

### Overview

Electra Private Equity PLC ("Electra") is an HM Revenue and Customs approved Investment Trust, quoted on the London Stock Exchange since 1976.

Over the 10 years to 31 March 2014 Electra invested £1.7 billion and sold investments with a total value of £2.5 billion.

The business and affairs of Electra are managed on an exclusive and fully discretionary basis by Electra Partners LLP, an independent private equity fund manager with over 25 years' experience in the mid-market.

### Investment Objective

Electra's objective is to achieve a rate of return on equity of 10-15% per year over the long-term by investing in a portfolio of private equity assets.

Electra is not an income stock as it is a policy of the Directors not to pay a dividend unless required to do so to maintain the Company's investment trust status. Risk is mitigated through portfolio diversification with investments being made across a broad range of sectors, deal types and capital structures.

At the time of investment, not more than 15% of Electra's total assets will typically be invested in any single investment.

Electra has a policy to maintain total gearing below 40% of its total assets.

### Investment Focus

Electra's flexible capital allows Electra Partners to invest across all forms of private equity situations, which it categorises into three groups:

**Buyouts and Co-investments:** direct investment in good-quality, well-managed businesses that have the potential for profits growth – through organic growth, operational improvement or acquisition. As lead investor, Electra Partners typically invests £40 – 100 million in companies with an enterprise value of up to £300 million. Electra Partners also co-invests £20 – 60 million in minority positions alongside founders, other private equity firms, corporates or the public markets.

**Secondaries:** secondary purchases of existing investors' positions in either individual or portfolios of private equity funds, as well as acquisitions of portfolios of businesses, known as "secondary directs".

**Debt:** secondary purchases from existing lenders of individual or portfolios of either performing or stretched loans, where "stretched" refers to debt in good businesses with bad balance sheets where Electra Partners can take a role in the restructuring of the capital structure.

Electra Partners applies the disciplines of buyout investing to its appraisal and management of investments in all three of these groups.

### Why is Electra different?

Electra has delivered strong returns. In the ten years to 31 March 2014, Electra's diluted net asset value per share has increased by 260% compared to 129% for the FTSE All-Share Index.

Electra's investment strategy and structure is different from that of almost every other private equity fund. This has two key implications:

First, Electra Partners is able to invest across the full range of private equity opportunities: control and minority, equity and debt, direct and indirect. This means that it can tailor its investment strategy to suit changing market conditions and invest where many others cannot.

Second, Electra Partners is able to provide stable long-term capital. It doesn't face expiring investment periods or exit pressure driven by fund-raising cycles. This means that it can fully support investee companies with a long-term strategy and access to capital, and exit when returns are maximised for shareholders.

NAV per share (diluted)

2,914p

Share price

2,609p

Total Net Assets

£1,088m

### Share price vs. NAV vs. FTSE All-Share (total return)



### Performance (total return)

	one year	three years	five years	ten years
31 March 2014				
Electra NAV per share (diluted)	9%	33%	93%	260%
Morningstar PE Index NAV per share return*	7%	13%	36%	42%
Electra share price	10%	57%	351%	268%
Morningstar PE Index share price return*	12%	37%	182%	39%
FTSE All-Share Index	9%	29%	113%	129%

\*The above indices, prepared by Morningstar UK Limited reflect the performance of 19 private equity vehicles, excluding Electra, quoted on the London Stock Exchange

### Investment Portfolio Breakdown

31 March 2014



- Direct unlisted at fair value 55% (26 companies)
- Secondaries 8% (5 portfolios)
- Funds 7% (122 underlying investments)
- Listed 8% (14 investments)
- Net liquid assets 22%

### Investment Portfolio – Sector Breakdown

31 March 2014



- Agricultural 5%
- Building and construction 3%
- Financial services 6%
- Healthcare 3%
- Non-cyclical consumer goods 20%
- Private equity funds 9%
- Property investment 14%
- Secondaries 11%
- Senior bank debt 10%
- Software and computing 16%
- Speciality engineering 3%

