

**JPEL Private Equity Limited**  
**Unaudited Interim Report and Condensed Financial Statements**  
**for the period ended 31 December 2021**

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Forward looking statements including opinions or expectations about any future events contained in this report are based on a variety of estimates and assumptions. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, geopolitical, competitive and financial risks that are outside of the Company's or the Board's control. As such, there can be no assurance that any such estimates and assumptions will prove accurate.

# Financial Summary (Company Information)

31 December 2021

## US\$ Equity Shares

NAV per Share	\$1.85
Share Price	\$1.52
Shares in Issuance	40.0m

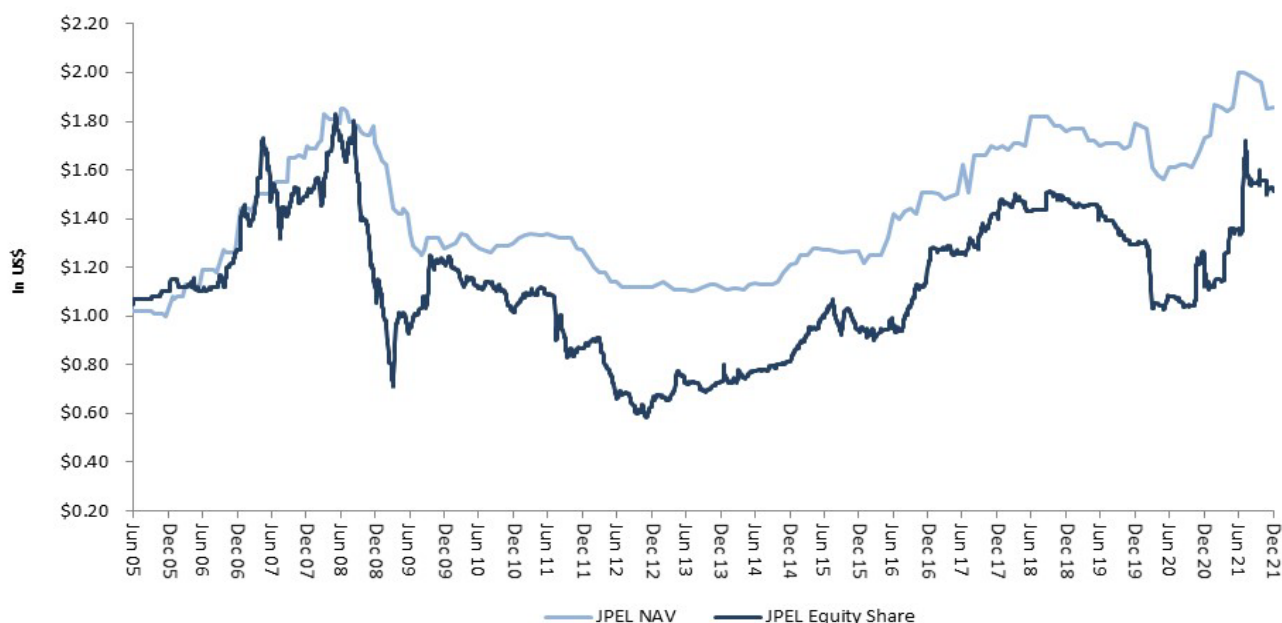
## Statement of Financial Position (extract)

Investments at Fair Value	\$58.5m
Bank Deposits	\$15.7m
Other Assets <sup>1</sup>	\$4.5m
Credit Facility	-
Other Liabilities <sup>2</sup>	(\$4.7m)

<b>US\$ Equity Net Asset Value<sup>3</sup></b>	<b>\$74m</b>
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## PERFORMANCE AS AT 31 DECEMBER 2021

JPEL Performance Since Inception<sup>4</sup>



Past performance is not an indication of future performance.

<sup>1</sup> Includes distribution receivable and prepayments.

<sup>2</sup> Includes fee accruals and other payables.

<sup>3</sup> Numbers may not sum due to rounding.

<sup>4</sup> Source: Manager, Bloomberg as at 31 December 2021. NAV and trading prices are given on a per Equity Share basis

# Overview, Investment Strategy, Investment Policy & Leverage

## OVERVIEW

JPEL Private Equity Limited ("JPEL" or the "Company") is a Guernsey registered and incorporated closed ended investment company with a Premium Listing on the London Stock Exchange (LSE: JPEL).

The investment advisor of the Company is FCF JPEL Management LLC (the "Manager"). The Manager is a Delaware limited liability company and an affiliate of Fortress Investment Group LLC ("FIG" or "Fortress"). The Manager is a "relying advisor" of Fortress, pursuant to applicable SEC guidance.

The Company has entered into a management agreement with the Manager, subject to the overall supervision of the board of directors of the Company (the "Directors" or the "Board"). All Directors are independent of the Manager. The Directors have overall responsibility for the Company's investment policy and the Company's activities.

The key measure of performance used by the Board and the shareholders to assess the Company's performance is the NAV which is prepared on a monthly basis by IQ EQ Fund Services (Guernsey) Limited (the "Administrator").

## INVESTMENT STRATEGY & INVESTMENT POLICY

Following the retirement of JPEL's 2017 zero dividend preference shares in October 2017 and changes to the Company's investment policy, the Manager is effecting an orderly realisation of the investments and other assets comprised in the Company's portfolio and will seek to realise such investments and assets in order to maximise returns to US\$ Equity Shareholders (as defined below).

This realisation of the investments will include the Manager exploring the private equity secondary market for the Company's legacy fund interests as well as holding the direct investment portfolio until maturity, if the Manager believes that market pricing would be more favourable than realising such investments before their maturity.

The Company has not and will not make any new investments save for follow-on investments associated with existing investments to meet capital calls with respect to its undrawn commitments to underlying investments or to preserve or protect the value of its existing investments.

## LEVERAGE

The Company has the ability to borrow up to 30% of its adjusted total of capital and reserves subject to and in accordance with the limitations and conditions in its articles of incorporation ("Articles"). As part of its leverage policy, the Company may borrow: (i) for short-term or temporary purposes as is necessary for the settlement of transactions; (ii) to facilitate the operation of the over-commitment policy; or (iii) to meet ongoing expenses. The Directors and the Manager will not incur any short-term borrowings to facilitate any tender or redemption of US\$ equity shares (the "US\$ Equity Shares" and the holders of such US\$ Equity Shares being the "US\$ Equity Shareholders") unless such borrowings have a repayment period of 180 days or less. The Company is indirectly exposed to borrowings to the extent that subsidiaries and underlying funds in its portfolio are themselves leveraged.

# Chairman's Statement

## 2021 SEMI ANNUAL HIGHLIGHTS

- US\$ Equity Share price increased 11.4% to \$1.52 during the six month period ending 31 December 2021.
- NAV per US\$ Equity Share decreased \$0.18, or 8.9%, to \$1.85 from \$2.03 over the same period.
- JPEL exited its largest investment in Swania International SA ("Swania International") on 23 July 2021 at an approximate 19% premium to prevailing NAV.
- JPEL's ninth mandatory redemption returned \$85 million to US\$ Equity Shareholders on 12 August 2021.

## REVIEW OF PROGRESS SINCE JANUARY 2014

On 15 January 2014, JPEL announced that it would cease capital distributions to US\$ Equity Shareholders and invest up to \$150 million in private companies, predominantly in the US and Western Europe, via the secondary and co-investment markets (the "Announcements"). The goal was to enhance NAV through several targeted secondary direct investments while utilising cash flows received from JPEL's mature, legacy portfolio to fund these new investments and to reduce debt.

When the Company made this announcement, the Company's US\$ Equity Share price and NAV per share was \$0.80 and \$1.13, respectively and total outstanding debt (including zero dividend preference shares) was \$167.8 million. Over the last 8 years, \$414.2 million was returned to US\$ Equity Shareholders at prevailing NAVs ranging from \$1.48 to \$2.00 per US\$ Equity Share.

As discussed in prior reports, a significant portion of JPEL's performance and volume of cash distributions is directly attributable to the investments made during the two years from 2014-2016 (the "New Portfolio").

- The New Portfolio (including a late 2013 investment) has produced a multiple on invested capital ("MOIC") of 2.35x and an internal rate of return ("IRR") of 24.8%<sup>1</sup>; and
- The realised and partially realised New Portfolio performance is approximately 3.44x with an IRR of 35.6%<sup>1</sup>.

### New Portfolio: Performance through 31 December 2021<sup>1</sup>

	Cost	Realised	Unrealised	Total Value	MOIC	IRR
Realised & Partially Realised	\$124.9	\$411.7	\$18.5	\$430.2	3.44x	35.6%
Unrealised	59.8	0.3	3.0	3.3	0.06x	(47.2%)
<b>Total New Investments</b>	<b>\$184.7</b>	<b>\$412.0</b>	<b>\$21.5</b>	<b>\$433.5</b>	<b>2.35x</b>	<b>24.8%</b>

## NAV AND SHARE PRICE PERFORMANCE

In the six months ending 31 December 2021, JPEL's NAV per US\$ Equity Share decreased \$0.15 or 7.5 % from \$2.00 to \$1.85.

