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JPEL Private Equity Limited

Unaudited Interim Report and Financial Statements

for the period ended 31 December 2018

JPEL Private Equity Limited

Unaudited Interim Report and Condensed Financial Statements for the period ended 31 December 2018

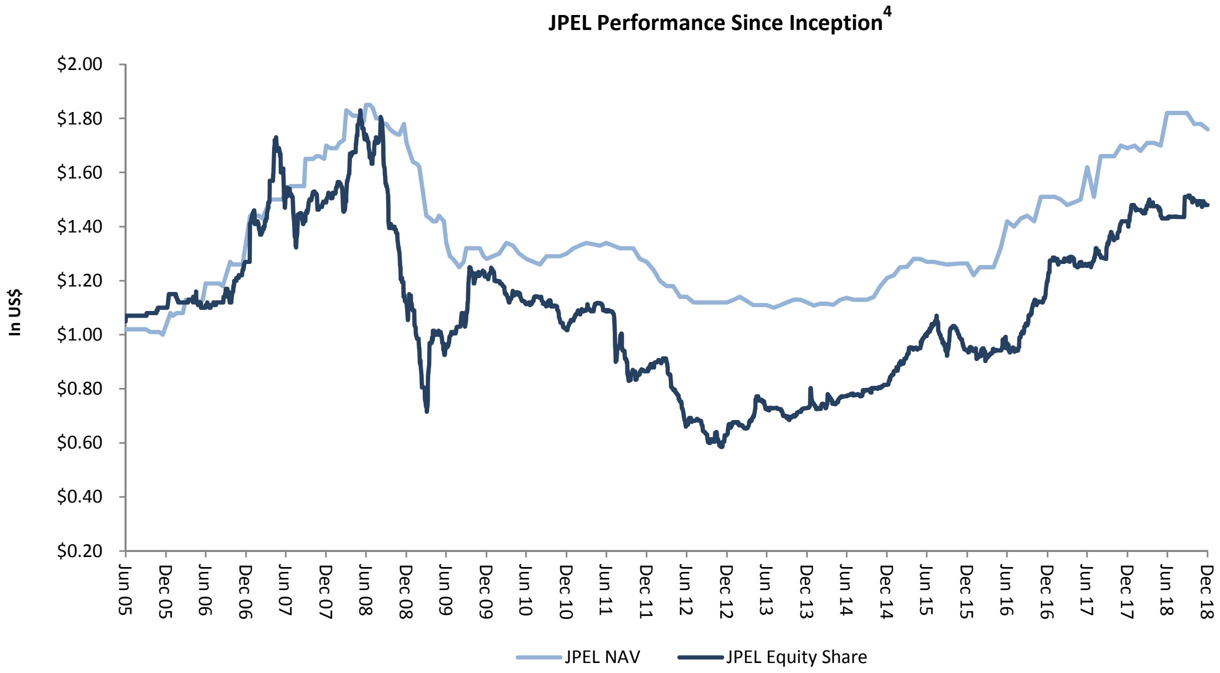
Table of Contents

Forward looking statements including opinions or expectations about any future events contained in this report are base 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 2018
US$ Equity Shares	
NAV per Share	$1.76
Share Price	$1.48
Shares in Issuance (excluding shares held in treasury)	203.7m
Statement of Financial Position (extract)	
Investments at Fair Value	$329.6m
Bank Deposits	$31m
Other Assets[1]	-
Credit Facility	-
Other Liabilities[2]	($1.2m)
US$ Equity Net Asset Value[3]	**$359.4m**

PERFORMANCE AS AT 31 DECEMBER 2018



Past performance is not an indication of future performance.

[1] Includes accrued interest income and derivative assets.

[2] Includes fee accruals and other payables.

[3] Numbers may not sum due to rounding.

[4] Source: Manager, Bloomberg as at 31 December 2018.

Overview, Investment Strategy & Investment Policy

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).

At 31 December 2018, JPEL is managed by FCF JPEL Management LLC ("FCF JPEL" or the "Manager"), an affiliate of Fortress Investment Group LLC ("FIG" or "Fortress"). FIG is a highly diversified global investment firm with approximately $42.1 billion[1,2] in assets under management as of 30 September 2018. Founded in 1998, Fortress manages assets on behalf of approximately 1,750 institutional and private investors worldwide across a range of private equity and permanent capital strategies, credit and real estate. Fortress was acquired by Softbank Group Corp (9984: Tokyo) ("Softbank") on December 27, 2017 and operates as an independent business within Softbank.

The Company has entered into a management agreement with the Manager, subject to the overall supervision of the Board of Directors (the "Directors"). All Directors are independent of the Company. 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 Shareholders to assess the Company's performance is the NAV which is prepared on a monthly basis by Augentius (Guernsey) Limited ("Augentius" or the "Administrator").

INVESTMENT STRATEGY

Following the retirement of JPEL's 2017 Zero Dividend Preference Shares in October 2017 and change 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.

This will include the Manager exploring the private equity secondary market for the Company's legacy fund interests within three years from June 2016 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 will not make any new investments save for follow-on investments associated with investments in existence as of June 2016 to meet capital calls with respect to its undrawn commitments to underlying investments or to preserve or protect the value of its existing investments as of June 2016.

INVESTMENT POLICY

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 for short-term or temporary purposes as is necessary for settlement of transactions, to facilitate the operation of the over-commitment policy or 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 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.

[1] Includes $0.9 billion of AUM related to co-managed funds as at 30 September 2018.

[2] Includes $5.4 billion of AUM related to an autonomous investment manager that is operated independently of Fortress in which Fortress holds a minority interest.

Chairman's Statement

During the last six months, JPEL continued to effect an orderly realisation of the Company's portfolio and to seek to maximise returns to shareholders.

2018 SEMI ANNUAL HIGHLIGHTS

- US$ Equity Share price increased 3.5% to $1.48 during the six month period ending 31 December 2018.
- NAV per US$ Equity Share decreased $0.06, or 3.3%, to $1.76 from $1.82 over the same period.
- JPEL's fifth mandatory redemption returned $25 million to US$ Equity Shareholders on 8 January 2019.

NAV AND SHARE PRICE PERFORMANCE

In the six months ending 31 December 2018, JPEL's NAV per US$ Equity Share decreased by $0.06 or 3.3% from $1.82 to $1.76. JPEL's US$ Equity Share price increased 3.5% during the six month period from $1.43 to $1.48. Subsequent to the period, JPEL's US$ Equity Share price decreased from $1.48 to $1.46 on 15 March 2019, representing a decrease of 1.4%. As of 15 March 2019, JPEL traded at a 17.5% discount to prevailing NAV.

RETURN OF CAPITAL

On 8 January 2019, JPEL completed its fifth mandatory redemption and returned $25 million or 6.9% of the October 2018 NAV, representing approximately 14.0 million US$ Equity Shares. Inclusive of the fifth mandatory redemption, JPEL has returned $234.2 million to US$ Equity Shareholders, or approximately 49% of the Company's 31 October 2016 NAV, the prevailing NAV at the time of the Company's initial mandatory redemption.