## Investment Portfolio

Direct Unlisted and Secondary Investments	Fair value of holding	
	£m	%
AXIO Data Group	125	12.0
Park Resort	96	9.2
EP1 Secondary Portfolio	90	8.7
Hotter Shoes	84	8.1
Allen & Heath	59	5.7
Allflex Corporation	48	4.6
Peverel Group	42	4.0
Premier Asset Management	40	3.8
CALA Group	34	3.3
Daler-Rowney	29	2.8
Nuaire	27	2.6
Promontoria	22	2.1
PINE	22	2.1
South Lakeland Parks	21	2.0
Davies Group	18	1.7
Labco	15	1.5
Sentinel Performance Solutions	15	1.5
	787	75.7
Other Direct Unlisted and Secondary Investments	57	5.5
<b>Total Direct Unlisted and Secondary Investments</b>	<b>844</b>	<b>81.2</b>
<b>Total Direct Listed Investments</b>	<b>103</b>	<b>9.9</b>
<b>Fund investments</b>	<b>92</b>	<b>8.9</b>
<b>Investment Portfolio</b>	<b>1,039</b>	<b>100.0</b>

## Investment Portfolio – Geographic Breakdown

31 March 2014



UK	68%
Continental Europe	16%
USA	12%
Asia and elsewhere	4%

## Direct Unlisted – Age Analysis (by last refinancing date)

31 March 2014



Less than 1 year old	32%
1-2 years	24%
2-3 years	22%
Over 3 years	22%

## Important Information

Please remember that past performance is not necessarily a guide to the future and that the value of shares and the income from them can go down as well as up. Exchange rates may also cause the value of underlying overseas investments to go down as well as up. Where investment is made in emerging markets, their potential volatility may increase the risk to the value of, and the income from the shares. Investments in technology related stocks can be more volatile than investments in more established companies. The principal investments held by Electra are private equity investments, property and private equity funds which are illiquid assets. Above average share price movements can be expected.

As part of its investment strategy, Electra may from time to time borrow money (known as gearing) to finance the purchase of investments for its portfolio. In addition, Electra's underlying investments may themselves be heavily geared which may mean that the valuation of these investments will therefore be affected by the level of interest rates and by the level of equity markets. The level of gearing of Electra itself and by its underlying investments may, depending on the sums involved, have a significant impact on the value of Electra's shares, such that you may not get back the amount you originally invested.

The share price of Electra may trade at a discount to the underlying net asset value of the shares. No information contained in this publication shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Nothing in this publication constitutes an offer to sell or a solicitation of any offer to buy any securities of Electra Private Equity PLC in the United States or any other jurisdiction. We do not offer investment advice, if you are unsure of the meaning of the above information, you should consult your own independent financial advisor.

Issued and approved by Electra Partners LLP which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

## Key financials

NAV per share (diluted)	2,914p
Share price	2,609p
Total Net Assets	£1,088m
Outstanding Commitments	£196m
Market Cap	£922m
Shares in issue	35,343,119
Management Fee Rate*	1.5%
Ongoing charges**	2.5%
Launched	1976
Year end	30 September
ISIN	GB0003085445
SEDOL Number	0308544
Ticker	ELTA

\* Per annum on investments. Paid quarterly in advance. Terminable at 12 months notice by either party.

\*\* Annualised ongoing charges over average undiluted net asset value in the year.

## Calendar

IMS (31 December 2013)	January/February 2014
AGM	11 March 2014
Half-year Results (31 March 2014)	29 May 2014
IMS (30 June 2014)	July/August 2014
Annual Results (30 September 2014)	November/December 2014

## Board of Directors

Roger Yates (Chairman)  
 Kate Barker  
 Francesca Barnes  
 Geoffrey Cullinan  
 Josyane Gold  
 Roger Perkin

## Contact

Electra Partners LLP  
 Paternoster House  
 65 St Paul's Churchyard  
 London EC4M 8AB  
 t +44 (0)20 7214 4200  
 e [info@electrapartners.com](mailto:info@electrapartners.com)  
[www.electrapartners.com](http://www.electrapartners.com)

## Stockbroker

JP Morgan Cazenove

## Manager

Hugh Mumford  
 Tim Syder  
 David Symondson  
 Alex Fortescue  
 Alex Cooper-Evans  
 Rhian Davies  
 Steve Ozin  
 Bill Priestley

## Investor Relations

Andrew Kenny  
 Nicholas Board  
 t +44 (0)20 7214 4200  
 e [ir@electraequity.com](mailto:ir@electraequity.com)