Oakley Capital Investments

ANNUAL REPORT & ACCOUNTS 2019

www.oakleycapitalinvestments.com

Oakley Capital Investments

Launched in 2007, OCI is a listed investment vehicle that provides its shareholders with liquid access to a portfolio of high-quality private investments, managed by Oakley Capital.

"The Company's net asset value increased in the year by £111.2 million to £686.0 million"

See OCI 2019 highlights on page 3

Why invest?

→ **OCI shareholders gain access to a differentiated model of private equity investing.**

Market leading returns

Strong and consistent returns drive capital growth for shareholders. In 2019 OCI's total NAV return was 25%, which drove a total shareholder return of 56% including a dividend of 4.5p.

159%

10 year total NAV return

See total NAV return growth on page 23

Access to a portfolio of high quality private companies

16 companies across consumer, education and TMT sectors, primarily based across Western Europe. Opportunities with ongoing organic growth and the potential for industry consolidation and performance improvement.

30%

Average EBITDA growth

See current portfolio company details on page 26

Proven model of investment sourcing

Investment Adviser, Oakley Capital, uses its sector and regional expertise, its ability to tackle transaction complexity and its deal generating entrepreneur network to source high-growth private investments at attractive valuations.

5

Investments signed in 2019

See portfolio activity on page 6

OCI 2019 highlights

The Company's NAV increased in the year by 64 pence to 345 pence per share.

Total Net Asset Value return* 25%

Total Shareholder return 56%

Specialist Fund Segment (SFS) listing

- Two Oakley Fund realisations at a combined 97% premium to prevailing book value
- OCI's share of proceeds from realisations and refinancings was £78 million
- Five new Oakley Fund investments at an average entry multiple of 9.7x EV/EBITDA
- OCI deployed £103 million of capital
- Buy-back of 6.2 million shares, enhancing NAV by 4 pence per share
- Appointment of two new independent Board Directors
- Committed €400 million to Oakley Fund IV
- Full year dividend of 4.5 pence per share

OCI financial metrics**

Net asset value***

£686.0m +19%

2019	£686.0m
2018	£574.8m
2017	£502.0m

Market capitalisation

£531.3m +49%

2019	£531.3m
2018	£356.4m
2017	£335.9m

3 year total NAV return % p.a.

16%

2019	16%
2018	14%
2017	8%

Net asset value per share***

£3.45 +23%

2019	£3.45
2018	£2.81
2017	£2.45

Share price

£2.68 +54%

2019	£2.68
2018	£1.74
2017	£1.64

Annualised dividend

4.5p

2019	4.5p
2018	4.5p
2017	4.5p

* Total NAV return = Current year NAV per share increase + dividends / prior year NAV per share.

** The percentage uplifts are calculated on a year-on-year basis from 31 December 2018 to 31 December 2019.

*** The NAV growth versus NAV per share are different due to the reduction in shares in issue during the year.

At a glance

OCI provides access to the performance of a portfolio of private companies through its investments in the Oakley Capital managed Funds and direct investments.

NAV breakdown by investment type

1 Oakley Fund investments

61.3% of total NAV › **£420.3m**

Assets in the underlying Oakley Funds

2 Direct investments

EQUITY
16.5% of total NAV › **£113.5m**

DEBT
18.5% of total NAV › **£127.2m**

Direct equity and debt holdings in certain of the Oakley Funds' portfolio companies

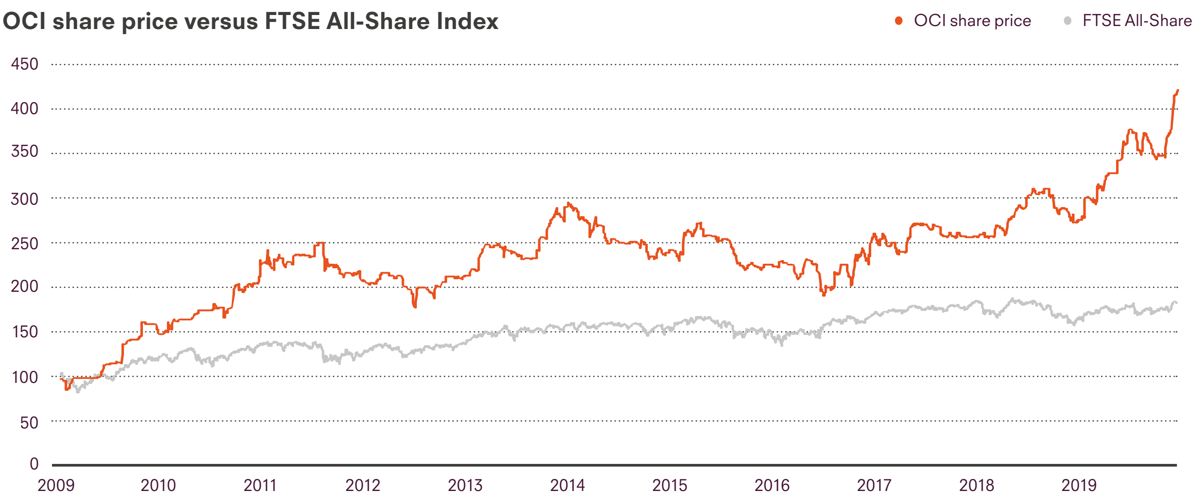
3 Cash, other assets and liabilities

3.7% of total NAV › **£25.0m**

Cash and cash equivalents of £48.9m offset by liabilities of £23.8m

10 year track record of outperformance

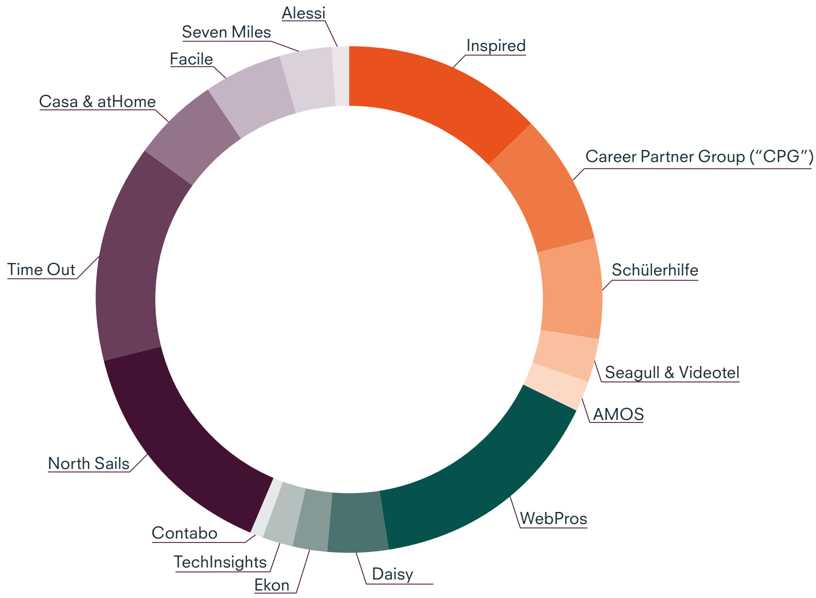
OCI share price versus FTSE All-Share Index



* Performance record rebased to 100 at 31 December 2008.

NAV breakdown by portfolio company

The composition of OCI's underlying portfolio company exposure, combining the Oakley Funds' look-through investments, direct debt and equity investment.



Consumer	
North Sails	£106.5m
Time Out	£99.5m
Casa & atHome	£40.0m
Facile	£35.3m
Seven Miles	£23.3m
Alessi	£7.5m

£312.1m*

TMT	
WebPros	£110.1m
Daisy	£26.8m
Ekon	£17.1m
TechInsights	£13.5m
Contabo	£4.9m

£172.4m*

Education	
Inspired	£92.3m
CPG	£59.2m
Schülerhilfe	£47.1m
Seagull & Videotel	£19.3m
AMOS	£13.6m

£231.5m*

* OCI's NAV of £686m is a combination of total investments (£716.0m – see above) plus Fund Facilities (£14.6m), plus other assets and liabilities (£25.0m), less OCI's share of Oakley Fund net liabilities (£69.6m). See pages 20 and 21 for more detail.

Portfolio activity

An active year for investments, realisations and refinancings by the Oakley Funds.

OCI look-through capital deployment and proceeds

Investments

OCI Investment – £18m

Fund III acquired Ekon, a leading Spanish ERP software provider, in a carve-out from the Iberian operations of Unit4.

OCI Investment – £20m

Fund IV acquired Seagull & Videotel, two leading maritime e-learning providers, based in Norway and the UK, respectively.

January February March April May June

Realisations

Refinancing – £11m OCI proceeds

Career Partner Group completed a refinancing resulting in a distribution to Fund III.

Refinancing – £16m OCI proceeds

WebPros completed a partial refinancing resulting in a distribution to Fund III.

Partial realisation – £30m OCI proceeds

Inspired undertook a capital raise which enabled Fund II to partially sell-down part of its stake, at an 80% premium to the December 2018 book value.

View current portfolio company details on page 26

OCI Investment – £8m

Fund III acquired a stake in Alessi, the Italian high-end design business focused on homeware products.

OCI Investment – £23m

Fund IV acquired a majority stake in Seven Miles, a leading German consumer technology company in the gift voucher and B2B gift card sector.

OCI Investment – £5m

Fund IV acquired Contabo, one of the leading cloud infrastructure platforms used by developers, entrepreneurs and SME's.

OCI Investment – £44m

Fund IV signed an agreement to make a follow-on investment in WebPros, to benefit from the significant long-term growth potential of the business.

July August September October November December

Realisation – £116m OCI proceeds

Fund III signed an agreement to sell its stake in WebPros, at a 105% premium to the December 2018 book value.

Signed in the period and completed in Q1 2020

The Oakley Funds

Portfolio companies: the largest contributors to 2019 NAV growth.

Portfolio Company highlights

WebPros

Realisation at a 105% premium to the December 2018 book value

Fund III originally invested in Plesk in 2017 and subsequently completed five acquisitions to create WebPros, a product portfolio that addresses the full end-to-end customer lifecycle for shared hosting providers. The group now employs over 450 people across four continents and supports customers across the globe. The sale was agreed in December 2019 and subsequently completed in February 2020, generating gross returns on investment of 6.9x MM and 152% IRR.

+29 pence 2019 NAV per share uplift

Inspired

Partial realisation at an 80% premium to the December 2018 book value

Inspired has grown rapidly by building new schools and acquiring existing successful establishments around the world. It is now one of the leading global groups of premium schools educating over 45,000 students between the ages of 1 and 18 on five continents. As a result of the opportunity presented by a primary and secondary investment into the Group in June 2019, Fund II partially sold down its stake.

+27 pence 2019 NAV per share uplift

Time Out

Share price growth of 73%

It was a significant year for the global media and leisure business, with the successful opening of five new Time Out Markets, transforming the division from a single highly popular market in Lisbon to a global portfolio. Time Out Media made similar progress with double-digit digital advertising growth materially outperforming a challenging market.

+16 pence 2019 NAV per share uplift

Career Partner Group

Trading performance increased value by 49%

The fastest growing private university group in Germany has over 30,000 students enrolled across four types of programmes: online degree courses, dual studies, part-time studies and corporate training. CPG continued to sustain strong growth in 2019, recording an increase in student intake of 67%, versus the prior year.

+13 pence 2019 NAV per share uplift

Oakley Funds: total realised returns of 3.6x MM and 48% gross IRR.

Funds' overview

Oakley Fund I ("Fund I")

Vintage: 2007

OCI commitment	Fund size
€188m	€288m

Current investments

Time Out

2.9x	44%
Gross MM	Gross IRR

Oakley Fund II ("Fund II")

Vintage: 2013

OCI commitment	Fund size
€190m	€524m

Current investments

Inspired
Daisy
North Sails

3.3x	63%
Gross MM	Gross IRR

Oakley Fund III ("Fund III")

Vintage: 2016

OCI commitment	Fund size
€326m	€800m

Current investments

Casa & atHome
TechInsights
Schülerhilfe
AMOS
Alessi
CPG
Facile
Ekon
WebPros

6.9x	152%
Gross MM	Gross IRR

Oakley Fund IV ("Fund IV")

Vintage: 2019

OCI commitment	Fund size
€400m	€1.5bn

Current investments

Seagull & Videotel
Seven Miles
Contabo

Note: Returns provided are total realised returns. Fund III returns reflect the sale of WebPros which completed in Q1 2020.

Chair's statement

→ A year of significant progress that delivered market-leading returns, a change of share listing and new Board appointments.

We are pleased to report another successful year for the Company ("OCI"), in which net asset value (NAV) total return grew by 25%. This market-leading return was achieved through the strong performance of the underlying portfolio companies and realisations made significantly above book value.

The Board has made substantial progress in enhancing governance and growing shareholder value during the year. These initiatives include OCI's share listing move to the Specialist Fund Segment ("SFS") of the London Stock Exchange's Main Market, a material buy-back of shares and further refreshment of the Board's composition.

We are encouraged to see this combination of high NAV growth and strong governance reflected in the share price. Total shareholder return was 56% in the year, one of the highest returns delivered in the UK listed investment trust sector *(source: Quoted Data)*.

Performance - trading and realisations

OCI's NAV per share increased from £2.81 to £3.45 in the period. The key drivers were strong trading in the underlying portfolio companies with EBITDA growth, averaging 30%, and two realisations at a combined 97% above their carrying value. Notably, the agreed sale of webhosting software provider, WebPros, added 29 pence to the NAV per share in the period. Having originally invested in Plesk in 2017 and subsequently completing five acquisitions, the WebPros group was sold at a 105% premium to the December 2018 book value, achieving a gross return of 6.9x money multiple. Portfolio company performance was partially offset by foreign exchange movements, which had a negative impact on NAV in the year of 15 pence per share.

Investments and commitments

The Investment Adviser, Oakley Capital, has continued to secure high-quality assets at attractive valuations, despite rising demand for private company investments. In the period, Oakley's unique network of business founders and entrepreneurs helped it to source five acquisitions: Ekon (TMT), Seagull & Videotel (Education), Alessi (Consumer), Seven Miles (Consumer) and Contabo (TMT). The average entry valuation multiple (EV/EBITDA) was 9.7x, compared to the peer group average of 13.1x.

OCI has outstanding commitments to the Oakley Funds of £429 million, £313 million of which are to Fund IV, and following strong investor demand, closed at €1.5 billion in the year. Available cash at the year-end of £49 million has grown with the post-period WebPros realisation and the Career Partner Group refinancing, which together returned £135 million to OCI, providing liquidity for future drawdowns.

Direct investments

OCI continues to benefit from returns generated by direct equity and debt investments in some of the underlying portfolio companies. Direct equity investments allow OCI to hold an attractive asset directly when a Fund is reaching the end of its life. Short-term direct debt investments have generated an IRR of 10% that has helped to reduce "cash drag" and provided income to cover dividend payments. The Board frequently reviews its direct investment strategy and we are pleased to confirm that, effective from 1 January 2020, we have agreed with the Investment Adviser that management and performance fees are no longer payable on direct debt investments. As the scale and nature of the Oakley Funds' portfolio companies increases, we anticipate fewer suitable opportunities will be available to OCI in the future and its exposure to, and earnings from, direct investments will decrease over time.

Total shareholder return
56%

Number of shares bought back
6.2m

Daily share volume growth
+85%

Governance

As part of the Board's commitment to ensure OCI offers investors best-in-class transparency, risk management structures and governance, we concluded that the SFS of the Main Market is now a more appropriate market for a company of OCI's size and type. OCI's share listing was moved from AIM to the SFS in August 2019.

In conjunction with the move to the SFS, we have upgraded our investor communications by increasing disclosure in our Annual Report, relaunching our website, introducing new marketing materials and continuing to increase our interactions with investors.

During the year, OCI bought back for cancellation a total of 6.2 million shares at an average price of 237 pence per share. These purchases have enhanced the NAV per share at 31 December 2019 by 4 pence and this approach to capital management will continue, with further share buy-backs anticipated. OCI Board Members and Oakley Partners continued to purchase OCI shares during the period, resulting in their combined holding growing by 90% to 9.5% of the shares in issue. This reinforces the alignment of interest between the Board, Oakley Capital and our shareholders.

These actions have significantly improved OCI's share liquidity. Trading volumes increased by 85% year-on-year and for the first time, the combined holding of OCI's top ten shareholders fell below 70%, as the shareholder base diversified. We are confident that our focus on governance, combined with sustained superior returns, will contribute to the narrowing of the discount to the NAV per share at which the shares trade.

Board update

As part of our commitment to reviewing and refreshing the Board, I am delighted to welcome two new Non-Executive Directors. In June 2019, we appointed Craig Bodenstab, a Chartered Financial Analyst and Accountant with over 25 years' investment management experience. In December 2019, we welcomed Richard Lightowler, who brings a wealth of experience in financial services. James Keyes stepped down as a Non-Executive Director in July 2019, following a 12-year tenure, and we would like to thank him for his significant commitment to the Board and OCI during this time. We believe that the current Board has an appropriate balance of experience, diversity of skills and perspective, to support OCI's continued development.

Environmental, Social & Governance ("ESG")

The Board believes that responsible investment is important to protect and create long-term investment value. To this end, OCI has adopted an ESG policy and monitors the policies adopted by the Investment Adviser. Oakley works together with its portfolio companies to identify and apply good practice with regard to managing ESG matters. We are particularly encouraged by the positive social and environmental impact of a number of the portfolio companies.

Dividend

In October, an interim dividend of 2.25 pence per share was paid for the period ended 30 June 2019, and we are pleased to announce a final dividend for 2019 of 2.25 pence per share, to be paid in April 2020.

Prospects

At the time of writing the full extent of the COVID-19 outbreak and resultant effect on the global economy is unknown. A trading impact is expected across most business activity and the subsequent fall in equity markets will put pressure on portfolio company valuations.

In light of macro uncertainties in recent years, Oakley has remained vigilant and cautious in its approach, investing in businesses with stable revenue streams that demonstrate a resilience to broader market volatility. Whilst the portfolio will be affected, Oakley's investment strategy and sector focus will provide some resilience during this period of disruption.

Since inception, Oakley has achieved an average 34% premium to the prevailing carrying value upon the sale of assets. This gives us confidence in the conservative approach to valuation and the level of value to be unlocked through realisations. With the scaling of investments through organic growth and M&A, the portfolio has proven attractive to the wider private equity landscape, which has significant capital to deploy after a successful period of fundraising.

Caroline Foulger

Chair

19 March 2020

Strategic report by the Investment Adviser

Market outlook

→ Private equity fundraising and activity remain high, as the asset class continues to outperform.

Record levels of capital creating demand for high-quality assets

Assets under management in private equity continued to increase to over $4 trillion in 2019, with record levels of unspent capital at the year-end of $1.5 trillion *(source: Preqin)*. This trend is likely to remain, as private equity firms in Europe are collectively seeking to raise more than $80 billion this year, which, if achieved, would mark the largest sum raised in a single year *(source: Preqin)*. This is largely fuelled by 'megafunds' of over $5 billion, which accounted for more than half of the total funds raised in 2019 *(source: McKinsey)*.

As both the demand for private equity and capital increases, so too has competition for high-quality assets, with the average purchase price multiple in Europe reaching a record high of 10.9x EBITDA in 2019 *(source: Bain)*.

Oakley remains insulated from this backdrop, due to its mid-market niche and unique sourcing model, which focuses on identifying off-market deals through a network of entrepreneurial business founders and managers, allowing Oakley to avoid highly competitive processes. As such, Oakley can find defensible businesses at a stage where valuations are fair and there is opportunity for significant growth, as evidenced by Oakley's 9.7x average entry EV/EBITDA for 2019 investments, compared to the peer group average of 13.1x.

At exit, Oakley benefits from the excess of capital in the market, which creates potential buyers and competitive tension for its portfolio companies. This is demonstrated by Oakley's realisations in 2019, which were completed at a combined 97% premium to book value.

Steven Tredget
Partner

Increasing valuations leading to rising leverage

While market-level deal activity across Europe fell by 8% during 2019, multiples paid rose to new records, partly driven by record leverage, as deals with debt of more than 6x EBITDA accounted for more than 75% of all transactions *(source: Bain)*. This has continued to fuel debate around the sustainability of the private equity model and the industry's reliance on using leverage to drive returns.

However, these figures are driven by large deals that 'megafunds' are now able to secure, which typically carry higher leverage levels. In contrast, Oakley takes a disciplined approach to debt, with the underlying portfolio levered at an average net debt/EBITDA multiple of 3.7x at the year-end. This level remains appropriate, given the average 30% annual EBITDA growth, high cash conversion rate and low capex requirements across the portfolio.

Continued outperformance in Europe

Private markets have experienced an impressive period of growth, with the number of private equity-backed companies in North America and Europe increasing by 6.8% in 2019 *(source: PitchBook)*. While Bain reported that returns from US public markets outperformed private equity over a 10-year period for the first time, private and public market returns have not converged in Europe, where private equity's historic outperformance has continued *(source: Bain)*.

COVID-19 impact

At the time of writing the full extent of the global COVID-19 outbreak and resultant effect on the economy is unknown. A trading impact is anticipated across public and private equity funded companies alike. The scale of this disruption will be highly dependent on the duration and severity of the virus and the response by governments and consumers.

In light of macro uncertainties in recent years Oakley has remained vigilant and cautious in its approach, investing in businesses with stable revenue streams that demonstrate a resilience to broader market volatility. Whilst the portfolio will be affected, Oakley's investment strategy and sector focus will provide some resilience during this period of disruption.

Why listed private equity?

→ Providing access to superior investment returns.

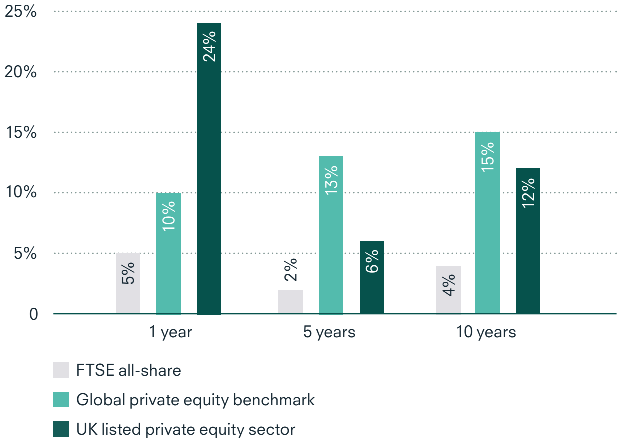
Private equity: the top performer

Private equity has been a consistently attractive asset class over the past decade, and it continues to grow in scale and sophistication. The industry now has over $4 trillion in assets under management globally and over 8,400 institutional investors *(source: Preqin)*.

