J.P. Morgan Private Equity Limited

Annual Report and Financial Statements
for the year ended 30 June 2015

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Financial Summary (Company Information)

	30 June 2015
US$ Equity Shares	
NAV per Share	$1.27
Share Price	$1.00
Shares in Issuance (excluding shares held in treasury)	337.9m
2015 ZDP Shares	
NAV per Share[1]	84.84p
Share Price	86.13p
Shares in Issuance (excluding shares held in treasury)	67.1m
2017 ZDP Shares	
NAV per Share[1]	88.55p
Share Price	99.13p
Shares in Issuance (excluding shares held in treasury)	30.4m
Statement of Financial Position (extract)	
Investments at Fair Value	$533.1m
Bank Deposits	$20.5m
Other Assets[2]	$8.0m
Other Liabilities[3]	($1.5m)
Zero Dividend Preference Shares	($131.7m)
US$ Equity Net Asset Value[4]	$428.6m

Performance as at 30 June 2015

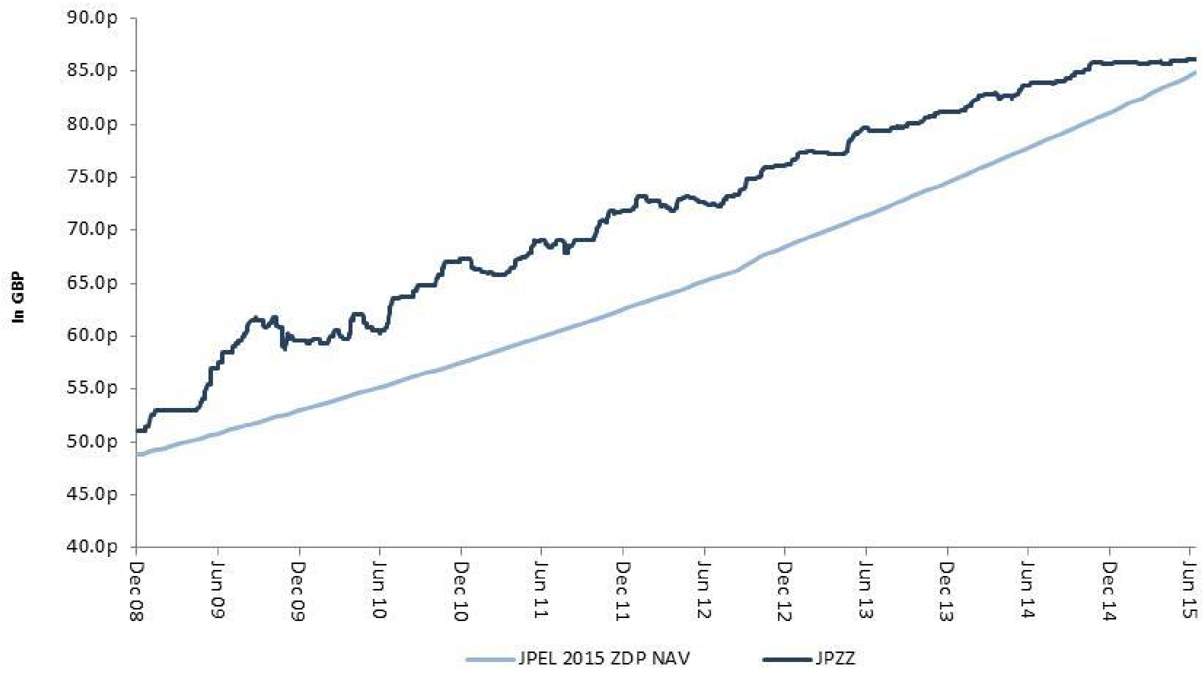
JPEL Performance Since Inception[5]

Past performance is not an indication of future performance

[1] Throughout the document, the term Net Asset Value per share or "NAV per Share" for each of JPEL's two classes of zero dividend Preference Shares (2015 ZDP Shares and 2017 ZDP Shares) refers to the carrying value of the ZDP Shares as at 30 June 2015. ZDP shareholders are entitled to a final gross redemption amount that is increased daily at such a daily compound rate as would give a final entitlement as referenced in Note 15 to the financial statements on pages 59 and 60.
[2] Includes accrued interest income and derivative assets.
[3] Includes fee accruals and other payables.
[4] Information presented as non-consolidated. The Net Asset Value represents the capital of the Company which includes the Net Asset Value of the ZDP Shares as well as the Net Asset Value of the US$ Equity Shares. Numbers may not sum due to rounding.
[5] Source: Managers, Bloomberg as at 30 June 2015, JPEL NAV data as at 30 June 2015, released via the London Stock Exchange on 20 August 2015.

