.