This growth is in sharp contrast to the shrinking of public markets. The number of IPOs is decreasing and companies are pursuing options to de-list, resulting in the number of public companies in North America and Europe decreasing by 3.1% per annum.

Global private equity has achieved consistently strong returns across the past decade. The sector has benefited from portfolio diversity and reduced volatility through access to a range of fast-growing companies, often in sectors that are harder to reach through public markets. The global private equity benchmark has consistently outperformed the FTSE all-share index in the past ten years (as shown below).

Returns data



Liquid access to private equity returns

Listed private equity provides retail investors access to these superior returns, allowing them to overcome the usual barriers to investment, typically only surmounted by institutions and high-net-worth individuals.

Listed private equity vehicles can follow different structures, but direct, single-fund investment companies and fund of funds allow for investment at a smaller ticket size, without the average 10-year lock-up period or regulatory constraints. This allows retail investors to benefit from the returns created by a longer-term, hands-on approach and closely aligned management structures through participation in a diversified portfolio of unlisted companies.

Manager selection is key

Investing in listed private equity provides investors with exposure to the returns created in an underlying portfolio managed by a dedicated team of investment professionals who engage with companies on a day-to-day basis and may also hold seats on boards, enabling them to directly oversee the enhancement of a company's value.

Management fees are reflective of this active management and the skills required, meaning that they are typically higher than those of a public equity fund, but the benefits of an engaged, experienced manager are manifested in the underlying fund's returns. When selecting a manager, it is important to choose one that can source and execute attractive deals in a competitive market, and who has a track record of strong performance.

OCI has been listed since 2007 and provides access to Oakley's track record of sourcing high-quality, diversified investments; supporting their growth through active management; and selling them at attractive multiples. The companies which Oakley backs, typically enjoy a set of key characteristics: market leader in their chosen niche; stable and recurring revenue stream, diversified customer base; opportunity to expand its service proposition; and scope for mergers and acquisitions.

Introduction to Investment Adviser

→ **OCI's structure enables access to a unique network and exposure to high-performance.**

1

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 Western 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 direct 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

2

The Investment Adviser

Oakley Capital Limited

About Oakley Capital

Oakley Capital Limited ("Oakley" or "the Investment Adviser") serves as Investment Adviser. Oakley is responsible for making investment recommendations and for structuring and negotiating deals for the Oakley Funds and OCI direct investments.

Oakley is authorised and regulated by the Financial Conduct Authority.

What Oakley Capital does

- Identifies investment opportunities and performs due diligence
- Recommends potential investments and realisations for consideration
- Structures and negotiates deals for the Oakley Funds

3

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

It is the opinion of the Directors that the continuing appointment of the Administrative Agent and the Investment Adviser on the terms agreed is in the interests of its shareholders as a whole. Through the work of the Management Engagement Committee of the Board, the proven strong performance delivery from these service providers were noted, and no material deficiencies in delivery against agreed terms.

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 direct 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 direct 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 directly 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 direct investment opportunities. The Board would then determine whether or not, and to what level, the Company should directly 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 direct 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% 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.

As at 31 December 2019, the Company has no outstanding borrowings.

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.

Risk Management

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. Refer to the Risk Committee Report to the Board on page 70.

Investment Adviser's approach

→ **Preferred partner for top entrepreneurs.**

1

Key resources

LEVERAGING OUR UNIQUE BUSINESS NETWORK

Team
Experienced team of investment professionals, entrepreneurs and skilled operators

Network
Oakley builds close partnerships with entrepreneurial founders and managers. They provide an invaluable resource to broaden Oakley's deal introduction network and deepen expertise within sector hubs

€120m

of commitments backed by Oakley management teams across Funds II, III and IV

2

How we invest

SOURCING PROPRIETARY DEALS

Strong management partnerships
Oakley's entrepreneurial heritage allows it to partner with strong management teams and become their preferred partner for completing repeat deals

Key geography and sectors
Focus on core sectors and geographic locations to build on operating experience and leverage knowledge gained from previous investments

Complexity
Seeks complex deals outside of intermediated auctions

Structural growth
Targets companies with sustainable structural growth dynamics and the opportunity for M&A

90%

of Oakley deals have been primary

Complexity, along with strong management partnerships, can present opportunities to enable Oakley to create value.

3

Creating value

DRIVING GROWTH ACROSS THE PORTFOLIO

4

Generating returns

GENERATING CONSISTENTLY HIGH RETURNS

Buy-and-build
Creating scale and synergies through targeted M&A opportunities

Growth acceleration
Helping portfolio companies to achieve their full potential with appropriate capital and operational resources

Business transformation
Providing support in the transition from entrepreneurial ownership to businesses with scalable and sustainable operations

30%
average EBITDA growth across the underlying portfolio

Oakley Funds	MM*	IRR*
OAKLEY FUND I (vintage 2007)	2.2x	37%
OAKLEY FUND II (vintage 2013)	2.4x	38%
OAKLEY FUND III (vintage 2016)	2.3x	52%

OCI, as investor in the Oakley Funds

CAPITAL CALLED TO DATE	£517.5m
CAPITAL RETURNED TO DATE	£540.6m
PROPORTIONATE FAIR VALUE OF OAKLEY FUNDS	£661.0m

* Gross money multiple and gross IRR are based on realised and unrealised portfolio returns as at 31 December 2019.

Overview of OCI investments

Investments	Sector	Location	Year of investment	Open cost (£m)	Fair value (£m)
Fund I					
Time Out	Consumer	Global	2010	48.3	37.7
OCI's proportionate allocation of Fund I investments (on a look-through basis)					**37.7**
Other assets and liabilities					(4.3)
OCI's investment in Fund I					**33.4**
Fund II					
North Sails	Consumer	Global	2014	37.6	33.0
Inspired	Education	Global	2014	5.3	17.3
Daisy	TMT	UK	2015	10.5	11.0
OCI's proportionate allocation of Fund II investments (on a look-through basis)					**61.3**
Other assets and liabilities					(4.1)
OCI's investment in Fund II					**57.2**
Fund III					
Casa & atHome	Consumer	Italy/ Luxembourg	2017	26.3	40.0
Schülerhilfe	Education	Germany	2017	30.8	47.1
WebPros	TMT	USA/ Switzerland	2017	7.6	110.1
TechInsights	TMT	Canada	2017	0.4	13.5
AMOS	Education	France	2017	7.0	13.6
CPG	Education	Germany	2018	20.6	59.2
Facile	Consumer	Italy	2018	28.8	35.3
Ekon	TMT	Spain	2019	18.0	17.1
Alessi	Consumer	Italy	2019	7.9	7.5
OCI's proportionate allocation of Fund III investments (on a look-through basis)					**343.4**
Other assets and liabilities					(33.3)
OCI's investment in Fund III					**310.1**
Fund IV					
Seagull & Videotel	Education	Norway/UK	2019	20.2	19.3
Seven Miles	Consumer	Germany	2019	23.4	23.3
Contabo	TMT	Germany	2019	5.0	4.9
OCI's proportionate allocation of Fund IV investments (on a look-through basis)					**47.6**
Other assets and liabilities					(27.8)
OCI's investment in Fund IV					**19.7**

Investments	Sector	Location	Year of investment	Open cost (£m)	Fair value (£m)
Direct investments					
Equity					
Time Out (quoted)	Consumer	Global	2010	47.2	38.5
Inspired (unquoted)	Education	Global	2017	19.5	75.0
Debt					
Time Out	Consumer	Global	2018	20.0	23.3
Daisy	TMT	UK	2015	14.2	15.8
North Sails	Consumer	Global	2014	60.9	73.5
Fund Facilities	n/a	n/a		n/a	14.6
Total direct investments					**240.7**
Total OCI investments					**661.0**
Cash, other assets and liabilities					**25.0**
Total OCI NAV					**686.0**

The OCI look-through values are calculated using the OCI attributable proportion (determined as the ratio of OCI's commitments to the respective Oakley Fund 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 tables above include OCI's proportion of third-party debt facilities in place for Fund II, Fund III and Fund IV. As at 31 December 2019, the third-party debt balances were €21.8 million, €100.9 million and €156.1 million in Fund II, Fund III and Fund IV respectively, including interest.

NAV overview

→ OCI's NAV increased from £574.8 million to £686.0 million, an increase of 19% since 31 December 2018.

	31 Dec 2019 £m	31 Dec 2018 £m
Opening net asset value as at the start of the year	574.8	502.0
Gross revenue	10.3	6.8
Other expenditure	(17.9)	(6.4)
Net foreign currency gains/(losses)	(2.7)	3.1
Realised gain on investments	17.8	102.3
Net change in unrealised appreciation on investments	127.7	(23.9)
Dividend expense	(9.2)	(9.2)
Shares bought-back	(14.9)	–
Closing net asset value as at the end of the year	**686.0**	**574.8**

Net earnings were £135.2 million for the year, comprising:

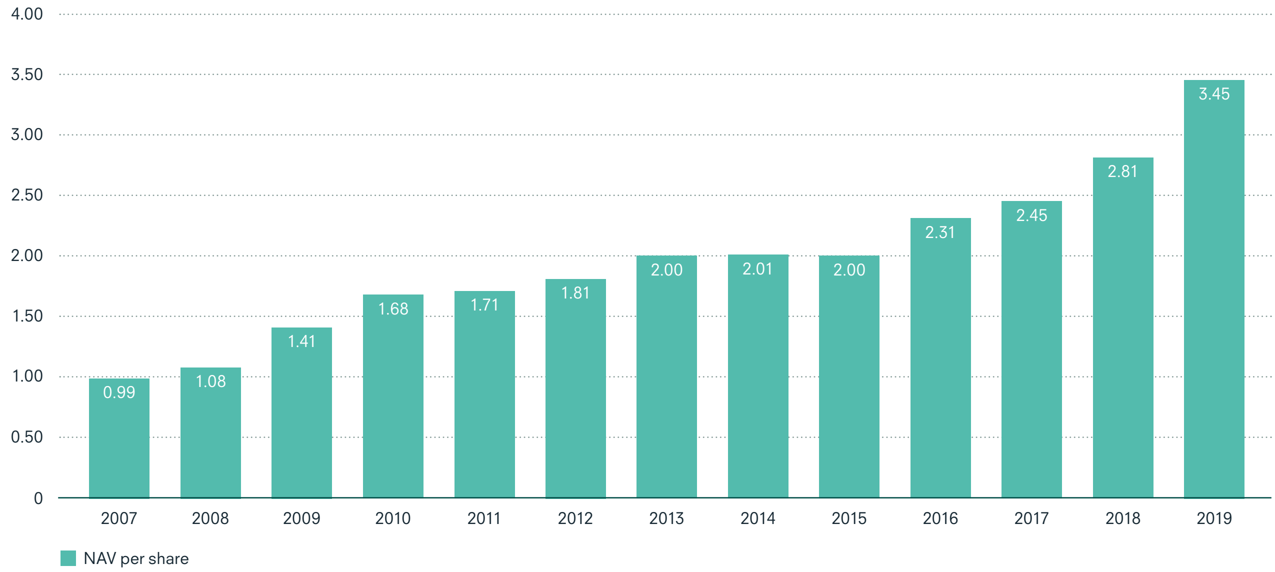
- Gross revenue of £10.3 million arising from interest income earned predominantly on the debt facilities provided by the Company;
- Expenses of £17.9 million with an additional £2.7 million of foreign exchange losses. Expenses include management and performance fees on direct investments; and
- Realised gains of £17.8 million earned from the realisations that occurred in the Oakley Funds during the year. Net change in unrealised gains/(losses) on investments of £127.7 million, driven predominantly by the increase in value of a number of investments within the portfolio. These amounts are net of fees paid to the Investment Adviser.

The Company bought back 6.2 million shares during the year at open market value, for a total of £14.9 million.

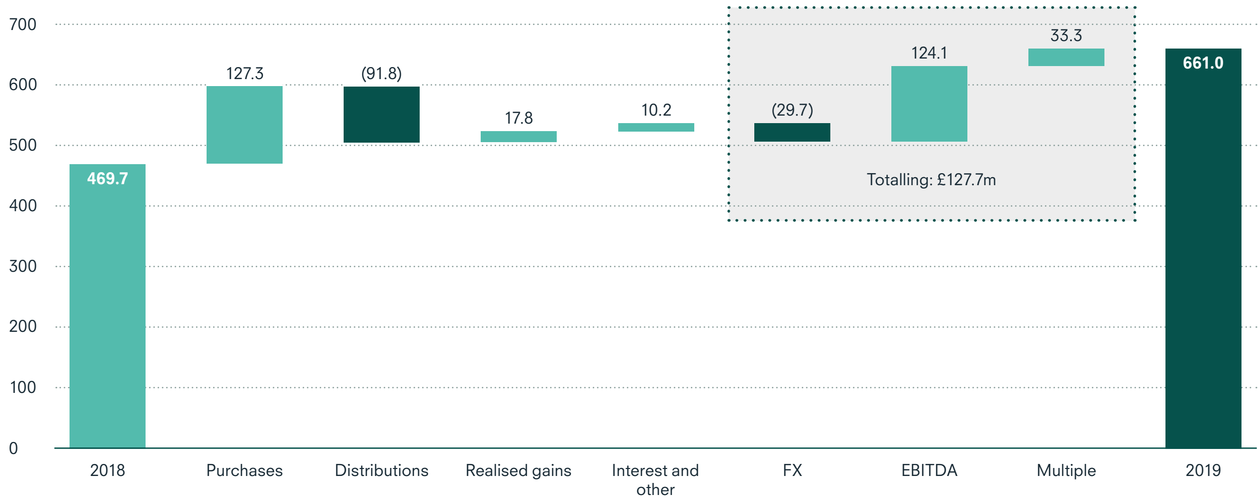
A final dividend for the year ended 31 December 2018 of 2.25 pence per share was paid in April 2019 and an interim dividend for the year ended 31 December 2019 of the same amount was paid to shareholders in October 2019, totalling a £9.2 million expense.

Movement in NAV (£m)

NAV per share since inception (£)



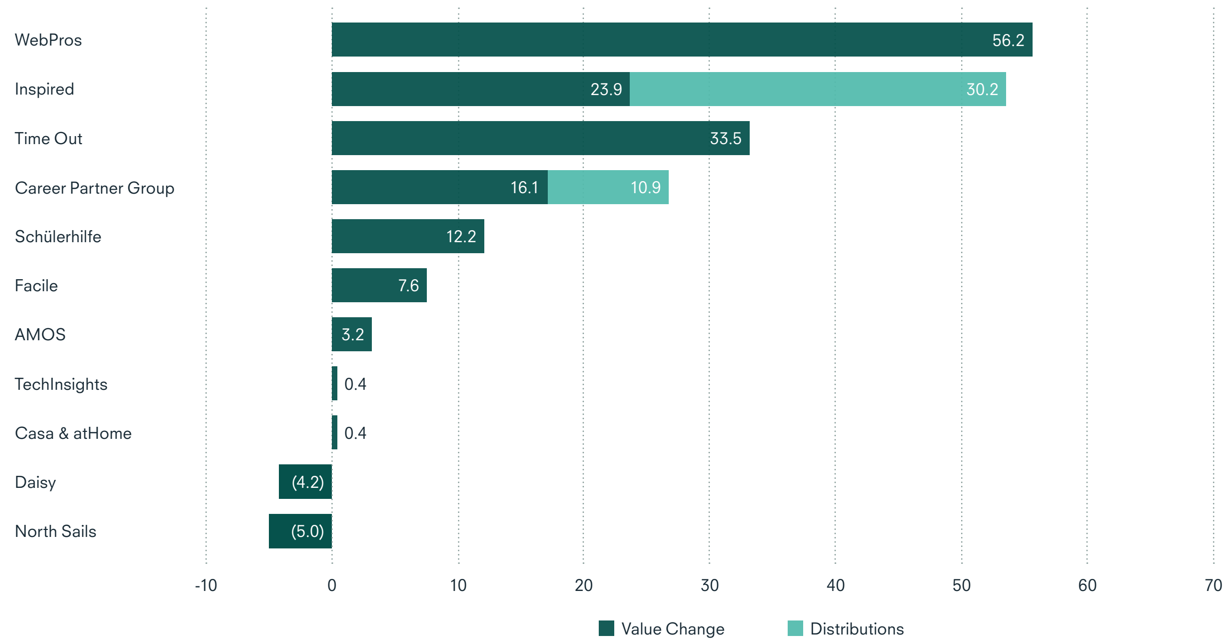
Attribution analysis of movements in the value of investments (£m)



During the year, the net change in unrealised gains of £127.7 million is due to the uplift in value of the underlying Oakley Funds and equity investments. The majority of this gain was attributed to EBITDA growth in the underlying portfolio companies across the Oakley Funds, offset by the significant negative impact of FX of £29.7 million. The main movement was in Fund III, which saw an increase in unrealised gains of £82.7 million.

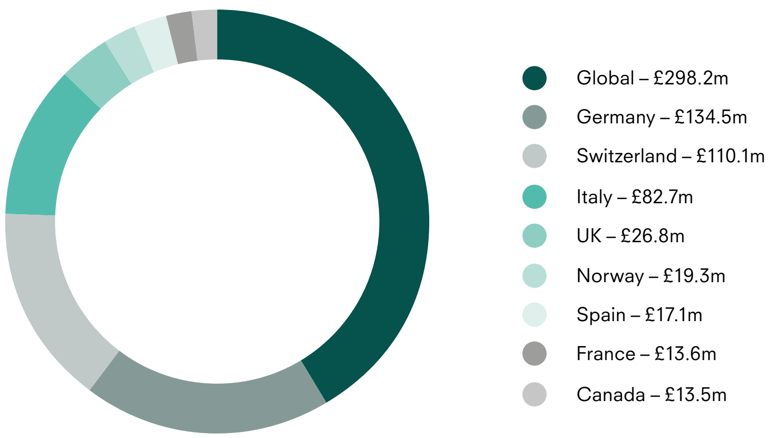
NAV overview continued

Realised and unrealised movements in the value of investments in 2019 (£m)*



* The movements do not include the impact of foreign exchange during 2019.

Geographic location by value



Outstanding commitments of OCI

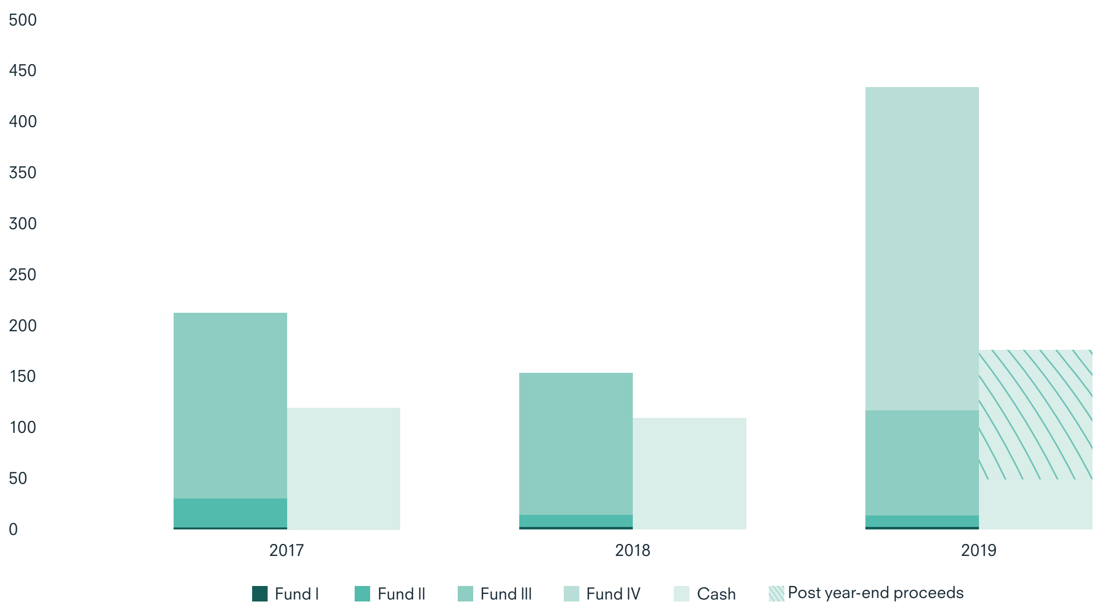
Outstanding commitments to the Oakley Funds as at 31 December 2019 were £428.7 million, of which £313.1 million is to Fund IV.

The Board has concluded that the level of the net outstanding commitments in the Oakley Funds is appropriate. Fund II is in its realisation phase and is expected to receive distributions from the remaining three investments. Fund III has reached the end of its investment period and any amounts to be drawn in the future by Fund III are expected to be more than covered by cash proceeds received from the Oakley Funds. Fund IV has begun investing and the Investment Adviser anticipates that capital will be deployed to fund investments. OCI regularly reviews its own liquidity forecasts and is satisfied that it 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 2019 .

Fund	Fund vintage	Total commitment (€m)	Outstanding at 31 Dec 2019 (€m)	Outstanding at 31 Dec 2019 (£m)	% of NAV
Oakley Fund I	2007	202.4	2.8	2.4	0.3
Oakley Fund II	2013	190.0	13.3	11.3	1.6
Oakley Fund III	2016	325.8	120.5	102.0	14.9
Oakley Fund IV	2019	400.0	370.0	313.1	45.6
Outstanding commitments			**506.7**	**428.7**	**62.5**
Cash and cash equivalents				48.9	
Net outstanding commitments unfunded by cash resources at the year-end				**379.9**	**55.4**

Outstanding commitments unfunded by liquid resources (£m)



Consumer sector

Market review

Oakley has a long track-record of investing in the consumer sector, since 2009, and deploys its expertise with a focus on quality brands in established sectors, with strong growth dynamics.

With a consistent focus on particular sub-sectors such as online price comparison, online dating and online classifieds, Oakley has been able to successfully replicate winning models in continental European markets, as evidenced by its former investments in Verivox, Facile, and Parship Elite Group, among others.

The ongoing shift of consumers from traditional offline channels to online platforms is driving strong growth in the sector, which is expected to continue in future years, particularly in countries which are at an early stage of online adoption.