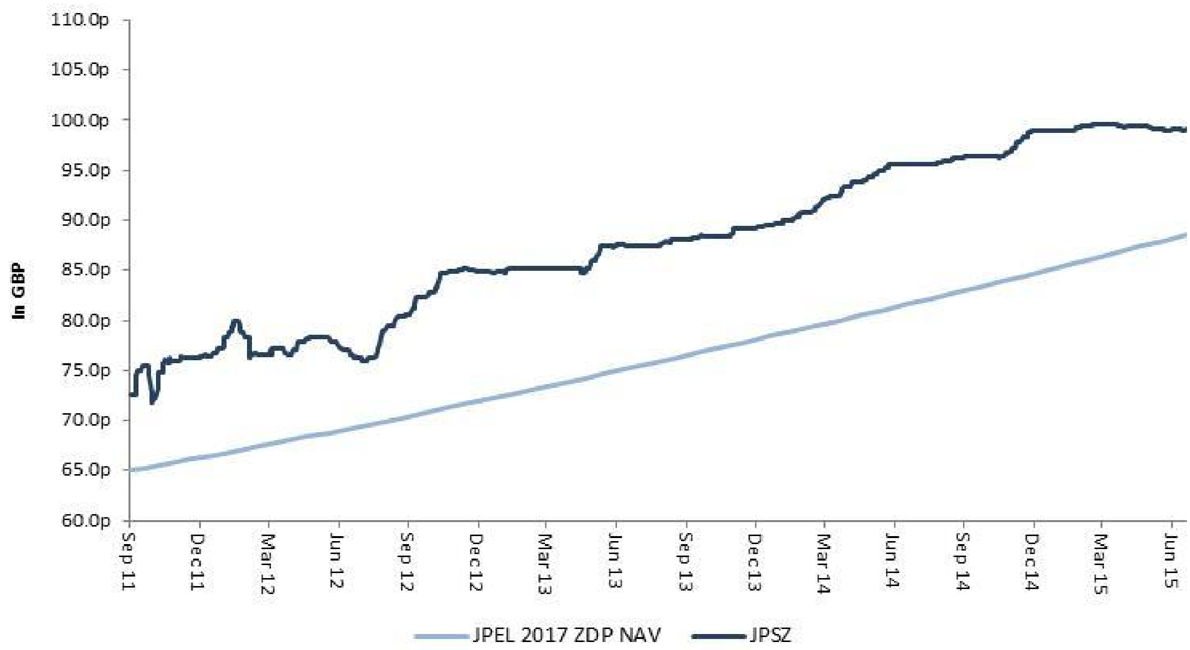
Historical Performance

2015 JPEL ZDP NAV and Share Price Development through 30 June 2015[1](Since Inception)



Past performance is not an indication of future performance.

2017 JPEL ZDP NAV and Share Price Development through 30 June 2015[1] (Since Inception)



Past performance is not an indication of future performance

The charts above reflect the NAV and share price of J.P. Morgan Private Equity Limited 2015 Zero Dividend Preference Shares ("JPZZ") due 31 October 2015 and J.P. Morgan Private Equity Limited's 2017 Zero Dividend Preference Shares ("JPSZ") due 31 October 2017.

[1] Source: Bloomberg, Managers. As at 30 June 2015.

Overview & Strategy

OVERVIEW

J.P. Morgan Private Equity Limited ("JPEL" or the "Company") is a Guernsey registered and incorporated closed ended investment company that trades on the London Stock Exchange (LSE: JPEL, JPZZ, JPSZ). The Company is designed primarily to invest in the global private equity market. The fair value of the Company's total assets as at 30 June 2015 was $561.7 million.

JPEL held its initial public offering on 30 June 2005 under the name "Bear Stearns Private Equity Limited". The Company currently has three classes of shares: US$ Equity Shares, 2015 Zero Dividend Preference Shares ("2015 ZDP Shares") and 2017 Zero Dividend Preference Shares ("2017 ZDP Shares"). At 30 June 2015 the capital of the Company comprised of 16.0% 2015 ZDP Shares, 7.6% 2017 ZDP Shares and 76.5% US$ Equity Shares.

JPEL is managed by Bear Stearns Asset Management Inc. ("BSAM Inc."), JPMorgan Asset Management (UK) Limited ("JPMAM UK") and JF International Management Inc. ("JFIMI") (together, the "Managers"), all of whom are wholly-owned subsidiaries of JPMorgan Chase & Co. The Company's investment decisions are made by Non EU Alternative Investment Fund Managers (BSAM Inc. and JFIMI). Following the acquisition of The Bear Stearns Companies Inc. by JPMorgan Chase & Co., the investment management team within BSAM Inc. that has managed the Company since its inception joined J.P. Morgan Asset Management ("JPMAM"). The Company has entered into a management agreement with the Managers to invest the assets of the Company on a discretionary basis, subject to the overall supervision of the Board of Directors (the "Directors"), a majority of whom are independent Directors of the Company. The Directors have overall responsibility for the Company's investment policy and the Company's activities. Subsequent to the year end, the Board has entered into discussions to transition the existing investment management contract from JPMAM to an affiliate of Fortress Investment Group LLC ("Fortress") (the "Potential Transaction"). As part of the Potential Transaction, the investment management team that has been responsible for managing JPEL since its inception in 2005 led by Troy Duncan and Greg Getschow, would transition from JPMAM to the credit business of Fortress. The Potential Transaction is part of a broader spin-out involving the investment management team led by Troy Duncan and Greg Getschow.[1] Further information regarding the Potential Transaction will be made available in due course if and as discussions proceed.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $2.4 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity.

