

CT Private Equity Trust PLC

AJ Bell “Retirement Money Show”

10 December 2024

Investment risk

The value of investments and income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

The fund may invest in private equity funds which are not normally available to individual investors, exposing the fund to the performance, liquidity and valuation issues of these funds. Such funds typically have high minimum investment levels and may restrict or suspend redemptions or repayment to investors. The asset value of these shares and its prospects may be more difficult to assess. If markets fall, financial leverage can magnify the negative impact on performance.

- **Net Asset Value (NAV):** The value of an investment fund/trust. Derived by subtracting its liabilities from its assets
- **Dividend:** Income paid to shareholders by the company they invest in
- **Equities:** Shares in a company listed on a stock exchange. Shareholders are effectively the owners of the company and typically have the right to vote on company matters
- **Gearing:** Gearing refers to the relationship, or ratio, of a company's debt-to-equity (D/E). Gearing shows the extent to which a firm's operations are funded by lenders vs. shareholders—in other words, it measures a company's financial gearing
- **Liquidity:** The ability to quickly convert an investment portfolio to cash with little or no loss in value
- **Revenue reserve:** The portion of a business' profits retained by the company for investment in future growth, and are not redistributed to the shareholders through regular or special dividends
- **Yield:** The annual dividend or income on an investment expressed as a percentage of the purchase price
- **Realisations:** The income achieved from the sale of an asset

Biography



Hamish Mair BSc, MBA, ASIP

Managing Director and Global Head of Private Equity at Columbia Threadneedle Investments

Hamish has worked in investment management since 1988 and has over three decades' experience in managing private equity investments. He has been Head of the Private Equity team since inception, when it was part of Martin Currie Investment Management, and throughout its ownership by F&C, BMO and now Columbia Threadneedle Investments. Hamish oversees all the fund vehicles that the Private Equity team manages and, specifically, is lead manager of the London Stock Exchange listed CT Private Equity Trust PLC. Hamish was a Director of Martin Currie Investment Management between 1996 and 2005, where his responsibilities included small companies and Far Eastern equities. Hamish is a graduate of Aberdeen University and Edinburgh University.

CT Private Equity Trust PLC

Celebrating 25 years (ticker: CTPET)



Source: <https://leslielatchman.pixieset.com/privateequitytrustplc/> date: 11.06.2024

Columbia Threadneedle Private Equity Team Overview

Private Equity Investment team



Hamish Mair, BSc, MBA, ASIP
 Managing Director and Team Head
 Global coverage
 32 years in Private Equity
 34 years in Team



Richard Nairn, BCom, CA
 Director
 Benelux, France, Italy,
 Nordic Region and UK focus
 18 years in Private Equity
 18 years in Team



Andrew Carnwath, BSc, CA, CFA
 Director
 CEE, Iberia, North America, UK and
 Responsible Investment focus
 16 years in Private Equity
 11 years in Team



Ashley-anne Hawthorn, MA
 Director
 CEE, DACH, Iberia
 and UK focus
 9 years in Private Equity
 3 years in Team



Stuart Hastie, BCom, ACIBS
 Director
 Investor Relations and
 Business Development
 17 years in Private Equity
 13 years in Team



Adam Boyd, MA
 Vice President
 France, Nordic Region
 and UK focus
 9 years in Private Equity
 6 years in Team

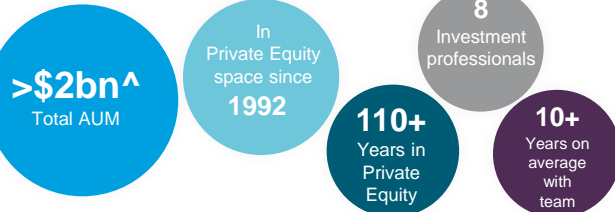


Charlotte Brown, BSc, BA, MArch
 Associate
 Global coverage
 11 years in Private Equity
 11 years in Team



Ross Wright, MA, CA
 Associate
 Asia, Benelux, DACH, Emerging
 Markets and UK focus
 1 year in Private Equity
 1 year in Team

Team at a glance



Key Points

Experienced team

Focus on investments and clients

Core asset class

“Your success is our priority”

Note: In addition to the team members shown above, Hope Smith is the Office Manager

[^] In USD, equivalent to GBP 1.7bn / EUR 2.0bn / CAD 3.0bn, as at 30 June 2024

Source: Columbia Threadneedle Investments

Executive summary Q3 2024

Encouraging increase in realisations

Past performance should not be seen as an indication of future performance.