This, coupled with the continued attractive returns to scale inherent in online consumer-focused businesses, means that Oakley continues to pursue opportunities in the broader consumer sector where it can leverage these positive characteristics and apply the value creation strategies which have been proven to generate significant returns.

Sector investments*

Investment	Oakley Fund	OCI's open cost (£m)	OCI's valuation (£m)	% of OCI NAV
North Sails	OCI/Fund II	98.5	106.5	16
Time Out	OCI/Fund I	115.5	99.5	15
Casa & atHome	Fund III	26.3	40.0	6
Facile	Fund III	28.8	35.3	5
Alessi	Fund III	7.9	7.5	1
Seven Miles	Fund IV	23.4	23.3	3

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on pages 20 and 21. 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

1 North Sails

£98.5m
OCI'S OPEN COST

£106.5m
OCI'S VALUATION

16%
OF OCI NAV

North Technology Group ("NTG") comprises a portfolio of market-leading marine brands focused on providing innovative and high-performance products 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.

Overall NTG trading for the year was mixed, with the North Sails and Edgewater divisions facing some trading softness, partially offset by solid growth in the Masts division. There has been continued progress with North Sails Apparel, with year-end revenue up 15% from the prior year. Online sales have progressed significantly, up 52% on the prior year and now accounting for c.10% of total revenues.

In August 2019, North Kiteboarding was successfully launched with a new re-designed range of products and was supported by the distribution platform of Mystic, the kiteboarding accessories brand, which was acquired in January 2019.

2 Time Out

£115.5m
OCI'S OPEN COST

£99.5m
OCI'S VALUATION

15%
OF OCI NAV

A trusted global brand that inspires and enables people to experience the best of the city.

Time Out continues to help people explore and experience the best of the city through its two divisions - Time Out Media and Time Out Market. Across these platforms, Time Out distributes its curated content around the best food, drink, music, theatre, art, travel and entertainment across 315 cities in 58 countries.

The Group's content proposition has been strengthened through the launch of the new markets, with both the existing and newly opened markets driving revenue growth in the year. Five new markets opened across North America in 2019 which have replicated, with a strong local focus, the concept first launched in Lisbon in 2014. The global roll-out is set to continue with planned launches in Dubai (2020), London (2021) and Prague (2023).

Time Out will release its full year results on 26 March 2020.

Consumer portfolio companies continued

3

Casa & atHome

£26.3m
OCI'S OPEN COST

£40.0m
OCI'S VALUATION

6%
OF OCI NAV

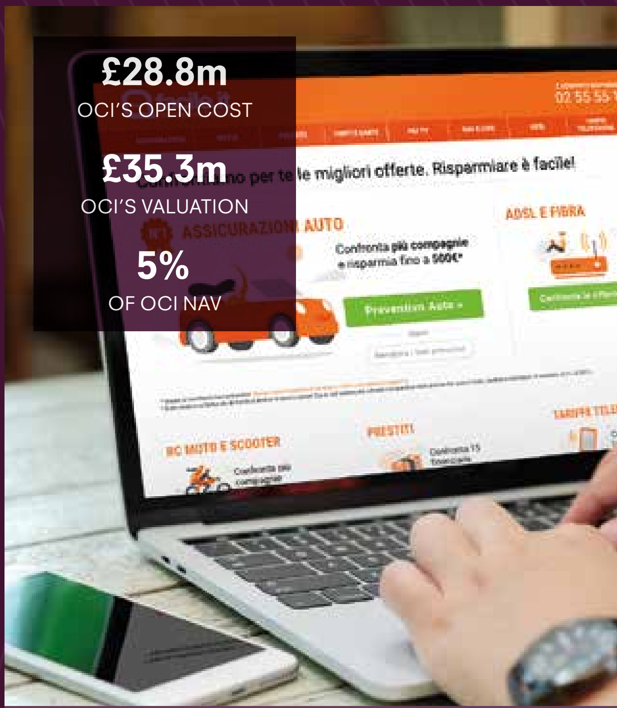
Casa & atHome is an online property group comprising a portfolio of real estate websites and mobile applications.

Fund III originally invested in Casa & atHome in 2017, as part of the acquisition of a portfolio of classifieds businesses, which comprised Casa.it in Italy and atHome.lu in Luxembourg. The Casa & atHome Group finished its last financial year to June 2019 with revenue and EBITDA growth of 13% and 2% respectively, on a *pro forma* basis, versus the prior year. The Casa business achieved revenue growth of 8%, driven by core agent and developer subscription revenues. atHome Group grew revenue by 23% in the period, driven by yield expansion in the core property listings vertical, supplemented by the acquisitions of Luxauto and atHomeFinance, the leading automotive classifieds and mortgage broking platforms in Luxembourg respectively.

Post year-end, Fund III signed an agreement to sell a majority stake in the atHome Group to Mayfair Equity Partners. A minority stake will be retained in the business, as well as the majority stake in Casa, which continues to benefit from the growth in the online property classifieds sector in Italy.

4

Facile



£28.8m
OCI'S OPEN COST

£35.3m
OCI'S VALUATION

5%
OF OCI NAV

Italy's leading online destination for consumers to compare prices for motor insurance, energy, telecoms and personal finance.

Facile has built a strong position in Italy's fast-growing online price comparison market and helps over 1.5 million people in Italy to save money every month. After broadening its offer, customers are now able to make price comparisons on gas and electricity, broadband, bank accounts, loans and mortgages as well as in the company's core car insurance and comparison service.

Facile achieved strong growth in 2019, with total revenue growth of 21% versus the prior year. The business' core insurance vertical performed well in 2019, with increased quote volumes on the website, together with improved conversion rates driving new switches. Facile's non-insurance verticals have also continued to grow significantly, particularly in the gas & power and broadband product divisions.

5

Seven Miles

£23.4m
OCI'S OPEN COST

£23.3m
OCI'S VALUATION

3%
OF OCI NAV

New investment – Fund IV

Based in Germany, Seven Miles is a leading consumer technology company in the gift voucher and B2B gift card sector.

Since it was founded in 2014, the business has grown rapidly to become one of the leading physical and digital gift card networks in the DACH region. In August 2019, Fund IV acquired a majority stake in the business, partnering with its founders to create a sustainable platform and continue the company's growth and leadership in product innovation.

The market for multi-brand gift cards in Germany is expected to grow at over 15% in the coming years, as consumers increasingly value the convenience and flexibility that make gift cards an attractive present for many occasions. In 2019, total voucher sales grew 88% year-on-year, with total voucher value of Seven Miles' core products growing 146% versus the prior year. This has resulted in significant uplifts to both revenue and EBITDA, driven by operational leverage as revenues have grown. The acceleration in growth has been supported by further roll-out of Seven Miles' products at new retail partners and significant growth in the B2B business.

6

Alessi

£7.9m
OCI'S OPEN COST

£7.5m
OCI'S VALUATION

1%
OF OCI NAV

New investment – Fund III

Alessi is a leading producer of high-end premium consumer goods. Partnering with renowned designers, Alessi creates iconic household products with a focus on tableware and kitchenware.

In August 2019, Fund III made a growth capital investment into Alessi to partner with the Alessi family and assist them in the next phase of the company's development. Oakley's strategy will focus on further strengthening and expanding the proposition of the brand by targeting new audiences and optimising the portfolio's mix of products, pricing and distribution.

In the short period since Oakley's investment, the core business is trading well and there are early signs that the new management team, introduced by Oakley, are making a positive impact across the business.

TMT sector

Market review

Building on its strong foundation in the telecoms sector, Oakley has established itself as a leading investor in webhosting as well as starting to solidify its track record in software.

Oakley's network of proven entrepreneurs in the TMT space continues to be an invaluable source of investment opportunities and their deep operational involvement has helped to unlock value across the portfolio.

In webhosting, the growth of public cloud hosting has put pressure on certain market segments, especially dedicated hosting, forcing established business models to adapt. At the same time, the VPS hosting market has been largely insulated from the advent of public cloud and has continued to grow quickly as a result of its strong value proposition for customers.

Oakley has carefully timed its investments in the sector and has adapted its approach to ensure its investments benefit from favourable market tailwinds.

In software we can observe a structural shift to the cloud and software as a service ("SaaS") models. Europe, and Southern Europe in particular, lags the US when it comes to SaaS adoption and gives rise to opportunities to support software businesses in developing strong SaaS product offerings. 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 (£m)	OCI's valuation (£m)	% of OCI NAV
WebPros	Fund III	7.6	110.1	16
Daisy	OCI/Fund II	24.7	26.8	4
Ekon	Fund III	18.0	17.1	2
TechInsights	Fund III	0.4	13.5	2
Contabo	Fund IV	5.0	4.9	1

* The OCI cost and valuation numbers above have been calculated on an OCI look-through basis as described on pages 20 and 21. 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.

TMT portfolio companies

1

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 is a leading SaaS platform for server management globally. The group comprises six web hosting brands including cPanel and Plesk, two of the most widely used web hosting automation software platforms. WebPros seeks to simplify the lives of developers and web professionals by providing highly scalable software solutions that automate server tasks for hosting providers and web professionals. cPanel and Plesk have both established themselves as leading software solutions/providers over the past 20 years and have over 900,000 active server licenses globally, supporting the operations of more than 80 million websites.

Fund III originally invested in Plesk in 2017 and subsequently completed five acquisitions to create WebPros, a product portfolio that addresses the full-end-end customer lifecycle for shared hosting providers. WebPros performed strongly in 2019 with revenue growth of 8% and EBITDA growth of 8%, above the prior year.

2

Daisy

The UK's #1 independent provider of converged B2B communications, IT and cloud services.

Formed in 2001, Daisy has grown into one of the UK's leading telecommunications providers, with 360,000 indirect and direct customers, c.2,100 partners, c.4,000 employees, and over 30 locations nationwide.

Daisy offers a comprehensive range of products and services to corporate customers of all sizes, organised into four main divisions:

- Small and medium businesses
- Digital wholesale solutions
- Daisy corporate services
- Allvotec

Throughout 2019, Daisy has continued to focus on its divisional strategy with positive momentum in the small and medium businesses direct and Digital Wholesale Solutions division, offset by some shortfalls in other areas.

TMT portfolio companies continued

3 Ekon

£18.0m
OCI'S OPEN COST

£17.1m
OCI'S VALUATION

2%
OF OCI NAV

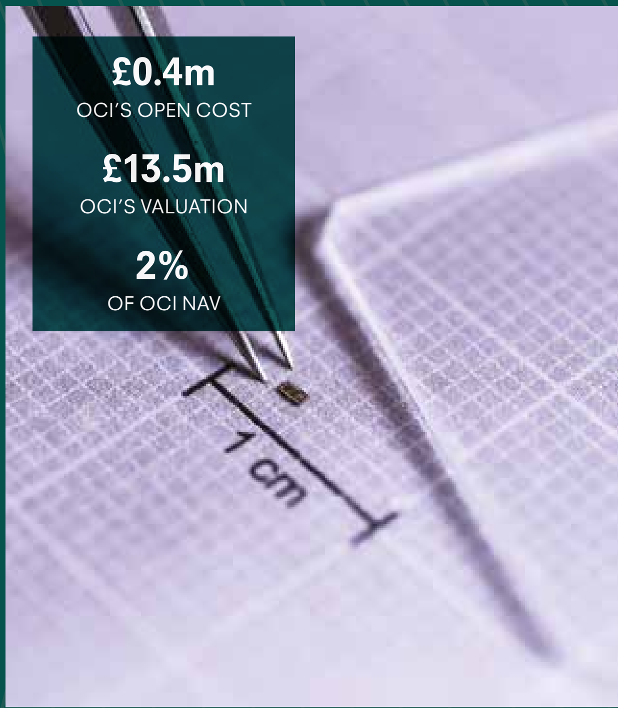
New investment – Fund III

Ekon provides Enterprise Resource Planning ("ERP") software to Spanish SMEs in product-centric industries.

Ekon's ERP has a flexible multi-tenant architecture, available on-premise or in the cloud. The migration of its c.1,000 customers to the cloud is well underway, with c.40% currently on SaaS. The product is modular in design, offering functionality across Finance, HR, CRM and operations with dedicated vertical modules for its core end-markets: manufacturing, wholesale, retail, health and construction. Ekon's software is developed exclusively in Spain, making it one of the few local players of scale in a market that, aside from the dominant international vendors, is highly fragmented.

Six months into Oakley's investment, Ekon's performance is in line with expectations and the business is making good progress on its planned strategic initiatives. Key management were employed and the investment programme has progressed significantly, notably building the sales and marketing teams, refreshing the brand and preparing the business for relocation to the 'tech hubs' in Barcelona and St. Cugat.

4 TechInsights



£0.4m
OCI'S OPEN COST

£13.5m
OCI'S VALUATION

2%
OF OCI NAV

A global leader in the intellectual property and technology services market.

TechInsights is trusted by the world's leading technology companies to support IP licensing activities and inform technology strategies by leveraging its proprietary database of technical intelligence and unparalleled reverse engineering capabilities.

2019 was a year of transition for TechInsights, with significant growth in recurring revenues against a challenging market backdrop. The business felt the effects of a softer semiconductor market however this was offset by strong growth in the subscriptions segment of the business, up +30% on the prior year. The ongoing development of the subscriptions vertical, which is the major driver of growth for the business, remains the key strategic objective.

Oakley has supported management in the accelerated transition toward higher quality recurring revenues and 2019 demonstrates the success of this approach.

5

Contabo

Contabo is a cloud hosting platform used by developers, entrepreneurs and SMEs for webhosting, development and storage.

Contabo's web-hosting solution is known in the market for its technology edge, high performance, customer support and competitive pricing. Fund IV acquired a controlling stake in the business from its founders in October 2019 and will invest alongside proven hosting entrepreneurs from the Oakley network, to develop the company.

Oakley's considerable expertise from investing successfully in the hosting sector will help to further professionalise the business and maintain its strong growth trajectory.

In the short period of Oakley's ownership, Contabo has made good progress both financially and operationally. The management team has already been strengthened with a new CEO and CFO in place, and further senior management positions filled.

Education sector

Market review

Education is a core sector for Oakley, with five investments ranging from after school tutoring and higher education to marine e-learning.

Over recent years, Oakley has emerged as one of the leading investors in education in Europe. From successfully backing entrepreneur Nadim Nsouli to establish the Inspired Group in 2013 and growing it into what is now one of the largest premium private schools groups globally. Oakley has expanded its focus in education through five investments in the sector, spanning after-school tutoring, higher education, K-12 (kindergarten to year 12) and marine e-learning.

Oakley is well-known in the sector for its substantial expertise and networks and was recognised by EducationInvestor as their "Education Investor of the Year" for 2019.

This year, as the world economy reaches the later stages of the credit cycle, more and more investors are drawn to education, attracted by the less cyclical nature of the sector identified by Oakley several years ago. At the same time, the education sector globally remains highly fragmented, with limited assets of scale.

Oakley continues to see significant opportunities for companies to create value through the application of technology to education, through the internationalisation of education and the increased role of private providers. Oakley's differentiated approach to origination, depth of experience in the sector and reputation as a straightforward counterparty has allowed Oakley to access opportunities unavailable to other investors.

Sector investments*

Investment	Oakley Fund	OCI's open cost (£m)	OCI's valuation (£m)	% of OCI NAV
Inspired	OCI/Fund II	24.8	92.3	13
Career Partner Group	Fund III	20.6	59.2	9
Schülerhilfe	Fund III	30.8	47.1	7
Seagull & Videotel	Fund IV	20.2	19.3	3
AMOS	Fund III	7.0	13.6	2

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Education portfolio companies

1

Inspired

A leading global premium private schools group, with over 64 schools across five continents.

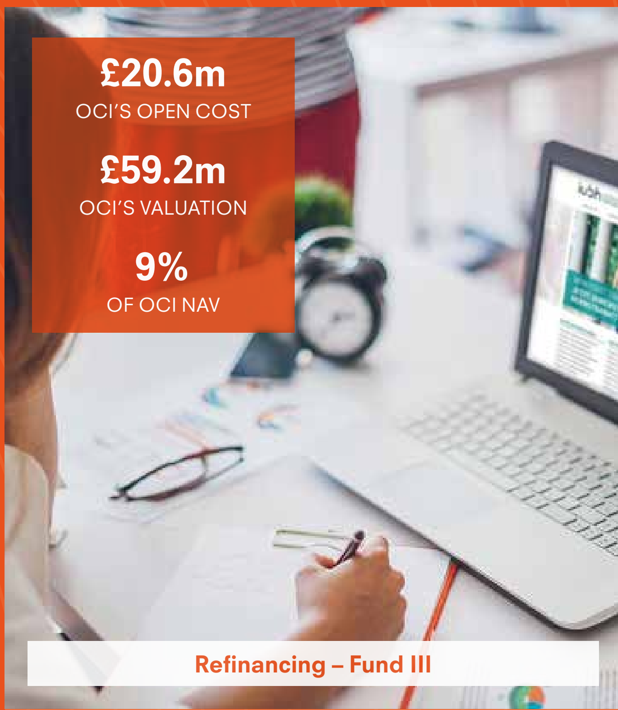
Inspired has grown rapidly through acquisition and greenfield development. The initial investment in the Group was made in July 2013 and since then, Inspired has expanded across Africa, Europe, Asia and South America, educating over 45,000 students across 64 premium schools and early learning centres.

Inspired finished the financial year to August 2019 with revenue up 53% and adjusted EBITDA growth of 72%, driven by a mix of revenue growth, M&A and cost control across all regions.

Following the multiple acquisitions completed during the previous financial year, Inspired is now one of the three largest global K-12 groups.

2

Career Partner Group



One of Germany's leading providers of private higher education.

Career Partner Group is the fastest growing private university group in Germany with c.30,000 students enrolled across four types of programmes: online degree courses ("Online"), part-time studies, corporate training and Dual Studies (private on-site education in cooperation with corporate partners). Fund III acquired a majority stake in the company in 2017, partnering with the entrepreneurial management team to support the continued development of the business.

Career Partner Group continued to exhibit strong performance in 2019, growing both revenue and EBITDA 41% versus the prior year. Growth has been driven by significant growth in student intake 69% versus the prior year, across both new and existing courses in Online and both new and mature centres in Dual Studies.

Education portfolio companies continued

3

Schülerhilfe

The leading provider of after-school tutoring across Germany and Austria.

Schülerhilfe provides group tutoring to over 125,000 primary and secondary school students in 1,000 branches across Germany and Austria. Lessons are given in small groups, which produce better results at a much lower cost than one-to-one tutoring.

Schülerhilfe continues to maintain its track record of highly consistent growth, which has continued through 2019. The rate of new centre openings and franchised buy-backs has increased, which brings the group to 561 own centres at the year-end, up 6.5% from the previous year. Enrolment growth in the year grew by 13% which has resulted in strong revenue development in both its own and franchised centres, 15% and 8%, respectively.

4

Seagull & Videotel

Seagull & Videotel are the leading maritime e-learning businesses worldwide.

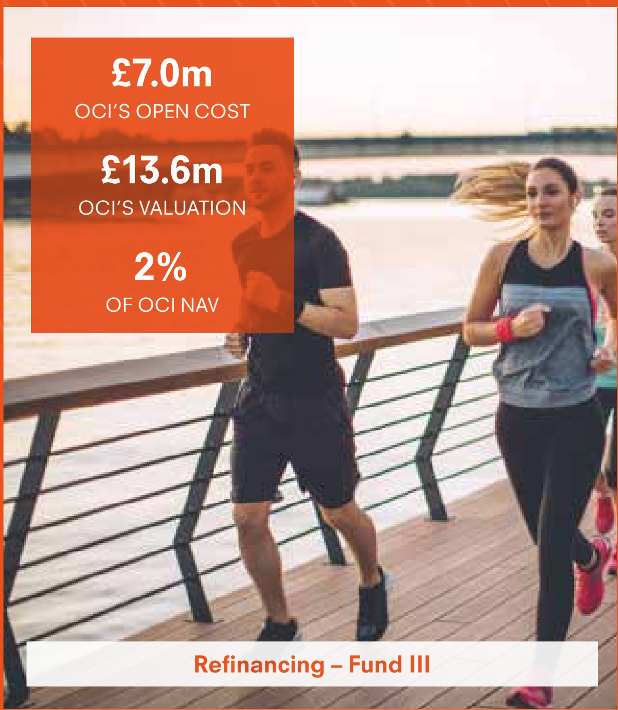
Over the past 40 years, Seagull & Videotel have established themselves as best-in-class providers of e-learning to the maritime sector globally. Every year they provide 20,000 ships and other installations with comprehensive and up-to-date compliance, risk and safety training that ensures adherence to International Maritime Organisation requirements.

This investment represents a continuation of Oakley's successful track record in the education, software and maritime sectors. The integration of the two businesses will allow them to share knowledge and resources, invest more in developing new technology, content and teaching methods, and build a platform for further M&A in existing and adjacent markets.

Seagull & Videotel ended the year with revenue and EBITDA growth of 11% and 5% versus the prior year, respectively. During the year, the Group also progressed its M&A strategy by completing the acquisitions of Tero Marine and COEX (a fleet management and document management software businesses).

5

AMOS



France's leading business school focused entirely on sport management and sport business.

Fund III acquired a majority stake in AMOS in August 2017, as part of Oakley's roll-up strategy in the higher-education sector, with the aim of replicating the success of Inspired in the K-12 market. The group now also own the Centre Européen de Management Hotelier International (CMH) a leading business school in Paris focused on hotel management and tourism, as well as ESDAC, a group of design and commination schools based in South-East France.

AMOS has enrolled 2,288 students for the current academic year, which represents enrolment growth of over 25% versus the prior year. In September 2019, AMOS opened a new campus in Rennes, following the successful opening of campuses in Toulouse and Aix-Marseilles in 2018. This takes the total number of campuses in France to nine, up from five at acquisition.

Environmental, Social and Governance policy

Responsible investing

The Board adopted an ESG policy in March 2020 which it plans to evolve further during the year. The Company's business model is intertwined with its investment in the Oakley Funds and as such, OCI's ESG policy is reliant upon the relevant policies and practices adopted by the Investment Adviser. In addition, the Company undertakes its own independent activities with regard to ESG and will be continuing to build on these throughout 2020.

The Board has endorsed Oakley's policies to advise on the investment of the Company's resources in a socially responsible manner. Through the work of the Management Engagement Committee, the Board will monitor investment activity to ensure that it is compatible with the Company's policies.