The primary driver of this decline was JPEL's investment in Corsicana Bedding Inc. ("Corsicana"). Corsicana was marked down during the six-month period ending 31 December 2021, reflecting ongoing challenges to the business from various supply chain and inflationary pressures. Corsicana's third and fourth quarter performance and liquidity were negatively impacted by reduced supply and increased costs relating to raw materials. The company implemented a series of price increases, but this did not offset volume losses. As a result of this reduced liquidity, during the fourth quarter, the company completed a debt restructuring, which significantly diluted JPEL's equity position.

In addition, JPEL's NAV was negatively impacted by stock price movements in Fibrogen and Paratek, which are indirectly held in investments managed by Omega Funds.

JPEL's US\$ Equity Share price increased 11.4% during the six-month period from \$1.36 to \$1.52. Subsequent to the period, JPEL's US\$ Equity Share price declined to \$1.42 on 16 March 2022. As of 16 March 2022, JPEL traded at a 23.2% discount to prevailing NAV.

<sup>1</sup> IRR and MOIC have been adjusted to exclude the effect of foreign exchange. Returns are net of underlying sponsor fees and gross of the Company fees.

# Chairman's Statement continued

## RETURN OF CAPITAL

On 12 August 2021, JPEL completed its 9<sup>th</sup> mandatory redemption and returned \$85 million to US\$ Equity Shareholders (the equivalent of approximately 42.5 million US\$ Equity Shares, or 51.5% of US\$ Equity Shareholder NAV). Inclusive of this mandatory redemption, JPEL has returned \$499.2 million to US\$ Equity Shareholders, or approximately 104.2% and 131.3% of the Company's 31 October 2016 NAV and market capitalisation. Please note that the prevailing NAV at the time of the Company's first mandatory redemption was 31 October 2016<sup>1</sup>.

The Company will continue to monitor its cash balance and will determine the timing of the tenth mandatory redemption in due course.

## CAPITAL POSITION

As of 31 December 2021, the Company did not have any leverage. JPEL's facility expired on 31 December 2021 and was not renewed.

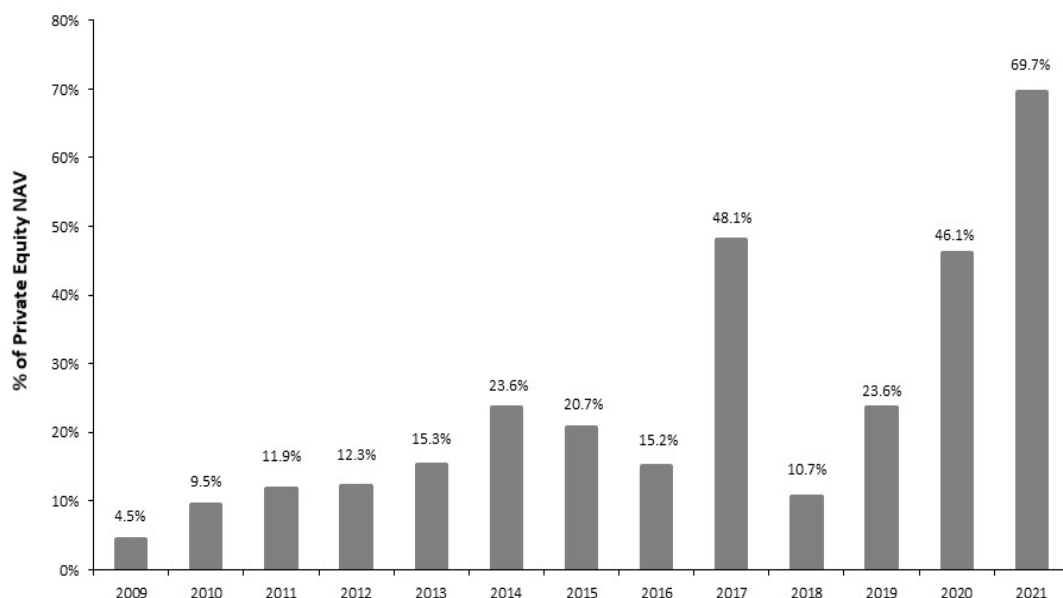
## DISTRIBUTION ACTIVITY

During the six months ended 31 December 2021, the portfolio generated gross distributions of \$84.4 million and funded capital calls of \$0.06 million. The majority of distributions during the period were a result of the sale of JPEL's investment in Swania International. At the time of the sale, Swania International was the Company's largest investment and the sale represented an approximate 19% uplift to the prevailing NAV.

Distributions received during JPEL's 2021 calendar year represented 69.7% of 31 December 2020 investment portfolio value. This is a significant increase from the prior year when JPEL received 46.1% of the prior year's private equity NAV. On average, over the past 12 years, JPEL has received distributions equating to 23.9% of the prior year's investment portfolio value during a single calendar year.

As JPEL's portfolio continues to run off, distribution activity from the underlying portfolio is expected to be increasingly uneven.

**Calendar Year Distribution Activity as a Percentage of Prior December Year-End Private Equity Value\***



<sup>1</sup> The date 31 October 2016 represents the most current NAV at the time of the Company's initial mandatory redemption.

\* Source: Manager. As at 31 December 2021.

# Chairman's Statement continued

## SIGNIFICANT EXITS AND ONGOING PORTFOLIO MANAGEMENT

As discussed earlier in this report, JPEL exited its investment in Swania International at an approximate 19% premium to prevailing NAV. The Company has continued to see distribution activity across its portfolio of legacy fund investments.

The Manager and the Board continue to explore strategic solutions as well as various liquidity options for certain of the Company's investments and will provide more detail as and when these opportunities materialise.

## MARKET OUTLOOK

The outbreak of the COVID-19 in many countries continued to adversely impact global commercial activity and contributed to significant volatility in financial markets throughout the 2021 calendar year.

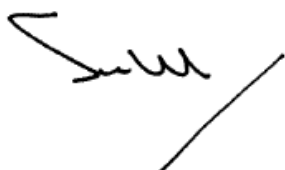
Subsequent to year end, the global economy continued to face headwinds from higher inflation, increased energy and commodity prices as well as volatility in the stock markets. In addition, the ongoing crisis in Ukraine has added additional pressures to the global economy. While JPEL has no direct exposure to Russia or Ukraine and limited exposure to energy and commodity prices, some of our underlying portfolio companies will likely be affected by the uncertainty and volatility in the market. In addition, the current market conditions may negatively impact the final execution of the Company's realisation strategy.

The current portfolio is mature, with a weighted average age of 9.9 years at 31 December 2021.

## CONCLUSION

Both the Board and Manager remain focused on maximising value in the portfolio and returning capital to US\$ Equity Shareholders. In conclusion, I would like to thank shareholders for the support that they have placed in the Company.

As you know, John Loudon decided not to put himself forward for re-election as a director at the November 2021 annual general meeting. The remaining Directors would like to express their gratitude and thanks to Mr. Loudon for the service that he provided to the Company since its inception, and they wish him well with his future endeavours.



Sean Hurst  
Chairman  
16 March 2022

# Corporate Actions

## 2021 CORPORATE ACTIONS

- On 12 August 2021 JPEL announced that the ninth mandatory redemption of the Company's US\$ Equity Share class announced on 5 August 2021 had been completed.
- On 2 November 2021, JPEL published a circular to Shareholders (the defined terms used below have the meanings ascribed to them in the notice of the annual general meeting dated 2 November 2021).
- The circular contained a notice of the annual general meeting to be held on 23 November 2021 (the "AGM"). The following summarises all of the resolutions the Company sought approval for at the AGM:
- Special Resolutions:
  1. To renew the Company's authority to make purchases of up to 15 per cent. of its own issued Shares pursuant to any proposed Tender Offer; and
  2. To renew the Company's general authority to make market purchases of up to 14.99 per cent. of its own issued Shares.
- Ordinary Resolutions:
  3. To approve and adopt the annual report and financial statements of the Company for the year ended 30 June 2021;
  4. To re-elect PricewaterhouseCoopers CI LLP as Auditors of the Company;
  5. To re-authorise the Directors to determine the Auditors' remuneration;
  6. To re-authorise and agree the remuneration of the Directors in accordance with the Articles;
  7. To re-elect Christopher P. Spencer as a non-executive, independent director of the Company, who retires by rotation;
  8. To re-elect Anthony (Tony) Dalwood as a non-executive, independent director of the Company, who retires by rotation; and
  9. To re-elect Sean Hurst as a non-executive, independent director of the Company, who retires by rotation.
- On 23 November 2021, JPEL announced that at the AGM, all resolutions put to Shareholders at the AGM were duly passed.



# Statement of Principal Risks and Uncertainties

The Company's investments and the underlying portfolio companies are materially affected by a variety of risks and uncertainties in the global financial markets and economic conditions throughout the world. The risks described below are the principle risks which are considered by the Board to be material to the Shareholders of the Company. Greater detail on these risks is provided in note 3 of the Condensed Interim Financial Statements (the "financial statements"). The Directors consider that the principal risks and uncertainties have not changed materially since the year end and are not expected to change materially for the remaining six months of the financial year, except as discussed in the Chairman's Statement.