Fortress is a highly diversified global investment firm with $72.0 billion in assets under management as of June 30, 2015. Founded in 1998, Fortress manages assets on behalf of approximately 1,700 institutional clients and private investors worldwide across a range of private equity, credit and real estate, liquid hedge funds and traditional asset management strategies. Fortress is publicly traded on the New York Stock Exchange (NYSE: FIG).

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 (the "Administrator").

[1] None of JPEL, JPMAM or Fortress are under any obligation to consummate the Potential Transaction (or any other transaction) and there can be no assurances as to if and when the Potential Transaction may be consummated. Among other things, the consummation of the Potential Transaction is subject to due diligence and negotiations being completed to the satisfaction of JPEL, JPMAM and Fortress, the entering into of definitive documentation to effect the Potential Transaction and all necessary legal, regulatory and board approvals being obtained or received by JPEL, JPMAM and Fortress.

Overview & Strategy

INVESTMENT STRATEGY

The Company primarily pursues the following strategies to enhance shareholder value and to meet its investment objective:

- § acquires secondary portfolios of direct investments and significantly invested partnership investments to accelerate NAV development;
- § opportunistically invests in buyout, venture capital, and special situations funds and investments throughout the world based on attractive transaction values, advantageous market conditions, and compelling risk-adjusted return potential;
- § obtains exposure to individual companies by co-investing alongside private equity sponsors in companies that offer the potential for substantial equity appreciation;
- § diversifies its portfolio by manager, industry, geography, investment stage, and vintage year; and
- § actively manages the portfolio by repositioning its investment composition from time to time in order to capitalise on changes in private equity market conditions.

In summary, the investment strategy of the Company is to achieve both short-term and long-term capital appreciation by investing in a well-diversified portfolio of private equity interests and by capitalising on the inefficiencies of the global secondary private equity market.

Investment Policy

ASSET ALLOCATION

The majority of the Company Portfolio is allocated to buyout funds, and the balance to venture capital, real estate and multi-style funds.

- A buyout fund typically targets the acquisition of a significant portion or majority control of businesses which normally entails a change of ownership. Buyout funds ordinarily invest in more mature companies with established business plans to finance expansions, consolidations, turnarounds and sales, or spinouts of divisions or subsidiaries. A leveraged buyout, commonly referred to as an LBO, is a buyout that uses debt financing to fund a portion of the purchase price of the targeted business.
- Venture capital refers to private equity capital typically provided to early-stage, high-potential growth companies.
- Private Equity Real Estate is an asset class consisting of equity and debt investments in property. Investments typically involve an active management strategy ranging from moderate reposition or releasing of properties to development or extensive redevelopment.
- A multi-style investment strategy refers to fund managers that make investments in companies in various stages of development. A multi-style manager may make investments in start-up enterprises, later-stage venture companies and established businesses – all within the same fund. These investments may involve control positions or may be minority, passive positions.

By investing in a portfolio of private equity funds, the Company is exposed to numerous underlying investments in individual companies, ranging from start-up ventures to large, multi-national enterprises. The Managers will endeavour to purchase private equity fund interests and co-investments in the secondary market to ensure that JPEL's portfolio contains investments that will be made and exited in different economic cycles.

The Company may invest capital not otherwise allocated to private equity into near cash and other investments. The Company, in the Managers' discretion, may invest in a wide variety of investments and other financial instruments.

The Company will not enter into derivative transactions (such as options, futures and contracts for difference) other than for the purposes of efficient portfolio management.

The Company will not take any legal or management control of any underlying company or fund in the Company Portfolio.

RISK DIVERSIFICATION

The Managers actively monitor the Company Portfolio and attempt to mitigate risk primarily through diversification. Not more than 20% of the Company's Net Asset Value, at the time of investment, is permitted to be invested in any single investment. For the avoidance of doubt, if the Company acquires a portfolio of companies in a single transaction, this limitation shall be applied individually to each of the underlying companies purchased and not to the portfolio as a whole.

LEVERAGE

The Company has the ability to borrow up to 30% of its Total Assets subject to and in accordance with the limitations and conditions in its 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 Managers will not incur any short-term borrowings to facilitate any tender or redemption of 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.

Chairman's Statement

2015 FISCAL YEAR HIGHLIGHTS

2015 was a strong year for the Company:

- US$ Equity Share Price increased by 29.8%
- NAV per US$ Equity Share increased by 11.4%
- Overall leverage reduced to 23.7% of total assets
- Invested $85.2 million in market leading companies with strong growth prospects

The Company has continued to implement the strategic initiatives that were announced to the market in January 2014. I believe that JPEL is ahead of plan and is in a significantly better position than it was 18 months ago. This Chairman's statement will be more detailed than usual as we will discuss the positive developments of the 2015 fiscal year.

POTENTIAL TRANSACTION INVOLVING THE MANAGEMENT TEAM

I would like to inform shareholders that, subsequent to the year end, the JPEL Board has entered into discussions to transition the existing investment management contract from J.P. Morgan Asset Management ("JPMAM") to an affiliate of Fortress Investment Group LLC ("Fortress") (the "Potential Transaction"). As part of the Potential Transaction, the investment management team that has been responsible for managing JPEL since its inception in 2005 led by Troy Duncan and Greg Getschow, would transition from JPMAM to the credit business of Fortress. The Potential Transaction is part of a broader spin-out involving the investment management team led by Troy Duncan and Greg Getschow.[1]

Further information regarding the Potential Transaction will be made available in due course if and as discussions proceed.