The Company believes that responsible investment is important to protect and create long-term investment value, beyond the drivers of ethics, compliance and risk management.

Oakley recognises that ESG considerations may require different focuses, dependent on the nature of an individual business. Oakley therefore, works together with its portfolio companies to identify and apply good practice with regard to managing ESG matters. This commitment was underscored by Oakley becoming a signatory to the United Nations Principles for Responsible Investment (PRI), in 2016.

Oakley's core ESG principles include:

- Integrate ESG considerations into all stages of the investment process – from due diligence and throughout the period of ownership, to exit;
- Pursue alignment, in our ESG approach, with the BVCA Responsible Investing Guidelines, and other industry good practice as it develops;
- Promote the respect, by Oakley and portfolio companies, of fundamental human rights;
- Avoid bribery or corruption in any of Oakley's or its portfolio companies' dealings;
- Encourage portfolio companies to consider and mitigate the ESG impacts of their operations;
- Avoid investment in specific sectors which Oakley, or its investors, consider especially sensitive from an ESG or ethical viewpoint; and
- Seek continuous improvement in responsible investment techniques and ESG performance at Oakley and its portfolio companies.

Charitable Giving

In addition, the Company aims to support charitable organisations in Bermuda. In 2019, the Company pledged £25,000 p.a. to Ignite Bermuda as part of a multi-year commitment. Ignite Bermuda is a registered charity and business accelerator which works with local entrepreneurs towards their mission of job creation, education and enhancing diversity. More information about this initiative can be found here: www.ignitebermuda.com.

ESG in the Oakley investment process

Pre-investment	Post-investment	Prior to exit
Inherent ESG risk assessment: • Environmental • Health and Safety • Labour / Employees • Community	Portfolio companies are required to provide Oakley with periodic questionnaire-driven assessment of: • Governance • Workplace • Marketplace • Environment • Community	Due diligence screening for restricted industries (of buyers), sanctions, political exposure, adverse media, regulatory enforcement
Risk-based enhanced ESG assessments	Where higher ESG risks or opportunities have been identified, these are considered at Board meetings and monitored appropriately	
Due diligence screening for restricted industries, sanctions, political exposure, adverse media, regulatory enforcement		

An example of ESG in action: ALESSI

Alessi shareholders share the vision that a company's primary role is to run a business that meets the highest standards of social and environmental performance. Corporate Social Responsibility consists, first and foremost, of carrying out day-to-day business activities with care: producing economic value, creating products that are good for people and valuing people's work.

Alessi has always promoted social responsibility initiatives that go beyond its regular activities.
Its approach to creating a positive impact is defined through three key areas:

1

Product, Art and Culture

Alessi's mission to continually pursue design excellence, works to ensure the success of the company as well as to bring awareness of the ethical and cultural values of its products to its customers and the general public.

- Alessi products are displayed in the **permanent collections** of over 50 of the world's leading contemporary art museums. This means over **350,000 Works of Art** are brought into people's homes, every year.
- All contents and results of research is collected and shared in the framework of the **Alessi Museum**, an archive of nearly 40,000 prototypes, plans and designs, that can be visited free of charge by researchers, schools, journalists and students.
- Alessi takes part in **design exhibitions** alongside the most important cultural institutions in the world and provides **annual donations** in support of foundations in the art and design field.

2

People

Alessi's company culture and values ensure that its employees and their professional fulfilment remain a priority throughout their Alessi career.

- **20 years** is the average length of service with more than 30% of the workforce having **more than one generation** employed by the company.
- Alessi provides a **Welfare Programme** for employees and their families, including nursery grants, additional work permits to allow care for children and annual grants to support education.
- Alessi employees are involved in the **Alessi Anghini Community Fund**, which provides grants to social initiatives promoted by or directly involving Alessi employees. Over €500,000 has been donated to local charities since 2009, which represents approximately 1% of company profits.

3

Community and Environment

Alessi is committed to measuring and improving social and environmental performances, resulting in a reduction in the environmental impact of its operations.

- The environmental impact of producing a product is considered throughout the **product lifecycle**. Since 2004, all processes undergo the environmental certification UNI EN ISO 14001:2004, on raw materials, energy, water, biodiversity, CO2 emissions and waste.
- In 2013, Alessi started the **Buon Lavoro Project**, through which around 20,000 hours of corporate volunteering have been donated to local community projects.
- Alessi's commitment to social causes is also reflected through two programmes, **Alessi for Children** and (**RED**), through which more than €800,000 has been donated to international NGOs, since 2005.

Oakley recognises the importance of encouraging Alessi to continue to implement these initiatives to ensure it maintains the highest standards of social and environmental performance. Oakley is committed to supporting Alessi to maintain the right balance between profit and purpose and recognises that value can be created from embracing sustainable practices both for investors and for the wider community.

Overview of Fund portfolios

Oakley Fund I investment activity

Fund I was launched in 2007 and the Funds' term was extended to November 2020. It has one remaining investment. The investment portfolio of Fund I is summarised in the table below. Fund I is denominated in euros, and the year-end exchange rate was used. OCI holds a 70.4% interest in Fund I.

Oakley Fund I	31 Dec 2019 Fair value €m	31 Dec 2018 Fair value €m
Time Out	63.3	34.7
Broadstone	–	0.6
Total current investments	**63.3**	**35.3**

Fund I's only remaining investment is Time Out Group plc ("Time Out"). This is a publicly listed entity 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 2019 share price of £1.23. There is no remaining fair value for Broadstone at 31 December 2019.

Time Out continues to help people explore and experience the best of the city through its two divisions – Time Out Media and Time Out Market. The Group's content proposition has been strengthened through the launch of the new markets, helping to accelerate synergies between the divisions, raising the Group's profile and growing its highly engaged audience. This has also had a positive impact on the Time Out share price, increasing from £0.70 at 31 December 2018 to £1.23 at 31 December 2019.

Time Out Market has seen substantial progress in 2019 and is encouraged by the strong early trading of the five sites opened in the period. The first Time Out market opened in 2014 in Lisbon and following this success, five markets have opened since in Miami, New York, Boston, Montréal and Chicago, with the global roll-out set to continue.

Time Out Media has continued to focus on the quality of its revenue, reducing the frequency of certain print publications and low margin events and placing a greater emphasis on organic traffic over paid acquisition, which has led to an improvement in gross margin.

These initiatives help to ensure the Group remains on track to deliver near-term EBITDA profitability.

Oakley Fund II investment activity

The investment portfolio of Fund II is summarised in the table below. Fund II is denominated in euros, and the year-end exchange rate was used. The Company holds a 36.2% interest in Oakley Fund II.

Oakley Fund II	31 Dec 2019 Fair value €m	31 Dec 2018 Fair value €m
North Sails	107.6	121.2
Inspired	64.9	106.4
Daisy	35.9	49.8
Total investments	**208.5**	**277.4**

Fund II has three remaining investments and the focus is on managing these businesses to achieve attractive exits and return capital.

In June, Fund II realised a partial interest in Inspired. Inspired raised capital to provide further funds to continue its M&A strategy, and to provide liquidity for certain shareholders. Following a competitive process, Warburg Pincus joined the investor group. Fund II sold part of its stake in Inspired, at an 80% premium to book value and as a result received €125.3 million of which OCI received proceeds of €33.9 million (£30.2 million) from this transaction.

The fair value of the Fund II portfolio has decreased by €68.9 million since 31 December 2018. €41.5 million of this reduction is due to the sell-down of Inspired. The fair value of North Sails decreased by €13.6 million due to challenging trading performance in the powerboat business, Edgewater, and an increased level of net debt. Daisy's fair value also decreased by €13.9 million, attributable to a lack of top line growth, primarily reflecting challenges in the Corporate and Allvotec businesses, combined with increased levels of net debt.

Oakley Fund II has called €176.7 million, from OCI as at 31 December 2019, representing 93% of the Company's total committed capital.

Oakley Fund III investment activity

The investment portfolio of Fund III is summarised in the table below. Fund III is denominated in euros, and the year-end exchange rate was used. The Company holds a 40.7% interest in Fund III, which is now fully invested other than add-on acquisitions.

Oakley Fund III	31 Dec 2019 Fair value €m	31 Dec 2018 Fair value €m
Casa & atHome	124.7	122.0
Schülerhilfe	147.6	113.0
WebPros	382.6	220.9
TechInsights	47.3	43.6
AMOS	43.6	44.0
Career Partner Group	196.3	132.4
Facile	106.7	80.4
Ekon	49.6	–
Alessi	21.9	–
Total investments	**1,120.4**	**756.3**

Fund III had an active year, completing two further acquisitions, investing €71.5 million, and undertaking three refinancings.

In May, WebPros completed the acquisition of WHMCS, a leading web hosting management and billing SaaS Platform. The acquisition was fully debt funded and as part of the transaction WebPros took on $71.0 million of additional debt which also led to the repayment of Fund III's outstanding loan notes. This resulted in €44.3 million of proceeds being returned to Fund III, which were used to repay debt at the Fund level.

During the year, CPG continued its strong performance, driven by growth across both online and dual studies programmes. On the back of this strong performance, CPG secured a committed debt facility with Arcmont Asset Management (formerly Bluebay), allowing the return of the full investment cost over the next 15 months in several tranches, contingent on the performance of the business. The first tranche was drawn in February 2019 and returned €12.5 million (£10.9 million) to OCI.

In June, Fund III invested €49.5 million for a majority stake in Ekon a leading Spanish provider of Enterprise Resource Planning software, in a carve-out from its previous owner, Unit4. The deal marked Oakley's first investment in Spain, Fund III's third in the TMT sector and its second platform deal in the software space.

In August, Fund III invested €15.8 million for a controlling stake in Alessi, the Italian high-end homeware producer. Alessi is an iconic homeware brand with 100 years of heritage, and by working with some of the world's leading architects and designers has captured a global audience and well-established premium position in the market.

In December, AMOS completed a refinancing which enabled the repayment of Fund III's outstanding loan notes returning €8.4 million of proceeds to Fund III, which were used to repay debt at the Fund level.

The underlying companies have continued to show good progress, reflected in positive revaluations across the portfolio. There was a significant increase in the fair value of WebPros which was uplifted in anticipation of completion of its exit, following the signing of a deal in December 2019. Fund III originally invested in WebPros in 2017 and subsequently completed six acquisitions to create a product portfolio that addresses the full end-to-end customer lifecycle for shared hosting providers. The fair values of CPG and Schülerhilfe also had notable increases due to strong growth in those companies.

Fund III has called €205.3 million, from OCI as at 31 December 2019, representing 63% of the Company's total committed capital.

Overview of Fund portfolios continued

Oakley Fund IV investment activity

The investment portfolio of Fund IV is summarised in the table below. Fund IV is denominated in euros, and the year-end exchange rate was used. The Company holds a 28.6% interest in Fund IV.

Oakley Fund IV	31 Dec 2019 Fair value €m	31 Dec 2018 Fair value €m
Seagull & Videotel	79.9	–
Seven Miles	96.4	–
Contabo	20.3	–
Total investments	**196.6**	**–**

Fund IV held its final close in June 2019 and closed exceeding its target size of €1.2 billion with total committed capital of €1.5 billion. OCI has made a €400 million commitment. Fund IV has been active in deploying capital in 2019, completing three new investments in the year, following the same proven strategy as Oakley's previous Funds.

In June, Fund IV completed its first investment, acquiring controlling stakes in two leading maritime e-learning providers, Seagull and Videotel, based in Norway and UK respectively. Fund IV invested €79.2 million in the deal which represents Oakley's first in the Nordics and continues Oakley's successful track record in the education and maritime sectors.

In August, Fund IV invested €63.0 million to acquire a majority stake in Seven Miles, a leading German consumer technology company in the gift voucher and B2B gift card sector, partnering with its founders, Tom Schröder and Valentin Schütt. This acquisition continues Oakley's successful track record of backing founder managers in consumer technology platforms in the DACH region.

In October, Fund IV invested €20.3 million to acquire a majority stake in Contabo, buying from its founder managers. Contabo's offering includes virtual, dedicated and other hosting solutions with optional upgrades, enabling both short-term project work and long-term hosting solutions. The brand has a strong reputation for its technological edge, customer service and competitive pricing.

Fund IV has called €30.0 million, from OCI as at 31 December 2019, representing 7.5% of the Company's total committed capital to the Fund.

COVID-19 impact

At the time of writing, the full extent of the global COVID-19 outbreak and resultant effect on the economy is unknown. A trading impact is anticipated across the Funds but Oakley Capital remain confident that its investment strategy and sector focus will provide some resilience during this period of disruption.

The impact of the virus is being closely monitored and all investee companies have prepared response plans and proposed measures have been shared across the portfolio.

Direct investment review

The direct investment portfolio as at 31 December 2019 is summarised in the table below:

Direct investments	31 Dec 2019 Fair value £m	31 Dec 2018 Fair value £m
Equity securities		
Inspired (unquoted)	75.0	41.8
Time Out (quoted)	38.5	22.3
Debt securities		
Time Out	23.3	20.9
Daisy	15.8	14.9
North Sails	73.5	40.6
Fund Facilities	14.6	30.6
Total direct investments	**240.7**	**171.2**

Equity securities

Inspired completed a capital raise in June 2019, representing an 80% premium to the prevailing book value. OCI did not participate in the sell-down as it continues to see further upside in the investment but benefited from the revaluation.

Inspired has seen further growth throughout 2019, signing the acquisitions of two leading schools, Reddam Australia, a leading K-12 school in Sydney and King's Group, a group of K-12 schools based in Europe, which add further scale to the group. The acquisitions and organic growth have been reflected in the uplift in fair value at the year end.

Time Out has shown significant growth throughout 2019, mainly due to the progress made with the expansion of the Time Out Markets, seeing five markets opened in North America. The global roll-out is set to continue with planned launches in Dubai (2020), London (2021) and Prague (2023). The share price performance has been positive, increasing from £0.71 at 31 December 2018 to £1.23 at 31 December 2019, which has been reflected in the uplift in its fair value at the year end.

Debt securities

The Company provides debt facilities to certain Oakley Funds and portfolio companies. These are provided on an arms-length basis at an attractive market interest rate. The interest income generated from these loans exceeds the interest earned on OCI's bank deposits, allowing OCI to earn higher returns on part of its cash reserves. During 2019, OCI received £9.1 million of interest from the debt facilities provided.

The Company provided an additional £25.5 million of debt to North Sails during the year to fund the relaunch of North Kiteboarding, including the acquisition of kiteboarding accessories brand, Mystic. In addition, the Company provided £2.3 million of additional funding to North Sails Apparel to accelerate its marketing campaign.

Time Out Group was provided with an additional £2.5 million loan, which was repaid within the period. This was a short-term loan used to fund the rollout of Time Out Markets until the successful completion of a placing of new shares.

The Company also provides revolving credit facilities, to three of the four Oakley Funds. Each drawing under these facilities is for no more than one year. As at 31 December 2019, the Company had outstanding debt facilities of £14.6 million provided to the Oakley Funds, including accrued interest. This represented a decrease of £16.0 million from 31 December 2018, primarily due to the repayments within the Oakley Fund II facilities and the cancellation of the Fund III facility.

Governance

Board of Directors

Caroline Foulger
Chair

Appointed to the Company's Board in June 2016 (Chair in September 2018), Caroline has been an independent Non-Executive Director in the financial services industry since 2013. Caroline was previously a partner with PwC for 12 years, primarily leading the insurance practice in Bermuda and servicing listed clients, 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's experience as a Director of listed financial services companies has proved indispensable during a year which saw a listing move to the Specialist Fund Segment of the London Stock Exchange. Her leadership skills will continue to impart a culture of positive change to service providers, the Board and its Committees.

Current Directorships of publicly listed entities

Non-Executive Director of Hiscox Limited

Craig Bodenstab
Non-Executive Director

Appointed to the Company's Board in July 2019, Craig has over 25 years' experience in investment management. He recently retired from his role as 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 2017. He has a Bachelor of Commerce from Dalhousie University, a Master of Business Administration from Columbia University and London Business School and is both a qualified accountant and a CFA charterholder. Craig is a resident of Bermuda. His experience in the investment management industry, and in relatively fast-growing asset management entities provides him with relevant perspective and insights. He was appointed Senior Independent Director on 11 March 2020.

Current Directorships of publicly listed entities

None

Laurence Blackall
Non-Executive Director

Appointed to the Company's Board in July 2008, 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. Laurence's insights into the entrepreneurial process is focal to the Company's business model and success. His TMT industry knowledge has proved valuable during his tenure to date.

Current Directorships of publicly listed entities

Non-Executive Director of Pembroke VCT plc

Peter Dubens

Non-Executive Director

Appointed to the Company's Board in July 2007, 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 €3 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.

Current Directorships of publicly listed entities

Non-Executive Director of Time Out Group plc

Stewart Porter

Non-Executive Director

Appointed to the Company's Board in September 2018, 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. Stewart worked as Chief Operating Officer of the Investment Adviser, Oakley Capital Limited, from 2010 until his retirement in 2018. During his career, Stewart has held positions as COO and CFO at Wilkinson Sword and TI Group. He was a founder and CFO of Pipex Communications plc and was instrumental in the development and successful sale of the Pipex group. Stewart's industry knowledge and in-depth understanding of the Investment Adviser makes him invaluable in providing the Board with enhanced insights into the detailed workings of its key service providers.

Current Directorships of publicly listed entities

None

Richard Lightowler

Non-Executive Director

Appointed December 2019, Richard has 25 years' experience in public accounting and recently retired as Partner of KPMG in Bermuda, after almost 19 years in the role. He was head of the KPMG Insurance Group in Bermuda for almost 14 years, and was a member of the firm's Global Insurance Leadership Team and Global Lead Partner for large international insurance groups listed on the New York and London Stock Exchanges. Richard is a resident of Bermuda and he is a Chartered Accountant of England & Wales. Richard has significant regulatory experience and led KPMG's relationship with the Bermuda Monetary Authority ("BMA"). He has a continuing role advising the BMA on regulatory matters. Richard brings with him a wealth of knowledge in financial services, expertise in best practice corporate governance and significant transactional experience.

Current Directorships of publicly listed entities

Non-Executive Director of Hansa Investment Company Limited

Directors' report

The Company's registered office and principal place of business is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

The Board of Directors

The Board currently comprises the Chair and five other Non-Executive Directors. James Keyes retired from the Board in July, and was replaced by Craig Bodenstab. Richard Lightowler joined the Board in December 2019 as an additional Non-Executive Director.

All Directors, other than Peter Dubens and Stewart Porter, are considered to be independent. Peter Dubens and David Till (as alternate Director), with a team of investment professionals, are together primarily responsible for performing investment advisory obligations with respect to the Company and the Oakley Funds. Stewart Porter was employed as the COO of the Investment Adviser until mid-2018 and is yet to be considered independent as Director of the Company.

Laurence Blackall remains independent despite his length of service on the Board as he is free from any business or other relationship that could materially interfere with his exercise of judgment.

The Board met formally 12 times during 2019, including the four quarterly scheduled meetings in Bermuda. This increased frequency was driven by strategic changes to the Board and the move to the SFS listing. There is regular contact between Directors and the Oakley Group as otherwise required for the purpose of considering key 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, Investment Adviser and other service providers.

Where necessary, the Directors may seek independent professional advice at the expense of the Company to aid their duties.

The rules governing the appointment of Directors to the Board is contained in the Company's Bye-laws.

Conflicts of interest

The Directors have declared all conflicts and potential conflicts of interest to the Board, a register of which is considered at Board and Committee meetings. Declaration of Directors' interests is a standing Board agenda item at the outset of each meeting. A conflicted Director is not allowed to take part in the relevant discussion or decision, and is not counted when determining whether a meeting is quorate.

Peter Dubens is a shareholder and a Director of a number of the Oakley Group entities and cannot vote on any Board decision relating to these whilst these interests remain. Peter is also a Director of portfolio companies in which the Company directly invests alongside the Oakley Funds, including Time Out Group plc and North Technology Group LLC (North Sails).

Each Director's shareholding is outlined as part of the Directors' Remuneration Report, and is considered for fair dealing purposes as a declared interest at the time of e.g. share issuance or buybacks.

Investment Management and Administration

The Company is a self-managed Alternative Investment Fund ("AIF"), and the Board has the ultimate decision to invest (or take any other action) in the Oakley Funds or as a direct investment. In the ordinary course of business, it makes decisions after reviewing the recommendations provided by the Oakley Group (Investment Adviser on behalf of the Administrative Agent).

Oakley Capital Manager Limited serves as Administrative Agent to the Company. It is incorporated in Bermuda and regulated by the Bermuda Monetary Authority as a licenced Investment Business. The Administrative Agent provides operational assistance and corporate secretarial services to the Board with respect to the Company's business. The Administrative Agent is managed by experienced third-party administrative and operational executives.

Oakley Capital Limited 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 Directors of the Company believe these arrangements create the conditions to enhance long-term shareholder value and, based on the Company's overall purpose, to achieve a high level of company performance.

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.

The Company has appointed Mayflower Management Services (Bermuda) Limited (the "Administrator") to provide administration services pursuant to an Administration Agreement. 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 Administrative Agent has been appointed pursuant to an amended and restated operational services agreement (the "Operational Services Agreement") that was approved in 2019. The Operational Services Agreement continues for consecutive periods beginning on the date of the last annual general meeting at which a continuation vote was put to shareholders (a "Continuation Meeting") and ending on the date of the next Continuation Meeting. The term of the agreement automatically renews at the end of each such period. However, if at any Continuation Meeting (the next being scheduled for 2022), a discontinuation resolution is approved and a decision is made to terminate the agreement, the Administrative Agent must be given one year's notice of termination. The Company also has the right to terminate the agreement with 90 days' notice in the event of certain key person events in relation to the Investment Adviser's key personnel. 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. In the event of the Company terminating the agreement without cause, the Administrative Agent is entitled to continue receiving service fees to the termination date plus termination proceeds equivalent to the performance fee that would be payable if all direct investments held by the Company were realised in full on the termination date.

Ongoing costs

For the period ended 31 December 2019, the Company's ongoing charges were calculated as 2.57% of NAV. The calculation is based on the ongoing annual charges expressed as a percentage of the average NAV published half-yearly over the relevant year.