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

CAPITAL POSITION

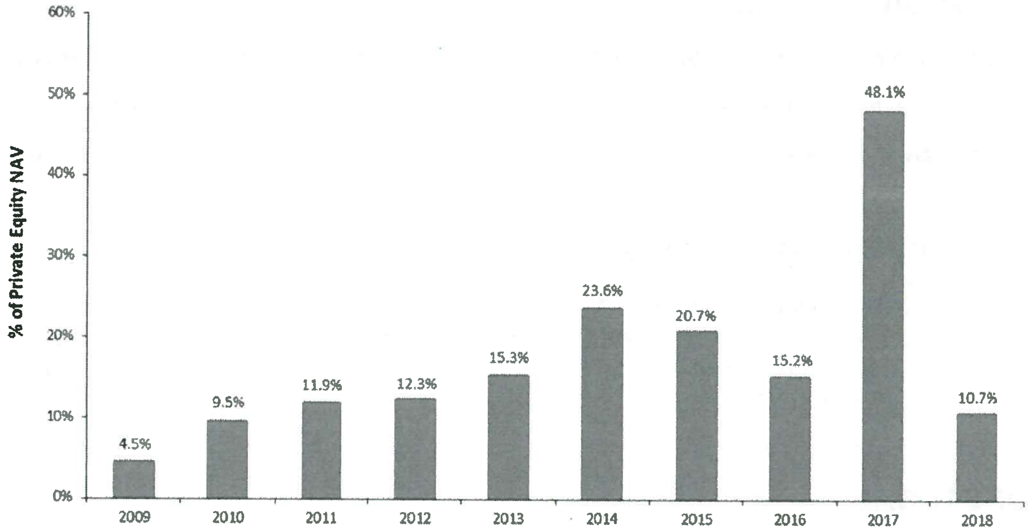
As of 31 December 2018, the Company did not have any leverage nor any outstanding ZDPs and had $31.0 million in cash and cash equivalents on its balance sheet. Following the payment of the January mandatory redemption, JPEL maintained a cash balance of $7.6 million as of 15 March 2019.

DISTRIBUTION ACTIVITY

During the six months ended 31 December 2018, the portfolio generated gross distributions of $19.7 million and funded capital calls of $3.1 million. While the portfolio produced distributions from a large number of holdings, notable distributions during the period included $6.1 million from a mezzanine fund of funds portfolio, $3.4 million from a US focused 2008 vintage year buyout fund and $3.0 million from an Australian fund of funds.

Distributions received during JPEL's 2018 calendar year represented 10.7% of 31 December 2017 investment portfolio value. This was down from the prior year when JPEL received an all-time high of distributions representing 48.1% of the prior year's private equity NAV. On average, over the past 10 years, JPEL has received distributions equating to 17.2% of the prior year's investment portfolio value during a single calendar year. As JPEL's portfolio runs off and becomes more concentrated, distribution activity from the underlying portfolio is expected to be uneven.

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



* Source: Manager. As at 31 December 2018.

MARKET OUTLOOK

The Board and the Manager believe that despite recent public market volatility, the overall environment continues to be favourable for realisations of well performing private equity assets. The current portfolio is fairly mature with a weighted average age of 6.6 years at 31 December 2018.

CONCLUSION

I have had the pleasure of speaking with many JPEL US$ Equity Shareholders and hope to continue to do so in the future. Both JPEL's Board and Manager are focused on returning capital to US$ Equity Shareholders at prevailing net asset value. In conclusion, I would like to thank US$ Equity Shareholders for the support that they have placed in the Company.

Sean Hurst
Chairman
19 March 2019

Corporate Actions

2018 CORPORATE ACTIONS

- On 7 November 2018, JPEL published a circular to Shareholders.
    - The circular contained a notice of AGM on 26 November 2018.
    - The following summarises all of the resolutions the Company sought approval for at the Annual General Meeting.

Special Resolutions

1. To renew the Company's authority to make purchases of up to 15 per cent. of each class of its own issued shares pursuant to any proposed Tender Offer.
2. To renew the Company's general authority to make market purchases of up to 14.99 per cent. of each class 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 2018.
4. To re-elect PricewaterhouseCoopers CI LLP as Auditors to 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 of Incorporation.
7. To re-elect Christopher P. Spencer as a non-executive, independent director of the Company, who retires by rotation.
8. To re-elect John Loudon as a non-executive, independent director of the Company, who retires by rotation.
9. To re-elect Anthony (Tony) Dalwood as a non-executive, independent director of the Company, who retires by rotation.
10. To re-elect Sean Hurst as a non-executive, independent director of the Company, who retires by rotation.

- On 27 November 2018, JPEL announced that at the AGM of the Company held on 26 November 2018, all resolutions put to shareholders at the AGM were duly passed.

- On 10 December 2018, JPEL announced a capital distribution of $25 million (the equivalent of approximately 14.0 million US$ Equity Shares, or 6.9% of US$ Equity Shareholder NAV) to take place on 8 January 2019. The compulsory redemption of US$ Equity Shares was issued at a price equal to the prevailing NAV per US$ Equity Share of $1.78 as at 31 October 2018 (being the most recent NAV per US$ Equity Share available as of the date of the announcement) for US$ Equity Shareholders on the register of members as at close of business on 7 January 2019. Payments of redemption proceeds were effected either through CREST (in the case of shares held in uncertificated form) or by cheque (in the case of shares held in certificated form) on or around 21 January 2019.

Statement of Principal Risks and Uncertainties

The Company, 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.

- **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 2018, 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.
- **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, and the undrawn amounts from the Lloyds facility (see note 9 of the Financial Statements for further details on the credit facility), 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.

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 19 March 2019 and the above Responsibility Statement was signed on its behalf by

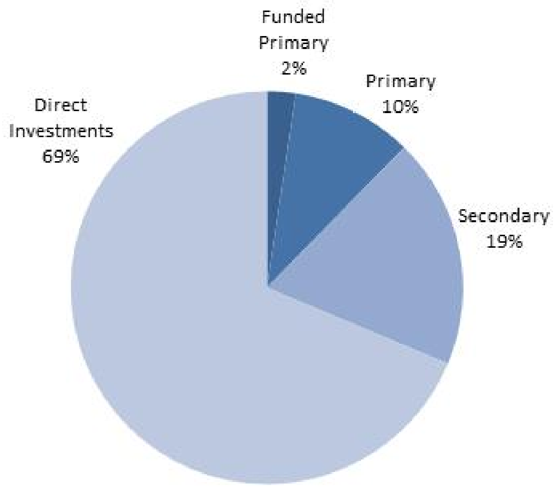
Sean Hurst
Chairman

Manager's Review

PORTFOLIO REVIEW

With an investment value of $329.6 million, JPEL's portfolio is diversified globally across multiple investment strategies and industries as at 31 December 2018.

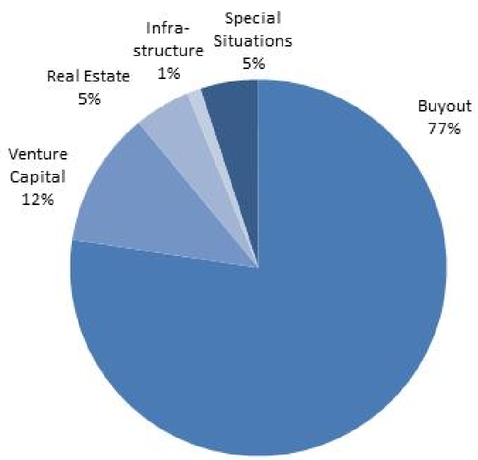
Investment Type[1]



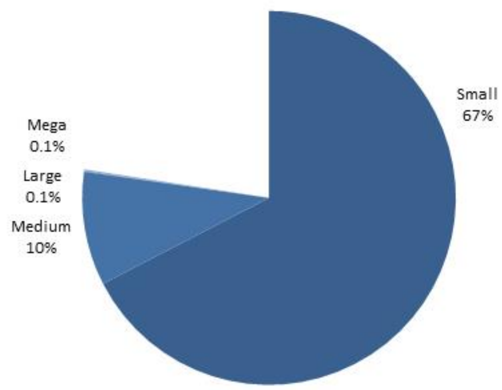
Direct investments comprise 69% of the portfolio, while secondary investments make up 19% of JPEL's portfolio NAV.

As at 31 December 2018, primary investments comprised 10% of JPEL's portfolio while funded primaries made up 2% of JPEL's portfolio NAV.