NAV AND SHARE PRICE PERFORMANCE

In the twelve months ending 30 June 2015, JPEL's NAV per US$ Equity Share increased by $0.13 or 11.4% to $1.27.

JPEL's US$ Equity Shares have responded to the initiatives put forth and have increased by 29.8% from 30 June 2014, and 37.6% since 30 June 2013.

As at 9 October 2015 the Company's US$ Equity Shares traded down by 2.74% from fiscal year-end to $0.975 which represents a 23.2% discount to prevailing net asset value as at 30 June 2015, versus the average discount of the selected peer group of 21.7%.[2] The Board and the Managers continue to believe that the current market price does not reflect the underlying value of the Company's portfolio, and as such, the Company may seek to opportunistically repurchase US$ Equity Shares in the open market.

During fiscal year 2015, the Company repurchased 8,475,000 US$ Equity Shares at an average price of $0.795663 per Share.

JPEL's two remaining classes of ZDP Shares have performed well. The NAV of JPEL's 2015 ZDP Shares rose 8.9% during this period, from 77.94p per share to 84.84p per share. At 30 June 2015, JPEL's 2015 ZDP Shares traded at a 1.51% premium to NAV. The NAV of 2017 ZDP Shares rose 8.5% during this period, from 81.63p per share to 88.55p per share. At 30 June 2015, JPEL's 2017 ZDP Shares traded at a 11.94% premium to NAV.

SUCCESSFUL REPOSITIONING OF INVESTMENT PORTFOLIO

Since January 2014, JPEL deployed approximately $120 million of capital in nine investments[3] which currently represent approximately 30% of JPEL's private equity value at 30 June 2015.

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[1] None of JPEL, JPMAM or Fortress are under any obligation to consummate the Potential Transaction (or any other transaction) and there can be no assurances as to if and when the Potential Transaction may be consummated. Among other things, the consummation of the Potential Transaction is subject to due diligence and negotiations being completed to the satisfaction of JPEL, JPMAM and Fortress, the entering into of definitive documentation to effect the Potential Transaction and all necessary legal, regulatory and board approvals being obtained or received by JPEL, JPMAM and Fortress.

[2] Source: J.P. Morgan Cazenove Alternative Statistics, Bloomberg as at 9 October 2015 Peer Group members based on multi-manager listed private equity funds and includes: SPCE, PEHN, APEF, HVPE, PEY, SEP, GPE, PIN, NBPE and FPEO.

[3] As at 30 June 2015. Includes initial investment amount only, excludes follow-on investment in Accela Investors LLC that was completed in June 2015.

Chairman's Statement continued

SUCCESSFUL REPOSITIONING OF INVESTMENT PORTFOLIO continued

In January 2014, JPEL's stated goal was to create a more concentrated portfolio with greater transparency, control and growth prospects. I believe JPEL has succeeded in this regard. According to Barwon Investment Partners, JPEL has one of the most concentrated underlying investment portfolios when compared to many of its fund of fund peers.[1] The nine transactions completed share key attributes sought by JPEL. Of the nine investments, eight were buyout related investments acquired at attractive values with the average purchase price of 6.1x LTM EBITDA with net debt coverage of 2.9x LTM EBITDA.[2]

In deploying the $150 million, JPEL has focused on concentrated secondary deals which are direct investments in a single company or secondary transactions with 1 to 3 companies. The reason for this is two-fold: (i) the standard secondary market for diversified limited partnership stakes is currently highly competitive with high pricing and (ii) JPEL is seeking to populate its top investments with companies that have certain attributes. The attributes JPEL seeks in companies include:

- Existing private equity backed company
- Potential for near-term liquidity (2 - 4 years)
- Discounted entry value
- Visible growth in profitability over the next 1 to 2 years
- Limited gearing
- Market leadership

RECENT INVESTMENTS

- In February 2014, JPEL invested $14.3 million in Datamars SA, a leading supplier of animal identification systems (including pet and livestock) and textile identification systems.
- Also in February, JPEL invested $6.9 million in Placid Holdings, a holding company with an investment in a branded Asian handset distributor, with a leading market position in smart phones and feature phones in India.
- In April 2014, JPEL participated in a syndicate of global investors led by Arle Capital to acquire Innovia Films from the Candover 2001 Fund. JPEL invested $14.0 million in Innovia, an international manufacturer of high quality, specialty films for its key markets of labels, overwrap, packaging and polymer banknote substrate.
- In October 2014, JPEL invested $16.0 million in Celerion which provides support to the pharmaceutical and biotechnology industries in the form of research services outsourced on a contract basis.
- In November 2014, JPEL invested $18.4 million (out of a $20 million commitment) in Mr. Bult's Inc. a secondary direct investment in the largest provider of municipal solid waste transportation services in the niche outsourced, long-haul market in the United States; and
- In November 2014, JPEL invested $24.2 million in Swania, the spin out of three well-known French consumer brands alongside Milestone, the manager that successfully built and sold JPEL's Baby Cadum investment in 2013 in a similar industry. JPEL contributed $19.2 million in equity financing to the investment and $5.0 million in mezzanine debt financing.
- In December 2014, JPEL completed a $6.6 million investment in the buyout of Pilosio S.p.A, a market leading company that builds scaffolding and formwork products for large international construction and engineering groups. The company was purchased out of administration and investors provided growth equity to fund the order pipeline.
- In February 2015, JPEL completed a $7 million investment in Accela, Inc., a leading US-based Software-as-a-Service ("SaaS") platform for state and local government agencies worldwide. Accela provides land management, asset management, financial and civic engagement software to over 1,000 customers in the U.S. and internationally.