- **Market risk:** Market risk embodies the potential for both gains and losses and includes interest rate risk, currency risk and price risk. The Manager works to mitigate risk by creating a diversified portfolio, focusing on achieving a balance across Manager, investment styles, industrial sectors and geographical focus;
- **Interest rate risk:** Interest rate risk refers to the Company's exposure to changes in interest rates, primarily relating to cash and cash equivalents and floating rate debt obligations. External interest bearing liabilities are limited in size by the Company's internal policies;
- **Currency risk:** Currency risk arises from the possibility that fluctuations in foreign currency exchange rates will affect the value of the Company's assets and liabilities, the net asset value and the market price of the US\$ Equity Shares. As at 31 December 2021, the Company had two currency hedges in place to partially mitigate fluctuations in its foreign exchange exposure;
- **Price risk:** Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in that market;
- **Credit risk:** Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. The Company's exposure to credit risk is managed on an ongoing basis by the Manager and on a quarterly basis by the Board;
- **Liquidity risk:** The Company's financial instruments primarily include investments in unlisted equity investments that are not publicly traded and therefore may be illiquid. As a result, the Company may not be able to liquidate some of its investments in these instruments at an amount close to their fair value should such liquidation be necessary to meet liquidity requirements, including the need to meet outstanding undrawn commitments and other obligations as and when these fall due; and
- **Other risks:** The Company is exposed to various other risks with respect to its financial assets including valuation risk, reliance on the Manager, political and regulatory risk.

## Related Party Transactions

Related party transactions are reported in note 13 of the financial statements.

## Going Concern

The Directors have examined significant areas of possible credit and liquidity risk and have satisfied themselves that no material uncertainties exist. The Directors have taken into consideration the Company's expected cash flows for a period exceeding twelve months from the date of approval of the financial statements, in respect of follow-on investments and ongoing fees. Given the Company's current cash position combined with the expected distributions over the same period, the Directors believe the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. After due consideration of this, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements. However, as discussed in the Chairman's Statement, the Manager and the Board continue to explore strategic solutions which may accelerate the Company's realisation strategy.

# Responsibility Statement

The Directors confirm to the best of their knowledge:

- a. The financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting;
- b. This report includes a fair review of the information required by the FCA's Disclosure Guidance and Transparency Rules 4.2.7R; and
- c. This report includes a fair review of the information required by the FCA's Disclosure Guidance and Transparency Rules 4.2.8R.

This report was approved by the Board on 16 March 2022 and the above Responsibility Statement was signed on its behalf by

A handwritten signature in black ink, appearing to read 'Sean Hurst', followed by a long diagonal stroke.

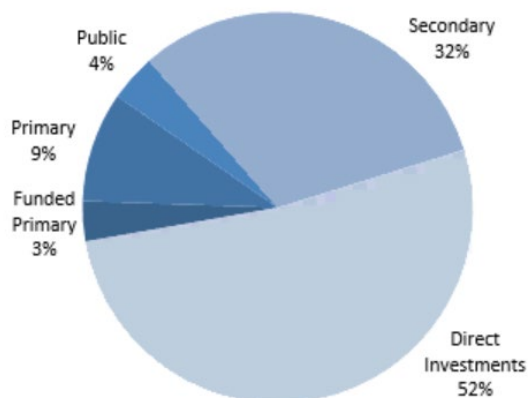
Sean Hurst  
Chairman

# Manager's Report

## PORTFOLIO REVIEW

With an investment value of \$58.5 million, JPEL's portfolio is diversified globally across multiple investment strategies and industries as at 31 December 2021.

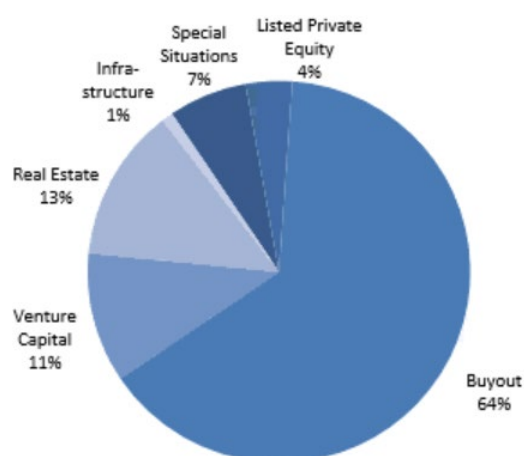
### Investment Type<sup>1</sup>



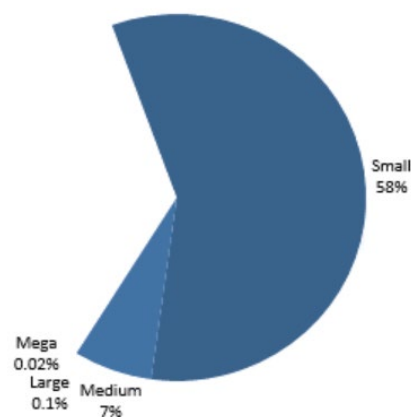
Direct investments comprise 52% of the portfolio, while secondary investments make up 32% of JPEL's portfolio NAV.

As at 31 December 2021, primary investments comprised 9% of JPEL's portfolio while public and funded primaries made up 4% and 3% of JPEL's portfolio NAV, respectively.

### Investment Strategy<sup>1</sup>



### Buyout Fund Sizes<sup>2</sup>



Currently, buyout funds constitute approximately 64% of JPEL's portfolio. Within this strategy, the majority of the Company's investments are with fund managers that focus on small to medium sized buyouts, which generally utilise less leverage.

JPEL's exposure to real estate stands at 13%. JPEL's exposure to venture capital, special situation funds, listed private equity and infrastructure stands at 11%, 7%, 4% and 1%, respectively.

<sup>1</sup> Based on 31 December 2021 market value of investments, percentages based on underlying fund-level values.

<sup>2</sup> Fund classifications for buyout strategies are based on total fund commitments: Small: \$0 - \$500 million; Medium: \$500 - \$2,000 million; and Large: over \$2,000 million. Co-investments allocated by size of underlying sponsor fund.

# Manager's Report continued

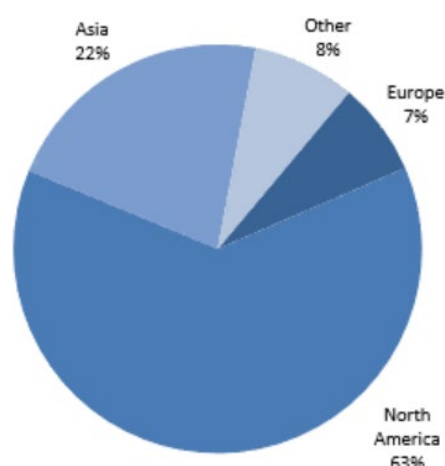
## PORTFOLIO REVIEW continued

### Portfolio Age<sup>1</sup>

Average Age of Portfolio	
Weighted average age:	9.9 years
Direct investments:	8.3 years
Fund investments:	11.2 years
Buyout investments:	10.4 years
Venture investments:	12.4 years

With a weighted average age of 9.9 years, JPEL's portfolio is well positioned on the private equity "J-Curve" to continue to receive distributions.

### Geographic Footprint<sup>2</sup>



JPEL's private equity portfolio is diversified with investments in over 30 countries, helping to mitigate country and regional risk as well as to capitalise on the growth of expanding economies. Asia and North America represent the majority of the Company's portfolio at 22% and 63% respectively. JPEL's allocation to Europe stands at 7% while investments in the rest of the world represent 8% of the portfolio.

<sup>1</sup> Based on 31 December 2021 market value of investments, percentages based on underlying company-level values. Average age of investments is based on the date in which each individual portfolio company investment was made, subject to availability. Weighting is based on underlying portfolio company level values. Age calculated at 31 December 2021. Average is weighted based on investments at market value as at 31 December 2021 percentages based on underlying company-level values. Direct investment age is based on the date of the Company's investment. Fund investment age is based on the date of the Sponsors' original investment.