Investment Strategy[1]



Buyout Fund Sizes[2]



Currently, buyout funds constitute approximately 77% 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 venture capital stands at 12%. JPEL's exposure to real estate, special situation funds and infrastructure stands at 5%, 5% and 1%, respectively.

1 Based on 31 December 2018 market value of investments, percentages based on underlying fund-level values.
2 Fund classifications for buyout strategy are based on total fund commitments: Small: $0 - $500 million; Medium: $500 - $2,000 million; Large: over $2,000 million. Co-investments allocated by size of underlying sponsor fund.

Manager's Review continued

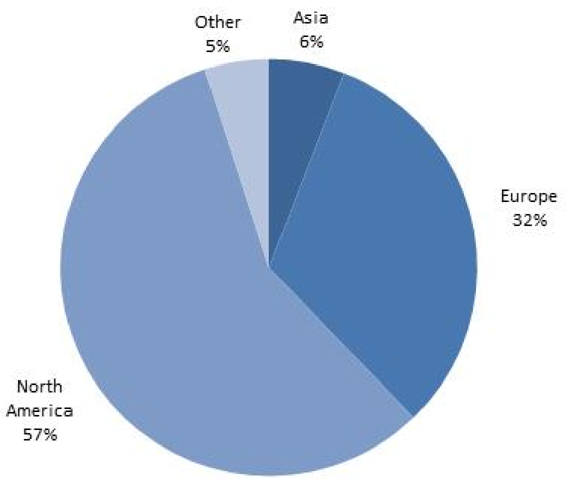
PORTFOLIO REVIEW continued

Portfolio Age[1]

Average Age of Portfolio	
Weighted average age:	**6.6 years**
Direct investments:	6.4 years
Fund investments:	10.1 years
Buyout investments:	5.8 years
Venture investments:	7.8 years

With a weighted average age of 6.6 years, JPEL's portfolio is well positioned on the private equity "J-Curve" to continue to receive distributions.

Geographic Footprint[2]



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. North America and Europe represent the majority of the Company's portfolio at 57% and 32% respectively. JPEL's allocation to Asia stands at 6% while investments in the rest of the world represent 5% of the portfolio.

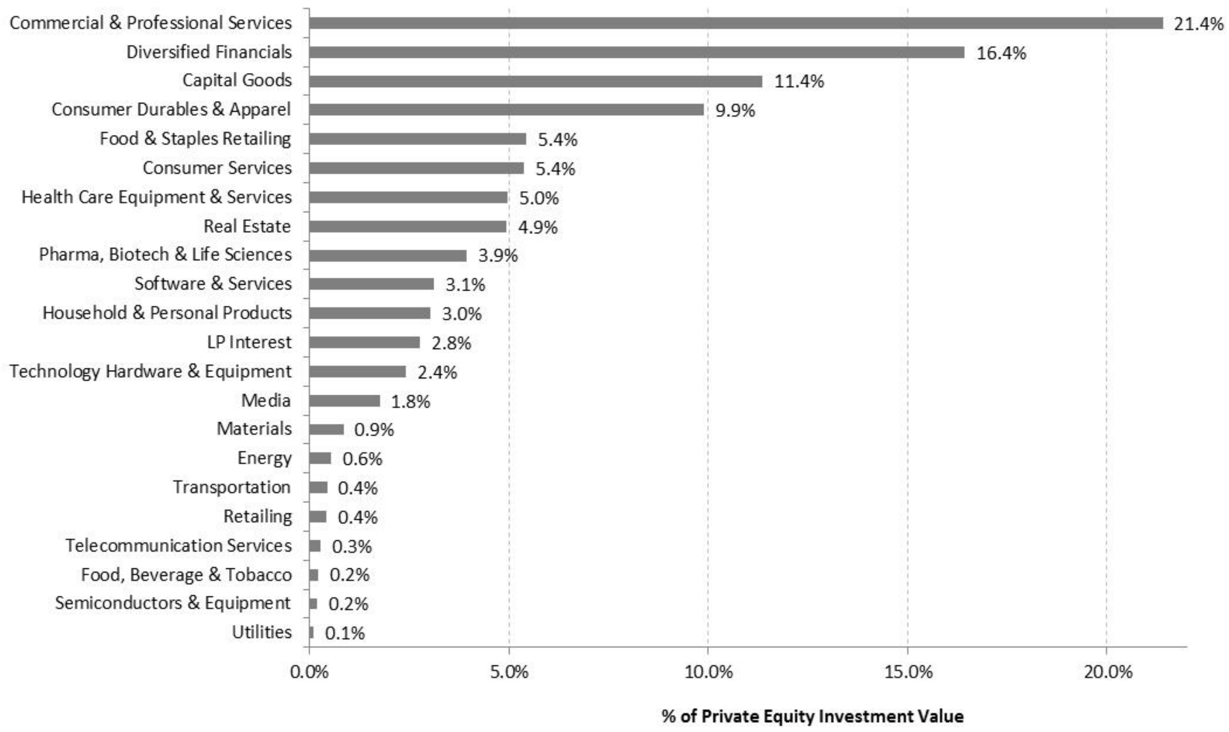
1 Based on 31 December 2018 market value of investments, percentages based on underlying company-level values. Average age of investments is based on the date in which each individual portfolio company investment was made, subject to availability. Weighting is based on underlying portfolio company level values. Age calculated at 31 December 2018. Average is weighted based on investments at market value as at 31 December 2018 percentages based on underlying company-level values. Direct investment age is based on the date of JPEL's investment. Fund investment age is based on the date of the Sponsors' original investment.
2 Based on 31 December 2018 market value of investments, percentages based on underlying company-level values.

Manager’s Review continued

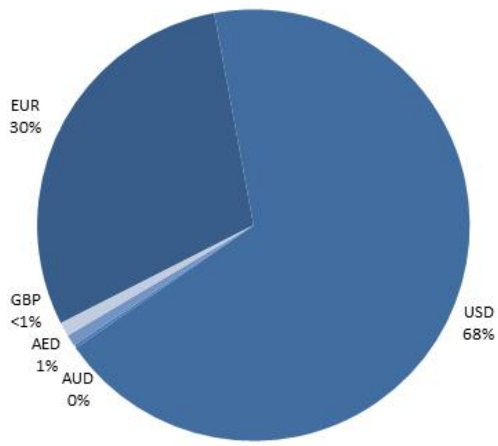
PORTFOLIO REVIEW continued

Industry Composition [1]

JPEL’s private equity portfolio is currently weighted towards companies in the commercial and professional services sector which represent 21.4% of the portfolio.



Currency Composition [2]