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[1] Barwon Investment Partners, 2H 2015 Strategy Paper. July 2015.
[2] As at 30 June 2015. Alliant Group is excluded from the $150 million investment program as the investment was completed before the program was announced in January 2014. Prosper Marketplace is excluded from the EBITDA calculation

Chairman's Statement continued

RECENT INVESTMENTS continued

- In April 2015, JPEL completed a $13 million investment in Prosper Marketplace, Inc., a leading peer-to-peer ("P2P") marketplace lender.

Subsequent to the period, but prior to the publication of this Annual Report in October 2015 and not included in the $120 million total, JPEL completed a $15 million investment in Corsicana Bedding Inc., a leading, low cost manufacturer of generic and private label mattresses and foundations (box springs) in the US.

Review of Significant Follow-on Investments

In June and July of 2015, JPEL completed two follow-on investments in existing portfolio companies.

- *Accela, Inc.:* In June 2015, JPEL completed a $10.2 million follow-on investment in Accela via a senior preferred investment that accrues at a 13% PIK interest rate (with a minimum 1.5x return), and includes warrants in the company's common equity. The proceeds of this transaction are being used to fund add-on acquisitions.
- *Deutsche Annington Immobilien SE ("DAIG"):* Subsequent to the period, JPEL participated in a rights offering for DAIG. On 26 June 2015, JPEL purchased an additional 225,000 shares at a price of €20.90 per share. The proceeds were used to reduce indebtedness and to fund a €1.9 billion acquisition of the Südewo Group, a strategic off-market target with a meaningful footprint in Southern Germany. In July, JPEL sold 325,000 shares of DAIG at an average price of €27.65 per share. Subsequent to the period, DAIG was renamed Vonovia SE ("VNA"). In September, JPEL sold 115,426 shares of VNA at an average price of €29.57 per share. The Company currently holds 534,574 shares. During the 2015 fiscal year, DAIG's stock price increased from €21.49 on 30 June 2014 to €25.465 on 30 June 2015, or 18.5%. Subsequent to the period, DAIG's stock price increased to €28.30, or 11.13% on 9 October 2015. JPEL has control over the DAIG shares and values DAIG at the price on the last day of each month. As a reminder, JPEL gained exposure to DAIG in 2006 through a €1.4 million investment in Terra Firma's DAIG co-investment fund ("TFDA"). In 2008, JPEL purchased a larger investment in TFDA at a substantial discount to the prevailing NAV at that time. Based on the carrying value of DAIG at 30 June 2015, JPEL's investment has generated a return on investment of approximately 2.77x JPEL's cost.

Existing Portfolio Companies that have Positively Impacted NAV Performance

Several of JPEL's underlying companies have completed initial public offerings during the last few years. Notable investments include: DAIG (discussed above), Paratek, Fibrogen and Egalet.

- *Paratek:* Paratek is an Omega Fund portfolio company focused on the discovery, development, and commercialisation of medicines designed to save lives and alleviate suffering. The company's lead product candidate is a broad-spectrum antibiotic being developed as a first-line monotherapy for serious community-acquired bacterial infections where antibiotic resistance is of concern. On 30 October 2014, Paratek completed a merger with NASDAQ listed Transcept Pharmaceuticals. In connection with the merger, Transcept changed its name to Paratek Pharmaceuticals, Inc. and commenced trading on the NASDAQ on 31 October 2014 under the symbol "PRTK". Immediately prior to the merger, certain Transcept stockholders and Paratek invested ~$93 million in the combined organization. Omega is a leading investor in Paratek and participant in the ~$93 million investor syndicate. Although Paratek's stock price has experienced volatility in recent months, during the Company's fiscal year, Paratek's stock price increased over 77%, from $14.51 per share to $25.77 per share. JPEL valued Paratek based on a 10% discount to the closing stock price at 30 June 2015.
- Fibrogen: Fibrogen is an Omega Fund portfolio company focused on the discovery, development, and commercialization of therapeutic agents for treatment of fibrosis, anemia, cancer, and other medical needs. During the month of June, JPEL purchased two small secondary interests totalling $1.2 million from former employees at a discount to 2014 intrinsic value. On 14 November 2014, Fibrogen priced an initial public offering on the NASDAQ (FGEN) at $18.00 per share. Fibrogen's stock price has increased 30.5% from its stock price on 13 November 2014 to the 30 June 2015 closing price of $23.50. JPEL valued Fibrogen based on a 10% discount to the closing stock price at 30 June 2015.
- *Egalet:* Egalet is an Omega Fund portfolio company focused on developing effective medicines for patients with acute and chronic pain while helping to protect physicians, families, and communities from the burden of abuse. Egalet completed its IPO in February 2014. During the 2015 fiscal year, Egalet's stock price increased by 10.0%. However, following a substantial decline in price during the second half of 2014, Egalet's stock price has increased by 153.6% since 31 December 2014. JPEL valued Egalet based on a 10% discount to the closing stock price at 30 June 2015.