	Q1 2024	Q2 2024	Q3 2024	YTD 2024	LTM	Total 2023
NAV total return	-1.4%	2.3%	-1.0%	-0.2%	1.7%	2.8%
Share price total return	-4.6%	0.1%	6.6%	1.8%	3.4%	17.6%
Realisations	£16.1m	£36.3m	£42.2m	£94.5m	£102.5m	£61.8m
New Investments	£23.4m	£12.5m	£9.3m	£45.2m	£57.4m	£110.9m

Date paid	31 January 2024	28 April 2024	31 July 2024	31 October 2024	LTM
Dividends	7.01p	7.01p	7.01p	7.01p	28.04p

- NAV total return for Q3 2024 -1.0%, NAV total return YTD -0.2%
- New investments in Q3 2024 £9.3m. Realisations in Q3 2024 £42.2m
- Dividend of 7.01p to be paid on 31 January 2025
- Dividend yield of 6.2%* based on period end share price
- Co-investments now at 42.0% of the portfolio

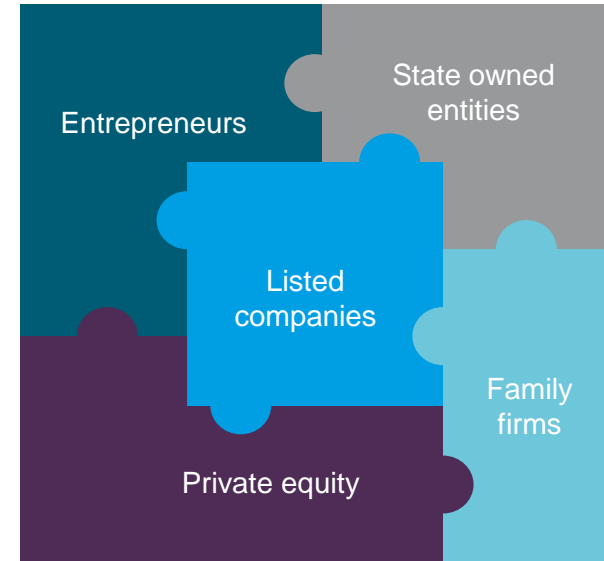
* Calculated as dividends paid April, July and October 2024 and January 2025 divided by company's share price of 455.00p as at 30 September 2024
 NAV = Net Asset Value; LTM = Last Twelve Months; Realisations = proceeds received following sale of underlying assets held;
 IRR = Internal Rate of Return, which is an annualised return measure of performance; Co-investment = ownership position in an underlying company
 Source: Columbia Threadneedle Investments as at 30 September 2024, unless otherwise stated

Private Equity Key features

Ownership

Private equity is one form of ownership

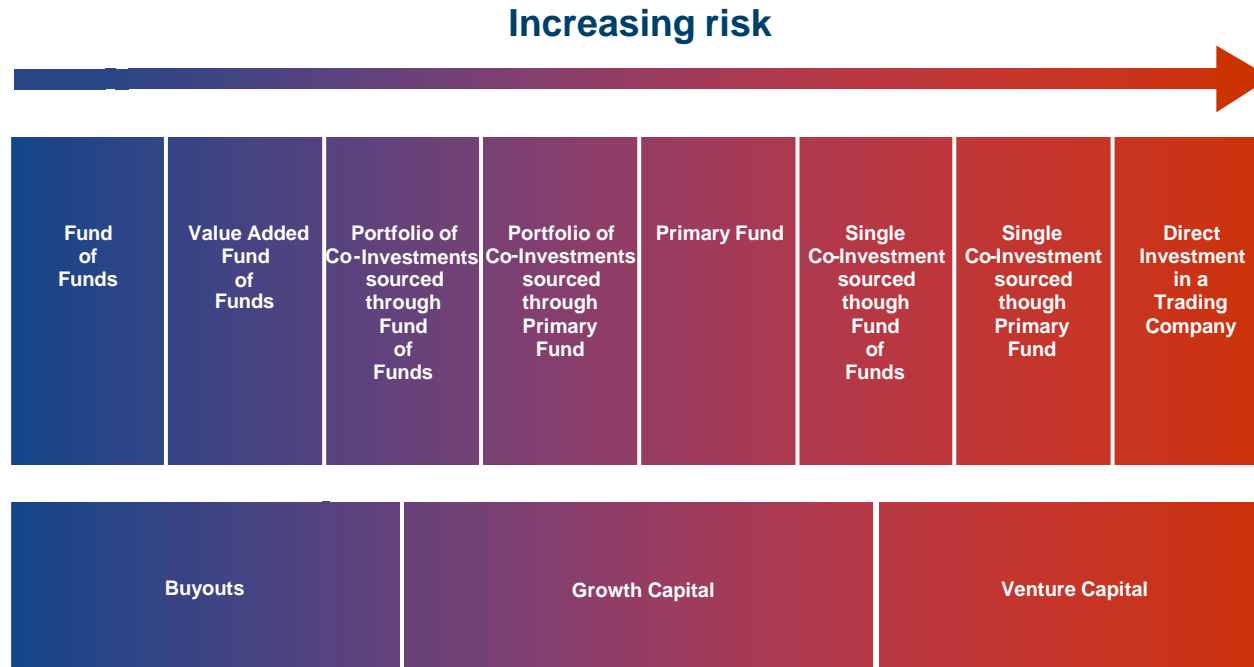
- Private equity backed entities, funds and managers come in all shapes and sizes
- Private equity very selectively seeks out opportunities – of the hundreds of thousands of European SMEs but < 1% have received PE backing
- Nearly everyone has private equity exposure, i.e. through pension funds and insurance policies