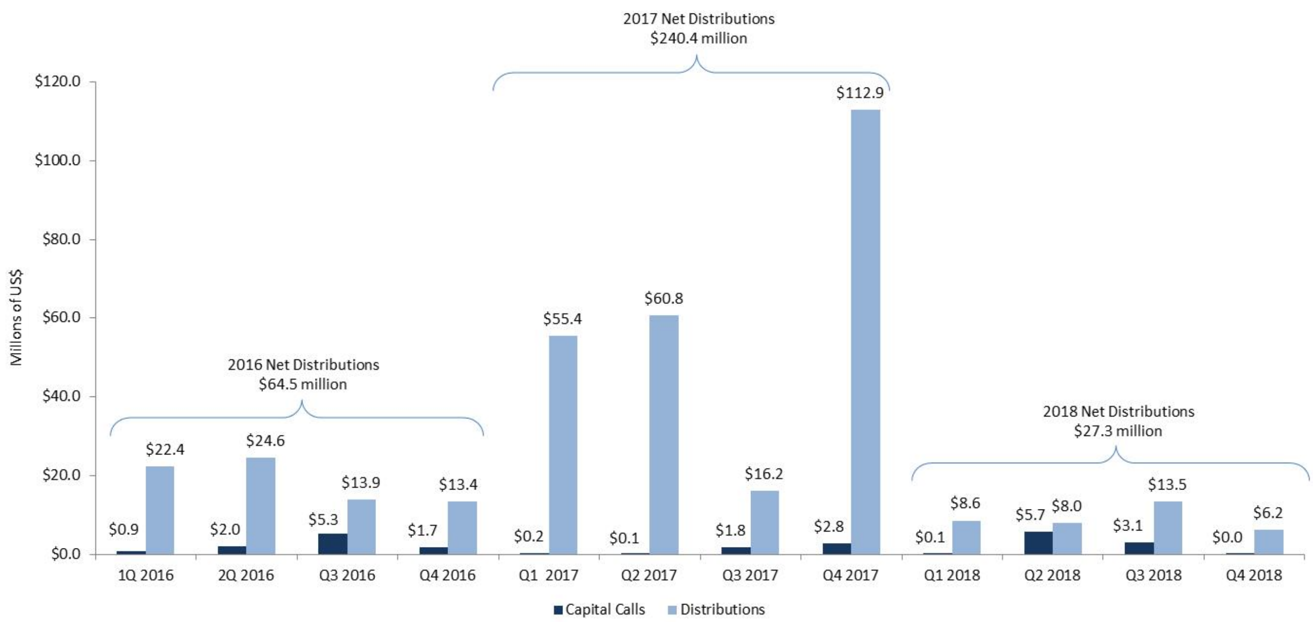
As at 31 December 2018, investments held in US Dollars made up approximately 68% of JPEL’s private equity portfolio market value. Investments held in Euros comprised 30% of the private equity portfolio, while the Australian Dollar, UAE Dirham and Sterling represented 2% of the portfolio, combined.

1 Based on 31 December 2018 market value of investments, percentages based on underlying company-level values.
2 Based on 31 December 2018 market value of investments, percentages based on underlying fund-level values. Please refer to page 23 of the Financial Statements for net currency exposure on the Company level.

Manager’s Review continued

CAPITAL CALLS AND DISTRIBUTIONS

Capital Call and Distribution Summary[1]



2018 was a more measured year for distributions within JPEL’s portfolio with $27.3 million in net cash received in contrast to 2017 when the Company received net distributions totalling $240.4 million. JPEL’s mature portfolio is well positioned to continue 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.

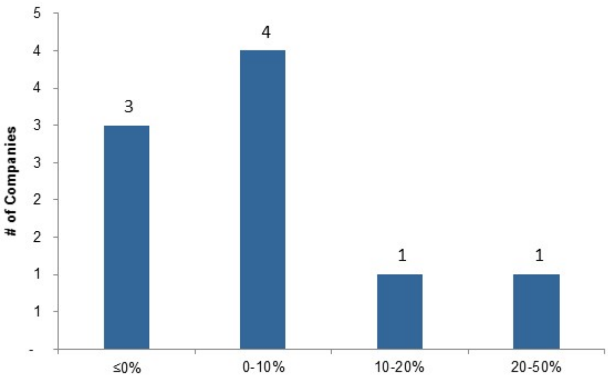
[1] The above capital calls and distributions are shown above on a cash basis.

Manager's Review continued

BUYOUT COMPANY VALUATIONS AND PERFORMANCE

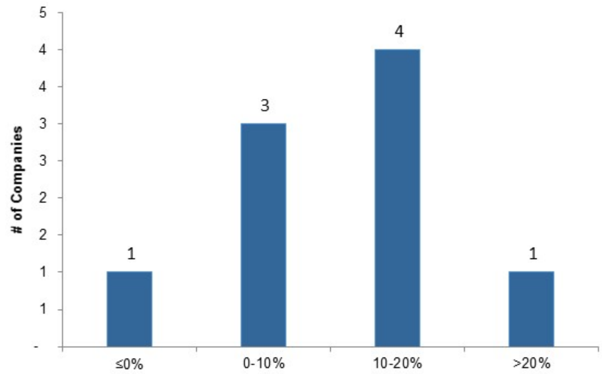
The following charts provide an analysis of JPEL's nine largest traditional buyout companies which comprise more than 60% of the NAV at 31 December 2018. Of JPEL's 20 largest companies by unrealised value, 11 are traditional buyout companies, three are venture capital, two are growth equity investments, two are real estate and two are special situations. Two of the buyout companies have been excluded from this analysis due to incompatible data.

Top Buyout Company EBITDA Growth[1]



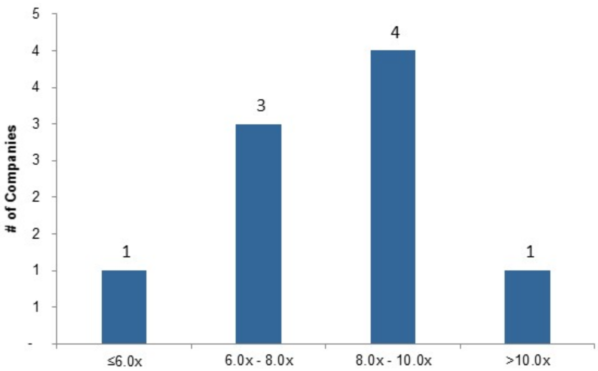
LTM EBITDA for JPEL's top investments grew by a weighted-average of 0.5%.

Top Buyout Company Revenue Growth[1]



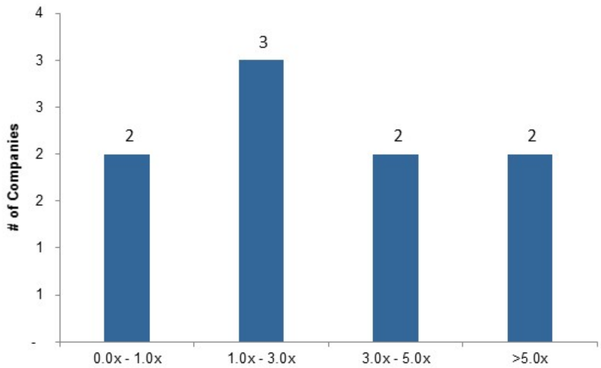
LTM Revenue for JPEL's top investments grew by a weighted-average of 11.4%.

Top Buyout Company Enterprise Value / EBITDA[1]



On a weighted average basis, JPEL's top buyout companies are carried at an Enterprise Value / EBITDA multiple of 7.8x.

Top Buyout Company Net Debt / EBITDA[1]



JPEL's top buyout companies have a weighted average Net Debt / EBITDA multiple 2.1x.

1. Analysis based on LTM information on JPEL's largest buyout investments and as at 31 December 2018. Of JPEL's top 20 underlying company exposures, 11 companies are classified as traditional buyout but two of those companies were excluded from this analysis because of incompatible data. Information for all of the companies is as of 30 September 2018 or later.