Chairman's Statement continued

RECENT INVESTMENTS continued

Strong Capital Position

JPEL's capital position has improved as a result of efforts to fortify the Company's balance sheet. I would like to highlight the following:

- JPEL's overall leverage has been reduced by $38.9 million or 22.8% since the Company announced its strategic initiatives in January 2014. Leverage has decreased from $170.6 million at 31 December 2013 to $131.7 million at 30 June 2015. Total leverage is defined as drawn capital under JPEL's Lloyds facility as well as 2015 and 2017 ZDP liabilities.
- JPEL's total leverage ratio decreased from 30.4% to 23.7% from 31 December 2012 to 30 June 2015. Total leverage is defined as drawn capital under JPEL's Lloyds facility as well as 2015 and 2017 ZDP liabilities.
- During fiscal year 2015, the portfolio generated gross distributions of $95.4 million. Capital calls received from underlying investments were minimal during the fiscal year, with JPEL receiving $12.22 of distributions for every $1.00 of capital called.
- At 30 June 2015, JPEL had $25.9 million in cash and cash equivalents and $27.6 million worth of public shares in Deutsche Annington Immobilien Group ("DAIG"). As discussed earlier in this Chairman's Statement, subsequent to the period, JPEL participated in a rights offering and purchased an additional 225,000 shares of DAIG at a price of €20.90 per share. In July, JPEL sold 325,000 shares of DAIG at an average price of €27.65 per share. Subsequent to the period, DAIG was renamed to Vonovia SE ("VNA"). In September, JPEL sold 115,426 shares of VNA at an average price of €29.57 per share. The Company currently holds 534,574 shares.
- On 31 October 2015, JPEL intends to redeem and cancel its 2015 Zero Dividend Preference Share Class (Ticker – LSE: JPZZ). The Final Capital Entitlement of the 2015 ZDP Shares is approximately £58.5 million and will likely be financed by cash on hand and the utilisation of the Company's low-cost credit facility. As at 30 June 2015, the 2015 ZDP Shares represented approximately 68% of JPEL's two remaining classes of zero dividend preference shares. The repayment of the 2015 ZDP Shares will reduce the overall leverage of JPEL and will further simplify the Company's capital structure.

Significant Distribution Activity

JPEL's portfolio continued to produce positive net distributions during the 2015 fiscal calendar year due in part to the seasoned nature of the portfolio and an improved exit environment in North America and Europe. Exclusive of new investment purchases, JPEL received $95.4 million of gross distributions or 19.7% of JPEL's private equity portfolio value at 30 June 2014 and funded $7.8 million of capital calls (excluding the follow-on investments discussed earlier in this Chairman's Statement).

JPEL's pre-credit crisis portfolio generated strong distributions during the 2015 fiscal year, representing 50.8% of total distributions, or $48.5 million. JPEL's pre-credit crisis portfolio has decreased by over $122 million in the last 2 years, from 54.9% of total private equity portfolio value at 30 June 2013 to 38.9% of total private equity portfolio value at 30 June 2015.

Pre-Credit Crisis Distribution Activity*

Fiscal Year Ended 30 June	Pre-Credit Crisis Distributions as % of Total Distributions	Pre-Credit Crisis Distributions as % of Prior Year Pre-Credit Crisis Portfolio Value	Pre-Credit Crisis Asset Value % of JPEL's total PE Portfolio Value
2013	61.0%	20.0%	54.9%
2014	63.6%	29.1%	47.6%
2015	50.8%	26.2%	38.9%

* Source: Managers. As at 30 June 2015. Pre-credit crisis is defined as those investments made prior to 30 September 2008.

Chairman's Statement continued

RECENT INVESTMENTS continued

JPEL's post-credit crisis portfolio has increased during the last several quarters due to the Company's reinvigorated investment program and the strong performance of new investments. JPEL's post-credit crisis portfolio generated 49.2% of total distributions during fiscal year 2015, a ten percentage point increase from 30 June 2013.

Post-Credit Crisis Distribution Activity*

Fiscal Year Ended 30 June	Post-Credit Crisis Distributions as % of Total Distributions	Post-Credit Crisis Distributions as % of Prior Year Post-Credit Crisis Portfolio Value	Post-Credit Crisis Asset Value % of JPEL's total PE Portfolio Value
2013	39.0%	13.4%	45.1%
2014	36.4%	15.8%	52.4%
2015	49.2%	18.5%	61.1%

* Source: Managers. As at 30 June 2015. Post-credit crisis is defined as those investments made subsequent to 30 September 2008.