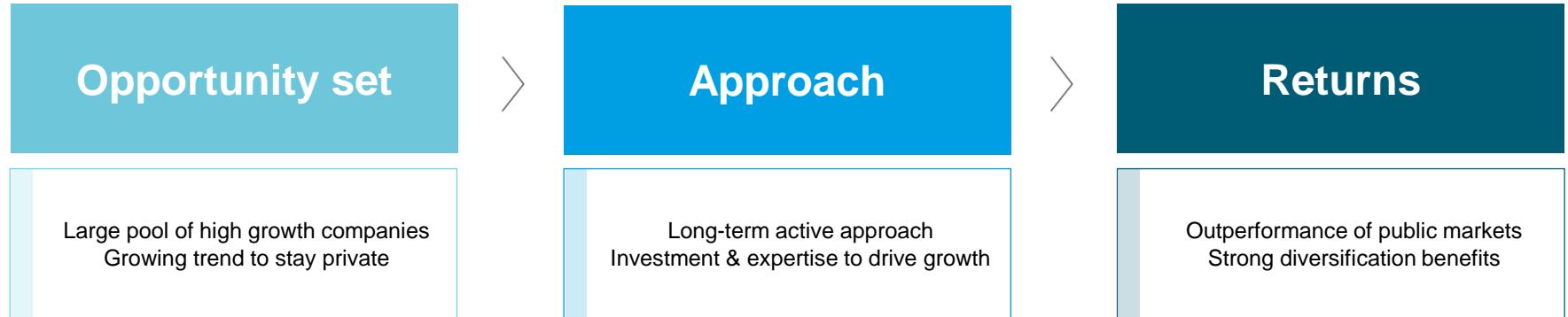
Private Equity

Investment routes and levels of risk

Private equity offers a spectrum of investment choices



Advantages of private equity well known driving strong growth of the industry



Democratising Private Equity

CT Private Equity Trust PLC provides access to the complex world of private equity

Making it easy for investors to access a **diversified portfolio of private companies**

Targeting long-term capital growth and income through investment in private equity

Investing in high quality small and mid-sized private companies at attractive valuations

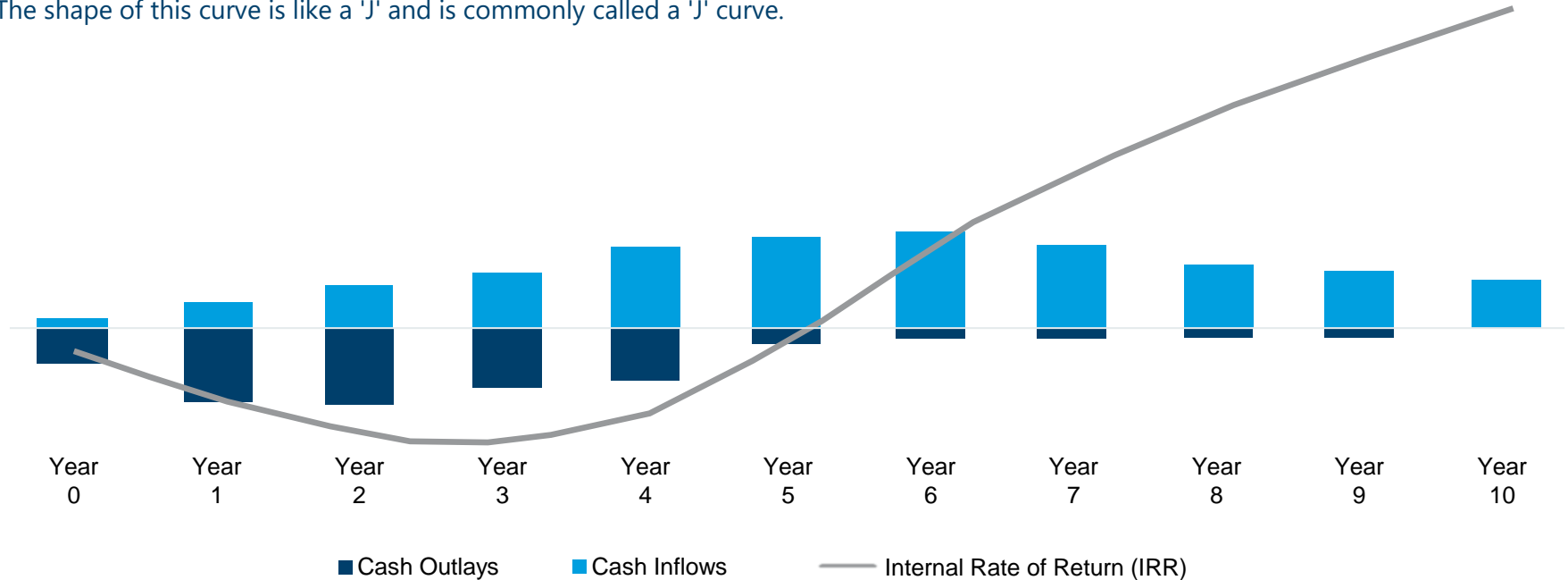
- Across the UK (c.40%) and Europe (c.40%) and US (c.20%)
- Growing and profitable companies
- With the management and strategy to succeed
- Sourced by large and well-established network of expert Private Equity managers