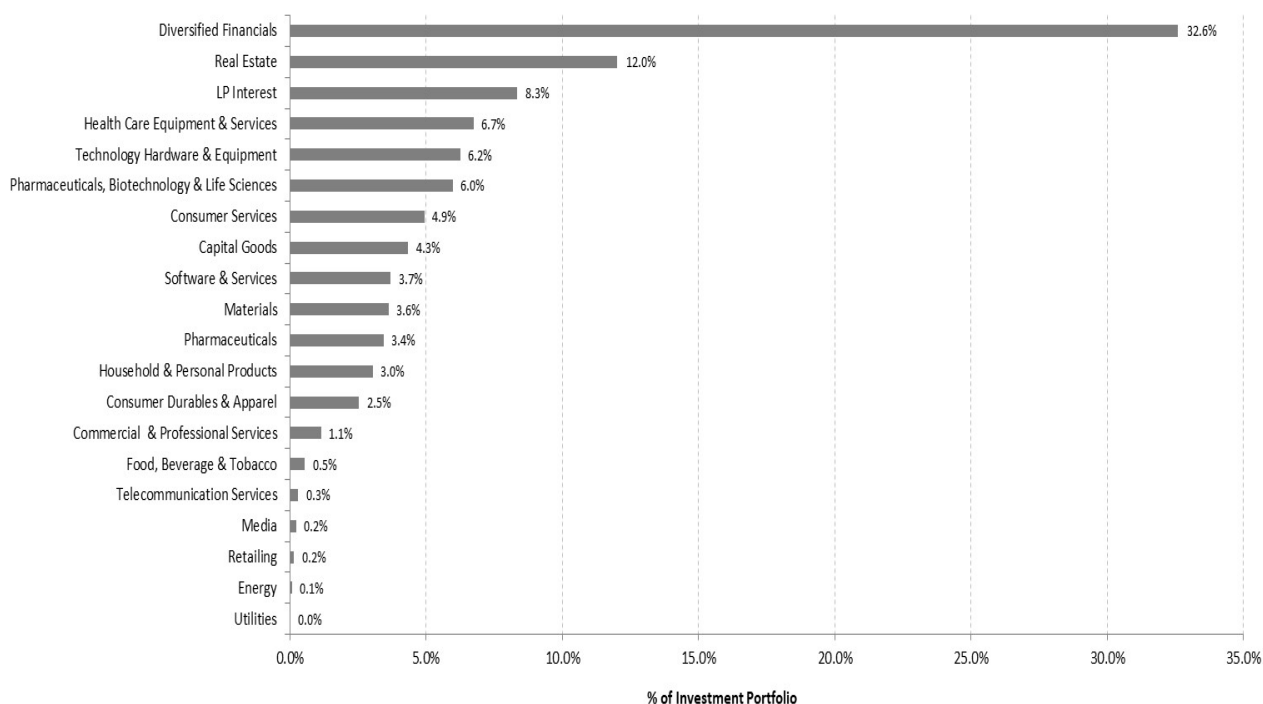
<sup>2</sup> Based on 31 December 2021 market value of investments, percentages based on underlying company-level values.

# Manager's Report continued

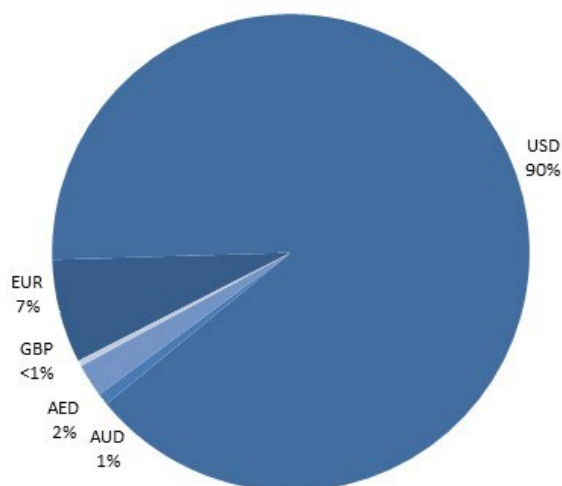
## PORTFOLIO REVIEW continued

### Industry Composition <sup>1</sup>

JPEL's private equity portfolio is currently weighted towards companies in the Diversified Financials sector which represent 32.6% of the portfolio.



### Currency Composition <sup>2</sup>



As at 31 December 2021, investments held in US Dollars made up approximately 90% of JPEL's private equity portfolio market value. Investments held in Euros comprised 7% of the private equity portfolio, while the Australian Dollar, UAE Dirham and Sterling represented approximately 3% of the portfolio, combined.

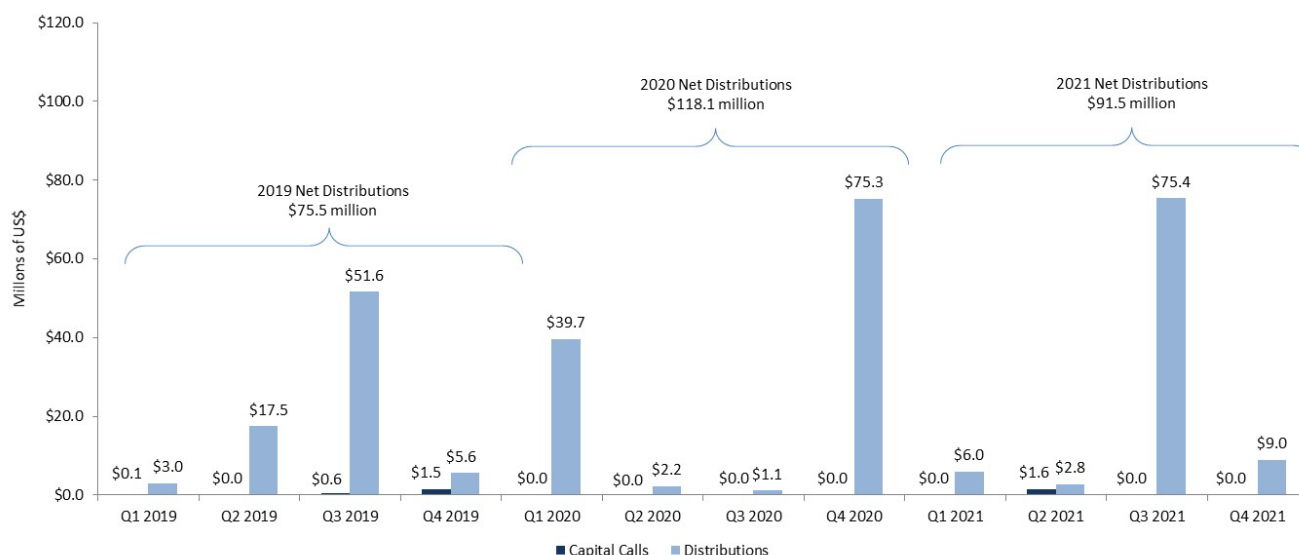
<sup>1</sup> Based on 31 December 2021 market value of investments, percentages based on underlying company-level values.

<sup>2</sup> Based on 31 December 2021 market value of investments, percentages based on underlying fund-level values. Please refer to page 22 of the financial statements for net currency exposure on the Company level.

# Manager's Report continued

## CAPITAL CALLS AND DISTRIBUTIONS

### Capital Call and Distribution Summary<sup>1</sup>



In 2021, the Company generated \$91.5 million in net cash received largely due to the exit of Swania International. JPEL's mature portfolio continues to be well positioned to receive distributions. As the Company's older fund of funds assets run off, the Manager anticipates that distribution activity will be intermittent with larger cash flows stemming from the sale of direct investments.

<sup>1</sup> The above capital calls and distributions are shown above on a cash basis.

# Manager's Report continued

## TOP 20 FUNDS & COMPANIES INFORMATION

### Top 20 Funds<sup>1,2</sup>

	Fund	Region	Fund Strategy	% of Private Equity Investments
1	Beacon India Private Equity Fund	Asia	Buyout	8.9%
2	Liberty Partners II, L.P.	North America	Buyout	4.9%
3	Strategic Value Global Opportunities Fund I-A	North America	Special Situations	3.9%
4	Omega Fund IV, L.P.	North America	Venture Capital	3.9%
5	Global Buyout Fund, L.P.	Other	Buyout	3.8%
6	Blue River Capital I, LLC	Asia	Buyout	3.3%
7	Private Equity Access Fund II Ltd	North America	Fund of Funds	3.2%
8	Omega Fund III, L.P.	Europe	Venture Capital	2.5%
9	Global Opportunistic Fund	Other	Buyout	2.2%
10	Wellington Partners Ventures III Life Science Fund L.P.	Europe	Venture Capital	1.7%
11	Alcentra Euro Mezzanine No1 Fund L.P.	Europe	Special Situations	1.6%
12	Carlyle/Riverstone Global Energy and Power Fund III	North America	Infrastructure	1.6%
13	Black Diamond Capital Management	North America	Special Situations	1.0%
14	Private Opportunity Ventures, L.P.	North America	Fund of Funds	0.9%
15	Wellington Partners Ventures II GMBH & CO.KG	Europe	Venture Capital	0.8%
16	Esprit Capital I Fund	Europe	Venture Capital	0.8%
17	Industry Ventures Fund VI, L.P.	North America	Venture Capital	0.8%
18	Industry Ventures Fund V, L.P.	North America	Venture Capital	0.8%
19	Cerberus Institutional Partners, LP	North America	Special Situations	0.4%
20	Carlyle Asia Partners II, L.P.	Asia	Buyout	0.3%

### Top 20 Companies<sup>1,2</sup>

	Company	Region	Industry Group	% of Private Equity Investments
1	Tax Advisory Services Company	North America	Diversified Financials	27.6%
2	Yangzhou Ya Tai Property Limited	Asia	Real Estate	7.7%
3	National Stock Exchange	Asia	Diversified Financials	6.7%
4	Paratek Pharmaceuticals Limited	Europe	Pharmaceuticals, Biotechnology & Life Sciences	5.7%
5	Back Bay (Guernsey) Limited	North America	Real Estate	5.3%
6	Concorde Career Colleges, Inc.	North America	Technology Hardware & Equipment	4.9%
7	Saas Company	North America	Software & Services	3.9%
8	Kloeckner Pentaplast	Europe	Materials	3.9%
9	KMC Constructions Limited	Asia	Capital Goods	3.8%
10	Replimune, Ltd.	Europe	Pharmaceuticals, Biotechnology & Life Sciences	3.6%
11	Corsicana Bedding Inc.	North America	Household & Personal Products	3.4%
12	Gulf Healthcare International LLC	Other	Health Care Equipment & Services	2.7%
13	Indostar Capital	Asia	Diversified Financials	2.4%
14	The Lenox Group, Inc.	North America	Consumer Durables & Apparel	1.9%
15	Placid Holdings	Asia	Technology Hardware & Equipment	1.8%
16	Diaverum	Europe	Health Care Equipment & Services	1.6%
17	Bicakilar Group	Other	Health Care Equipment & Services	1.6%
18	Quanta Fluid Solutions	Europe	Health Care Equipment & Services	1.6%
19	International Print-o-Pac Limited	Asia	Commercial & Professional Services	1.3%
20	MEP Group	Europe	Capital Goods	1.1%

1 Top 20 Funds and Top 20 Companies include underlying funds and companies indirectly owned through the purchase of secondary interest in Private Equity Access Fund II Ltd, Bear Stearns Global Turnaround Fund, L.P., BoS Mezzanine Partners Fund, L.P. (BoS company-level exposure includes estimated pro rated fund-level leverage) and ROC Capital Trust.