MARKET OUTLOOK

JPEL's Managers believe that the Company's mature portfolio will continue to generate positive net distribution flows to fuel further reduction of debt through the repayment of JPEL's 2015 Zero Dividend Preference Shares in October of 2015 as well as the continuation of the $150 million investment program through December 2015.

JPEL's Managers continue to be primarily focused on investing in concentrated private equity secondaries and secondary direct opportunities. There is an increasing opportunity to invest in orphaned assets from tail-end funds. Over 1,000 funds were raised prior to 2006 and have over $180 billion in unrealised value and it is expected that there is over $100 billion in unrealized value from funds raised between 2006 and 2008.[1] As a result of this increase in tail-end funds, the Managers believe that special situation secondary transactions will continue to increase. This is an area of the secondary market that the Managers have been focused on for the last several years and have deployed $120 million of the stated $150 million in transactions of this nature. The Managers believe that the opportunity for special situations secondary investments will continue to be robust and due to the limited competition in this segment of the market, the Managers believe that JPEL should continue to enjoy a strong pipeline of special situation secondary investment opportunities.

As discussed in January 2014, the Managers intend to create a more concentrated portfolio by deploying up to $150 million in 15 - 20 private companies through December 2015. Through 30 June 2015, the Managers have completed nine investments representing approximately $120 million. JPEL's Managers expect that JPEL's top 30 companies will represent a significant portion of private equity value by the end of the stated investment period.

The Board is cognisant of its fiduciary responsibilities to shareholders which includes, amongst other things, the implementation of a Realisation Share Class ("RSC") which was created following the approval by shareholders at the Company's Annual General Meeting in May 2014 and are due to be implemented no later than 31 March 2016. The Board therefore intends to consult with shareholders regarding the implementation of the RSC in due course.

JPEL's Board and Managers remain committed to increasing shareholder value and improving the Company's NAV per US$ Equity Share. I would like to thank shareholders for the support that they have placed in the Company.

Trevor Ash
Chairman
26 October 2015

[1] Source: Private Equity's Long Tail, Credit Suisse as at February 2015

Corporate Actions

2014 CORPORATE ACTIONS

- On 22 August 2014, JPEL announced that on 30 June 2014, Qualifying Bonus Issue Shareholders exercised 44,416 Warrants, representing Subscription Rights to subscribe for 44,416 US$ Equity Shares Pursuant to the Bonus Issue described in the prospectus published by the Company on 18 June 2009.
    - Application was made for the newly allotted US$ Equity Shares to be admitted to the Official List of the UKLA Listing Authority and to trading on the Main Market of the London Stock Exchange with the admission on 26 August 2014.
    - Following this allotment, the Company's issued share capital will consist of 346,420,574 Shares of no par value (excluding treasury shares) each classified as US$ Equity Shares, 67,077,371 shares of no par value (excluding treasury shares) each classified as 2015 Zero Dividend Preference shares, and 30,410,753 shares of no par value (excluding treasury shares) each classified as 2017 Zero Dividend Preference shares.

- On 19 September 2014, JPEL purchased 6,000,000 US$ Equity shares into treasury at a price of $0.79474 per US$ Equity Share.

- On 23 October 2014, JPEL purchased 1,600,000 US$ Equity Shares at a price of $0.79675 per US$ Equity Share for cancellation.

- On 18 November 2014, JPEL purchased 875,000 US$ Equity Shares at a price of $0.80 per US$ Equity Share for cancellation.

2015 CORPORATE ACTIONS

- On 20 February 2015, JPEL announced the appointment of Mr. Anthony Dalwood as an Independent Non-Executive Director of the Company with immediate effect.

- On 24 February 2015, JPEL was informed that on 23 February 2015, Mr. Anthony Dalwood acquired 127,747 US$ Equity Shares at 58.7p (approximately $0.90) per US$ Equity Share.

- On 1 July 2015, JPEL announced a clarifying statement relating to UK Financial Conduct Authority ("FCA") rules on the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes (referred to as "non-mainstream pooled investments" or "NMPI"), which came into effect on 1 January 2014, and their applicability in relation to the Company. As a result of legal advice, JPEL confirmed that JPEL's US$ Equity Shares, 2015 ZDP Shares and 2017 ZDP Shares ("JPEL Shares") will qualify as "excluded securities" and are therefore excluded from the FCA's restrictions that apply to NMPI products.

- On 13 July 2015, JPEL published a circular to Shareholders.

    - The circular contains a notice of AGM to be held at 2:00 p.m. (London time) on 29 July 2015 at Carinthia House, 9-12 The Grange, St. Peter Port, Guernsey GY1 4BF.
    - The following summarises all of the resolutions the Company is seeking approval for at the Annual General Meeting. All special and ordinary resolutions were proposed to all Shareholders as a whole.

    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.
    3. To renew the disapplication of the pre-emption rights for up to 10 per cent. of each class of its own issued Shares as set out in the Articles of Incorporation.