Private Equity - Features

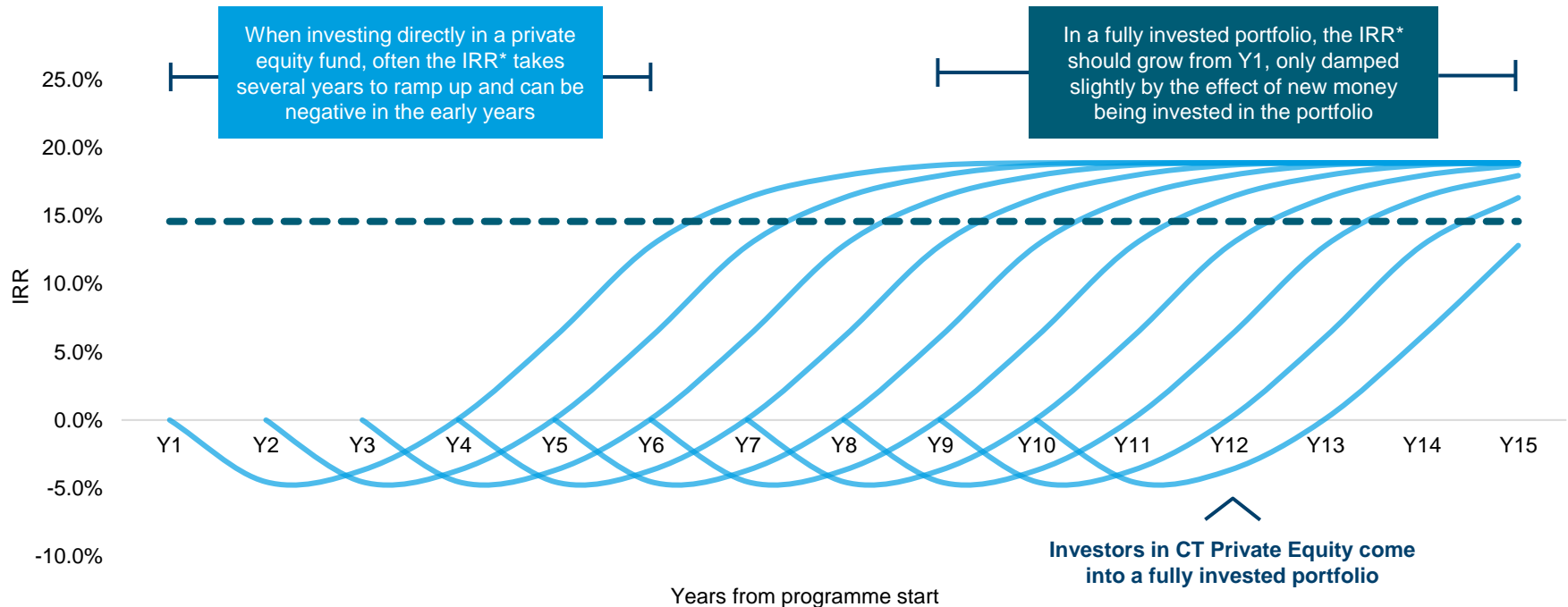
J-Curve for a typical buyout fund

When a company is invested in, the first few years often show a negative impact as investment out ways income. As the improvements from the investment take effect, the income out ways the investment and the rate of return increases, as can be seen in the chart below. The shape of this curve is like a 'J' and is commonly called a 'J' curve.