2 Percentages are calculated based on 31 December 2021 unaudited market value of investments.

# Condensed Interim Statement of Comprehensive Income - Unaudited

for the period ended 31 December 2021

	Notes	01/07/2021 to 31/12/2021 \$'000	01/07/2020 to 31/12/2020 \$'000
<b>Income</b>			
Interest and distribution income	4	159	151
Net changes in fair value of financial assets and financial liabilities through profit or loss	7	(10,738)	15,668
Realised gains/(losses) on forward currency contracts		1,444	(3,156)
Other Income		-	3
<b>Total net (loss)/income</b>		<b>(9,135)</b>	<b>12,666</b>
<b>Expenses</b>			
Investment management fees		(463)	(999)
Accounting and administration fees		(330)	(393)
Audit fees		(77)	(49)
Directors' fees		(88)	(86)
Other expenses	6	(229)	(527)
<b>Total expenses</b>		<b>(1,187)</b>	<b>(2,054)</b>
<b>(Loss)/profit before finance costs</b>		<b>(10,322)</b>	<b>10,612</b>
<b>Finance costs</b>			
Credit facility costs	5	(46)	(82)
Net foreign exchange gain		2,178	89
<b>(Loss)/profit before tax</b>		<b>(8,190)</b>	<b>10,619</b>
Withholding taxes		(25)	(70)
<b>Net (loss)/profit for the period</b>		<b>(8,215)</b>	<b>10,549</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/income for the period</b>		<b>(8,215)</b>	<b>10,549</b>
<b>Earnings per share</b>			
(Losses)/earnings per US\$ Equity Share		\$(0.21)	\$0.13

All items in the above statement are derived from continuing operations.

The accompanying notes on pages 18 to 29 form an integral part of the financial statements.

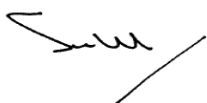


# Condensed Interim Statement of Financial Position - Unaudited

as at 31 December 2021

	Notes	31 December 2021 \$'000	30 June 2021 \$'000
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss			
- Investment portfolio	8	58,489	152,998
<b>Current assets</b>			
Cash and cash equivalents		15,697	15,011
Receivables		4,476	354
Financial assets at fair value through profit or loss			
- Derivative financial assets		-	1,365
		20,173	16,730
<b>Current liabilities</b>			
Payables and accruals		(4,721)	(2,572)
Financial liabilities at fair value through profit or loss			
- Derivative financial liabilities	8	-	-
Net current assets		15,452	14,158
<b>Net Assets</b>		73,941	167,156
<b>Represented by:</b>			
Share capital	10	53,666	110,660
Accumulated loss		20,275	56,496
<b>Total equity</b>		73,941	167,156
Number of US\$ Equity Shares in issue	10	40,017,883	82,517,769
NAV per US\$ Equity Share		\$1.85	\$2.03

The financial statements on pages 14 to 29 are approved by the Board on 16 March 2022 and were signed on its behalf by:



Sean Hurst  
Director



Christopher Spencer  
Director

The accompanying notes on pages 18 to 29 form an integral part of the financial statements.

# Condensed Interim Statement of Changes in Equity - Unaudited

for the period ended 31 December 2021

	Notes	Share capital \$'000	Accumulated gain \$'000	Total \$'000
<b>At 1 July 2021</b>		110,660	56,496	167,156
Loss for the period		-	(8,215)	(8,215)
Other comprehensive income for the period		-	-	-
<b>Total comprehensive loss for the period</b>		-	<b>(8,215)</b>	<b>(8,215)</b>
Share redemption	10	(56,994)	(28,006)	(85,000)
<b>Total transactions with owners of Share capital for the period</b>		<b>(56,994)</b>	<b>(28,006)</b>	<b>(85,000)</b>
<b>At 31 December 2021</b>		<b>53,666</b>	<b>20,275</b>	<b>73,941</b>

	Notes	Share capital \$'000	Accumulated gain \$'000	Total \$'000
<b>At 1 July 2020</b>		173,131	34,297	207,428
Profit for the period		-	10,549	10,549
Other comprehensive income for the period		-	-	-
<b>Total comprehensive income for the period</b>		-	<b>10,549</b>	<b>10,549</b>
Share redemption	10	(62,471)	(12,529)	(75,000)
<b>Total transactions with owners of Share capital for the period</b>		<b>(62,471)</b>	<b>(12,529)</b>	<b>(75,000)</b>
<b>At 31 December 2020</b>		<b>110,660</b>	<b>32,317</b>	<b>142,977</b>

The accompanying notes on pages 18 to 29 form an integral part of the financial statements.

# Condensed Interim Statement of Cash Flows - Unaudited

for the period ended 31 December 2021

		01/07/2021 to 31/12/2021 \$'000	01/07/2020 to 31/12/2020 \$'000
	Notes		
<b>Operating activities</b>			
(Loss)/profit for the period		(8,215)	10,549
Adjustments for:			
Net unrealised losses on derivative financial instruments	7	1,365	836
Net losses/(gains) on investment portfolio	7	9,373	(16,504)
Net foreign exchange gains		(2,172)	(95)
Purchase of investments and funding of capital calls		(1,390)	(154)
Proceeds from disposal of investments and distribution receipts		86,530	76,394
<b>Operating cash flows before changes in working capital</b>		<b>85,491</b>	<b>71,026</b>
Increase in other receivables		(4,126)	(112)
Increase/(decrease) in payables and accruals		2,149	(376)
<b>Cash from operations</b>		<b>83,514</b>	<b>70,538</b>
<b>Financing activities</b>			
Equity share redemption	10	(85,000)	(75,000)
<b>Cash used in financing activities</b>		<b>(85,000)</b>	<b>(75,000)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(1,486)</b>	<b>(4,462)</b>
Cash and cash equivalents at beginning of period		15,011	15,259
Effects of exchange difference arising from cash and cash equivalents		2,172	95
<b>Cash and cash equivalents at end of the period</b>		<b>15,697</b>	<b>10,892</b>

The accompanying notes on pages 18 to 29 form an integral part the financial statements.

# Notes to the Condensed Interim Financial Statements

## 1. SIGNIFICANT ACCOUNTING POLICIES

JPEL is a closed ended investment fund incorporated as a limited liability company in Guernsey under The Companies (Guernsey) Law, 2008. As at 31 December 2021, the Company's capital structure consisted of one class of US\$ Equity Shares which are listed on the London Stock Exchange.

The primary objective of the Company is to effect an orderly realisation of the investments and other assets comprised in the Company's portfolio and seek to realise such investments and assets in order to maximise returns to US\$ Equity Shareholders.

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

### Statement of compliance

The financial statements have been prepared using accounting policies consistent with International Financial Reporting ("IFRS") and in accordance with the requirement of International Accounting Standards ("IAS") 34 *Interim Financial Reporting*.

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2021.

The financial statements were approved by the Board on 16 March 2022.

### Standards and amendments to existing standards not yet effective for annual periods beginning on or after 1 July 2021 that are relevant and have not been early adopted by the Company

#### Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The narrow-scope amendments to IAS 1 clarify that the classification of liabilities depends on the rights that exist at the end of the reporting period. The expectations of the entity or events after the reporting date will not affect the classification. The amendments also clarify the meaning of 'settlement' of a liability in the context of IAS 1.

The amendments may impact the classification of liabilities as current or non-current, particularly for entities that previously considered management's intentions to determine classification, and for some liabilities that can be converted into equity.

The amendment is effective for accounting periods beginning on or after 1 January 2023; and is to be applied retrospectively in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendment is not expected to have a material impact on the Company's financial statements.

#### Annual Improvements 2018-2020: Amendments to IFRS 9, Financial Instruments

This amendment clarifies which fees should be included in the '10% test' for derecognition of financial liabilities; an entity should include only fees paid or received between itself and the lender. The amendment is effective for accounting periods beginning on or after 1 July 2022. The amendment is not expected to have a material impact on the Company's financial statements.

#### Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8 where it replaced the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The Board clarifies:

- A change in accounting estimate that results from new information or new developments is not the correction of an error; and
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for: (i) accounting periods beginning on or after 1 January 2023; and (ii) changes in accounting policies and estimates that occur on or after the beginning of that period. The amendment is not expected to have a material impact on the Company's financial statements.

#### Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 with regards to the disclosures around accounting policies.

## Notes to the Condensed Interim Financial Statements continued

### 1. SIGNIFICANT ACCOUNTING POLICIES continued

#### Statement of compliance continued

**Standards and amendments to existing standards not yet effective for annual periods beginning on or after 1 July 2021 that are relevant and have not been early adopted by the Company continued**

#### Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies continued

An entity must now disclose its material accounting policies, instead of its significant accounting policies, and new guidance has been added on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments are effective for accounting periods beginning on or after 1 January 2023. The amendment is not expected to have a material impact on the Company's financial statements.

#### Segmental information

The Board has considered the requirements of IFRS 8 – “Operating Segments”. The Board is of the view that the Company's operations comprise a single segment of business.

The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. As at 31 December 2021, two shareholders have more than 10% ownership in the total number of US\$ Equity Shares in issue with holdings of approximately 18.4% and 10.4%, respectively (30 June 2021: 18.4%).

The Board is charged with setting the Company's investment strategy. They have delegated the day-to-day implementation of this strategy to the Manager but retain responsibility to ensure that adequate resources of the Company are directed in accordance with their decisions. The Manager has been given full authority to act on behalf of the Company in the management of the Company's assets in accordance with the amended and restated investment management agreement on behalf of the Company and to carry out other actions as appropriate to give effect thereto.

Whilst the Manager may take investment decisions on a day-to-day basis regarding the allocation of funds to different investments, any changes to the investment strategy or major allocation decisions have to be approved by the Board, even though they may be proposed by the Manager. The Board therefore retain full responsibility as to the major allocation decisions made on an ongoing basis. The Manager will act under the terms of the amended and restated investment management agreement which cannot be changed without the approval of the parties to the agreement.

The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the NAV which is prepared on a monthly basis by the Administrator. The NAV reported by the Administrator is prepared on a basis consistent with International Financial Reporting Standards.

The Company's investments held as of the period end, and their geographical areas (included as supplementary information only) are presented in the table below. The Company does not hold any non-current assets other than financial assets at fair value through profit or loss.

Region	31 December 2021		30 June 2021	
	\$'000	%	\$'000	%
North America	36,684	63%	47,153	31%
Asia	12,721	22%	12,955	8%
Europe	4,336	7%	87,082	57%
Other	4,748	8%	5,808	4%
Total	58,489	100%	152,998	100%

### 2. KEY ESTIMATES AND ASSUMPTIONS

Estimates and judgements used in preparing the financial information are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting estimates will, by definition, seldom equal the related actual results.

The only estimates and assumptions that the Company considers to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the valuation of investments.

In preparing the financial statements, the significant judgements made in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30 June 2021.

### 2. KEY ESTIMATES AND ASSUMPTIONS continued

#### Valuation of investments

The Company has interests in various different types of investments including: (i) investments in subsidiaries; (ii) investments in unquoted funds; and (iii) direct investments in unquoted companies.

#### Investments in subsidiaries

Investments in subsidiaries are valued at fair value of the Company's percentage holding, based on the latest available net asset values of the subsidiaries. The Directors or the Manager reviews the net asset values and considers the liquidity of the subsidiaries or its underlying investments, value date of the net asset values and any restrictions on dividends from the subsidiaries. If necessary, the Directors or the Manager makes adjustments to net asset values of the subsidiaries to obtain the best estimate of its fair value.

#### Investments in unquoted fund

The investments in unquoted funds are valued in accordance with International Private Equity and Venture Capital Valuation Guidelines ("IPEVCG") as set out in the financial assets policy above. Investments in unquoted private equity funds do not have a readily available market and are generally valued based on the fair value of each private equity fund as reported by the respective sponsor as per the capital statement, which necessarily incorporates estimates made by those sponsors. The Company believes that this value, in most cases, represents fair value as of the relevant statement date. If other factors lead the Company to conclude that the value provided by the sponsor does not represent fair value, the Directors and Manager will adjust the value of the investment from the sponsor's estimate. The Company estimates fair value based on publicly available information and the most recent financial information provided by the sponsors, as adjusted for cash flows since the date of the most recent financial information.

Where no valuation is available from the sponsor or an independent valuation agent, the Directors and the Manager will estimate the fair value in accordance with IPEVCG. Investment funds that hold publicly traded securities may be adjusted to reflect the market price at period end. In addition, the Manager may apply a discount to reflect limited marketability and illiquidity of these securities which are held via the underlying investment fund.

#### Direct investments in unquoted companies

Direct investments in unquoted companies are generally valued based on the fair value of each investment as reported by the respective sponsor.

Direct investments in unquoted companies where no fair value is being provided to the Company by the management or sponsor are carried at fair value, as estimated by the Directors and Manager. In estimating fair value, the Directors and the Manager consider the value assigned to each investment by the lead investor (if any) with which the Company has co-invested, to the extent known.

The Directors and the Manager also consider the estimated fair value based on the projected enterprise value at which the underlying company could be sold in an orderly disposition over a reasonable period of time and in a transaction between willing parties other than in a forced sale or liquidation. In these instances, market multiples considering specified financial measures (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or NAV) and/or a discounted cash flow or liquidation analysis can be used.

Consideration may also be given to such factors as: (i) the Company's historical and projected financial data; (ii) valuations given to comparable companies; (iii) the size and scope of the Company's operations; (iv) the Company's strengths and weaknesses; (v) applicable restrictions on transfer; (vi) industry information and assumptions; (vii) general economic and market conditions; and (viii) other factors deemed relevant. The Directors and the Manager may also engage the services of a third party valuation firm to assist with valuing the asset.

## Notes to the Condensed Interim Financial Statements continued

### 2. KEY ESTIMATES AND ASSUMPTIONS continued

#### Valuation of investments continued

##### Direct investments in unquoted companies continued

The below table shows the effect of a change in valuation for fund investments and direct investments in which a sponsor provides an estimated NAV. For the direct investments in which a sponsor does not provide an estimated NAV, the table shows the effect of changing the assumptions behind the valuation technique adopted by the Manager. The Directors and the Manager believe that the 10% (2020: 10%) change in unobservable inputs is the best estimate of a reasonable possible shift for all the categories listed below.

Description	31 December 2021					Change in Valuation and impact on Profit or Loss +/- (\$000's)
	Fair Value (\$000's)	Valuation Technique	Unobservable Inputs	Input	Reasonable possible shift +/- (%)	
Fund Investments	25,659	NAV	NAV	N/A	10%	2,566/(2,566)
Direct Investments - NAV provided by the Sponsors	28,316	NAV	NAV	N/A	10%	2,832/(2,832)
Direct Investments - NAV provided by the Sponsors and discounted by the Board and Manager	4,514	NAV - Adjusted	NAV	N/A	10%	(451)/(451)
Direct Investments - NAV estimated by the Board and Manager	-	Comparable Trading Multiples	EBITDA	5.1x	10%	-
Description	30 June 2021					Change in Valuation and impact on Profit or Loss +/- (\$000's)
	Fair Value (\$000's)	Valuation Technique	Unobservable Inputs	Input	Reasonable possible shift +/- (%)	
Fund Investments	38,525	NAV	NAV	N/A	10%	3,853/(3,853)
Direct Investments - NAV provided by the Sponsors	109,744	NAV	NAV	N/A	10%	10,974/(10,974)
Direct Investments - NAV provided by the Sponsors and discounted by the Board and Manager	4,729	NAV - Adjusted	NAV	Weighted average discount	10%	(473)/(473)
Direct Investments - NAV estimated by the Board and Manager	-	Comparable Trading Multiples	EBITDA	5.1x	10%	-

#### Valuation processes

The Manager performs the valuation of financial assets required for financial reporting purposes, including Level 3 fair values. The Manager reports to the Board and the Audit Committee. Discussions of the valuation process and results are held between the Manager and the Board regularly.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at 30 June 2021.

There have been no changes in the risk management function since year end or in any risk management policies.

## Notes to the Condensed Interim Financial Statements continued

### 3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES

#### Exposure to interest rate risk

The Company's credit facility remained undrawn at \$10 million (30 June 2021: \$10 million). The credit facility expired on 31 December 2021 and was not renewed.

#### Exposure to currency risk

At the reporting date, the carrying value of the Company's financial assets and financial liabilities held in individual foreign currencies as a percentage of its net assets were as follows:

Currency	31 December 2021	30 June 2021
Euro	7%	50%
UAE Dirham	2%	1%
Australian Dollar	1%	-
Sterling	-	-

#### Exposure to other price risk

As at 31 December 2021, the Company had no direct exposure to assets that are publicly traded on equity markets (30 June 2021: Nil).