Ongoing charges are calculated in accordance with the guidelines issues by The Association of Investment Companies ("AIC"). They comprise recurring costs including the operating expenses of the Company, operational services fees paid to the Administrative Agent and, on a look-through basis, the expenses and management fees paid by the underlying Oakley Funds. The calculation specifically excludes the expenses, gains and losses relating to the acquisition or disposal of investments, performance related fees (such as carried interest), and financing charges.

When the underlying funds have reached the 8% hurdle and are paying carry, 20% of the funds fees and expenses are effectively paid by the carry holders and therefore, only 80% of such look-through fees and expenses are attributed to OCI.

Operational service fees paid on direct investments and General Partner's share payments on the Oakley Funds are:

Debt direct investments	At 1 January 2020, this fee will no longer be payable.
Equity direct investments	Operational service fee of 2% of NAV (before deduction of any accrued performance fees), payable to the Administrative Agent.
Oakley Capital Fund I	2% on invested capital, commencing 30 November 2014 (date of closure of investment period).
Oakley Capital Fund II	2% on invested capital, commencing 31 January 2017 (date of closure of investment period).
Oakley Capital Fund III	2% on invested capital, commencing 10 May 2019 (date of closure of investment period).
Oakley Capital Fund IV	2% on fund commitment during investment period (ending five years after the final closing date), then 2% on invested capital, stepping down to 1% on invested capital after 10 years after final closing date.

The Administrative Agent may receive 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 at the time of any such transaction.

Under the Operational Services Agreement, the Administrative Agent may recharge costs incurred, either directly or indirectly by its contracted advisors, on behalf of the Company.

Directors' report continued

Stewardship and 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 Company exercises its own voting rights on direct equity portfolio investments.

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.

Performance Fees

The Oakley Funds' Founder Members receive a performance fee of 20% of any proceeds from the full or partial realisation on disposal of each of the Company's Fund investments after the deduction of: a) the original cost of the investment and b) the attributable proportion of expenses incurred, subject to an 8% preferred return.

The Administrative Agent receives a performance fee of 20% of any proceeds from the full or partial realisation on disposal of each of the Company's direct equity investment after the deduction of: a) the original cost of the direct equity investment and b) the attributable proportion of all expenses incurred by the Company in respect of the direct investment (including the operational service fee), subject to an 8% preferred return.

Shareholder communications

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.

Members of the Board have meetings with major shareholders, and the Board receives major shareholders' views of the Company via direct face-to-face meetings, analyst and broker briefings.

The Oakley Group also briefs the Board on a regular basis with regard to feedback received from analysts and investors. Any significant concern and correspondence raised by shareholders in relation to the Company is also communicated to the Board. The Company's Broker and Financial Adviser (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.

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.

Capital Markets Day

The Board holds an annual Capital Markets Day consisting of presentations to shareholders and analysts by senior members of the Oakley Group and management teams from a selection of Oakley Funds' portfolio companies. The event is held in London, with presentations focused on the performance of the underlying Oakley Funds' investment portfolio. Members of the Board attend the Capital Markets Day.

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 and published on the Company's website.

Share capital and voting rights

As at the date of this report, the Company had:

- 198,599,936 Ordinary shares and voting rights in issue; and
- Issued share capital of 198,599,936.

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. In accordance with the Market Abuse Regulation and the Company's share dealing code, Board members and certain employees of the Company's service providers are required to seek approval to deal in the Company's shares.

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 2019, the Company does not hold any treasury shares.

Dividend policy and distributions

The Board has adopted a dividend policy which takes into account the forecast 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 2019 due to 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 2018, which was paid in April 2019. An interim dividend of 2.25 pence per share was paid by the Company in respect of the six months to 30 June 2019, in October 2019.

Share issuance and buybacks

By a special resolution passed at the August 2019 AGM, the Directors were authorised to issue shares and/or sell shares from treasury for cash on a non-pre-emptive basis provided that such authority shall be limited to the issue and/or sale of shares of up to ten percent of the issued share capital as at the date of that meeting.

Unless authorised by shareholders, no issuance of ordinary shares on a non-pre-emptive basis will be made at a price less than the prevailing NAV per ordinary share at the time of issue.

The Company may conduct share buy-backs in the market with a view to addressing any imbalance between the supply of and demand for its shares, to increase the NAV per ordinary shares 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. Such purchases of ordinary shares will only be made for cash at prices below the prevailing NAV per ordinary share. Any repurchased shares will be cancelled in full. Directors' powers of share issuance and/or buy-back will only be exercised if thought to be in the best interests of shareholders as a whole.

During 2019, the Company did not issue any shares. Three share buy-backs were completed during the year, 6.2 million shares, or 3.0% of the total shares in issue as at the beginning of 2019, were cancelled at a weighted average price of 237.3 pence, as follows:

- 404,100 ordinary shares purchased on 15 March 2019, at 189.0 pence per share, for cancellation;
- 1,800,000 ordinary shares purchased on 14 November 2019, at 220.0 pence per share, for cancellation; and
- 4,000,000 ordinary shares purchased on 20 December 2019, at 250.0 pence per share, for cancellation.

Corporate and social responsibility

The Board considers the ongoing interests of shareholders and has open and regular dialogue with the Investment Adviser on the governance of the portfolio companies.

The Company adopted an ESG Policy in March 2020, refer to page 38.

Significant agreements

The following agreements/appointments 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 Advisory Agreement.
- Mayflower Management Services (Bermuda) Limited under the Administrator Agreement.
- Computershare as Registrar under the Registration Agreement.
- KPMG as appointed external Auditor.
- Liberum Capital Limited as Broker and Financial Adviser.

Directors' report continued

Substantial shareholdings

As at 31 December 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	% voting rights 31 December 2019	% voting rights 31 December 2018
Invesco	15.2	20.4
Asset Value Investors	14.0	10.8
OCI Directors	9.2	5.0
Barwon Investment Partners	7.2	0.0
Sarasin and Partners	7.0	6.0
Lombard Odier Asset Management	5.1	0.0
City of London Investment Management Company	4.8	2.6
FIL Investment International	4.6	5.7
Jon Wood and Family	3.4	3.4
NM Rothschild	3.3	4.3

Most notably, the aggregate voting rights of the top three shareholders have decreased from 51% to 38% during the year.

Part of the Company's rationale for moving its listing to the Specialist Fund Segment in August 2019 was that of potential for deeper trading from a broader range of shareholders. The following table outlines the shift in full-year trading volumes and turnover on the Company's shares:

Measure	2018 full-year	2019 full-year	% Change
Average daily trading volume	342,453	570,857	67
Total volume traded in year	86,640,604	146,139,416	69
Turnover (as % of average issued capital)	42.30	72.13	71

The Directors consider the uplift in turnover as encouraging signs for future trading and unlocking of shareholder value in line with net asset value growth.

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.

Financial prospects and position

The Board has established procedures which provide a reasonable basis to make proper judgments on an ongoing basis as to the principal risks, financial position and prospects of the Company.

Regular reporting to the Risk Committee of the Board provides for ongoing analysis and monitoring against risk appetite.

Strategic considerations of the Board as it relates to financial prospects of the Company include:

- Use of leverage. The Company has to date chosen not to leverage its balance sheet;
- Foreign exchange risk hedging. Historically, the Company has not hedged its foreign exchange exposure due to the unpredictable timing and quantum of private equity fund distributions;

- Cash management. The Company keeps the majority of its cash balances in Euros, being the operating currency of the Oakley Funds. Deployment of excess cash positions used to enhance NAV through share buy-backs or pay out earnings to investors in the form of dividends; and
- Commitment to future Oakley Fund contributions and analysis of liquidity forecast and investment opportunities.

Going concern

After making enquiries and given the nature of the Company and its investments, the Directors, after due consideration, conclude that the Company will be able to continue for the foreseeable future (being a period of twelve months from the date of this report). Furthermore, the Directors are not aware of any material uncertainty regarding the Company's ability to do so.

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.

Political donations and expenditure

The Company has made no political donations in the period since incorporation.

Annual General Meeting ('AGM')

An AGM 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 AGM 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, Oakley Capital Manager Limited, 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Details of the AGM will be notified to shareholders separately to this report.

Events after the reporting period

The Board noted the following significant post-balance sheet events:

- On 14 February 2020, the Company received a distribution of £19.2 million from Fund III relating to the refinancing of CPG.
- On 21 February 2020, the Company received a distribution of £116.1 million from Fund III regarding the sale of WebPros.
- On 11 March 2020, the Board of Directors approved a final dividend of 2.25 pence per share in respect of the financial year ended 31 December 2019. This is due to be paid on 23 April 2020, to shareholders registered on or before 3 April 2020. The ex-dividend date is 2 April 2020.
- On 18 March 2020, the Company bought 3,000,000 ordinary shares at the market price on that date for a total of £4,793,850.
- In early 2020, the existence of a new coronavirus (COVID-19) was confirmed and since this time COVID-19 has spread across China and to a significant number of other countries. COVID-19 has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the Company or to provide a quantitative estimate of this impact.

On behalf of the Board

Caroline Foulger

Chair

19 March 2020

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 lay Financial Statements for each financial year before the Members. The Directors have prepared the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS). Consistent with the common law requirements to exercise their fiduciary duties consistent with their level of skills, the Directors will 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 the year. 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 Company's consolidated Financial Statements are published on www.oakleycapitalinvestments.com. The responsibility for the maintenance and integrity of the website 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 published on the website.

The Directors are responsible for ensuring that (i) proper accounting records are kept which 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 (ii) 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 Report

Each of the Directors, whose names and functions are listed in the Board of Directors section of this 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 profit or loss of the Company and, 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.

On behalf of the Board

Caroline Foulger
Chair

19 March 2020

Corporate Governance report

The AIC Code

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 for 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.

The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance, as updated in February 2019. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional Principles on issues that are of specific relevance to the Company.

The Board considers that reporting consistent with the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, will provide more relevant information to shareholders.

A copy of the AIC Code is available on AIC's website at www.theaic.co.uk. It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with all the Principles and Provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below:

- The UK Code includes provisions relating to the role of senior executive remuneration. The Board considers this provision as not relevant to the Company with the majority of the Company's day-to-day management and administrative functions are being outsourced to third parties. Risk management decisions are taken by the Board and its Committees. The Company has, therefore, not reported further in respect of these provisions. This position is re-assessed on an annual basis.
- The UK Code further includes provisions relating to the need for an internal audit function. The Board considers this function is not required for the Company given the work conducted by the Management Engagement Committee in reviewing service providers. 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 business of the Company, certain recommendations of the AIC Code have not been deemed appropriate to its governance framework, an explanation of which is set out as follows:

- Provision 24: The Board has chosen not to adopt a fixed policy on tenure of the Chair. The Board recognises the value of refreshing its membership regularly, and has established fixed tenure for all four independent Directors. The Nomination Committee of the Board prefers 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 tenure of the current Chair, Caroline Foulger's appointment has been set to end and/or be considered for renewal in September 2022.
- Provision 28: The Board has not adopted a formal policy on diversity. Given the recent refreshment of Board membership, the Directors do not consider a specific policy with respect to diversity to be appropriate at this time. Diversity of the Board is considered at least on an annual basis through the Board effectiveness evaluation process.

Corporate Governance report continued

The Company's compliance with the AIC Code principles and provisions is summarised below:

Board leadership and purpose

AIC Code	Provision/Principle	Evidence of compliance
A	A successful Company is led by an effective Board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.	Board effectiveness assessment is focused on the future sustainability of the Company.
B	The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.	Through engagement of service providers, the Board actively demonstrates the desired culture on an ongoing basis.
C	The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	Through the work of its Committees, the Board ensures adequate resources and internal controls.
D	In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.	The Board actively engages with shareholders and service providers on a regular basis.
1	The Board should assess the basis on which the Company generates and preserves value over the long-term. It should describe in the Annual Report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the Company's business model and how its governance contributes to the delivery of its strategy. For an investment Company, the Annual Report should also include the Company's investment objective and investment policy.	The Company's Investment policy and objective is included as part of this Annual Report. The Board, as part of its scheduled meetings, reviews the performance of its investments and annually assesses the performance of the Administrative Agent and the Investment Adviser. The Board also reviews share price performance, discount and buy-back activity. The Board has additionally focused on continuing to enhance the Company's governance processes in 2019, the results of which can be seen in the reports by the Committees of the Board.
2	The Board should assess and monitor its own culture, including its policies, practices and behaviour to ensure it is aligned with the Company's purpose, values and strategy.	The Board is committed to an evaluation of its effectiveness, that of individual Directors, and that of its Committees. The Board completed a review in 2019 and will do so again during 2020.
3	In addition to formal general meetings, the chair should seek regular engagement with major shareholders in order to understand their views on governance and performance against the Company's investment objective and investment policy. Committee chairs should seek engagement with shareholders on significant matters related to their areas of responsibility. The chair should ensure that the Board as a whole has a clear understanding of the views of shareholders.	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. Shareholder Communications processes are outlined in the Directors' report. The Chair and other Directors have met with several shareholders during the year.
4	When 20 per cent or more of votes have been cast against the Board recommendation for a resolution, the Company should explain, when announcing voting results, what actions it intends to take to consult shareholders in order to understand the reasons behind the result. An update on the views received from shareholders and actions taken should be published no later than six months after the shareholder meeting. The Board should then provide a final summary in the Annual Report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, on what impact the feedback has had on the decisions the Board has taken and any actions or resolutions now proposed.	The Board is committed to pro-actively consult with shareholders, trade bodies and other organisations, such as proxy agents prior to shareholder meetings. There have been no instances where 20% or more of votes have been cast against the Board's recommendation for a resolution.

AIC Code	Provision/Principle	Evidence of compliance
5	The Board should understand the views of the Company's other key stakeholders and describe in the Annual Report how their interests and the matters set out in section 172 of the Companies Act 2006 have been considered in Board discussions and decision-making. The Board should keep engagement mechanisms under review so that they remain effective.	The Board is committed to maintain the Company's reputation for high standards of conduct, and actively considers environmental and social impacts of its operations and decisions together. Whilst the Company has no direct employees, it recognises the importance of building successful relationships with its key service providers.
6	The Board should take action to identify and manage conflicts of interest, including those resulting from significant shareholdings, and ensure that the influence of third parties does not compromise or override independent judgment.	The Company implements and strictly monitors its Conflicts of Interest Policy. There were no breaches of this policy in 2019. The Company further engages key service providers to align its conflict policies to a satisfactory standard. Material potential conflicts of interest are outlined in the Directors' report, and Directors' shareholdings are summarised as part of the Directors' Remuneration report.
7	Where Directors have concerns about the operation of the Board or the Company that cannot be resolved, their concerns should be recorded in the Board minutes. On resignation, a Non-Executive Director should provide a written statement to the chair, for circulation to the Board, if they have any such concerns.	Whilst there were no material concerns raised about the operation of the Board or the Company during 2019, the Board continues to encourage a culture of constructive challenges amongst themselves and key service providers.

Division of responsibilities

AIC Code	Provision/Principle	Evidence of compliance
F	The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgment throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures that Directors receive accurate, timely and clear information.	The continued enhancement of the Company's governance and internal process and control is evidence of the effective challenge and constructive engagement, the tone of which is set by the Chair.
G	The Board should consist of an appropriate combination of Directors (and, in particular, independent Non-Executive Directors) such that no one individual or small group of individuals dominates the Board's decision making.	The Company has gone through a recent cycle of Board refreshment and considers the current Board composition as appropriately diversified.
H	Non-Executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third party service providers to account.	All Non-Executive Board members, via their respective roles in Committees, provide constructive challenge, strategic guidance, offer specialist advice and hold third-party service providers to account.
I	The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources.	Board reporting, policies and procedures are refined and improved on an ongoing basis.

Corporate Governance report continued

Division of responsibilities continued

AIC Code	Provision/Principle	Evidence of compliance
8	The responsibilities of the chair, Senior Independent Director, Board and committees should be clear, set out in writing, agreed by the Board and made publicly available. The Annual Report should set out the number of meetings of the Board and its committees, and the individual attendance by Directors.	The responsibilities of the Board are set out in the Company's articles and bye-laws, which are published on its website. All Committees' terms of reference are furthermore also published on the Company's website https://oakleycapitalinvestments.com/publication-category/other-publications/ The Company has established the following Committees: • Audit Committee; • Risk Committee; • Management Engagement Committee; • Governance, Regulatory and Compliance Committee; • Nomination Committee; and • Remuneration Committee The number of meetings of the Board and its committees, and the individual attendance by Directors are reported on in the Nomination Committee's report to the Board, which is included in this Annual Report.
9	When making new appointments, the Board should take into account other demands on Directors' time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior approval of the Board, with the reasons for permitting significant appointments explained in the Annual Report.	Prior to appointment, all Capital Directors and Company disclose all current employment and/or directorship obligations, which are considered as part of due diligence. These are updated on an ongoing basis, and a reassessment is performed if required.
10	At least half the Board, excluding the chair, should be Non-Executive Directors whom the Board considers to be independent. The majority of the Board should be independent of the manager. There should be a clear division of responsibilities between the Board and the manager.	Excluding the Chair, three out of five Directors or 60%, are independent of the Oakley Group as set out in the Directors' Report on page 48.
11	The Chair should be independent on appointment when assessed against the circumstances set out in Provision 13.	As Chair, Caroline Foulger was independent on appointment, and remains independent as considered against the circumstances set out in Provision 13.
12	On appointment, and throughout the Chair's tenure, the Chair should have no relationships that may create a conflict of interest between the chair's interest and those of shareholders, including: • being an employee of the manager or an ex-employee who has left the employment of the manager within the last five years; • being a professional adviser who has provided services to the manager or the Board within the last three years; or • serving on any other Boards of an investment Company managed by the same manager.	Caroline Foulger had no conflicts at appointment and does not have any conflicts with the best interests of shareholders. At no stage was she an employee of the manager, nor a professional adviser who provided services to the manager or the Board. She also does not serve on any Boards of any investment Company with the same manager.

AIC Code	Provision/Principle	Evidence of compliance
13	The Board should identify in the Annual Report each Non-Executive Director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a Non-Executive Director's independence include, but are not limited to, whether a Director: • has, or has had within the last three years, a material business relationship with the Company or the manager, either directly or as a Partner, shareholder, Director or senior employee of a body that has such a relationship with the Company or the manager; • has received or receives additional remuneration from the Company apart from a Directors' fee; • has close family ties with any of the Company's advisers, Directors or the manager; • holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies. Directors who sit on the Boards of more than one Company managed by the same manager are entitled to serve as Directors; however, they will not be regarded as independent for the purposes of fulfilling the requirement that there must be an independent majority; • represents a significant shareholder; or • has served on the Board for more than nine years from the date of their first appointment. Where any of these or other relevant circumstances apply, and the Board nonetheless considers that the Non-Executive Director is independent, a clear explanation should be provided.	Caroline Foulger, Craig Bodenstab and Richard Lightowler are all considered independent per AIC principles. Laurence Blackall remains independent despite his length of service on the Board as he is free from any business or other relationship that could materially interfere with his exercise of judgment. Stewart Porter retired as COO of the Investment Adviser in 2018, and is not currently considered independent. Peter Dubens is the Founder and Managing Partner of the Oakley Group, and hence not considered independent. The Company implements a strict conflicts of interest policy to mitigate any potential interference with Directors' exercise of judgment. Key existing potential conflicts are outlined in the Directors' Report. A register of Directors' interests is maintained and monitored by the Risk Committee on an ongoing basis.
14	The Board should appoint one of the independent Non-Executive Directors to be the Senior Independent Director to provide a sounding Board for the Chair and serve as an intermediary for the other Directors and shareholders. Led by the Senior Independent Director, the Non-Executive Directors should meet without the chair present at least annually to appraise the Chair's performance, and on other occasions as necessary.	The Board appointed Craig Bodenstab as Senior Independent Director on 11 March 2020. The performance of the Chair is discussed annually by the Non-Executive Directors.
15	The primary focus at regular Board meetings should be a review of investment performance and associated matters such as gearing, asset allocation, attribution analysis, marketing/investor relations, peer group information and industry issues.	The Board reviews the Company's performance against investment objectives and policy at least on a quarterly basis. This includes: • investment performance • share price and NAV performance review; • assessment of the share price discount, also as compared to peers; • strategies to enhance share price performance; • marketing and shareholder communication strategies; • managing potential conflicts of interest; • reports from the Risk Committee on risk appetite; • share buy-back policy; and • reports from the Management Engagement Committee on the performance and cost of service providers.

Corporate Governance report continued

Division of responsibilities continued

AIC Code	Provision/Principle	Evidence of compliance
16	The Board should explain in the Annual Report the areas of decision making reserved for the Board and those over which the manager has discretion. Disclosure should include: • a discussion of the manager's overall performance, for example, investment performance, portfolio risk, operational issues such as compliance etc; and • the manager's remit regarding stewardship, for example voting and shareholder engagement, and environmental, social and corporate governance issues in respect of holdings in the Company's portfolio. The Board should also agree policies with the manager covering key operational issues.	• The ultimate decision to invest, or take other investment decisions, sits with the Board. In the ordinary course, this is done after reviewing the recommendations of the Investment Adviser; • The Board takes responsibility for and is directly involved in approving major corporate decisions, e.g. in 2019, moving to the SFS listing; • Pursuant to the Operational Services Agreement, the Board has delegated substantial authority for carrying out the day-to-day administrative functions to the Administrative Agent; • The exercise of voting rights attached to the Company's underlying investments lies with the Oakley Group, and is outlined in the Directors' Report; and • Oakley considers ESG factors at all stages of the investment process. Refer to the Responsible Investing section of this report for more information.
17	Non-Executive Directors should review at least annually the contractual relationships with, and scrutinise and hold to account the performance of the manager. Either the whole Board or a management engagement committee consisting solely of Directors independent of the manager (or executives) should perform this review at least annually with its decisions and rationale described in the Annual Report. If the whole Board carries out this review, it explains in this report why it has done rather than establish a separate Management Engagement Committee. The Chair of the Company may be a member of, and may Chair, the Management Engagement committee, provided that they are independent of the manager.	The Management Engagement Committee's report includes an assessment of the performance of the Oakley Group and other service providers for the year. More detail on the outcomes and actions resulting from this review can be found in the Management Engagement Committee's report.
18	The Board should monitor and evaluate other service providers (such as the Company Secretary, custodian, depositary, registrar and broker). The Board should establish procedures by which other service providers, should report back and the methods by which these providers are monitored and evaluated.	The Board and Management Engagement Committee reviews the performance of key service providers. The Committee is authorised to seek any information it requires from any service provider in order to conduct its duties. In addition to reports from the Administrative Agent (which also acts as Company Secretary) and Investment Adviser, the Board regularly receives reporting from: • Liberum Capital: Broker and Financial Adviser • Greenbrook Communications: Public relations • Stephenson Harwood: Legal Adviser in the UK • Conyers Dill & Pearman: Legal Adviser in Bermuda
19	All Directors should have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters. Both the appointment and removal of the Company Secretary should be a matter for the whole Board.	The Administrative Agent, Oakley Capital Manager Limited, also acts as Company Secretary and is based at the Company's registered address in Bermuda. Representatives of the Administrative Agent attend all Board and Committee meetings of the Company. Oakley Capital Manager Limited was appointed as Company Secretary in July 2019, replacing Mayflower Corporate Services Limited. This change was unanimously approved by the whole Board.