Private Equity – Features

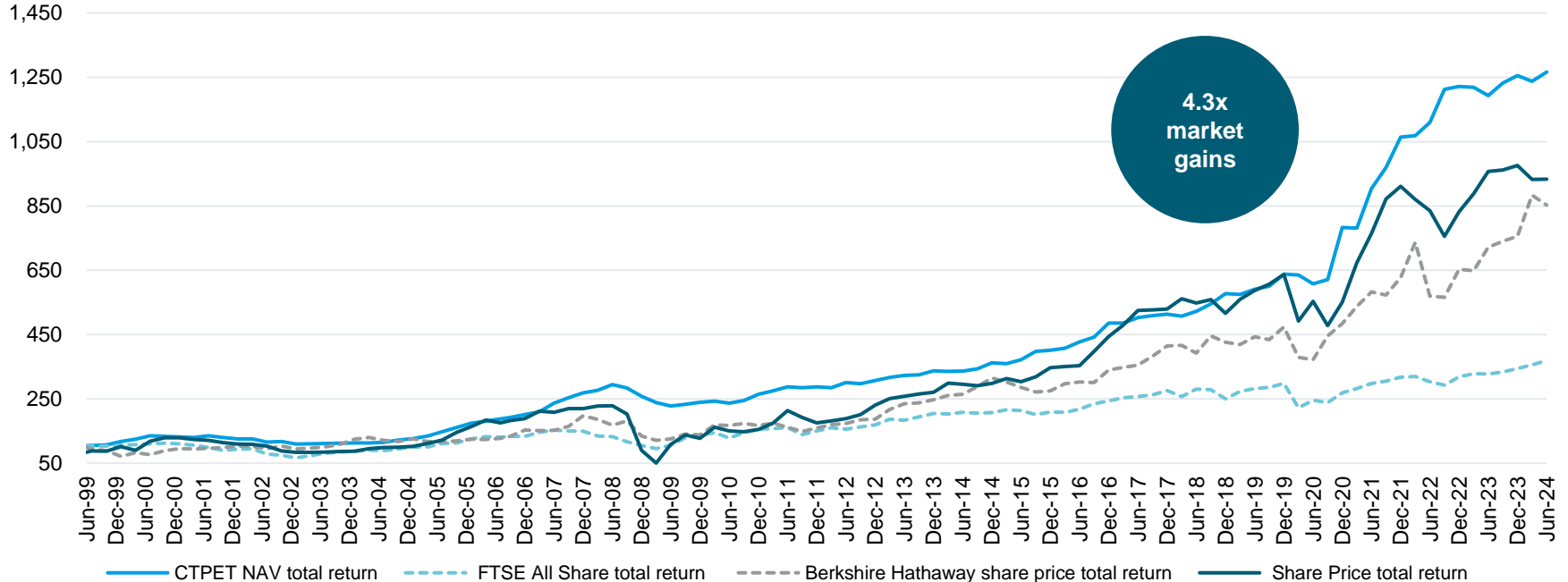
Mitigating the J-curve with a fully invested portfolio



* IRR = internal rate of return

Delivered strong and consistent growth for 25 years strongly outperforming public markets

Past performance is not a guarantee of future results



It should not be assumed that investments made in the future will be profitable or will achieve comparable results

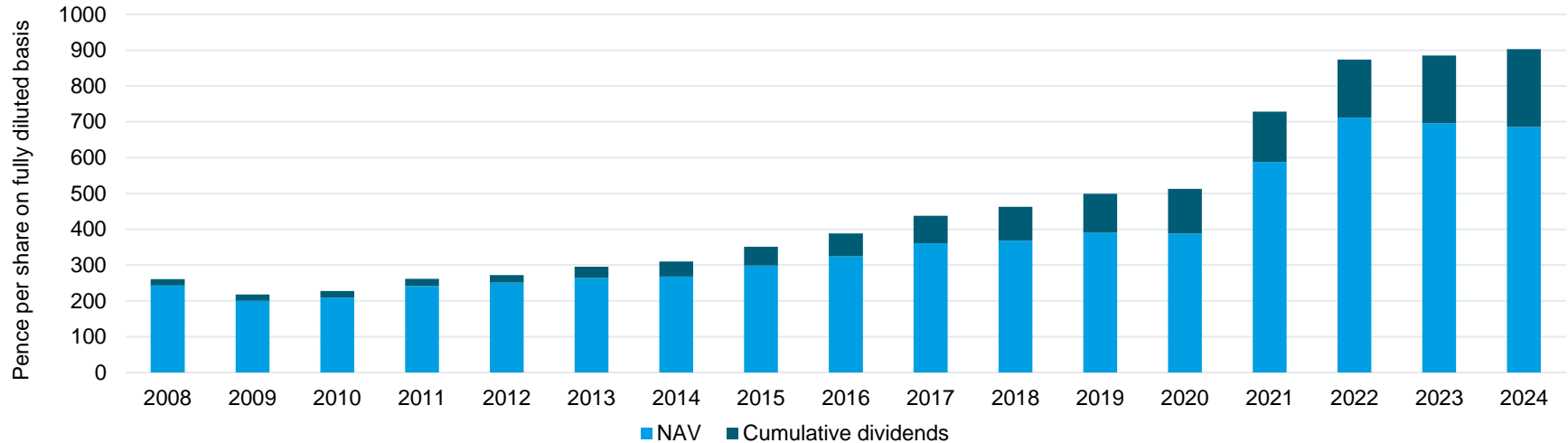
This does not constitute a recommendation to buy or sell any particular security. CTPET = CT Private Equity Trust PLC

Source: Thomson Reuters Datastream & Columbia Threadneedle Investments, as at 30 June 2024

Net Asset Value progression

Ordinary Share NAV and Dividends

Past performance should not be seen as an indication of future performance.



