

MITHRAS
INVESTMENT TRUST plc

Annual General Meeting

26 April 2017

2016 Results and Trading Update

	31.12.15	31.12.16	31.03.17
NAV*	173.0p	221.2p	223.4p
Share price	146.5p	181.3p	202.0p
Discount	15%	18%	10%
Dividends proposed	1.0p	1.0p	N/A

Current share price 25 April 2017 – 206.0p, discount 8%



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Private Equity market update

- European buyout market remained active despite uncertainty and volatility with buyout valuations increasing
- Private equity exit environment remains positive
- Volatility and sensitivity particularly to political events likely to influence deal flow
- Debt markets still supportive with attractive financing and covenant-lite terms
- Significant unspent private equity commitments and fundraising success provide further support to the exit environment



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Costs - peer group comparison

- Focus on delivering realisation strategy with low ongoing charges
- Slight reduction in total costs for 2016 but cost ratios impacted by progress made on realisation strategy
- Latest available annualised ongoing charges Dec 2016 - 1.60% (Dec 2015 - 1.40%)

Peer Group*

Standard Life Private Equity(2016)	0.99%
F&C Private Equity (2015)	1.30%
ICG Enterprise (2016)	1.41%
Aberdeen Private Equity (2016)	1.87%
Dunedin Enterprise (2015)	2.63%

Source: *Morningstar



Liquidity and outstanding commitments

	31.12.15	31.12.16	31.03.17
Mithras cash balance	£6.3m	£5.2m	£9.8m
<u>MCF position</u>			
Cash invested	£51.3m	£51.5m	£51.5m
Maximum outstanding commitment	£3.7m	£3.5m	£3.5m
Sensitised outstanding commitment	£0.7m	£0.4m	£0.4m
Mithras surplus cash <i>*(before 2016 dividend)</i>			£9.4m



MCF – Financial position

	2015	2016
Percentage of MCF commitment drawn	93.3%	93.7%
Amounts called by MCF since inception	£51.3m	£51.5m
Amounts distributed by MCF since inception	£42.8m	£51.4m
Percentage of drawn capital distributed	83.4%	100.4%
Number of portfolio companies	53	38
Average hold period	5.6	6.1



Ten largest investments

Portfolio Company	Fund	Sector	Year of Investment	% of Mithras portfolio
AdvancePierre Foods	OCM POF IV	Food & Beverage	2008	20%
TMF Group	DH V	Services	2008	10%
Quironsalud	CVC Europe V	Healthcare	2011	8%
Cyanco Holdings	OCM POF IV	Basic Resources	2008	5%
Xella	PAI Europe V	Building Materials	2008	4%
Ista	CVC Europe V	Services	2013	4%
Cerba HealthCare	PAI Europe V	Healthcare	2010	4%
Froneri	PAI Europe V	Food & Beverage	2013	4%
SkyBet	CVC Europe V	Travel & Leisure	2015	3%
OrthoD Group	REF III	Healthcare	2008	3%



MCF Portfolio as at 31 December 2016

	MIT's share of Commitment via MCF €//\$	% drawn via MCF	Valuation €//\$	Valuation £	NAV PPS
CVC Europe V	€15.0m	96%	€9.8m	8.4m	59.0p
OCM POF IV	\$20.0m	90%	\$8.9m	7.2m	50.5p
PAI Europe V	€7.5m	93%	€5.4m	4.6m	32.4p
Doughty Hanson	€15.0m	78%	€4.9m	4.2m	29.8p
Riverside Europe III	€15.0m	97%	€2.5m	2.1m	14.8p
Latest Managers NAV's				£26.5m	186.5p
Cash held within MCF				£0.2m	1.3p
Fair value (Directors) adjustment				£0.8m	5.8p
Less: MCF Carried Interest provision				(£1.4m)	(10.0p)
Valuation at 31 December 2016				£26.1m	183.6p
Cash and other assets				-	37.6p
					221.2p
MCF gross valuation / drawn down capital multiple				1.5x	



MCF Carried Interest provision

- Carried interest scheme within MCF was based on standard FOF terms with 10% return on investment profits over an 8% hurdle
- Provision based upon net MCF IRR at the reporting date and any carried interest payment is based upon cash returned to investors at the cessation of MCF (liquidation)
- MCF is in carried interest catch up mode whereby all of the current gains over an 8% return go to the carried interest scheme until the catch up is satisfied.
- Current MCF carried interest catch up equates c.£5.8m with MCF carried interest provision currently c.£3.5m – once catch up is passed, returns revert back to 90:10 split in favour of investors