The impact on net assets of increasing/decreasing the unobservable inputs used in the Company's valuation of direct investments in unquoted companies where the value is estimated by the Directors and Manager is presented in note 2.

#### Exposure to liquidity risk

As of 31 December 2021, the Company had unfunded commitments to private equity funds of \$18.5 million (30 June 2021: \$23.1 million) that may be called by the underlying limited partnerships. The Board consider the majority (approximately \$18.1 million (30 June 2021: \$22.1 million)) of the Company's unfunded commitments are unlikely to be called.

During the period the Company's credit facility has been remained undrawn. The undrawn amount of the credit facility as of 31 December 2021 was \$10 million (30 June 2021: \$10 million).

#### Exposure to credit risk

In respect of credit risk arising from cash and cash equivalents and derivative financial instruments, the Company continues to mitigate such risks by maintaining substantially all of the Company's cash and forward currency contracts with Lloyds Bank plc and Bank of America Merrill Lynch International. As at 31 December 2021, Moody's has given the long term credit ratings for Lloyds Bank plc as A1 (30 June 2021: A1), Standard & Poor's has given the long term credit ratings for Bank of America Merrill Lynch International as A+ (30 June 2021: A+).

All other aspects of the Company's financial risk management objectives and policies are consistent with those described in the annual report for the year ended 30 June 2021.

### 4. INTEREST AND DISTRIBUTION INCOME

	01/07/2021 to 31/12/2021 \$'000	01/07/2020 to 31/12/2020 \$'000
Dividend income	81	-
Interest income from investments	78	151
Other income	-	3
	<b>159</b>	<b>154</b>



## Notes to the Condensed Interim Financial Statements continued

### 5. CREDIT FACILITY COSTS

	01/07/2021 to 31/12/2021 \$'000	01/07/2020 to 31/12/2020 \$'000
Undrawn commitment fee	46	82
	<b>46</b>	<b>82</b>

### 6. OTHER EXPENSES

	01/07/2021 to 31/12/2021 \$'000	01/07/2020 to 31/12/2020 \$'000
Legal and professional fees	105	365
Portfolio management fees from limited partnerships	58	-
Sundry expenses	29	78
Filing and regulatory fees	20	24
Bank charges	13	6
Travel expenses	4	54
	<b>229</b>	<b>527</b>

### 7. NET CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES THROUGH PROFIT OR LOSS

The following table summarises the (losses)/gains from financial assets and liabilities at fair value through profit or loss for the period:

	01/07/2021 to 31/12/2021 \$'000	01/07/2020 to 31/12/2020 \$'000
At fair value through profit or loss		
- Investment portfolio	(9,373)	16,504
- Derivative financial instruments	(1,365)	(836)
<b>Net (loss)/gain from financial assets and liabilities at fair value through profit or loss</b>	<b>(10,738)</b>	<b>15,668</b>

The Company does not experience seasonality or cyclicity in its investing activities.

### 8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

All investments are classified as at fair value through profit or loss at initial recognition, therefore all gains and losses arise on investments classified as at fair value through profit or loss. Given the nature of the Company's investments the fair value losses recognised in the financial statements are not considered to be readily convertible to cash in full at the reporting date and therefore the movements in these fair values are treated as unrealised.

#### Commitments

The Company has committed to invest in certain private equity funds and investments. Such commitments are payable upon demand at the request of the fund's administrator or general partner. As of 31 December 2021, the Company had unfunded commitments to private equity funds of \$18.5 million (30 June 2021: \$23.1 million) that may be called by the underlying limited partnerships. The Board consider the majority (approximately \$18.1 million (30 June 2021: \$22.1 million)) of the Company's unfunded commitments are unlikely to be called.

## Notes to the Condensed Interim Financial Statements continued

### 8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS continued

#### Fair Value Hierarchy

The following table summarises the valuation of the Company's financial assets and liabilities measured at fair value by the fair value hierarchy as of 31 December 2021:

	31 December 2021			
	Total \$'000	Level I \$'000	Level II \$'000	Level III \$'000
Financial assets at fair value through profit or loss				
- Investment portfolio	58,489	-		58,489
- Derivative instruments	-	-	-	-
	<b>58,489</b>	<b>-</b>	<b>-</b>	<b>58,489</b>

	30 June 2021			
	Total \$'000	Level I \$'000	Level II \$'000	Level III \$'000
Financial assets at fair value through profit or loss				
- Investment portfolio	152,998	-	-	152,998
- Derivative instruments	1,365	-	1,365	-
	<b>154,363</b>	<b>-</b>	<b>1,365</b>	<b>152,998</b>

Level I classification represents direct equity investments in public companies that trade actively on recognised stock exchanges.

Level II classification represents the Company's forward currency contracts. The forward currency contracts are not traded in active markets and their prices are not publicly available but are derived from underlying assets or elements that are publicly available. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for forward currency contracts.

Level III classification represents investments in unquoted funds, unquoted companies and debt securities. Generally redemptions/exits from such investments are not permitted unless: (i) agreed by the Sponsor of the investments; and (ii) liquidity is available to the extent of distributable realised events.

Although such investments may be sold in a secondary market transaction, subject to meeting certain requirements of the governing documents of each investment, the secondary market is not active and individual transactions are not necessarily observable. It is therefore reasonably possible that if the Company were to sell an investment in the secondary market, the sale could occur at an amount different than the reported fair value, and the difference could be material. The Company expects to receive distributions from the investment as their underlying investments are sold. The timing of such liquidations is uncertain.

Refer to note 2 on how the Company values these investments and the sensitivity of the fair value to changes in unobservable inputs. There have been no transfers between Levels I, II and III during the period.

Details of underlying investments are presented in the supplementary schedule of investments in note 15.

## Notes to the Condensed Interim Financial Statements continued

### 8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS continued

#### Fair Value Hierarchy continued

The changes in the fair value of investments which the Company has classified as Level III are as follows:

	01/07/2021 to 31/12/2021 \$'000	01/07/2020 to 31/12/2020 \$'000
Fair value at beginning of the period	152,998	193,484
Purchase of investments and funding of capital calls	1,390	137
Distributions from limited partnership interests and proceeds from disposal of investments	(86,526)	(76,679)
Net fair value movement in the period (including foreign exchange gains and losses)	(9,373)	16,504
<b>Fair value at the end of the period</b>	<b>58,489</b>	<b>133,446</b>
Change in unrealised losses in the period for Level III assets held at period end (including foreign exchange gains and losses)	(75,881)	(33,887)

Total realised and unrealised gains and losses recorded for Level III investments held at period end are reported in "Net changes in fair value of financial assets and liabilities through profit or loss" in the Statement of Comprehensive Income.

### 9. CREDIT FACILITY

During the period, the Company had a multi-currency credit facility agreement with Lloyds Bank for \$10 million (30 June 2021: \$10 million) with interest of US\$ LIBOR/EURIBOR + 250 bps for drawn amounts. A flat 0.8% rate was paid on undrawn amounts. As at 31 December 2021, the Company had no drawn leverage (31 June 2021: Nil) per the credit agreement and the Company was in compliance with all of the diversification restrictions.

The credit facility expired on 31 December 2021 and was not renewed.

## Notes to the Condensed Interim Financial Statements continued

### 10. ISSUED SHARE CAPITAL

#### Capital management

The Company's approach to capital management remained the same as described in the annual financial statements for the year ended June 2021. There were no changes in the Company's approach to capital management during the period.

The balance of shares held in treasury at the period end was 17,750,000 (30 June 2021: 17,750,000) all of which was US\$ Equity Shares. US\$ Equity Shares held in treasury remain at less than 10% of total assets as at period end.

#### Authorised share capital

The authorised share capital of the Company is £100 divided into 100 founder shares of £1 each, and an unlimited number of redeemable participating preference shares of no par value each, which may be issued and designated as US\$ Equity Shares, sterling equity shares, euro equity shares, zdp shares or any other shares (denominated in any currency) as may be determined by the Board from time to time in accordance with Article 3(4)(d) of the Articles.

#### Issued share capital

The balance of the US\$ Equity Shares as at the period end was as follows:

	Date	Number of shares	Price (\$)	Total proceeds (\$)	Share Capital (\$)	Premium on buyback (\$)
<b>Balance as at 1 July 2021</b>		82,517,769			110,659,902	
Share Redemption*	13 August 2021	(42,499,886)	\$2.00	(84,999,772)	(56,994,188)	(28,005,584)
<b>Total</b>		(42,499,886)		(84,999,772)	(56,994,188)	(28,005,584)
<b>Balance as at 31 December 2021</b>		<b>40,017,883</b>			<b>53,665,714</b>	
	Date	Number of shares	Price (\$)	Total proceeds (\$)	Share Capital (\$)	Premium on buyback (\$)
<b>Balance as at 1 July 2020</b>		129,101,529			173,130,742	
Share Redemption*	31 December 2020	(46,583,760)	\$1.61	(74,999,854)	(62,470,840)	(12,529,014)
<b>Total</b>		(46,583,760)		(74,999,854)	(62,470,840)	(12,529,014)
<b>Balance as at 31 December 2020</b>		<b>82,517,769</b>			<b>110,659,902</b>	

\*It is mandatory for all Shareholders to participate but redemption is subject to final approval and discretion of the Directors. The shares were mandatorily redeemed at the prevailing NAV per share at the time of the mandatory redemption. The premium above the cost basis was recognised in the Company's accumulated gains in the Statement of Changes in Equity.