- Ordinary share NAV at 30 September 2024 of 680.03p
- Dividend of 7.01p paid on 31 October 2024; dividend of 7.01p to be paid on 31 January 2025
- Strong dividend yield of 6.2%*

* Calculated as dividends paid April, July and October 2024 and January 2025 divided by company's share price of 455.00p as at 30 September 2024

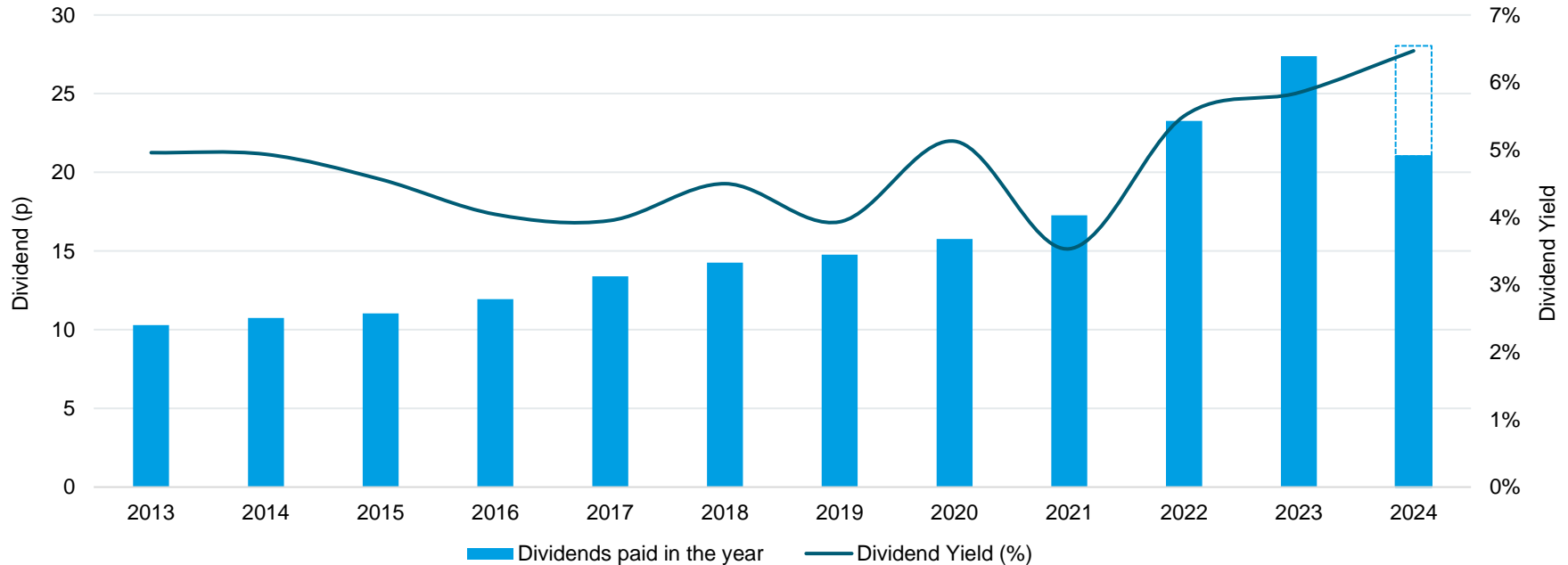
NAVs as at 30 September each year

Source: Columbia Threadneedle Investments as at 30 September 2024, unless otherwise stated

AIC next generation dividend hero

paying a growing quarterly dividend for at least the last 10 years

Past performance is not a guarantee of future results



It should not be assumed that investments made in the future will be profitable or will achieve comparable results

This does not constitute a recommendation to buy or sell any particular security. AIC = Association of Investment Companies

2024 total dividend paid assumes dividend of 7.01p paid in October 2024 in accordance with dividend policy of paying at least the level of prior quarter's dividend.

Dividend yield calculated as dividends paid in year, divided by period and share price. 2024 yield based on assumed dividend divided by share price at 30 June 2024

Risk well mitigated through diversification while retaining strong upside potential

Inherent risk of private equity well mitigated through diversification

- Portfolio of >500 companies with c.50 carefully selected Private Equity managers
- Well-diversified by sector, geography, investment style, lead manager and year of investment



Source: Columbia Threadneedle Investments as at 31 December 2023

Focus on smaller, higher return deals

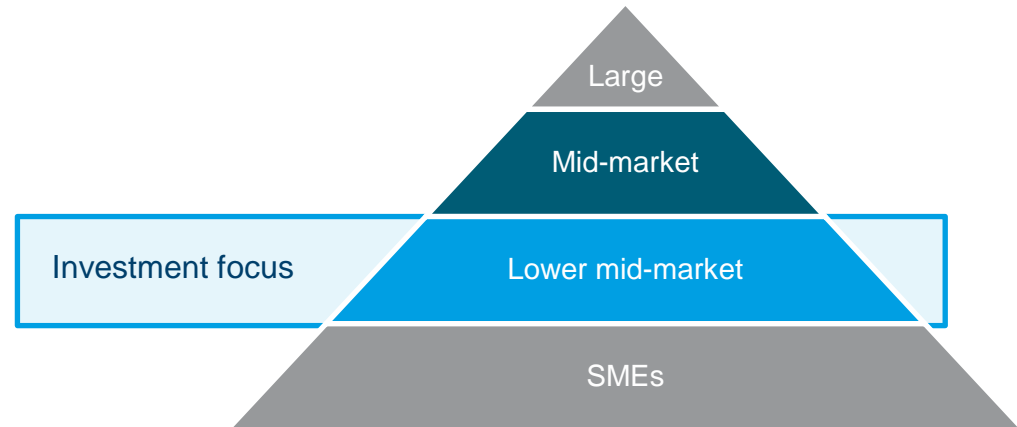
Investing in high quality small and mid-sized companies