AIC Code	Provision/Principle	Evidence of compliance
20	The Directors should have access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities in a proper manner.	Directors and Committees of the Board have access to independent professional advice, at the Company's expense, if deemed necessary and appropriate. This is provided for in the terms of reference of each relevant Committee, available on the Company's website.
21	Where a new Company has been created by the manager, sponsor or other third-party, the Chair and the Board should be selected and bought into the process of structuring a new launch at an early stage.	Whilst not considered the launch of a new Company, the Board was engaged at an early stage and the Company sought independent legal advice prior to its commitment to invest into Oakley Fund IV. The decision to invest was taken by the independent Directors.

Composition, succession and evaluation

AIC Code	Provision/Principle	Evidence of compliance
J	Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	The Nomination Committee completes a formal due diligence process on all appointments. Whilst no formal policy on diversity has been adopted by the Board, any expansion or future refreshment of the Board will take into account appropriate factors.
K	The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.	The Company has appointed two new independent Directors in 2019. The combination of skills and expertise of the Board is considered appropriately balanced. The weighted average tenure of Board Directors has decreased from 6.3 years to 4.4 years as at 31 December 2018 and 2019.
L	Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively.	The Nomination Committee of the Board considers effectiveness at least annually.
22	The Board should establish a Nomination Committee to lead the process for appointments, ensure plans are in place for orderly succession to the Board and oversee the development of a diverse pipeline for succession. A majority of members of the committee should be independent Non-Executive Directors. If the Board has decided that the entire Board should fulfil the role of the Nomination Committee, it will need to explain why it has done so in the Annual Report. The Chair of the Board should not chair the committee when it is dealing with the appointment of their successor.	The Board established a Nomination Committee in 2019, comprising entirely of Non-Executive Directors. The Committee terms of reference (available on the Company's website) prohibits the Chair of the Board to chair this Committee when dealing with the appointment of their successor.
23	All Directors should be subject to annual re-election. The Board should set out in the papers accompanying the resolutions to elect each Director the specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success.	Each of the Directors retires and is subject to re-election at each AGM. Nomination decisions are taken by the Nomination Committee of the Board. Refer to the Directors' Report for the biography of each Director.

Corporate Governance report continued

Composition, succession and evaluation continued

AIC Code	Provision/Principle	Evidence of compliance
24	Each Board should determine and disclose a policy on the tenure of the Chair. A clear rationale for the expected tenure should be provided, and the policy should explain how this is consistent with the need for regular refreshment and diversity.	During 2019, all four independent Directors signed appointment letters stipulating an end date, unless terminated earlier. This end date for the current Chair, Caroline Foulger, is 30 September 2022, approximately six years after her first appointment in 2016. Due to the long-term nature of the Company's investments in the Oakley Funds, continuity and succession planning are important considerations that are considered and assessed by the Nomination Committee of the Board.
25	Open advertising and/or an external search consultancy should generally be used for the appointment of the Chair and Non-Executive Directors. If an external search consultancy is engaged it should be identified in the Annual Report alongside a statement about any other connection it has with the Company or individual Directors.	The Board did not opt to use open advertising or an external search consultancy in the appointment of the two new Non-Executive Directors in 2019. In the event of search consultancies being used in future, it will be duly disclosed in the Annual Report.
26	There should be a formal and rigorous annual evaluation of the performance of the Board, its committees, the Chair and individual Directors. The Chair should consider having a regular externally facilitated Board evaluation. In FTSE 350 companies this should be at least every three years. The external evaluator should be identified in the Annual Report and a statement made about any other connection it has with the Company or individual Directors.	The Nomination Committee is charged with oversight of the process to evaluate Board, Committee and individual Director effectiveness. Its duties are outlined in the terms of reference available on the Company's website.
27	The Chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the Board. Each Director should engage with the process and take appropriate action when development needs have been identified.	The Directors believe 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. Examples of actions taken in 2019 following the evaluation of the Board include: • Appointment of two new Non-Executive Directors in 2019, in order to rebalance the skills, experience and length of service of the Board as a whole; • Identification and implementation of new procedures for Board training and induction; and • Re-negotiation of certain commercial agreements with the Oakley Group.
28	The Annual Report should describe the work of the Nomination Committee, (including where the whole Board is acting as the Nomination Committee) including: • the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline; • how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual Directors, the outcomes and actions taken, and how it has or will influence Board composition; and • the policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives.	Refer to the report by the Nomination Committee of the Board. Note that the Board has not adopted a formal policy on diversity, given its very recent cycle of refreshment. The objectives of Board diversity and inclusion is taken into account during the Board nomination and evaluation process.

Audit, risk and internal control

AIC Code	Provision/Principle	Evidence of compliance
M	The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Company rigorously follows policy and procedure to ensure effectiveness of external audit and integrity of Financial Statements.
N	The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.	The Company's Financial Prospects and Position has been defined and documented as part of the move to the SFS.
O	The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.	The Risk Committee of the Board oversees implementation of its risk appetite, which is re-assessed at least annually.
29	The Board should establish an Audit Committee of independent Non-Executive Directors, with a minimum membership of three, or in the case of smaller companies two. The Chair of the Board should not chair the committee but can be a member if they were independent on appointment. If the Chair of the Board is a member of the Audit Committee, the Board should explain in the Annual Report why it believes this is appropriate. The Board should satisfy itself that at least one member has recent and relevant financial experience. The committee as a whole shall have competence relevant to the sector in which the Company operates.	The Company has an Audit Committee currently of three independent members, consistent with the Code for smaller companies. The Board will continue to ensure that at least one member has recent and relevant financial experience. The Chair of the Board does not currently sit on the Audit Committee. The committee as a whole is considered to have appropriate competence relevant to the listed private equity sector.
30	The main roles and responsibilities of the Audit Committee should include: • monitoring the integrity of the Financial Statements of the Company and any formal announcements relating to the Company's financial performance, and reviewing significant financial reporting judgments contained in them; • providing advice (where requested by the Board) on whether the Annual Report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; • reviewing the Company's internal financial controls and internal control and risk management systems, unless expressly addressed by a separate Board Risk Committee composed of independent Non-Executive Directors, or by the Board itself; • Conducting the tender process and making recommendations to the Board, about the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; • Reviewing and monitoring the external auditor's independence and objectivity; • Reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements; • developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required; and • reporting to the Board on how it has discharged its responsibilities.	The annual review of the Audit Committee terms of reference, available on the Company's website, has considered and implemented all AIC recommendations under this provision. Refer to the Audit Committee report contained in this Annual Report.

Corporate Governance report continued

Audit, risk and internal control continued

AIC Code	Provision/Principle	Evidence of compliance
31	The Annual Report should describe the work of the Audit Committee including: • The significant issues that the Audit Committee considered relating to the Financial Statements, and how these issues were addressed; • An explanation of how it has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans; • In the case of a Board not accepting the Audit Committee's recommendation on the external auditor appointment, reappointment or removal, a statement from the audit committee explaining its recommendation and the reasons why the Board has taken a different position (this should also be supplied in any papers recommending appointment or reappointment); and • An explanation of how auditor independence and objectivity are safeguarded, if the external auditor provides non-audit services.	The Audit Committee has considered and reported on all matters recommended by the AIC. Refer to the Audit Committee report contained in this Annual Report.
32	The Directors should explain in the Annual Report their responsibility for preparing the report, and state that they consider the report taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.	These considerations and statements are included in the Statement of Directors' responsibilities in this report.
33	The Board should carry out a robust assessment of the Company's emerging and principal risks. The Board should confirm in the Annual Report that it has completed this assessment, including a description of its principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated.	The Board has completed this assessment. Refer to the Risk Committee report contained in this report. The Board has completed this assessment.
34	The Board should monitor the Company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness and report on that review in the Annual Report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.	The Board and its six committees (as delegated) review the Company's risk management and internal control systems on an ongoing basis. Refer to the 'Reports from the Committees of the Board' in this report. The overlap of membership between the Risk and Audit Committees provide for enhanced coverage of both risk management and internal controls.
35	In the annual and half-yearly Financial Statements, the Board should state whether it considers it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the Company's ability to continue to do so over a period of at least 12 months from the date of approval of the Financial Statements.	This consideration and confirmation of the going concern basis is included in the Directors' report.
36	Taking account of the Company's current position and principal risks, the Board should explain in the Annual Report how it has assessed the prospects of the Company, over what period it has done so and why it considers that period to be appropriate. The Board should state whether it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary.	Refer to the 'Financial Prospects and Position' and 'Going Concern' sections in the Directors' Report.

Remuneration

AIC Code	Provision/Principle	Evidence of compliance
P	Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	The committee is responsible (pursuant to its terms of reference) for setting Directors' remuneration so as to encourage enhanced performance.
Q	A formal and transparent procedure for developing policy remuneration should be established. No Director should be involved in deciding their own remuneration outcome.	Remuneration Committee terms of reference explicitly state that no Director should be involved in deciding their own individual remuneration.
R	Directors should exercise independent judgment and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances.	Directors exercise independent judgment and discretion when authorising remuneration levels, and take into consideration Company performance, individuals performance and market appropriateness.
37	The Board should establish a Remuneration Committee of independent Non-Executive Directors with a minimum membership of three, or in the case of smaller companies, two. In addition, the Chair of the Board can only be a member if they were independent on appointment and cannot chair the committee. Before appointment as Chair of the Remuneration Committee, the Board should satisfy itself that the appointee has relevant experience and understanding of the Company. If the Board has decided that the entire Board should fulfil the role of the Remuneration Committee, it will need to explain why it has done so in the Annual Report.	The Board established a Remuneration Committee in 2019. The Committee is not chaired by the Chair of the Board.
38	The Remuneration Committee should have delegated responsibility for determining the policy and setting the remuneration for the Chair.	The Remuneration Committee terms of reference stipulates its responsibility for determining the remuneration of the Chair (available on the Company's website).
39	The remuneration of Non-Executive Directors should be determined in accordance with the Articles of Association or, alternatively, by the Board. Levels of remuneration for the Chair and all Non-Executive Directors should reflect the time commitment and responsibilities of the role. Remuneration for all Non-Executive Directors should not include share options or other performance-related elements. Provision should be made for additional Directors' fees where Directors are involved in duties beyond those normally expected as part of the Director's appointment. In such instances the Board should provide details of the events, duties and responsibilities that gave rise to any additional Directors' fees in the Annual Report.	Directors of the Company, excluding Peter Dubens, are paid a fixed Director's fee only. Peter Dubens does not receive a fee. No additional fees were paid during the year. Refer to the Directors' Remuneration Report.
40	Where a remuneration consultant is appointed, this should be the responsibility of the Remuneration Committee. The consultant should be identified in the Annual Report alongside a statement about any other connection it has with the Company or individual Directors. Independent judgment should be exercised when evaluating the advice of external third-parties.	The Remuneration Committee is responsible for appointment of remuneration consultants, if deemed necessary and appropriate. The Company did not appoint a remuneration consultant in 2019.
41	The main role and responsibilities of the Remuneration Committee should include: • In conjunction with the chair, setting the Directors' remuneration levels; and • Considering the need to appoint external remuneration consultants.	The Remuneration Committee terms of reference include the guideline duties as recommended by the AIC.
42	There should be a description of the work of the Remuneration Committee in the Annual Report.	Refer to the report by the Remuneration Committe.

Corporate Governance report continued

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. During 2019 the Board continued to focus on improving the governance process, to preserve and create value for 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 delivers long-term sustainable value and responsible growth for its shareholders.

Listing Rule 9.8.4C requires the Company to include certain information in a single identifiable section of this Annual Report or a cross reference table indicating where this information is set out. The Directors confirm that there are no disclosures to be made in this regard, save that: (i) Peter Dubens has waived his right to receive a Director's fee; and (ii) the Company has entered into an Operational Services Agreement with the Administrative Agent, Oakley Capital Manager Limited, which is owned 100% by Peter Dubens, a Director of the Company.

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, at least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent of the Oakley Group.

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.

The Board

Caroline Foulger, Craig Bodenstab, Richard Lightowler and Laurence Blackall remain independent, as they are free from any business or other relationship that could materially interfere with their exercise of judgment. Peter Dubens and Stewart Porter do not vote on matters in respect of which they are 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 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.

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 meeting.

In accordance with the Company's Bye-laws and best practice, Directors retire on a rotational basis, and are then subject to re-election.

The Board's process for the appointment of new Directors is conducted in a manner which is transparent, engaged and open. The Nomination Committee oversees the nomination of a new Board member, the process for which is detailed in the Nomination Committee report.

Board meetings

Director Board attendance is summarised as part of the Nomination Committee report.

The principal matters reviewed and considered by the Board during 2019 included:

- Regular reports from the Investment Adviser on the Oakley Funds;
- Regular reports and updates from the Investment Adviser on the direct investments and debt facilities held by the Company;
- Information and documentation related to the Company's listing move to the SFS;
- Direct 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 Half-yearly Report;
- Report from external consultant on market and regulatory updates;
- Report from the external auditor; 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.

Reports from the Committees of the Board

The Board has delegated specified areas of responsibility to its committees. The Company's Management Engagement, Risk and Audit Committees have continued their important roles, with enhanced and refined duties and terms of reference following the AIC Code update and the Company's listing move to the SFS during the year. The Board furthermore separated the duties of the Nomination and Remuneration Committee into two standalone committees, in order to further enhance the objectivity of the Remuneration Committee. In addition, the Board created the new Governance, Regulatory and Compliance Committee with a focus on regulatory and listing compliance, Board training and overall governance of the Company.

In practice, all Board members are eligible to attend all committee meetings, unless specifically identified conflicts are deemed to require otherwise.

The Board primarily assesses each committee's performance by analysing output against its terms of reference and its members' attendance at committee meetings.

The Directors' report has been approved by the Board and is signed on its behalf by:

Caroline Foulger

Chair

Audit Committee report

The Board is supported by the Audit Committee, comprised of Laurence Blackall as the Chair of the Committee and Craig Bodenstab who also serves on the Committee. Effective March 2020, Richard Lightowler was appointed as Chair of the Committee and Caroline Foulger will also serve on the Committee.

Objectives for 2020

- Challenging the investment valuation process and methodology to ensure investments continue to be fairly valued;
- Continuing to monitor and review the relationship with the external auditor, and other potential external audit service providers; and
- Continue to provide oversight of financial reporting, internal controls and audit process.

Achievements in 2019

- Determined that a tender process for external audit services be performed in 2020;
- Concluded that the year-end valuations have been effectively carried out and the investments fairly valued; and
- Challenged and improved narrative reporting on governance, business model and strategy.

We are pleased to report on the 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 integrity of financial reporting and the Annual Report, 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 the Auditor's performance in terms of quality, control and value and discusses whether shareholders would be better served by a change of Auditor; and
- The internal control systems of the Company are adequate and effective.

The Chair of the Audit Committee is appointed by the Board of Directors. As at 19 March 2020, the Audit committee comprised Richard Lightowler (Chair), Caroline Foulger and Craig Bodenstab. As a step towards further governance improvements, Stewart Porter stepped down from the Audit Committee in order to ensure fully independent membership.

The Audit Committee met three times during the year under review and has continued to support the Board in fulfilling its oversight responsibilities. The Audit Committee formally reports to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. Attendance is summarised as part of the report by the Nomination Committee of the Board.

Financial reporting: Fair, balanced and understandable

One of the most significant risks in the Company's accounts is the valuation of the Oakley Funds and of the Company's debt and equity direct investments and whether those investments are fairly and consistently valued. This issue is considered carefully when the Audit Committee reviews the Company's Annual Report.

A key area of focus of the Committee is the valuation methodology and underlying business performance of the Oakley Funds' portfolio companies. Valuation model inputs are also reviewed by the Auditor.

Valuations are produced by the Investment Adviser and are independently reviewed by a professional valuation firm who report on their procedures and the conclusions of their work. 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 Audit Committee concluded that the year-end valuation process had been effectively carried out and that the investments have been fairly valued. It is noted that both the valuation process and accounting principles applied during the year were materially consistent with prior years.

During the year, the Audit Committee reviewed and approved the Company's interim accounts and dividend declarations. The Audit Committee approved the Annual Report.

Audit: Independence and objectivity

The Committee is responsible for 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.

KPMG Audit Limited ("KPMG" or "the Auditor"), located in Hamilton, Bermuda, has been the Company's Auditor since 2007. The Audit Committee reviews their performance annually. The Audit Committee considers a range of factors in determining the quality of the audit firm including independence and objectivity, quality of service, the Auditor's specialist expertise and the level of audit fee. The Auditor is required to rotate the audit partner every five years. The year ended 31 December 2019, is the third year of the audit partner's involvement leading the audit of the Company.

Whilst the Audit Committee remains satisfied with the Auditor's effectiveness, due to the long tenure of the Auditor, it has taken initial steps to put the 2020 year-end audit up for re-tender and potential rotation.

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 and manage potential conflicts. 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.

Internal control and risk management

The Audit Committee considers the potential need for an internal audit function on an annual basis. For the year ended 2019, internal testing work completed on behalf of the Management Engagement Committee on the controls in place at the Administrative Agent and Investment Adviser was considered adequately robust and independent to negate the need of an internal audit.

Neither the internal review nor the Auditor identified any suspicions of potential fraud, nor material control weaknesses. The Company and its key service providers implement clear whistle-blowing and anti-bribery and corruption policies.

On behalf of the Board

Laurence Blackall

Chair of the Audit Committee

Risk Committee report

The Board is supported by the Risk Committee, which comprises three Non-Executive Directors. Craig Bodenstab is the Chair of the committee and Caroline Foulger and Richard Lightowler also serve on the committee.

Objectives for 2020

- Ensuring the risk incident report remains clean of any material risk events for the year;
- Continuing to refine quantifiable risk reporting metrics for the Company;
- Enabling increased efficiency in policy and process review and transparency through the use of technology; and
- Continuing to robustly and effectively challenge the investment decision and portfolio monitoring process.

Achievements in 2019

- Risk incident report clean of any material risk events for the year;
- Appointed two new Non-Executive Directors to join the Risk Committee;
- Improved the methodologies and processes used by the Company for identifying, evaluating and monitoring risk;
- Enhanced liquidity risk monitoring in the form of long-term cash forecasts and scenarios analysis; and
- Quantified and expanded risk appetite agreed with the Board.

The effective identification, management and mitigation of risks is central to the Company achieving its strategic objectives. The Board develops and maintains the Company's risk management strategy, and performs oversight of its implementation. Responsibility for implementation of the risk management appetite, strategy, monitoring and reporting is delegated to the Risk Committee.

The Risk Committee has oversight of the Company's risk management process including managing risk tolerances. The Committee is responsible for ensuring the effective operation of the risk management function and all that entails. Amongst other things, the Committee regularly assesses the share price discount to NAV and, even though this is largely out of their immediate control, it is generally recognised by the Board that over time and in the long term, this discount set by the market should not be excessive.

The Risk Committee acts separately from the function of portfolio management and is comprised of Non-Executive Directors, with support from resources independent of the Investment Adviser. The Chair of the Risk Committee is appointed by the Board of Directors. 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. As at 19 March 2020, the Risk Committee comprised Craig Bodenstab (Chair), Caroline Foulger and Richard Lightowler.

The Risk Committee met four times during the year under review and has continued to support the Board in its oversight, monitoring and mitigation of emerging and principal 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 investments.

Principal risks and uncertainties

During the year under review, the Risk Committee has continued to identify, assess and manage various risks within the Company, including those that would impact its future performance, solvency, liquidity or reputation. This review includes the monitoring of risk exposure compared with the risk appetite established by the Board. The risk appetite methodology documents key risks and uncertainties of the Company and assesses each risk indicator on a scale, depending on their impact and likelihood. The Committee monitors detailed and, wherever possible, quantifiable indicators of the Company's exposure to risk as segmented in five core categories, as summarised below:

- **Operational risk**
  - Outsourcing
    The Company currently has no employees and relies upon the services provided by contracted third-party advisers. The valuation of the underlying portfolio companies, information security, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of key service providers. Through the Management Engagement Committee, regular reviews of the performance of service providers (including the Administrative Agent and Investment Adviser) are conducted. The performance assessment considers cost, efficiency, performance, key person risk and compliance with the terms of arrangements. The results of these reviews are shared with the Board, where engagement of service providers is discussed and approved.
  - Governance
    The effective operation of the Board, including its composition, is key to the continued success of the Company and is monitored by the Risk Committee and overseen by the Nomination Committee of the Board.

    The Company implements strict policies to track, monitor and mitigate conflicts of interest on both an individual and transactional basis. The Risk Committee maintains a register of potential conflicts of interest for appropriate mitigation in the event of perceived conflicts.
  - Valuation
    The main driver of the Company's performance is the valuation of the underlying portfolio companies held by the Oakley Funds and its direct investments. The Risk Committee monitors the movements in the valuations of the underlying portfolio on a quarterly basis and challenges movements which differ from expectations.

- **Regulatory risk**

  Changes in legislation, regulation and/or government policy could significantly impact the Company's performance.

  Whilst no significant changes in regulation or legislation have occurred in 2019 that materially impacted the Company, the introduction of the Economic Substance Act in Bermuda was relevant to the Company. This legislation was thoroughly assessed, and the Company is compliant. The Risk Committee keeps informed of the Company's position relative to potential Brexit impacts, specifically the preparedness of the UK-based Investment Adviser. The newly formed Governance, Regulatory and Compliance Committee also tracks and reports on emerging risks to 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 Committee proposed and implemented new risk appetite measures to monitor any regulatory compliance breaches, and the impact of business development and/or change on the Company.