The US\$ Equity Shares carry the right to receive all revenue profits of the Company (including accumulated revenue reserves) which are available for distribution and from time to time determined to be distributed by way of interim and/or final dividends and at such times as the Directors may determine. On winding up, US\$ Equity Shareholders will be entitled to the net assets of the Company after any payables have been paid. As at 31 December 2021, the total share capital was \$53,665,714 (30 June 2021: \$110,659,902). Please refer to the Statement of Changes in Equity on page 16 for details of the movements in share capital.

## Notes to the Condensed Interim Financial Statements continued

### 11. UNCONSOLIDATED SUBSIDIARIES

The Company has established a number of investment holding vehicles that are held purely for the purposes of holding the underlying investment in private equity funds and direct investments. These special purpose entities are presented in detail below:

Name of subsidiary	Country of Incorporation	% Holding	Principal activity
BSPEL Mezzanine Funding Limited ("BMFL")	Guernsey	100.0	Holding company
BSPEL/Migdal Mezzanine Limited ("BMML")	Guernsey	80.0	Holding company
BSPEL Australia Limited ("BSPEL Aus")	Guernsey	100.0	Holding company
Bear Stearns Global Turnaround Fund L.P. ("GTF")	Delaware	100.0	Limited Partnership
Back Bay (Guernsey) Limited ("Back Bay")	Guernsey	78.8	Holding company
JPEL Holdings Limited ("JPEL Holdings")	Guernsey	100.0	Holding company

The subsidiaries above are considered to be investment entities under IFRS 10 and information about the investments that are controlled by the subsidiaries is presented below;

BMFL owns 80% of the issued share capital of BMML, a Guernsey registered company whose principal activity is that of a holding company.

BMML holds a 50% interest in BoS Mezzanine Partners, LP ("BoS Mez"), a Scotland registered LP whose principal activity is that of a limited partnership. BoS Mez holds four fund investments.

BSPEL Aus owns 100% of the issued trust units in ROC Private Capital Trust, an Australia registered trust whose principal activity is that of an investment trust and holds five fund investments.

GTF is a limited partnership and holds non-controlling interests in seven fund investments.

Back Bay holds 100% of Back Bay (Cayman) Ltd which holds 100% of the issued debt of Stoneleigh Back Bay Associates LLC, a US registered company whose principal activity is that of real estate investment and holds one investment. JSOF Holdings Ltd holds the non-controlling interest of 21.2% in Back Bay.

JPEL Holdings owns 60% of Corsicana Feeder Co-Investors, LLC, a US registered company whose principal activity is that of a holding company and holds one investment in a household products company. JPEL Holdings also holds non-controlling interests in nine other companies and fund investments.

Details of the names and values as of 31 December 2021 of all the investments held by the subsidiaries are disclosed in note 15.

### 12. MATERIAL AGREEMENTS

The Manager is entitled to a base management fee, payable monthly in arrears of 1.0% per annum of the Company's Total Assets (as defined by the investment management agreement). The total management fee due for the period was \$462,691 (six months to 31 December 2020: \$999,072). The amount payable to the Manager at the end of the period was \$123,634 (30 June 2021: \$269,141).

The Manager is also entitled to a performance fee if the aggregate NAV of the US\$ Equity Shares at the end of the performance period exceeds: (i) the aggregate net assets at the start of the performance period by more than 8%; and (ii) the highest previously recorded aggregate NAV of equity as at end of performance period of which performance fee was last paid.

The amount of such performance fee will be 7.5% of the total increase in aggregate NAV above the performance hurdle. The performance fee recognised during the period was \$Nil (six months to 31 December 2020: \$Nil). The Board has reviewed the basis for the performance fee and is satisfied that it is fair and appropriate.

The Administrator is entitled to an annual fee in respect of accounting, company secretarial, administration and investment tracking services. Total fees for the period were \$330,336 (six months to 31 December 2020: \$392,840). At 31 December 2021, \$54,454 (30 June 2021: \$67,366) was outstanding in respect of administration fees.

### 13. RELATED PARTY TRANSACTIONS

The Manager is a related party of the Company. Refer to note 12 for a breakdown of fees paid during the period.

Mr. Spencer owned 3,563 US\$ Equity Shares, Mr. Hurst owned 2,953 US\$ Equity Shares and Mr. Dalwood owned 15,133 US\$ Equity Shares at 31 December 2021.

Mr. Hurst is entitled to receive Directors fees of £40,000 per annum, Mr. Loudon, Mr. Spencer and Mr. Dalwood are each entitled to receive Directors fees of £30,000 per annum. In addition, during the period the Company paid \$5,530 (six months to 31 December 2020: \$14,639) to the Directors in travel expenses. The cap on total Directors remuneration was unchanged at £250,000 as at 31 December 2021.

### 14. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

## Notes to the Condensed Interim Financial Statements continued

### 15. SCHEDULE OF INVESTMENTS

Vehicle	Investment	31 December	30 June
		2021 \$000's	2021 \$000's
Back Bay	Stoneleigh Back Bay Associates LLC	3,113	7,591
BMFL/BMML	BoS Mezzanine Partners, LP	1,423	1,559
BSPEL Aus	ROC Private Capital Trust	1,096	1,082
JPEL	Aksia Capital III	-	47
JPEL	Apollo Investment Fund V, L.P.	-	28
JPEL	Ares European Real Estate Fund I (IF), L.P.	-	10
JPEL	Arlington Capital Partners II, L.P.	-	7
JPEL	Beacon India Private Equity Fund	5,214	3,989
JPEL	Bear Stearns Global Turnaround Fund LP	1,524	2,794
JPEL	Black Diamond Capital Management	545	546
JPEL	Blackstone Real Estate Partners IV, L.P.	-	57
JPEL	Blue River Capital I, LLC	1,887	1,893
JPEL	Esprit Capital I Fund	228	386
JPEL	Global Buyout Fund, L.P.	1,937	2,566
JPEL	Global Opportunistic Fund	1,023	1,807
JPEL	Gridiron Capital Fund, L.P.	-	405
JPEL	Highstar Capital III Prism Fund, L.P.	-	22
JPEL	Hupomone Capital Fund, L.P.	-	20
JPEL	Industry Ventures Fund V, L.P.	145	148
JPEL	Leeds Equity Partners IV, L.P.	-	13
JPEL	Liberty Partners II, L.P.	2,874	2,870
JPEL	Life Sciences Holdings SPV I Fund, L.P.	-	5,696
JPEL	Omega Fund III, L.P.	839	1,076
JPEL	Oaktree Ports America Fund (HS III), L.P.	-	3,914
JPEL	Paratek Pharmaceuticals, Inc.	2,283	-
JPEL	Private Equity Access Fund II Ltd	1,449	1,517
JPEL	Private Opportunity Ventures, L.P.	486	484
JPEL	Strategic Value Global Opportunities Feeder Fund I-A, LP	1,297	1,481
JPEL	Strategic Value Global Opportunities Master Fund, LP	-	46
JPEL	Wellington Partners Ventures II GMBH & CO. KG (B)	475	415
JPEL	Wellington Partners Ventures III Life Science Fund L.P.	951	1,295
JPEL Holdings	SaaS Company	2,264	2,263
JPEL Holdings	Tax Advisory Services Company	16,162	14,080
JPEL Holdings	Corsicana Feeder Co-Investors, LLC	1,966	6,634
JPEL Holdings	Gulf Healthcare International LLC	1,324	1,064
JPEL Holdings	Industry Ventures Fund VI, L.P.	167	133
JPEL Holdings	Milestone Investisseurs 2014 SLP	-	75,712
JPEL Holdings	Omega Fund IV, L.P.	2,224	2,334
JPEL Holdings	Placid Holdings	1,079	2,285
JPEL Holdings	Genuine Idea Investments Ltd	4,514	4,729
<b>Total</b>		<b>58,489</b>	<b>152,998</b>

Investment Vehicle	Abbreviation
JPEL Private Equity Limited	JPEL
Back Bay (Guernsey) Limited	Back Bay
BSPEL Australia Limited	BSPEL Aus
BSPEL Mezzanine Funding Limited	BMFL
BSPEL/Migdal Mezzanine Limited	BMML
JPEL Holdings Limited	JPEL Holdings

# Information about the Company

## **DIRECTORS:**

Sean Hurst (Chairman) (*re-elected 23 November 2021*)  
John Loudon (*retired on 23 November 2021*)  
Christopher Spencer (*re-elected 23 November 2021*)  
Anthony Dalwood (*re-elected 23 November 2021*)

## **MANAGER**

**(as to the Private Equity Portfolio):**

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United States of America

## **ADMINISTRATOR AND COMPANY SECRETARY:**

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## **INDEPENDENT AUDITOR:**

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## **SOLICITORS**

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## **LEGAL ADVISERS**

**(as to Guernsey Law):**

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## **REGISTRAR:**

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