Consistent and differentiated focus on lower-mid market

- Investing in companies valued at up to £500m at entry
- Sweet spot £30-150m entry value
- Often 1st institutional investor

Key attractions

- Very large investable universe of dynamic and entrepreneurial companies
- Less competitive and intermediated market
- Favours regional and sector specialists
- Attractive valuations
- Modest use of leverage
- Returns driven by earnings growth



Three complementary investment types

Investing in high quality small and mid-sized companies

Complementary investment types that provide full market coverage



Fund Investments

- Investment with proven and emerging Private Equity managers
- Providing access and building strong relationships
- Deployed over 3-5 years into c.8-12 companies
- Provides strong diversification
- Steady cadence of investment & divestment



Secondary Investments

- Opportunistic acquisitions, creating solutions
- Investing at a discount
- Exposure to mature assets
- Diversification benefits
- Enhancing returns
- Reducing fees



Direct Investments

- Highly selective approach
- Providing direct exposure to the best companies
- Investing alongside sector or regional specialists
- Potential for outsized returns
- Balancing cashflows
- Reduced fees

Recent co-investment summaries

Lead manager: Volpi Capital

Cyclomedia

Cyclomedia was founded in 1980 in the Netherlands and has developed patented vehicle-mounted camera systems which it uses to collect street level data for clients.

Collecting 360-degree spherical imagery from moving vehicles, which it combines with advanced positioning and LIDAR (laser imaging, detection and ranging). The data is visualised either through software Street Smart or through integrations with customers' software products such as Esri.



Key attractions

- **High performing asset well known to GP** – Volpi invested in Cyclomedia in August 2018, since when it has demonstrated strong and consistent growth (revenue and EBITDA 5-year CAGR of 21% and 26% respectively) and outperformed Volpi's original investment plan
- **Leader in high growth and large market** – TAM estimated at \$5.6-6.6bn with the market forecast to grow at 12% per annum driven by demand for greater labour efficiency/cost savings, transparency/record keeping, improved maintenance of aging infrastructure and health and safety
- **Strong financial profile** – high growth (>20%), high margins (>70% GM, >30% EBITDA margin), strong cashflow (FCF margin c.24%) and good revenue visibility due to high re-occurring nature of contracts
- **High barriers to entry** – Cyclomedia has proprietary hardware which has been developed over decades and is protected by patents. It is also establishing a significant library of historic data, which is valuable to clients, creating further barriers to entry reducing the risk of customer churn

Key Details

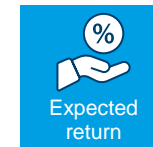
Commitment / Initial Call date	June 2023 / June 2023
Amount committed	€10m for 6.7% Stake
Geography	Netherlands
EBITDA levels	€24m FY22
Entry price	15.5x FY22
Expected return	3.2x net return over 3.5 years



> B2B Software



> €10m
(€20m across all funds)



> **3.2x** cost
36% IRR

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EBITDA = Earnings Before Interest, Tax, Depreciation and Amortisation; TAM = Total Addressable Market; GM = Gross Margin; FCF = Free Cash Flow

Source: Columbia Threadneedle Investments



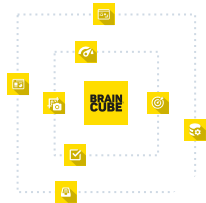
Recent co-investment summaries

Lead manager: Scottish Equity Partners

Braincube

Braincube is an industrial software provider to the manufacturing sector. The company's Industrial Internet of Things ('IIoT') platform collects data from manufacturing systems, its software and algorithms then analyse it and provide insights to allow manufacturers to improve product quality and improve plant efficiency.

The company was founded in 2007 and is headquartered in Issoire, France and has additional offices in the US and Brazil.



Key attractions

- **Niche market leader in an attractive market** – Specialised in continuous manufacturing with strong digital twin and analytic application capabilities at the forefront of industry 4.0 Braincube are an emerging leader in the manufacturing IIoT sector
- **Attractive blue-chip customer base** – 75 clients across various sectors, proven ability to land multinational blue-chip customers and significantly upsell their product
- **Market accelerating in growth** – Braincube will continue to benefit from the established tailwinds driving industrial digitalisation across factories globally. A market that is expected to experience 44% CAGR over the proposed investment period
- **Barriers to entry** – Braincube have developed their product over 16 years, benefit from a sticky customer base due to implementation time lag and interdependency in day-to-day operations once the product goes live

Key Details

Commitment / Initial Call date	August 2023 / August 2023
Amount committed	€5.2m for 3.9% Stake
Geography	France/Global
Annual Recurring Revenue (ARR)	€18.5m
Entry price	€98m
Expected return	3.0x net return over 5 years



Industrial Internet of Things



€5.2m



3.0x cost
25% IRR

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EBITDA = Earnings Before Interest, Tax, Depreciation and Amortisation; CAGR = Compound Annual Growth Rate

^ Not disclosable

Source: Columbia Threadneedle Investments

Recent co-investment summaries

Lead manager: Aurica Capital

Educa Edtech

Founded in 2007 and based in Spain, Educa Edtech Group is an online education group focused on providing self-paced courses and master programmes including post grad and professional courses, through its own websites. Educa Edtech Group is vertically integrated across the entire value chain from content creation, provision of the technology infrastructure, to training, and has developed one of the most extensive online learning catalogues by topic and format.