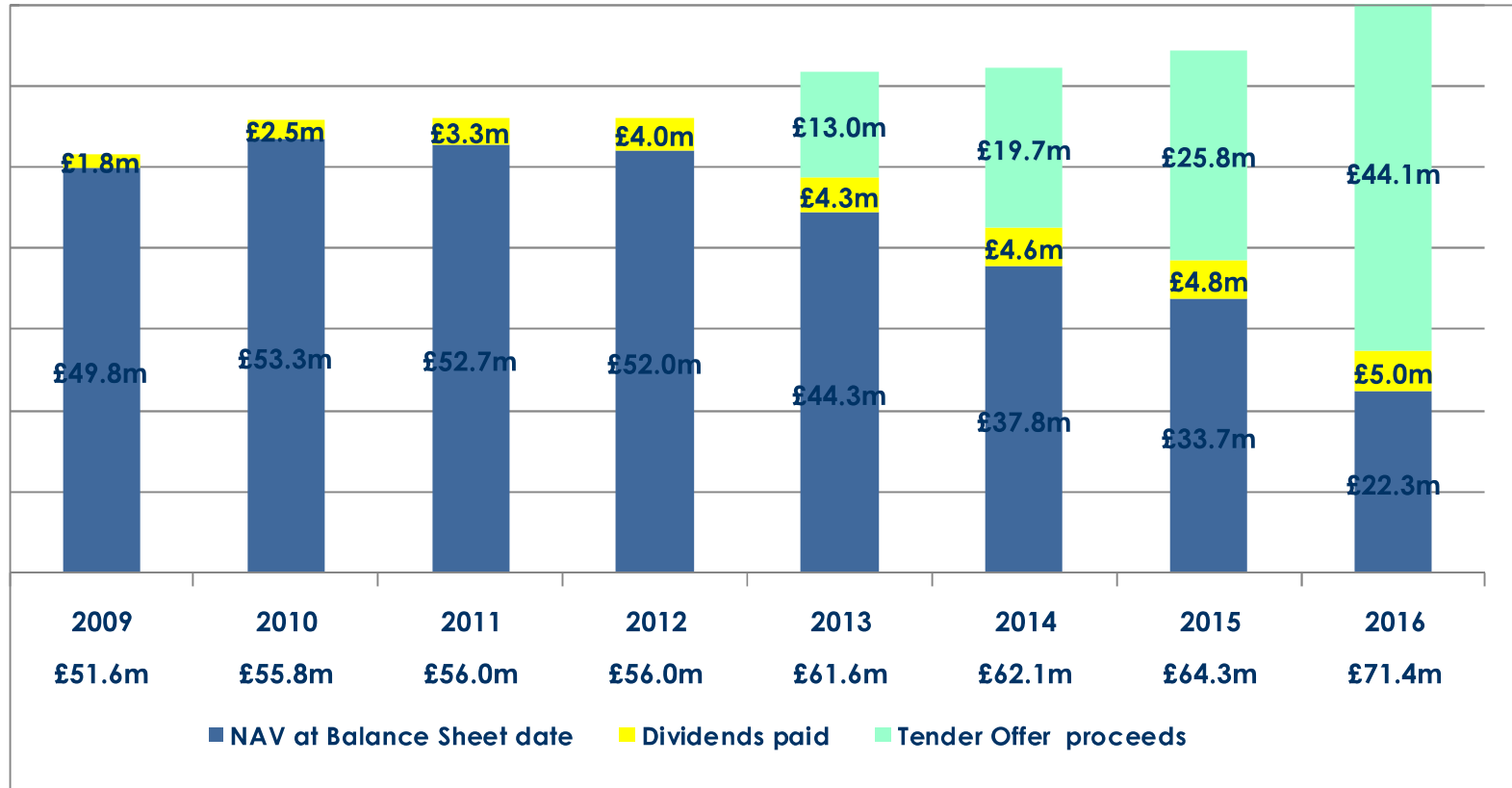
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Realisation strategy update

- Completed fifth tender offer during 2016
- High level of shareholder participation
- Strong start to 2017 in terms of cash returns
 - AdvancePierre Foods sell-down (OCM POF IV)
 - Quironsalud / AlixPartners exits (CVC Europe V)
 - PAI's sales of Xella and Cerba c.£3.0m completed April 2017
 - Good pipeline of other anticipated exits during 2017

Realisation strategy performance

Net Assets and Cumulative Distributions to Shareholders since January 2009 (£ millions) – *Pro-forma for Sixth Tender Offer



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Sixth Tender Offer

- Returning £9.2 million which equates to 29.5% of remaining shares in issue
- Tender price of c.217.6p is adjusted 31 December 2016 NAV less tender costs and adjusted for 2016 dividend
- Equates to 98.8% of 31 December 2016 NAV
- Seeking shareholder approval immediately following this AGM



Final stages of realisation strategy (1)

- Board believes core strategy of tender offers remains best way to maximise value in the short term
- Realisation strategy modelled and reviewed regularly by Board
- Exit environment remains supportive to the Company's strategy
- Good visibility on remaining portfolio and exit prospects over the next 12-18 months subject to market conditions
- Expectation that costs of maintaining the Company as a listed investment trust will become uneconomic caused by future tenders
- Envisage being able to make one or two further tender offers after the current sixth tender offer

Final stages of realisation strategy (2)

- Expect to be in a position to commence final stage of realisation strategy on or before 30 June 2018 subject to a continuation of current exit environment
- Company put into liquidation with either:
 - Company's stake in MCF being sold and the Company being liquidated immediately thereafter; or
 - Liquidation of remaining MCF portfolio dealt with by the appointed liquidator with expectation that liquidation process would take 6-12 months
- Liquidation ensures significant costs taken out of the vehicle with no Board, Listing, Administrator and Audit costs

Final stages of realisation strategy (3)

- Longer term liquidation more likely if portfolio has further upside which we expect can be delivered on a timely basis
- Portfolio is likely to be more concentrated towards CVC and PAI
- MCF carried interest provision of £1.7m at 31 March 2017 (MIT's share) acts a downside protection to the Company in that any future decrease in NAV up to the current carried interest provision will unwind from carry provision thereby protecting the Company's NAV
- Company is always open to value-enhancing proposals
- Any offers will be evaluated against the Company's core strategy of tenders followed by a liquidation of the Company



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Summary

- Company enjoyed a good year in performance terms with significant progress made realising a number of older investments
- Prospects for cash generation and NAV growth remain positive in the short term
- Volatility and sensitivity to political events and currency movements likely to continue
- Current realisation strategy remains best option for shareholders to maximise value as we move towards the final stages of the Company's realisation strategy



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