TOP 20 FUNDS & COMPANIES INFORMATION

Top 20 Funds[1,2]

	Fund	Region	Fund Strategy	% of Private Equity Investments
1	Leeds Equity Partners V, L.P.	North America	Buyout	3.8%
2	Life Sciences Holdings SPV I Fund, L.P.	Europe	Venture Capital	3.2%
3	Black Diamond Capital Management	North America	Special Situations	1.6%
4	Beacon India Private Equity Fund	Asia	Buyout	1.5%
5	Global Buyout Fund, L.P.	Other	Buyout	1.4%
6	Industry Ventures Fund V, L.P	North America	Venture Capital	1.1%
7	Hutton Collins Capital Partners II LP	Europe	Special Situations	1.0%
8	Esprit Capital I Fund	Europe	Venture Capital	1.0%
9	Omega Fund III, L.P	Europe	Venture Capital	0.9%
10	Argan Capital Fund	Europe	Buyout	0.8%
11	Liberty Partners II, L.P.	North America	Buyout	0.8%
12	Global Opportunistic Fund	Other	Buyout	0.7%
13	Blue River Capital I, LLC	Asia	Buyout	0.7%
14	Highstar Capital III Prism Fund, L.P.	North America	Infrastructure	0.7%
15	Omega Fund IV, L.P.	North America	Venture Capital	0.7%
16	Alcentra Euro Mezzanine No1 Fund L.P.	Europe	Special Situations	0.6%
17	Wellington Partners Ventures III Life Science Fund L.P.	Europe	Venture Capital	0.5%
18	Strategic Value Global Opportunities Fund I-A	North America	Special Situations	0.4%
19	Private Equity Access Fund II Ltd	North America	Buyout	0.4%
20	Trumpet Feeder Ltd	North America	Buyout	0.4%

Top 20 Companies[1,2]

	Company	Country	Industry Group	% of Private Equity Investments
1	Mr. Bult's, Inc.	US	Commercial Services & Supplies	21.5%
2	Tax Advisory Services Company	US	Diversified Financial Services	10.9%
3	You&Home SAS	France	Household Durables	9.5%
4	RCR Industrial S.a.r.l	Spain	Construction & Engineering	7.8%
5	Food Service Project, S.L.	Spain	Food & Staples Retailing	5.3%
6	Prosper Marketplace, Inc.	US	Diversified Financial Services	3.9%
7	Back Bay (Guernsey) Limited	US	Real Estate Management & Development	3.2%
8	Corsicana Bedding Inc.	US	Household Products	3.2%
9	Polo Holdings S.à.r.l.	Italy	Construction & Engineering	3.1%
10	SaaS Company	US	Software	1.7%
11	FibroGen	US	Biotechnology	1.7%
12	BARBRI, Inc	US	Diversified Consumer Services	1.6%
13	ION Media	US	Media	1.6%
14	Placid Holdings	India	Electronic Equipment, Instruments & Components	1.5%
15	Healthcare at Home	UK	Health Care Providers & Services	1.5%
16	Yangzhou Ya Tai Property Limited	China	Real Estate Management & Development	1.4%
17	Paratek Pharmaceutical Inc	US	Pharmaceuticals	1.2%
18	iModules Software, Inc.	US	Software	1.2%
19	Gulf Healthcare International LLC	US	LP Interest	1.0%
20	Project Management Academy, LLC	UAE	Health Care Providers & Services	1.0%

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 2018 unaudited market value of investments.

Condensed Interim Statement of Comprehensive Income - Unaudited

for the period ended 31 December 2018

	Notes	01/07/2018 to 31/12/2018 $'000	01/07/2017 to 31/12/2017 $'000
Income			
Interest and distribution income	4	1,201	2,288
Other net changes in fair value of financial assets and financial liabilities through profit or loss	7	(11,023)	26,394
Realised gain/(loss) on forward currency contracts		2,340	(5,719)
Total net (loss)/income		**(7,482)**	**22,963**
Expenses			
Investment management fees		(1,847)	(2,267)
Accounting and administration fees		(398)	(375)
Audit fees		(111)	(105)
Directors' fees		(84)	(100)
Other expenses	6	(514)	(743)
Total expenses		**(2,954)**	**(3,590)**
(Loss)/profit before finance costs		**(10,436)**	**19,373**
Finance costs			
Credit facility costs	5	(150)	(249)
Interest expense - Zero dividend preference shares		-	(1,165)
Net foreign exchange gain		7	474
(Loss)/profit before tax		**(10,579)**	**18,433**
Withholding taxes		(223)	(2,592)
Net (loss)/profit for the period		**(10,802)**	**15,841**
Other comprehensive income		-	-
Total comprehensive (loss)/income for the period		**(10,802)**	**15,841**
Earnings per share			
(Losses)/earnings per US$ Equity Share		$(0.05)	$0.06

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

The accompanying notes on pages 18 to 31 form an integral part of the Financial Statements.

Condensed Interim Statement of Financial Position - Unaudited

as at 31 December 2018

	Notes	31 December 2018 $'000	30 June 2018 $'000
Non-current assets			
Financial assets at fair value through profit or loss			
- Investment portfolio	8	329,560	356,902
Current assets			
Cash and cash equivalents		30,943	16,284
Receivables		70	166
		31,013	16,450
Current liabilities			
Payables and accruals		(684)	(2,042)
Financial liabilities at fair value through profit or loss			
- Derivative financial liabilities	8	(497)	(1,116)
Net current assets		29,832	13,292
Net Assets		359,392	370,194
Represented by:			
Share capital	10	273,207	273,207
Accumulated gain		86,185	96,987
Total equity		359,392	370,194
Number of US$ Equity Shares in issue	10	203,727,430	203,727,430
NAV per US$ Equity Share		$1.76	$1.82

The Financial Statements on pages 14 to 31 are approved by the Board of Directors on 19 March 2019 and were signed on its behalf by:

Sean Hurst
Director

Chris Spencer
Director

The accompanying notes on pages 18 to 31 form an integral part of the Financial Statements.

Condensed Interim Statement of Changes in Equity - Unaudited

for the period ended 31 December 2018

	Note	Share capital $'000	Accumulated gain $'000	Total $'000
At 1 July 2018		273,207	96,987	370,194
Loss for the period		-	(10,802)	(10,802)
Total comprehensive loss for the period		**-**	**(10,802)**	**(10,802)**
At 31 December 2018		**273,207**	**86,185**	**359,392**

		Share capital $'000	Accumulated gain $'000	Total $'000
At 1 July 2017		353,517	74,827	428,344
Profit for the period		-	15,841	15,841
Total comprehensive income for the period		-	**15,841**	**15,841**
Share redemption	10	(60,589)	(14,411)	(75,000)
Total transactions with owners of Share Capital during the period		**(60,589)**	(14,411)	**(75,000)**
At 31 December 2017		**292,928**	**76,257**	**369,185**

The accompanying notes on pages 18 to 31 form an integral part of the Financial Statements.

Condensed Interim Statement of Cash Flows - Unaudited

for the period ended 31 December 2018

	Notes	01/07/2018 to 31/12/2018 $'000	01/07/2017 to 31/12/2017 $'000
Operating activities			
(Loss)/profit for the period		(10,802)	15,841
Adjustments for:			
Interest income	4	(178)	(161)
Interest expense		-	1,165
Net unrealised gains on derivative financial instruments	7	(619)	(1,593)
Net losses/(gains) on investment portfolio	7	11,642	(24,801)
Net foreign exchange gain		(7)	(474)
Purchase of investments and funding of capital calls		(18)	(4,615)
Proceeds from disposal of investments and distribution receipts		15,780	129,154
Interest received		178	161
Operating cash flows before changes in working capital		15,976	114,677
Decrease/(increase) in receivables		13	(42)
Decrease in payables and accruals		(1,340)	(103)
Cash from operations		14,649	114,532
Financing activities			
Equity share redemption		-	(75,000)
Zero dividend preference shares retirement		-	(42,965)
Cash used in financing activities		-	(117,965)
Net increase/(decrease) in cash and cash equivalents		14,649	(3,433)
Cash and cash equivalents at the beginning of the period		16,284	33,364
Effects of exchange differences arising from cash and cash equivalents		10	993
Cash and cash equivalents at the end of the period		30,943	30,924

The accompanying notes on pages 18 to 31 form an integral part the Financial Statements.

Notes to the Condensed Interim Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

JPEL Private Equity Limited ("JPEL" or the "Company") is a closed ended investment fund incorporated as a limited liability company in Guernsey under The Companies (Guernsey) Law, 2008. As at 31 December 2018, 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 will 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 the 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 2018.