Key attractions

- **Strong secular tailwinds** – The online education sector is expected to grow at double-digit rates in the coming years driven by (i) technological adoption, its (ii) flexibility, (iii) scalability, (iv) accessibility and (v) the rising demand for skilling, reskilling and upskilling for the labour force
- **Vertically integrated** – Grupo Educa Edtech is vertically-integrated across the entire value chain of the online education sector, from the creation of content to the training itself, having enabled the Group to develop one of the most extensive online learning catalogues of the whole industry
- **Clearly identified growth drivers** – Several tangible growth levers have been identified, such as: international expansion (chiefly across LatAm), development of new business lines and monetization strategies, new educational segments; partnership models with traditional educational entities
- **Attractive entry multiple** – 6.9x EV/EBITDA 2023 of EUR 13.5m (on an organic basis) and management believe that EUR 15m is achievable for 2023 which would mean an entry EV/EBITDA of c.6.2x

Key Details

Commitment / Initial Call date	October 2023 / October 2023
Amount committed	€4m for 3% stake
Geography	Spain / Latin America
EBITDA levels	€10m FY22
Entry price	8.3x EBITDA FY22
Expected return	2.9x net return over 4 years



Education
Technology



€4.0m



2.9x cost
27% IRR

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EBITDA = Earnings Before Interest, Tax, Depreciation and Amortisation; EV = Enterprise Value

^ Not disclosable

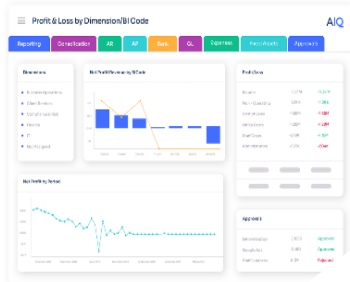
Source: Columbia Threadneedle Investments

AccountsIQ ('AIQ')

Lead Manager: Axiom Equity

AccountsIQ

AIQ provides mission critical, B2B accounting software for mid-sized companies in the UK & Ireland. The company was founded in 2005 and has grown to over 70 FTEs operating from its headquarters in Dublin, Ireland. The business has grown rapidly at a 30% three-year CAGR to €10.5m ARR and €0.5m EBITDA in FY 2024.



Key attractions

- **Attractive SaaS financial profile and strong growth fundamentals** – ‘Rule-of-40’ business with >30% topline growth, 2% churn, >107% NRR and strong gross margins (c.80%). The business is EBITDA and cashflow positive and at an inflection point.
- **Large, resilient market with growth underpinned by long term secular trends**
- **Disruptive software provider, well-positioned for growth** – addresses an underserved gap between basic SME solutions and large-scale enterprise players. Its products are cheaper, quicker to implement and provide a strong value proposition in the mid-market
- **Strong barriers to entry:** IP, high startup costs, sector credentials, excellent user engagement and high switching costs given mission-criticality.
- **Proven management team supported by sector specialist GP**

Key Details

Commitment / Initial Call date	May 2024 / May 2024
Amount committed	€3.0m for 4.8% Stake
Geography	UK & Ireland
Annual Recurring Revenue ('ARR')	€10.5m
Entry price	€58m or 5.5x FY 2024 ARR
Expected return	2.9x cost over 4 years



Accounting software



€3.0m



2.9x cost
30% IRR

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EBITDA = Earnings Before Interest, Tax, Depreciation and Amortisation; ‘Rule-of-X’ = annual sales growth (%) + EBITDA margin (%); NRR = Net Revenue Retention

Source: Columbia Threadneedle Investments

Conclusion and Outlook



- The broadly based portfolio continues to prove resilient
- c.46% of the portfolio is in the long-term growth sectors of IT and Healthcare
- Dealflow for funds and co-investments is excellent
- Good value still to be found in lower mid-market with pricing moderating recently
- New borrowing facilities in place with greater capacity and better covenants
- Carefully selecting and making fresh investments laying the foundations for future growth
- Clear signs of a recovery in M&A; YTD 2024 realisations +74% on prior year
- Average uplift on exits, YTD 2024 22% (31% in FY 2023)
- The international appetite for private equity investment and high-quality private companies remains strong
- We remain confident that the Company will continue to grow value for shareholders over the short and longer term

Contact Us

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Email: investor.enquiries@columbiathreadneedle.com

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*Calls may be recorded

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