Risk Committee report continued

The move of the Company's listing to the SFS continues to be considered a material and noteworthy change, and compliance with ongoing obligations are tracked closely. We are pleased to report there were no regulatory breaches during 2019.

The Company commissioned an independent review of its tax position during the year, reconfirming its existing tax status in Bermuda.

- **Liquidity risk**

  As the Company invests in illiquid private equity closed-ended funds and direct private debt and equity investments, forecasting liquidity is particularly difficult and requires prudent assumptions.

  The Company maintains a level of liquidity to ensure, so far as can be forecast, that it can meet its capital commitments to the Oakley Funds and can participate in any other investments made by Oakley throughout the investment-realisation cycle. The Investment Adviser performs and reports cashflow modelling throughout the investment cycle to enable the Company to ensure it has the ability to fulfil its commitments as they fall due in the short term, strategically managing long-term commitments and cash availability, and also endeavouring to manage surplus cash to efficient levels.

  The Risk Committee developed an improved longer-term liquidity risk monitoring system during 2019, applying an additional level of scrutiny and stress on the assumptions, limitations and inputs from the Investment Adviser.

- **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 also direct investments. The Board took the decision in 2016 to introduce an annual dividend which currently continues to be set at 4.5 pence per share and which the Board reviews from time-to-time.

  Total NAV return for 2019 was 25%, and total shareholder return 56%. Amongst other things, the Risk Committee monitors share price performance, return to shareholders, share price discount to NAV and dividend payments to shareholders. Consistent with guidelines and tolerances set by the Board, the Committee considers potential corrective action in the event of tolerances being exceeded.

- **Financial performance**

  The Company's investment activities expose it to a variety of financial risks that include credit, market, interest rate, currency and valuation risk. Further details are disclosed in Note 5 to the Financial Statements, together with a summary of the policies for managing these risks.

  The Company holds investments in portfolio companies located outside the UK, notably Western Europe, which are valued in non-GBP currencies. The Company may hedge the foreign exchange exposure to any non-GBP investments as deemed appropriate by the Board from time to time. The Risk Committee considers potential hedging strategies for recommendation to the Board.

  The credit risk of lending to the Oakley Funds or direct debt investments in portfolio companies is considered on a case-by-case and aggregate basis by the Board and Risk Committee.

  Additionally, the Risk Committee has implemented enhanced monitoring of concentration risk in its investment portfolio.

On behalf of the Board

Craig Bodenstab

Chair of the Risk Committee

Nomination Committee report

The Board is supported by the Nomination Committee, which comprises four Non-Executive Directors. Caroline Foulger is the Chair of the Committee and Laurence Blackall, Craig Bodenstab and Richard Lightowler also serve on the Committee. Richard Lightowler was appointed to the Committee in March 2020.

Objectives for 2020

- Continuing to oversee appointments and re-appointments to the Board of Directors; and
- Continuing to assess and oversee Board effectiveness.

Achievements in 2019

- Appointed two new Bermuda-based Non-Executive Directors to join the Board, strengthening the balance of skills and providing further succession planning options; and
- Restructuring of Board Committee membership and terms for enhanced effectiveness and compliance with industry governance standards.

The purpose of the Committee is to provide effective operation of the Board and to oversee appointments and re-appointments to the Board.

The Committee oversees the process of nomination and appointment of new directors. In summary, the process includes, but is not limited to:

- Reviewing the succession plans and needs for the Chair of the Board 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 professional advisers; and
- Conducting interviews both individually and inclusive of the Board as a whole.

Members of the Committee vote on the election of new candidates, following which appointment is recommended to the full Board. The Board considers diversity when making a new appointment and seeks to get a unanimous vote on the appointment of the proposed candidate.

As at 19 March 2020, the Nomination Committee comprised Caroline Foulger (Chair), Laurence Blackall, Craig Bodenstab and Richard Lightowler. Caroline, as Chair of the Board, cannot vote on her own appointment. 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. In its review of the effectiveness of the Board, the Committee monitors Board and Committee meeting attendance.

On behalf of the Board

Caroline Foulger

Chair of the Nomination Committee

Number of meetings attended / eligible to attend:

Director	Board	Audit	Risk	Management Engagement	Governance, Regulatory and Compliance	Nomination	Remuneration
Caroline Foulger	12/12	3/3	4/4	2/2	2/2	2/2	1/1
Craig Bodenstab*	7/7	2/2	3/3	2/2	2/2	2/2	1/1
Laurence Blackall	12/12	3/3	4/4	2/2	2/2	2/2	1/1
Stewart Porter	12/12	3/3	4/4	2/2	2/2	1/2	1/1
James Keyes**	5/5	1/1	2/2	0/0	0/0	0/0	0/0
Peter Dubens or alternate	12/12	3/3	4/4	2/2	2/2	2/2	1/1
Richard Lightowler***	1/1	0/0	0/0	0/0	0/0	0/0	0/0

* appointed July 2019.
** retired July 2019.
*** appointed December 2019.

Management Engagement Committee report

The Board is supported by the Management Engagement Committee, which comprises three Non-Executive Directors. During 2019 the Chair of the Committee was Laurence Blackall and Caroline Foulger also served on the Committee. Commencing March 2020, Caroline Foulger is the Chair of the Committee and Richard Lightowler and Craig Bodenstab also serve on the Committee.

Objectives for 2020

- Continuing to monitor the remuneration, performance and compliance with respective agreements of all key service providers; and
- Establishing a system of ongoing monitoring and reporting of key service provider control environment and performance.

Achievements in 2019

- Assessment of the remuneration, contractual arrangements and performance of the Administrative Agent and Investment Adviser;
- Review of all fees and expenses related to key material service providers; and
- Direct debt investment performance fees and operational service fees of 2% per annum will no longer be charged effective 2020.

We are pleased to report on the matters which the Management Engagement Committee has considered.

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, with a key focus on the Investment Adviser and Administrative Agent. 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.

The Chair of the Management Engagement Committee is appointed by the Board of Directors. As at 19 March 2020, the Management Engagement Committee comprised Caroline Foulger (Chair), Richard Lightowler and Craig Bodenstab.

The Management Engagement Committee met twice during the year. The Committee formally reports to the Board on its proceedings on all matters within its duties and responsibilities. Attendance is summarised as part of the report by the Nomination Committee of the Board.

Investment Adviser and Administrative Agent

The Management Engagement Committee reviewed the performance and compliance with agreements of both the Administrative Agent and Investment Adviser in 2019.

Factors addressed by the Committee during the year include:

- Investment Performance: Given the investment performance for the year, the Committee did not assess any requirement for independent external review;
- Cashflow Analysis: Improved cashflow projection and management;
- Marketing and Investor Relations performance; and
- Board Support and quality of Board materials;

- Remuneration: Following investor feedback, it was noted that the practice of paying management fees on debt direct debt investments were outside of market practice. It was agreed with the Administrative Agent that, starting 1 January 2020, zero management or performance are to be charged on debt direct investment. Enhanced transparency into staff recharges from the Investment Adviser;
- Performance fees, incentives and alignment of interests; and
- Compliance with contractual arrangements and duties, including an assessment of the internal control environment.

Other key service providers

In most instances, relationships with key third-party service providers are managed by employees of the Investment Adviser and Administrative Agent.

Both the Committee and Board reviewed vendor-specific expenses during the year, and regularly had discussions regarding the performance of providers of legal, financial advisory, brokerage, communications and administration services.

On behalf of the Board

Laurence Blackall

Chair of the Management Engagement Committee

Governance, Regulatory and Compliance Committee report

The Board is supported by the Governance, Regulatory and Compliance Committee, which comprises two Non-Executive Directors. During 2019, Stewart Porter chaired the Committee and, until his departure, James Keyes also served on the Committee. As from March 2020, Richard Lightowler is the Chair of the Committee and Stewart Porter also serves on the Committee.

Objectives for 2020

- Continuing to develop and oversee the framework for Board training;
- Implementing a system of regular updates on regulatory and compliance matters; and
- Ensuring the Board remains fully informed of upcoming changes in regulation, governance and compliance requirements.

Achievements in 2019

- Review the Company's requirements relating to Market Abuse Regulations and inside information, and the new Bermuda Economic Substance Act;
- Detailed overview of ongoing obligations and director responsibilities under the SFS listing; and
- Due consideration given to the updated AIC Code provisions.

The Board is pleased to report on the range of matters which the Governance, Regulatory and Compliance Committee has considered during 2019.

The purpose of the Committee is to assist the Board to fulfil its corporate governance and oversight responsibilities in relation to the relevant codes, laws, regulations and policies impacting the Company.

Key responsibilities include:

- Evaluate and monitor the Company's compliance with relevant codes, laws, regulations and external policies;
- Monitor new governance, legal, regulatory and compliance standards and ensure that plans are put in place and implemented to ensure the Company's readiness; and
- Oversee the framework for Board training.

The Chair of the Governance, Regulatory and Compliance Committee is appointed by the Board of directors. As at 19 March 2020, the Committee comprised Richard Lightowler (Chair), and Stewart Porter.

The Governance, Regulatory and Compliance Committee met twice during the year. The Committee formally reports to the Board on all matters within its delegated responsibilities. Attendance is encouraged for all Board members, as it serves as a forum for regulatory awareness and training. Director attendance is summarised as part of the report by the Nomination Committee of the Board.

Governance

The Committee considered the 42 provisions and 18 principles of the AIC Code of Corporate Governance (the "AIC Code"), as updated in February 2019. Compliance with and exceptions to the AIC Code were reported to the Board, and are presented as part of the Corporate Governance Statement of this report.

Regulatory and compliance

2019 was a year of significant change for the Company's compliance environment, with its listing moving from AIM to the Specialist Fund Segment of the London Stock Exchange. The Committee considered in detail the ongoing obligations and director responsibilities arising as a result of this move. Compliance with continuing obligations is monitored on an ongoing basis.

In Bermuda, new Economic Substance regulations were implemented during the year, with the Company compliant. In addition, the Administrative Agent, Oakley Capital Manager Limited, became a licenced and regulated Investment Business in Bermuda under the Bermuda Monetary Authority, adding an additional level of oversight and robustness to the regulatory landscape of the Company's key service providers.

On behalf of the Board

Stewart Porter

Chair of the Governance, Regulatory and Compliance Committee

Remuneration Committee report

The Board is supported by the Remuneration Committee, which comprises two Non-Executive Directors. Craig Bodenstab is the Chair of the Committee and Richard Lightowler also serves on the Committee.

Objectives for 2020

- Continuing to assess and determine Directors' remuneration, ensuring no single Director determines their own remuneration.

Achievements in 2019

- Establishment of the Remuneration Committee as a standalone governance function providing oversight of Directors' remuneration.

The purpose of the Committee is to determine or (as applicable) make recommendations regarding the remuneration of Directors of the Company, whilst ensuring no single Director determines their own remuneration.

The Remuneration and Nomination Committees separated into two standalone committees during the year ended 31 December 2019. Baseline Director remuneration was made consistent to £50,000 per annum for Non-Executive Directors and £65,000 per annum for the Chair, with Peter Dubens continuing to serve without a fee.

The Chair of the Remuneration Committee is appointed by the Board of Directors, and cannot be the Chair of the Board of Directors. As at 19 March 2020, the Remuneration Committee comprised Craig Bodenstab (Chair) and Richard Lightowler.

On behalf of the Board

Craig Bodenstab

Chair of the Remuneration Committee

Directors' remuneration report

Remuneration report

The Non-Executive Directors who served in the period from 1 January 2019 to 31 December 2019 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	2019 Fees (£)	2018 Fees (£)
James Keyes*	50,000	45,000
Caroline Foulger	65,000	55,000
Peter Dubens**	0	0
Laurence Blackall	50,000	45,000
Stewart Porter	50,000	14,000
Craig Bodenstab***	23,315	0
Richard Lightowler****	0	0

* James Keyes retired in July 2019.
** Peter Dubens serves without a fee.
*** Craig Bodenstab was appointed in July 2019.
**** Richard Lightowler was appointed in December 2019.

The table above details the Director's fee paid to each Director of the Company for the years ended 31 December 2019 and 31 December 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.

Directors' interests in shares of the Company

There is no requirement for Directors to hold shares in the Company. As at 19 March 2020, Directors who are beneficial owners of shares in the Company are:

Director	19 March 2020	13 March 2019
Caroline Foulger	122,000	122,000
Peter Dubens	17,595,827	9,554,068
Laurence Blackall	400,000	200,000
Stewart Porter	0	0
Craig Bodenstab	0	0
Richard Lightowler	0	0

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.

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 its ordinary shares are traded on the SFS of the London Stock Exchange's Main Market. The Company's registered office is 3rd Floor, Mintflower Place, 8 Par-la-Ville Road, Hamilton HM08, Bermuda.

Investment policy

For details of the investment policy refer to page 17.

Liquidity management

As the Company is a self-managed non-EU AIF, it is not required to comply with Article 16 of the AIFMD in relation to liquidity management.

The Company maintains an adequate level of liquidity to ensure that it can meet its capital commitments to the Oakley 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.

The Company is a self-managed non-EU AIF, it is not required to comply with Article 16 of the AIFMD in relation to liquidity management.

Fees, charges and expenses

For details of the fees payable by the Company, refer to Note 15 of the notes to the Financial Statements.

Fair treatment of shareholders and preferential treatment

The Company will treat all of the company's investors fairly and will not allow any investor to obtain preferential treatment, unless such treatment is appropriately disclosed. No investor currently obtains preferential treatment or the right to obtain preferential treatment.

Remuneration disclosure

The total amount of remuneration paid by the Company to its Directors during the year ended 31 December 2019 was £240,315. 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.

Shareholder information

Financial calendar

The announcement and publication of the Company's results is expected in the months shown below:

January	Trading update for the year announced
March	Final results for the year announced Annual Report published
April	Payment of final dividend
July	Interim trading update announced
September	Interim results announced Interim Report published
October	Payment of interim dividend

Dividend

The final dividend proposed in respect of the year ended 31 December 2019 is 4.5 pence per share.

Ex-dividend date (date from which shares are transferred without dividend)	2 April 2020
Record date (last date for registering transfers to receive the dividend)	3 April 2020
Dividend payment date	23 April 2020

Share dealing

Investors wishing to purchase or sell shares in the Company may do so through a stockbroker, financial advisor, bank or share-dealing platforms.

To purchase this investment, you must have read the Key Information Document ("KID") before the trade can be executed.

If you are proposing to use Computershare Investor Services PLC to purchase shares, please contact them directly and they will provide you with the KID either by email or post.

You can contact them on +44 370 703 0084.

Important information

Past performance is not a reliable indicator of future results. The value of OCI shares can fall as well as rise and you may get back less than you invested when you decide to sell your shares.

Financial Statements

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 2019 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 2019 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 of the current period. 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 private equity partnerships

As discussed in the Audit Committee report on page 68, the accounting policies on pages 91 to 94 and in Notes 6 and 8 to the consolidated financial statements on pages 99 to 100 and 101 to 105, respectively, the Company holds investments in private equity partnerships (the Funds) at 31 December 2019 of £495.3 million, where quoted prices do not exist. Such unquoted equity investments 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 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 of these portfolio companies are based upon either: (i) the income approach, where estimated future cash flows are discounted at an appropriate interest rate; or (ii) or the market approach, which estimates the enterprise value of the portfolio company 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 private equity partnerships 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 obtained management's schedule of investments and compared the fair value of the Company's investments in the unquoted private equity partnerships to the audited financial statements of the Funds.

We selected all unquoted equity investments held indirectly through investments in the private equity partnerships and performed the following audit procedures:

- Obtained the Investment Adviser's models for valuing the unquoted equity investments;
- Obtained independent confirmations of the existence and accuracy of the unquoted equity investments;
- 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 in the context of the IPEV valuation guidelines;
- Obtained management information, including budgets and forecasts for revenues and EBITDA and actual net debt amounts at the balance sheet date, 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 private equity partnerships 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 held at the year-end.

Other information in the Annual Report

Management is responsible for the other information contained in 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 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 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 purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Section 90 of the Companies Act 1981. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

The Engagement Partner on the audit resulting in this independent auditor's report is James Berry.

KPMG Audit Limited

Chartered professional accountants
Hamilton, Bermuda

19 March 2020

Consolidated statement of comprehensive income

for the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Income			
Interest income	13	9,218	6,629
Net realised gains on investments at fair value through profit and loss	6,7	17,840	102,314
Net change in unrealised gains/(losses) on investments at fair value through profit and loss	6,7	127,741	(23,877)
Net foreign currency gains/(losses)		(2,715)	3,149
Other income		1,073	217
Total income		153,157	88,432
Expenses	14	(17,888)	(6,434)
Profit attributable to equity shareholders/total comprehensive income		135,269	81,998
Earnings per share			
Basic and diluted earnings per share	21	£0.66	£0.40

The Notes on pages 92 to 117 are an integral part of these Financial Statements.

Consolidated balance sheet

as at 31 December 2019

	Notes	2019 £'000	2018 £'000
Assets			
Non-current assets			
Investments	6,8	660,966	469,749
		660,966	469,749
Current assets			
Trade and other receivables	11	40	11
Cash and cash equivalents	10	48,866	107,888
		48,906	107,899
Total assets		709,872	577,648
Liabilities			
Current liabilities			
Trade and other payables	12	23,864	2,826
Total liabilities		23,864	2,826
Net assets attributable to shareholders		686,008	574,822
Equity			
Share capital	23	1,986	2,048
Share premium	23	229,728	244,533
Retained earnings		454,294	328,241
Total shareholders' equity		686,008	574,822
Net asset per ordinary share			
Basic and diluted net assets per share	22	£3.45	£2.81
Ordinary shares in issue at 31 December ('000)	23	198,600	204,804

The Notes on pages 92 to 117 are an integral part of these Financial Statements.

The Financial Statements of Oakley Capital Investments Limited (registration number: 40324) on pages 88 to 117 were approved by the Board of Directors and authorised for issue on 19 March 2020 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 2019

	Share capital £'000	Share premium £'000	Treasury shares £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1 January 2018	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
Profit for the year/total comprehensive income	–	–	–	135,269	135,269
Ordinary shares repurchased and cancelled	(62)	(14,805)	–	–	(14,867)
Dividends	–	–	–	(9,216)	(9,216)
Total transactions with equity shareholders	(62)	(14,805)	–	(9,216)	(24,083)
Balance at 31 December 2019	1,986	229,728	–	454,294	686,008

The Notes on pages 92 to 117 are an integral part of these Financial Statements.

Consolidated statement of cash flows

for the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Purchases of investments		(127,265)	(165,302)
Sales of investments		90,005	158,712
Interest income received		842	7,077
Expenses paid		(7,009)	(4,585)
Other income received		1,073	217
Net cash (used in)/provided by operating activities		(42,354)	(3,881)
Cash flows from financing activities			
Purchase of ordinary shares	23	(4,737)	–
Dividends paid	24	(9,216)	(9,216)
Net cash (used in)/provided by financing activities		(13,953)	(9,216)
Net (decrease)/increase in cash and cash equivalents		(56,307)	(13,097)
Cash and cash equivalents at the beginning of the year		107,888	117,836
Effect of foreign exchange rate changes		(2,715)	3,149
Cash and cash equivalents at the end of the year	10	48,866	107,888

The Notes on pages 92 to 117 are an integral part of these Financial Statements.

Notes to the consolidated financial statements
for the year ended 31 December 2019

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 high-growth, medium-sized companies, primarily in the UK and Europe. The Company currently achieves its investment objective primarily through its investments in the following five 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";
- 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"; 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. Fund IV constitutes a group of limited partnerships established in Luxembourg.

The defined term "Company" shall, where the context requires for the purposes of consolidation, include the Company's sole and wholly owned subsidiary, OCI Financing (Bermuda) Limited ("OCI Financing"). Prior to a name change made on 23 May 2019, OCI Financing was known as OCIL Financing (Bermuda) Limited. OCI Financing provides financing to NSG Apparel BV, an entity that forms part of the North Sails Group in which Fund II invest.

The Company was listed on the Alternative Investment Market ("AIM") of the London Stock Exchange ("LSE") on 3 August 2007, with "OCI" as its listed ticker. The Ordinary Shares were admitted to the Specialist Fund Segment ("SFS"), commenced trading on the Main Market and simultaneously ceased trading on AIM on 23 August 2019. The Company's ticker symbol continues to be "OCI".

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 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

Several amendments and interpretations apply for the first time effective 1 January 2019 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 new standards are effective for annual periods beginning after 1 January 2019 and early application is admitted, however the Company has not early adopted the new or amended standards in preparing these consolidated Financial Statements.

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 those 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 2019, the Company holds $32,019,609 share capital in OCI Financing (2018: $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 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; and
- 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

3. Significant accounting policies continued

As at 31 December 2019 the Company's ownership in the Funds are:

- Fund I ownership of 70.4% (2018: 65.5%)
- Fund II ownership of 36.2% (2018: 36.2%)
- Fund III ownership of 40.7% (2018: 40.7%)
- Fund IV ownership of 28.6% (2018: 0%)
- OCPE Education (Feeder) L.P. ownership of 99.18% (2018: 98.74%)

3.3 Investments

a) Classification

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics, if any, the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Company's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective. Consequently, 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 which is the date on which 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 accordance 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 ("IPEV").

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 an original 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 statement of cash flows.

3.8 Expenses

Expenses are recognised on the accruals basis. Interest expense is included in expenses in the consolidated statement of comprehensive income and classified within operating activities in the consolidated statement of cash flows.

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 or receivable, 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

3. Significant accounting policies continued

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.

3.12 Comparative balances

Certain balances on the 2018 consolidated statement of comprehensive income has changed to conform with the current year presentation.

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 that the Company meets the definition of an investment entity.

a) Fair valuation of investments

The fair values assigned to investments held at fair value through profit and loss are based upon available information at the time 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. Subsequently, judgment is required in assessing the net asset value of the Funds and determining the inputs into the valuation models used for the unquoted debt securities. Inputs includes making assessments of the 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 the Funds 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. 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.

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.

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.