The Financial Statements were approved by the Board of Directors on 19 March 2019.

Standards and amendments to existing standards effective for annual periods beginning on or after 1 July 2018 that are relevant and have been adopted by the Company

IFRS 9, 'Financial Instruments' (effective for accounting periods beginning on or after 1 January 2018)

IFRS 9 'Financial instruments' replaces IAS 39 'Financial Instruments: Recognition and Measurement' and introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, impairment and for hedge accounting.

The nature and impact of IFRS 9 is outlined below:

(i) Recognition, classification and measurement:

IFRS 9 establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL").

Following the adoption of IFRS 9, the Company has assessed the classification of recognised financial instruments both at the date of initial application and retrospectively; concluding that:

- all financial assets already held at fair value through profit or loss under IAS 39 continue to be measured at fair value through profit or loss;
- investments in subsidiaries and associates continue to be measured at fair value in accordance with IFRS 10 and IAS 28;
- financial assets previously classified as loans and receivables under IAS 39, that meet the new dual test criteria are now classified as financial assets at amortised cost; and
- debt instruments held as part of a portfolio of assets managed and evaluated on the business model basis of fair value, previously held at fair value under IAS 39, continue to be measured at fair value through profit or loss.

The classification of financial liabilities under IFRS 9 remains broadly similar to that under IAS 39. The Company has no financial liabilities designated at FVTPL so there is no impact from the adoption of IFRS 9 with regards to financial liabilities.

Whilst the classification, measurement and recognition requirements of IFRS 9 have been retrospectively applied. The Company has opted, as permitted, not to restate comparatives; therefore, they continue to be presented in accordance IAS 39.

Considering both the characteristics of financial instruments and the approach to their management, the adoption of IFRS 9 has not resulted in any revocation of designations, nor any new designations of financial assets or liabilities.

Notes to the Condensed Interim Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES continued

Statement of compliance continued

IFRS 9, 'Financial Instruments' (effective for accounting periods beginning on or after 1 January 2018) continued

There have been no changes in the carrying amounts of financial instruments due to changes in measurement category. Financial assets previously measured at FVTPL continue to be so. Those measured at amortised cost continue to be so. Further, the application of the expected credit loss (ECL) impairment model as applied to financial instruments held at amortised cost has not significantly changed their carrying value. The carrying values of amortised cost financial instruments under IAS 39 continue to approximate their fair values on the date of transition to IFRS 9.

(ii) Impairment:

Under IAS 39, the Company was required to recognise an impairment loss on financial instruments held at amortised cost when objective evidence of impairment existed. Upon adoption of IFRS 9, impairment is assessed either on a forthcoming 12-month or lifetime basis and recognised initially and at subsequent reporting dates at the full amount of the ECL within that period. The Company holds only receivables and contract assets at amortised cost with no significant financing component and therefore has chosen to apply the simplified approach to assessment of ECL, making a lifetime assessment of credit loss based on relevant, supportable information about the future.

The adoption of IFRS 9 has brought no material impact on the Financial Statements through the recognition, timing or measurement of impairment loss.

(iii) Hedge Accounting

The Company has not applied hedge accounting under IAS 39 and will not apply hedge accounting under IFRS 9.

IFRS 15, 'Revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2018)

IFRS 15 supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations. The core principle of the new standard is for entities to recognise revenue depicting the transfer of goods or services to customers in amounts that reflect the consideration to which the Company is entitled. This is applied using a five-step model.

Guidance on the recognition and presentation of interest and dividend income now falls within the scope of IFRS 9. A consequential amendment to IAS 1 'Presentation of Financial Statements' has clarified that only interest income from financial assets held at amortised cost can be presented within the revenue line item of the Statement of Profit and Loss. The Company interest income from financial assets held at FVTPL continues to be separately identified from revenue as 'interest income'.

There has been no material impact following the adoption of IFRS 15 in either revenue recognised neither by the Company nor in the timing or pattern of revenue recognition within portfolio companies held as financial assets at FVTPL.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

1. SIGNIFICANT ACCOUNTING POLICIES continued

Segmental information

The Board of Directors has considered the requirements of IFRS 8 – "Operating Segments". The Board of Directors is of the view that the Company's operations comprise a single segment of business. The Board of Directors, as a whole, has been determined as constituting the chief operating decision maker of the Company.

Three shareholders remain from 30 June 2018 as investors with more than 10% ownership in the total number of US$ Equity Shares in issue with holdings of approximately 18.4%, 14% and 10.7%.

The Board of Directors 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 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 of Directors, even though they may be proposed by the Manager. The Board of Directors 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 of Directors to assess the Company's performance and to allocate resources is the Net Asset Value ("NAV") which is prepared on a monthly basis by the Administrator. The NAV reported by the Administrator is prepared on a basis consistent with IFRS.

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.

	31 December 2018		30 June 2018	
Region	$'000	%	$'000	%
North America	192,080	58%	196,709	55%
Europe	110,117	34%	124,054	35%
Asia	17,035	5%	22,446	6%
Other	10,328	3%	13,693	4%
Total	329,560	100%	356,902	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 unquoted 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 2018.

Valuation of investments

The Company has interests in various different types of investments including: investments in subsidiaries, investments in unquoted funds and direct investments in unquoted companies.

2. KEY ESTIMATES AND ASSUMPTIONS continued

Valuation of investments continued

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 Company 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 Company makes adjustments to net asset values of the subsidiaries to obtain the best estimate of its fair value.

Investments in unquoted funds

The investments in unquoted funds are valued in accordance with IPEVCG as set out in the financial assets policy above. Investments in 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 general partner as per the capital statement, which necessarily incorporates estimates made by those general partners. The Company believes that this value, in most cases, represents fair value as of the relevant statement date, although, if other factors lead the Company to conclude that the value provided by the general partner does not represent fair value, the Directors and Manager will adjust the value of the investment from the general partner's estimate. The Company estimates fair value based on publicly available information and the most recent financial information provided by the general partners, as adjusted for cash flows since the date of the most recent financial information.

Where no valuation is available from the general partner or an independent valuation agent, the Directors and Manager will estimate the fair value in accordance with IPEVCG. The public equity securities known to be owned within the purchased private equity fund are based on the most recent information reported to the Company by the general partners. Where such securities have publically available stock prices, these may be adjusted by applying the appropriate discount to reflect limited marketability and illiquidity.

Direct investments in unquoted companies

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

Direct investments into 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 Manager also 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 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 the company's historical and projected financial data, valuations given to comparable companies, the size and scope of the company's operations, the company's strengths, weaknesses, applicable restrictions on transfer, industry information and assumptions, general economic and market conditions and other factors deemed relevant. The Directors and Manager may also engage the services of a third party valuation firm to assist with valuing the asset.

2. KEY ESTIMATES AND ASSUMPTIONS continued

Valuation of investments continued

Direct investments in unquoted companies continued

The table below summarises only the valuation of direct investments in unquoted companies that are estimated by the Directors and Manager and shows the effect of changing one or more of the assumptions behind the valuation techniques adopted, based on reasonable possible alternative assumptions. 5% represents the Directors and Manager best estimate of a reasonable possible shift in the inputs for purposes of this analysis.

	31 December 2018					
Description	**Fair Value ($000's)**	**Valuation Technique**	**Unobservable Inputs**	**Input**	**Reasonable possible shift +/- (%)**	**Change in Valuation and impact on Profit or Loss +/- ($000's)**
Fund Investments	103,218	NAV - Adjusted	NAV	N/A	5%	5,161/(5,161)
Direct Investments - NAV provided by the Sponsors	226,342	NAV - Adjusted	NAV	N/A	5%	11,317/(11,317)
Direct Investments - NAV estimated by the Board and Managers	-	Comparable Trading Multiples	EBITDA	5.1x	5%	-

	30 June 2018					
Description	**Fair Value ($000's)**	**Valuation Technique**	**Unobservable Inputs**	**Input**	**Reasonable possible shift +/- (%)**	**Change in Valuation and impact on Profit or Loss +/- ($000's)**
Fund Investments	123,416	NAV - Adjusted	NAV	N/A	5%	6,171/(6,171)
Direct Investments - NAV provided by the Sponsors	233,486	NAV - Adjusted	NAV	N/A	5%	11,674/(11,674)
Direct Investments - NAV estimated by the Board and Managers	-	Comparable Trading Multiples	EBITDA	5.1x	5%	-

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 of Directors and the Audit Committee. Discussions of the valuation process and results are held between the Manager and the Board of Directors at least once every quarter.

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 2018.

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

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES

Exposure to interest rate risk

The Company's credit facility remains undrawn at $35 million (30 June 2018: $35 million). This capital is a floating rate debt with the interest expenses incurred from this facility based on the US Dollar London Interbank Offer Rate ("LIBOR") or Euro Interbank Offered Rate ("EURIBOR") as applicable.

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 2018	30 June 2018
Euro	27%	29%
Sterling	1%	1%
UAE Dirham	1%	1%
Australian Dollar	-	1%

Exposure to other price risk

As at 31 December 2018, the Company had no direct exposure to assets that are publicly traded on equity markets. (30 June 2018: 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.

Liquidity risk

As of 31 December 2018, the Company had unfunded commitments to private equity funds of $33 million (30 June 2018: $33.4 million) that may be called by the underlying limited partnerships. Approximately 94.72% (30 June 2018: 94.56%) of the Company's unfunded commitments, or approximately $31.2 million (30 June 2018: $31.6 million), represents funds with vintage years of 2008 and earlier and are unlikely to be called.

During the period the Company's credit facility remained undrawn. The undrawn amount of the credit facility as of 31 December 2018 was $35 million (30 June 2018: $35 million).

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 2018, Moody's has given the long term credit ratings for Lloyds Bank plc as Aa3 (30 June 2018: A1), Standard & Poor's has given the same for Bank of America Merrill Lynch International as A+ (30 June 2018: 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 2018.

4. INTEREST AND DISTRIBUTION INCOME

	01/07/2018 to 31/12/2018 $'000	01/07/2017 to 31/12/2017 $'000
Interest income from cash and cash equivalents	178	161
Interest income from investments	416	149
Dividend income	607	1,978
	1,201	**2,288**

5. CREDIT FACILITY COSTS

	01/07/2018 to 31/12/2018 $'000	01/07/2017 to 31/12/2017 $'000
Undrawn commitment fees	143	249
Credit facility fees	7	-
	150	**249**

6. OTHER EXPENSES

	01/07/2018 to 31/12/2018 $'000	01/07/2017 to 31/12/2017 $'000
Legal and professional fees	251	427
Portfolio management fees from limited partnerships	118	118
Travel expenses	39	75
Bank charges	13	22
Filing and regulatory fees	31	29
Sundry expenses	62	72
	514	**743**

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

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

	01/07/2018 to 31/12/2018 $'000	01/07/2017 to 31/12/2017 $'000
Mandatorily at fair value through profit or loss		
- Investment portfolio	(11,642)	24,801
- Derivative financial instruments	619	1,593
Net (losses)/gains from financial assets and liabilities at fair value through profit or loss	**(11,023)**	**26,394**

The Company does not experience seasonality or cyclicality 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 2018, the Company had unfunded commitments to private equity funds of $33 million (30 June 2018: $33.4 million) that may be called by the underlying limited partnerships. Approximately 94.72% (30 June 2018: 94.56%) of the Company's unfunded commitments, or approximately $31.2 million (30 June 2018: $31.6 million), represents funds with vintage years of 2008 and earlier and are unlikely to be called.

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 2018:

	31 December 2018			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Financial assets mandatorily at fair value through profit or loss				
- Investment portfolio	329,560	-	-	329,560
Financial liabilities mandatorily at fair value through profit or loss				
- Derivative financial instruments	(497)	-	(497)	-
	329,063	**-**	**(497)**	**329,560**

	30 June 2018			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Financial assets mandatorily at fair value through profit or loss				
- Investment portfolio	356,902	-	-	356,902
Financial liabilities mandatorily at fair value through profit or loss				
- Derivative financial instruments	(1,116)	-	(1,116)	-
	355,786	**-**	**(1,116)**	**356,902**

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 from the investments are not permitted unless agreed by the general partner of the investments and 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.

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:

	01/07/2018 to 31/12/2018 $'000	01/07/2017 to 31/12/2017 $'000
Fair value at beginning of the period	356,902	439,385
Purchase of investment and funding of capital calls	3,001	4,611
Distributions from limited partnership interests	(18,701)	(129,154)
Net fair value movement in the period (including foreign exchange gains and losses)	(11,642)	24,801
Fair value at the end of the period	**329,560**	**339,643**
Change in unrealised losses in the period for level III assets held at period end (including foreign exchange losses)	(17,798)	(43,790)

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

9. CREDIT FACILITY

The Company has entered into a multi-currency credit facility agreement with Lloyds Bank. As at 31 December 2018, the facility was for $35 million (30 June 2018: $35 million) and bears interest of US$ LIBOR/EURIBOR + 250 bps on drawn amounts. A flat 0.8% rate is paid on undrawn amounts.

The current facility agreement was last amended on 26 January 2018 when it was due to expire but was extended to 31 December 2019. The facility also contains a number of covenants that restrict total leverage and promote asset diversification. Specifically, the Company has the ability to borrow up to 30% of its adjusted total of capital and reserves. Furthermore, the asset base from which the Company may borrow funds may be reduced if certain diversity criteria are breached; including geography, investment strategy, investment type, and company and manager concentration limitations. As at 31 December 2018, the Company had no drawn leverage (30 June 2018: Nil) per the credit agreement and the Company was in compliance with all of the diversification restrictions.

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 2018. 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 2018: 17,750,000) all of which was US$ Equity Shares. 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 of Directors from time to time in accordance with Article 3(4)(d) of the Company's Articles of Incorporation.

Issued share capital

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

	Number of shares	Price ($)	Total proceeds ($)	Share Capital ($)	Premium on redemption
Balance as at 30 June 2018	203,727,430	-	-	273,207,308	-
Share redemption	-	-	-	-	-
Total	**-**		**-**	**-**	**-**
Balance as at 31 December 2018	**203,727,430**			**273,207,308**	

	Number of shares	Price ($)	Total proceeds ($)	Share Capital ($)	Premium on redemption
Balance as at 30 June 2017	263,613,782	-	-	353,517,499	-
Share redemption*					
14 December 2017	(45,180,643)	1.66	(74,999,867)	(60,589,199)	(14,410,668)
Total	**(45,180,643)**		**(74,999,867)**	**(60,589,199)**	**(14,410,668)**
Balance as at 31 December 2017	**218,433,139**			**292,928,300**	

*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, equity Shareholders will be entitled to the net assets of the Company after any payables have been paid. As at 31 December 2018, the total share capital was $273,207,308 (30 June 2018: $273,207,308). Please refer to the Statement of Changes in Equity on page 16 for details of the movements in share capital.

Subsequent to the period end, on 8 January 2019, the Company redeemed a further 14,044,678 US$ Equity Shares, on a pro rata basis, at the prevailing NAV per US$ Equity Share of $1.78 as at 31 October 2018.

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
Iberian Acquisition Holdings LLC ("Iberian Acq")	Delaware	100.0	Holding company
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 six 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 13 fund investments.

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

Iberian Acq holds a non-controlling interest in Alia Capital Fund I CV, a Dutch limited partnership.

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 in 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 11 other companies and fund investments.