	2019		2018	
	Total £'000	Rating (Moody's)	Total £'000	Rating (Moody's)
Cash at HSBC	23,686	A2	27,135	A2
Cash at Barclays	25,068	A1	80,641	A2
Cash at Lloyds	112	Aa3	112	Aa3
Investments in Funds	495,300	n/a	340,370	n/a
Investments in debt securities	127,156	n/a	107,059	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 review detailed cashflow projections which forecast the timing of cashflows, including capital calls which aim to ensure no undue losses or damage is caused 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 2019, cash and cash equivalents of the Company amount to £48,866,356 (2018: £107,888,282). The Company has total unfunded capital and loan commitments of £462,781,291 (2018: £187,476,040) relating to the Funds with the option of further investment in OCPE Education but no outright commitment. The unfunded commitments of the Company are listed in Note 25. As per the Company's Bye-laws, the Company can borrow up to 25% of total shareholders' equity which would amount to approximately £171,502,000 for the year ending 31 December 2019 (2018: £143,705,500). As at 31 December 2019, the Company did not incur any borrowings (2018: nil).

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

5. Financial risk management continued

The majority of the investments held by the Company are in Funds which 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 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.

	2019 £'000	2018 £'000
Trade and other payables		
Less than 1 month	10,130	–
1 – 3 months	13,734	2,826
Total trade and other payables	23,864	2,826

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 are 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 fair value 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:

	2019		2018	
	Increase in variable £'000	Decrease in variable £'000	Increase in variable £'000	Decrease in variable £'000
Impact on interest income from cash and deposits	839	(839)	1,226	(1,226)
Impact on profit/(loss)	839	(839)	1,226	(1,226)

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 the fair value of those loans of £2,860,355 and a corresponding decrease of 100 basis points in interest rates would result in an increase in their fair value by the same amount (2018: £2,426,686).

In addition, the Company has indirect exposure to interest rate fluctuation through changes to the financial performance and valuation in equity investments in the Funds and portfolio companies that have issued debt. 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.

	2019		2018	
	Euro £'000	US dollar £'000	Euro £'000	US dollar £'000
Assets:				
Financial assets at fair value through profit and loss	49,530	–	34,041	–
Cash and cash equivalents	2,433	–	8,236	–
Trade and other receivables	–	–	–	–
Total assets	51,963	–	42,277	–
Liabilities:				
Trade and other payables	–	–	–	–
Total liabilities	–	–	–	–
Impact on profit/(loss)	51,963	–	42,277	–

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 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:

	2019		2018	
	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)	5,776	(5,776)	3,348	(3,348)
Impact on net assets attributable to shareholders	5,776	(5,776)	3,348	(3,348)

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

5. Financial risk management continued

5.4 Market risk continued

c) Price risk – market fluctuations continued

For the investment in the Funds, 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:

	2019		2018	
	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)	74,295	(74,295)	51,056	(51,056)
Impact on net assets attributable to shareholders	74,295	(74,295)	51,056	(51,056)

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 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 most favourable market environments. In order to maintain or adjust the capital structure, the Company may issue shares or may return capital to shareholders through the 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 23. Liberum Capital Limited acts as the Company's broker.

6. Investments

Investments as at 31 December 2019

	2018 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	2019 Fair value £'000
Oakley Funds							
Fund I	18,159	1,788	–	–	–	13,411	33,358
Fund II	71,794	7,386	(30,197)	19,067	–	(10,868)	57,182
Fund III	208,628	29,672	(9,712)	(1,227)	–	82,707	310,068
Fund IV	–	25,930	–	–	–	(6,222)	19,708
Total Oakley Funds	298,581	64,776	(39,909)	17,840	–	79,028	420,316
Direct Investment Fund							
OCPE Education (Feeder) LP	41,789	672	–	–	–	32,523	74,984
Total Direct Investment Funds	41,789	672	–	–	–	32,523	74,984
Total Funds	340,370	65,448	(39,909)	17,840	–	111,551	495,300
Quoted equity securities							
Time Out Group plc	22,320	–	–	–	–	16,190	38,510
Total quoted equity securities	22,320	–	–	–	–	16,190	38,510
Unquoted debt securities							
Ellisfield (Bermuda) Limited	14,889	–	–	–	907	–	15,796
Fund I	7,035	9,880	(8,080)	–	600	–	9,435
Fund II	17,412	8,344	(21,846)	–	488	–	4,398
Fund III	4,033	13,291	(17,853)	–	529	–	–
NSG Apparel BV	26,569	2,319	–	–	1,104	–	29,992
Oakley Capital III Limited	2,169	–	(1,518)	–	80	–	731
Oakley NS (Bermuda) LP	14,038	25,483	–	–	3,969	–	43,490
Time Out Group plc	20,914	2,500	(2,607)	–	2,507	–	23,314
Total unquoted debt securities	107,059	61,817	(51,904)	–	10,184	–	127,156
Total investments	469,749	127,265	(91,813)	17,840	10,184	127,741	660,966

* Total sales include sales, loan repayments and transfers.

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

6. Investments continued

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
Direct Investment Fund							
OCPE Education (Feeder) LP	26,280	5,825	–	–	–	9,684	41,789
Total Direct Investment Funds	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.

Quoted equity securities and unquoted debt securities are additional direct investments in certain of the portfolio companies in the Oakley Funds.

7. Net gains/(losses) from investments at fair value through profit and loss

	2019 £'000	2018 £'000
Net change in unrealised gains/(losses) on investments at fair value through profit and loss:		
Funds	111,551	(5,015)
Quoted equity securities	16,190	(18,862)
Total net change in unrealised gains/(losses) on investments at fair value through profit and loss	127,741	(23,877)
Realised gains/(losses) on investments at fair value through profit and loss:		
Funds	17,840	102,314
Total realised gains/(losses) on investments at fair value through profit and loss	17,840	102,314

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 2019 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	–	495,300	495,300
Quoted equity securities	38,510	–	38,510
Unquoted debt securities	–	127,156	127,156
Total investments measured at fair value	38,510	622,456	660,966

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

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 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	22,320	–	22,320
Unquoted debt securities	–	107,059	107,059
Total investments measured at fair value	22,320	447,429	469,749

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 2019 or 2018.

Level III

The Company has determined that Funds and unquoted debt securities fall into 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 2019 include Level III investments in the amount of £622,456,416, representing approximately 90.74% of shareholders' equity (2018: £447,429,457; 77.84%).

Funds

The Company primarily invests in portfolio companies via the Funds in which it is a Limited Partner. The Funds are unquoted equity securities that 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 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 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 2019, the reported 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	Fund IV €'000	OCPE Education €'000
Investments	44,568	75,540	456,259	57,091	88,436
Loans	(7,845)	(9,836)	(41,206)	(44,657)	–
Provisional profit allocation	–	(3,130)	(50,487)	–	–
Other net assets	2,698	5,002	1,858	10,856	177
Total value of the Fund attributable to the Company (€'000)	39,421	67,576	366,424	23,290	88,613
Total value of the Fund attributable to the Company (£'000)	33,358	57,182	310,068	19,708	74,984

As at 31 December 2018, the reported 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	Fund IV €'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 (€'000)	20,228	79,975	232,402	–	46,551
Total value of the Fund attributable to the Company (£'000)	18,159	71,794	208,628	–	41,789

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 quarterly financial statements and the annual 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

8. Disclosure about fair value of financial instruments continued

Unobservable inputs for Level III investments continued

Funds continued

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 2019, a 10% increase to the fair value of the unquoted portfolio companies held by the Funds would result in a 7.6% movement in net assets attributable to shareholders (2018: 6.2%). 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 an unobservable input and range between 5% and 12%, based on the accrued interest rate of individual unquoted debt securities. The accrued interest rates are determined and agreed to the debt security agreements.

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 2019, a 1% increase to the discount factor would result in a 0.4% movement in net assets attributable to shareholders (2018: 0.4%). A 1% decrease to the discount factor would have an equal and opposite effect. Refer to Note 5.4(a).

Transfers between levels

There were no transfers between the Levels during the year ended 31 December 2019 (2018: 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 2019 and 2018, are as follows:

Level I Investments:	2019 £'000	2018 £'000
Quoted equity securities		
Fair value at the beginning of the year	22,320	41,182
Net change in unrealised gains/(losses) on investments	16,190	(18,862)
Fair value of Level I investments at the end of the year	38,510	22,320

Level III Investments:	Funds £'000	Unquoted debt securities £'000	Total £'000
2019			
Fair value at the beginning of the year	340,370	107,059	447,429
Purchases	65,448	61,817	127,265
Proceeds on disposals (including interest)	(39,909)	(51,904)	(91,813)
Realised gain on sale	17,840	–	17,840
Interest income and other fee income	–	10,184	10,184
Net change in unrealised gains/(losses) on investments	111,551	–	111,551
Fair value at the end of the year	495,300	127,156	622,456

	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

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:

	2019 £'000	2018 £'000
Cash and cash equivalents	48,866	107,888
Trade and other receivables	40	11
Trade and other payables	23,864	2,826

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

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; and
- Direct investments and 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 2019 (2018: none).

The segment information for the year ended 31 December 2019 was 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	17,840	–	17,840	–	17,840
Net change in unrealised gains/(losses) on financial assets at fair value through profit and loss	111,551	16,190	127,741	–	127,741
Interest income	–	9,111	9,111	107	9,218
Net foreign currency gains/(losses)	–	–	–	(2,715)	(2,715)
Other income	–	1,073	1,073	–	1,073
Expenses	(12,615)	(2,409)	(14,574)	(3,314)	(17,888)
Profit/(loss) for the year	117,226	23,965	141,191	(5,922)	135,269
Total assets	495,300	165,666	660,966	48,906	709,872
Total liabilities	(10,130)	–	(10,130)	(13,734)	(23,864)
Net assets	485,170	165,666	650,836	35,172	686,008
Total assets include:					
Financial assets at fair value through profit and loss	495,300	165,666	660,966	–	660,966
Cash and others	–	–	–	48,906	48,906

The segment information for the year ended 31 December 2018 was 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	(2,056)	(2,062)	(4,118)	(2,316)	(6,434)
Profit/(loss) for the year	95,243	(14,289)	80,954	1,044	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

10. Cash and cash equivalents

	2019 £'000	2018 £'000
Cash and demand balances at banks	28,759	82,782
Short-term deposits	20,107	25,107
	48,866	107,888

11. Trade and other receivables

	2019 £'000	2018 £'000
Prepayments	40	11
	40	11

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

12. Trade and other payables

	2019 £'000	2018 £'000
Trade payables	93	97
Amounts due to related parties	13,641	2,729
Other payables	10,130	–
	23,864	2,826

On 20 December 2019, the Company bought 4,000,000 ordinary shares at the market price on that date for a total of £10,100,250. As at 31 December 2019, the amount payable for the share buy back remains outstanding (refer to Note 23) and included in Other payables. The payable was repaid after the year end.

13. Interest income

	2019 £'000	2018 £'000
Interest income on investments carried at amortised cost:		
Cash and cash equivalents	107	114
Interest income on investments designated as at fair value through profit and loss:		
Debt securities	9,111	6,515
	9,218	6,629

14. Expenses

	Notes	2019 £'000	2018 £'000
Operational and advisory fees	15	3,928	2,505
Professional fees	16	1,905	876
Performance fees	15	10,646	1,613
Other expenses	15	1,409	1,440
		17,888	6,434

15. Operational, advisory and performance fees

Since 1 April 2017, 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 as defined in the Operational Services Agreement.

During the year ended 31 December 2019, the Company amended the agreement to adjust the operational and advisory fees, with effect from 1 January 2020, to exclude debt direct investment.

a) Operational fees

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 the Funds 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 2019 totalled £3,928,313 (2018: £2,504,757) and is presented in the consolidated statement of comprehensive income. The amount outstanding as at 31 December 2019 was £1,109,199 (2018: £913,692) and is included in "Trade and other payables" in the consolidated balance sheet.

b) Advisory fees

The Administrative Agent may also receive an advisory fee of up to 2% on the successful buy-side and sell-side transactions of the Company for any equity investment. The advisory fee on any such transaction is negotiable between the Company and the Administrative Agent.

The Company did not incur advisory fees for the year ended 31 December 2019 (2018: £nil). There are no amounts outstanding as at 31 December 2019 (2018: £nil).

c) Performance fees

The Administrative Agent 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 direct investments after the deduction of: a) the original cost of the direct investment and b) the attributable proportion of all expenses incurred by the Company in respect of the direct investment (including the operational service fee), subject to an 8% preferred return.

Performance fees for the year ended 31 December 2019 totalled £10,646,241 (2018: £1,613,530) and are presented in the consolidated statement of comprehensive income. The increase in the amount for the year is a direct reflection of the increase in the NAV. The amount outstanding as at 31 December 2019 was £12,447,622 (2018: £1,801,381) and is included in "Trade and other payables" in the consolidated balance sheet.

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

15. Operational, advisory and performance fees continued

d) Other fees

The Administrative Agent may also recharge costs incurred, either directly or indirectly by its contracted advisors, on behalf of the Company. Such recharges are specifically agreed on a case-by-case basis.

For the year ended 31 December 2019, the Administrative Agent recharged such other costs to the Company totalling £719,034 (2018: £714,873) and is included in other expenses (Note 14). The amount outstanding as at 31 December 2019 was £70,000 (2018: £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.

16. Professional fees

	Notes	2019 £'000	2018 £'000
Administration fees	17	352	327
Consulting fees		418	48
Directors' fees	18	240	234
Auditor's remuneration	19	143	96
Legal fees		104	19
Other fees		648	152
		1,905	876

17. Administration fees

The Company appointed Mayflower Management Services (Bermuda) Limited (the "Administrator") in 2007 to provide administration services at an annual administration fee at prevailing commercial rates. Administration fees for the year ended 31 December 2019 totalled £352,040 (2018: £326,743). There was no administration fee payable to the Administrator as at 31 December 2019 (2018: £nil).

18. Directors' fees

	2019 £'000	2018 £'000
Chair's remuneration	65	75
Directors' fees	175	159
	240	234

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 (2018: one). During 2019, no other fees were paid to the Directors (2018: £nil). No fees were payable as at 31 December 2019 (2018: none). For the years ended 31 December 2019 and 2018 members of the Board of Directors held shares in the Company and were entitled to dividends as detailed below:

	2019 '000	2018 '000
Shares at the beginning of the year	9,736	2,690
Shares acquired during the year	8,342	7,277
Shares held by a Director who resigned during the year	(60)	(231)
Shares at the end of the year	18,018	9,736
Dividends paid to Directors	561	278

19. Auditor's remuneration

	2019 £'000	2018 £'000
Audit of the consolidated Financial Statements	143	96
Total auditor's remuneration	143	96

During the year ended 31 December 2019, the Company paid £5,000 (2018: £nil) to KPMG for tax advisory services fees, which is included in Consulting fees.

20. 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 until at least 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 2019, the Company was not subjected to foreign withholding taxes (2018: nil).

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

21. Earnings per share

The earnings per share calculation uses the weighted average number of shares in issue during the year.

	2019	2018
Basic and diluted earnings per share	£0.66	£0.40
Profit for the year (£'000)	£135,269	£81,998
Weighted average number of shares in issue ('000)	204,113	204,804

22. Net asset value per share

The net asset value per share calculation uses the number of share in issue at the end of the year.

	2019	2018
Basic and diluted net asset value per share	£3.45	£2.81
Net assets attributable to shareholders (£'000)	£686,008	£574,822
Number of shares in issue at the end of the year ('000)	198,600	204,804

23. 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 SFS of the LSE Main Market. Each share confers the right to one vote and shareholders have the right to receive dividends.

On 15 March 2019, the Company bought 404,100 ordinary shares at the market price on that date for a total of £767,442. On 14 November 2019, the Company bought 1,800,000 ordinary shares at the market price on that date for a total of £3,999,699. On 20 December 2019, the Company bought 4,000,000 ordinary shares at the market price on that date for a total of £10,100,250. The ordinary shares purchased by the Company were cancelled and are available for re-issue.

As at 31 December 2019, the Company's issued and fully paid share capital was 198,599,936 ordinary shares (2018: 204,804,036).

	2019 €'000	2018 €'000
Ordinary shares outstanding at the beginning of the year	204,804	204,804
Ordinary shares purchased	(6,204)	–
Ordinary shares outstanding at the end of the year	198,600	204,804

b) Share premium

Share premium represents the amount received in excess of the nominal value of ordinary shares.

24. Dividends

On 13 March 2019, the Board of Directors declared a final dividend for 2018 of 2.25 pence per ordinary share resulting in a dividend of £4,608,091 payable on 25 April 2019 (2018: On 14 March 2018, they declared and approved a final dividend for 2017 of 2.25 pence per ordinary share which resulted in a dividend payment of £4,608,091 which was paid on 26 April 2018).

On 10 September 2019, the Board of Directors declared an interim dividend of 2.25 pence per ordinary share resulting in a dividend of £4,608,091 (2018: On 3 September 2018, they also declared an interim dividend of 2.25 pence per ordinary share which resulted in a dividend of £4,608,091).

25. Commitments

The Company had the following capital commitments in Euros at the end of the year:

	2019 €'000	2018 €'000
Fund I		
Total capital commitment (2019: £171,269; 2018: £169,144)	202,398	188,398
Called capital at the beginning of the year	185,760	185,760
Additional interest acquired during the year	13,804	–
Capital calls during the year (2019: 0%; 2018: 0%)	–	–
Called capital at the end of the year (2019: £168,871; 2018: £166,775)	199,564	185,760
Unfunded capital commitment (2019: £2,398; 2018: £2,368)	2,834	2,638
Aggregate recycled commitment	13,965	13,000

	2019 €'000	2018 €'000
Fund II		
Total capital commitment (2019: £160,778; 2018: £170,582)	190,000	190,000
Called capital at the beginning of the year	176,700	158,650
Capital calls during the year (2019: 0%; 2018: 9.5%)	–	18,050
Called capital at the end of the year (2019: £149,524; 2018: £158,641)	176,700	176,700
Unfunded capital commitment (2019: £11,254; 2018: £11,941)	13,300	13,300
Aggregate recycled commitment	8,550	–

Notes to the consolidated financial statements continued

for the year ended 31 December 2019

25. Commitments continued

	2019 €'000	2018 €'000
Fund III		
Total capital commitment (2019: £275,675; 2018: £292,485)	325,780	325,780
Called capital at the beginning of the year	172,664	123,797
Capital calls during the year (2019: 10%; 2018: 15%)	32,577	48,867
Called capital at the end of the year (2019: £173,675; 2018: £155,017)	205,241	172,664
Unfunded capital commitment (2019: £102,000; 2018: £137,468)	120,539	153,116

	2019 €'000	2018 €'000
Fund IV		
Total capital commitment (2019: £338,480)	400,000	–
Called capital at the beginning of the year	–	–
Capital calls during the year (2019: 8%)	30,000	–
Called capital at the end of the year (2019: £25,386)	30,000	–
Unfunded capital commitment (2019: £313,094)	370,000	–
Total unfunded capital commitments (2019: £428,746; 2018: £151,777)	506,673	169,054

The Company had the following loan commitments at the end of the year:

	2019 £'000	2018 £'000
Total loan facility commitments:		
Fund I	5,000	5,000
Fund II	20,000	20,000
Fund III	–	20,000
Oakley NS (Bermuda) LP	53,850	25,850
	78,850	70,850
Total unfunded loan commitments:		
Fund I	4,000	4,200
Fund II	15,700	2,773
Fund III	–	15,989
Oakley NS (Bermuda) LP	14,334	12,737
	34,034	35,699

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 are not eliminated.

One Director of the Company, Peter Dubens, is also a Director of the Investment Adviser, an entity which provides services to, and receives compensation from, the Company. It is considered a related party to the Company, given the indirect control this Director has over these entities. Peter is the sole shareholder of Oakley Capital Manager Limited (the "Administrative Agent") and is considered a related party to the Company given the direct control this Director has over this entity. The agreements between the Company and these service providers were and are based on normal commercial terms and are disclosed in Note 15.

Throughout 2019, no Director of the Company had a personal interest in any transaction of significance for the Company (2018: none).

Operational service fees, advisory fees, performance fees and recharged costs paid to the Administrative Agent are detailed in Notes 14 and 15. The agreements between the Company and these service providers are based on normal commercial terms. The basis for calculating these fees remain substantially unchanged from prior years. The increase is a function of the change in net asset value of the underlying assets.

During the year ended 31 December 2019, the Investment Adviser recharged staff costs of £649,034 (2018: £714,873) to the Company which is included in other expenses (Note 14).

27. Events after the balance sheet date

The Board of Directors has evaluated subsequent events from the year-end through 19 March 2020, which is the date the consolidated Financial Statements were available for issue. The following events have been identified for disclosure:

On 14 February 2020, the Company received a distribution of €23,138,990 (£19,242,384) from Fund III arising from the refinancing by Career Partners.

On 21 February 2020, the Company received a distribution of €138,707,470 (£116,125,894) from Fund III arising from the sale of WebPros.

On 11 March 2020, the Board of Directors declared a final dividend for the year ended 31 December 2019 of 2.25 pence per ordinary share, resulting in a dividend of £4,468,499 which will be payable on 23 April 2020.

On 18 March 2020, the Company bought 3,000,000 ordinary shares at the market price on that date for a total of £4,793,850.

In early 2020, the existence of a new coronavirus (COVID-19) was confirmed and since this time COVID-19 has spread across China and to a significant number of other countries. COVID-19 has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the Company or to provide a quantitative estimate of this impact.

Directors and advisers

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Independent Director and Chair

Laurence Blackall
Independent Director

Stewart Porter
Director

Peter Dubens
Director

Craig Bodenstab
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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 2019, Oakley Capital Investments Limited is registered as an Alternative Investment Fund ("AIF").
AIF	Alternative Investment Fund, as at 31 December 2019, 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.
Direct 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 advanced 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 2019, 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 2019 was £1: €1.1818.
Fund I / Oakley Fund I	Oakley Capital Private Equity L.P.

Glossary continued

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 IV / Oakley Fund IV	Those limited partnerships constituting the Fund know as Oakley Capital IV, comprising Oakley Capital IV-A SCSp, Oakley Capital IV-B SCSp, Oakley Capital IV-C SCSp and Oakley Capital IV Master SCSp.
Oakley Group	Oakley Capital Limited as Investment Adviser, Oakley Capital Manager Limited as Administrative Agent, Oakley Capital Holdings S.à r.l., the General Partners, the Fund IV AIFM and any other AIFM and General Partner of successor Oakley Funds or any additional management or holding entities formed under the control of the current Oakley Group.
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.
SFS	The Specialist Fund Segment is a segment of the London Stock Exchange's regulated Main Market.

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