Details of the names and values as of 31 December 2018 of all the investments held by the subsidiaries are disclosed in note 15.

12. MATERIAL AGREEMENTS

The Manager, FCF JPEL Management LLC, is entitled to a base management fee, payable monthly in arrears of 1.0% per annum of the Company's Total Assets. The total management fee due for the period was $1,847,198 (six months to 31 December 2017: $2,267,390). The amount payable to the Manager at the end of the period was $305,497 (30 June 2018: $599,676).

The Manager is also entitled to a performance fee if the aggregate Net Asset Value of the US$ Equity Shares and the ZDP Shares at the end of the performance period exceeds (i) the aggregate Net Asset Value at the start of the performance period by more than 8% and (ii) the highest previously recorded aggregate Net Asset Value of Equity and ZDP Shares as at the end of performance period of which the fees was paid.

The amount of such fee will be 7.5% of the total increase in aggregate Net Asset Value above the performance hurdle. The performance fee recognised during the period was $NIL (six months to 31 December 2017: $NIL).

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 $397,707 (six months to 31 December 2017: $374,506). At 31 December 2018, $65,598 (30 June 2018: $62,797) 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 19,434 US$ Equity Shares, Mr. Hurst owned 5,387 US$ Equity Shares and Mr. Dalwood owned 82,566 US$ Equity Shares at 31 December 2018.

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 $12,948 (six months to 31 December 2017: $9,129) to the Directors in travel expenses. The cap on total Directors remuneration was unchanged at £250,000 as at 31 December 2018.

14. POST BALANCE SHEET EVENTS

Subsequent to the period end, on 8 January 2019, the Company redeemed a further 14,044,678 US$ Equity Shares, on a pro rata basis, at the prevailing NAV per US$ Equity Share of $1.78 as at 31 October 2018.

The Directors are not aware of any other post balance sheet events which require disclosure in the Financial Statements.

15. SCHEDULE OF INVESTMENTS

Vehicles	Investments	31 December 2018 $000's	30 June 2018 $000's
Back Bay	Back Bay (Cayman) Ltd	10,458	10,458
BMFL/BMML	BoS Mezzanine Partners, LP	6,562	13,265
BSPEL Aus	ROC Private Capital Trust	3,924	6,503
Iberian Acq	Alia Capital Fund I C.V.	15,457	16,009
JPEL	Aksia Capital III	689	839
JPEL	Alto Capital II	161	164
JPEL	Apollo Investment Fund V, L.P.	62	69
JPEL	Ares European Real Estate Fund I (IF), L.P.	5	3
JPEL	Argan Capital Fund	1,571	2,336
JPEL	Arlington Capital Partners II, L.P.	173	123
JPEL	Beacon India Private Equity Fund	4,170	5,682
JPEL	Bear Stearns Global Turnaround Fund LP	3,141	4,909
JPEL	Black Diamond Capital Management	5,451	5,684
JPEL	Blackstone Real Estate Partners IV, L.P.	313	354
JPEL	Blue River Capital I, LLC	2,409	2,557
JPEL	Clearwater Capital Partners Fund I, L.P.	2	2
JPEL	Colony Investors VI, L.P.	183	182
JPEL	Double B Foods, Inc	37	37
JPEL	Esprit Capital I Fund	3,269	3,384
JPEL	Global Buyout Fund, L.P.	4,703	4,791
JPEL	Global Opportunistic Fund	2,511	2,973
JPEL	Gridiron Capital Fund, L.P.	843	864
JPEL	Highstar Capital III Prism Fund, L.P.	2,036	2,439
JPEL	Hupomone Capital Fund, L.P.	214	236
JPEL	Hutton Collins Capital Partners II LP	709	733
JPEL	Industry Ventures Fund IV, L.P	621	677
JPEL	Industry Ventures Fund V, L.P	3,615	3,727
JPEL	Leeds Equity Partners IV, L.P.	24	160
JPEL	Leeds Equity Partners V, L.P.	15,455	16,068
JPEL	Liberty Partners II, L.P.	2,909	2,908
JPEL	Life Sciences Holdings SPV I Fund, L.P.	9,135	11,479
JPEL	Main Street Resources I, L.P.	457	429
JPEL	Main Street Resources II, L.P.	521	528
JPEL	Markstone Capital Partners, L.P.	10	10
JPEL	Omega Fund III, L.P.	1,031	2,272
JPEL	Primopiso Acquisition S.a.r.l	25,808	26,291
JPEL	Private Equity Access Fund II Ltd	1,623	1,503
JPEL	Private Opportunity Ventures, L.P.	586	496
JPEL	Strategic Healthcare Alliance, LLC	14	14
JPEL	Strategic Value Global Opportunities Feeder Fund I-A, LP	801	887
JPEL	Strategic Value Global Opportunities Master Fund, LP	47	46
JPEL	Terra Firma Deutsche Annington L.P.	313	319
JPEL	The Oneida Group	333	333
JPEL	Trumpet Feeder Ltd	1,313	1,450
JPEL	Warburg Pincus Private Equity VIII, L.P.	457	466
JPEL	Wellington Partners Ventures II GMBH & CO.KG (B)	396	404
JPEL	Wellington Partners Ventures III Life Science Fund L.P.	1,711	1,615

Continued on next page

15. SCHEDULE OF INVESTMENTS continued

Vehicles	Investments	31 December 2018 $000's	30 June 2018 $000's
JPEL Holdings	Saas Company	5,609	5,646
JPEL Holdings	Accurate Result Investments Limited	-	-
JPEL Holdings	Tax Advisory Services Company	35,773	35,502
JPEL Holdings	Aqua Resources Fund Limited	-	529
JPEL Holdings	Corsicana Feeder Co-Investors, LLC	10,416	11,857
JPEL Holdings	Genuine Idea Investments Ltd	4,586	4,678
JPEL Holdings	Gulf Healthcare International LLC	2,802	5,441
JPEL Holdings	Industry Ventures Fund VI, L.P.	1,386	1,400
JPEL Holdings	MBI Holding, Inc.	70,763	70,763
JPEL Holdings	Milestone Investisseurs 2014 SLP	31,448	31,730
JPEL Holdings	MTS Celerion Holdings, LLC	-	8
JPEL Holdings	Omega Fund IV, L.P.	2,251	1,943
JPEL Holdings	Placid Holdings	5,108	7,373
JPEL Holdings	Polo Holdings S.à.r.l.	10,185	10,354
JPEL Holdings	Prosper Marketplace, Inc.	13,000	13,000
Total market value of Investments held by the Company		**329,560**	**356,902**

Investment Vehicles	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
Iberian Acquisition Holdings LLC	Iberian Acq
JPEL Holdings Limited	JPEL Holdings

Information about the Company

DIRECTORS:	Sean Hurst (Chairman) (*re-elected 26 November 2018*) John Loudon (*re-elected 26 November 2018)* Christopher Spencer (*re-elected 26 November 2018)* Anthony Dalwood (*re-elected 26 November 2018*)
MANAGER **(as to the Private Equity Portfolio):**	FCF JPEL MANAGEMENT LLC c/o Fortress Investment Group LLC 1345 Avenue of the Americas 46th floor, New York, New York 10105 United States of America
ADMINISTRATOR AND **COMPANY SECRETARY:**	AUGENTIUS (GUERNSEY) LIMITED Ground Floor Cambridge House Le Truchot, St Peter Port Guernsey GY1 4BF
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SOLICITORS **(as to English and US law):**	HERBERT SMITH FREEHILLS LLP Exchange House Primrose Street London EC2A 2HS United Kingdom AKIN GUMP LLP 10 Bishops Square London E1 5EG United Kingdom TRAVERS SMITH LLP (*appointed 07 February 2019*) 10 Snow Hill London EC1A 2AL United Kingdom
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