Corporate Actions continued

2015 CORPORATE ACTIONS continued

Ordinary Resolutions

4. To approve and adopt the Annual Report and Financial Statements of the Company for the year ended 30 June 2014.
5. To re-elect Gregory S. Getschow as a non-executive Director of the Company, who retires by rotation.
6. To re-elect Christopher P. Spencer as a non-executive Director of the Company, who retires by rotation.
7. To elect Anthony (Tony) Dalwood as a non-executive Director of the Company, who was appointed on 20 February 2015 and retires by rotation.
8. To re-elect PricewaterhouseCoopers CI LLC as Auditors to the Company.
9. To re-authorise the Directors to determine the Auditors' remuneration.
10. To re-authorise the Directors to determine their remuneration in accordance with the Articles of Incorporation.
11. To approve an increase to the cap on the aggregate base remuneration payable to the Directors as a whole to £250,000 per annum.

- On 30 July 2015, JPEL announced that at the Annual General Meeting ("AGM") of the Company held on 29 July 2015, all special and ordinary resolutions put to shareholders were duly passed.

- On 19 October 2015, JPEL announced the timing of the retirement of its 2015 Zero Dividend Preference Shares (“2015 ZDP Shares”) which are set to reach their Final Capital Entitlement on 31 October 2015.

Managers' Report

MARKET OVERVIEW

As an opportunistic investor, JPEL seeks to capitalize on dislocations in the private equity markets. With the increasing price of traditional private equity secondaries, JPEL has focused its attention on the underserved "tail-end fund" and fund restructuring segments of the market. This sector offers the Company extensive deal flow, deep value investment opportunities and less competition.

Tail-end funds (also called "zombie funds") are generally considered private equity funds raised prior to 2006 that have remaining assets yet to be exited. The typical private equity vehicle permits a 10 year life and allows for some extensions which implies that funds created before 2006 are coming up on the end of their life. As of January 2015, Preqin estimates that there are approximately 1,100 private equity and venture funds that were raised prior to 2006, with a total of $184 billion in unsold assets.[1] Furthermore, this number is expected to increase over the next couple of years as a result of the large sums of money raised for private equity from 2005-2008.

Total Unrealised Value by Vintage Year: Over 180 Billion[1]

Solutions to tail-end fund scenarios are complicated by potentially diverging interests of the parties involved. In many instances, funds raised during the "private equity boom" lack sufficient capital to support remaining companies. In addition, limited partners invested in these funds are putting increased pressure on the sponsors to exit companies. But in a significant number of cases the sponsors have not raised subsequent funds and have become defunct or have little incentive to sell-off their remaining portfolios.

The resulting dislocation in the private equity markets provides JPEL a buying opportunity. With a flexible investment mandate, the Company is well suited to pursue these specialised buying opportunities that do not fall within the mandate of traditional "primary" or "secondary" private equity investing. With little competition and flexible capital, JPEL has been able to purchase high quality companies from tail-end funds at discounts to market value.

The Managers believe that the key to successfully purchasing assets of this nature is to partner with incumbent fund managers to extract value, while providing older investors with a liquidity option. The secondary direct model of replacing sponsors eliminates the ability to incentivise sponsor-led spin-outs and other transactions.

JPEL has completed 10 new investments in the last 18 months (including the December 2013 investment in Alliant Group). Eight of the 10 companies JPEL acquired were purchased directly from existing private equity funds, many in tail-end situations. Typically, JPEL seeks single company exposures or top-heavy portfolios with 1-3 key company exposures. JPEL also seeks to acquire companies that have visible growth prospects or market leadership.

Company	Description	Purchased from Existing Fund	Preferred Funding Structure	Market Leadership	Discounted Entry Value
alliantgroup	US based tax advisory services firm	✓	✓	✓	✓
DATAMARS	Swiss-based, supplier of ID systems	✓		✓	✓
Placid Holdings	Asian based distributor of mobile handsets	✓	✓	✓	✓
innovia	Specialty packaging company	✓		✓	✓
celerion	Clinical research organization	✓		✓	✓
MBI	Provider of municipal solid waste transportation services	✓		✓	✓
swania	Three leading household brands in France		✓	✓	✓
PILOSIO	Scaffolding and formwork products	✓			✓
Accela	Provider of vertical software to the state and local government market	✓	✓	✓	✓
PROSPER	Peer-to-peer ("P2P") marketplace lender		✓	✓	

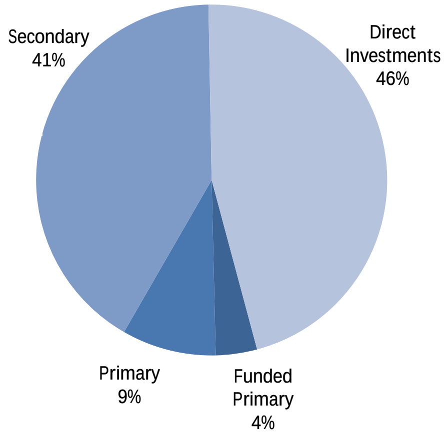
[1] Source: Private Equity's Long Tail, Credit Suisse as at February 2015

Managers' Report continued

PORTFOLIO REVIEW

Since the Company's inception on 30 June 2005, JPEL's portfolio has grown to include over 70 separate fund interests, 14 co-investments and five funds of funds. With an investment portfolio value of $533.1 million, JPEL's portfolio is diversified globally across multiple investment strategies and industries as at 30 June 2015.

Investment Type[1]



Direct investments now comprise 46% of the portfolio up from 29% of the portfolio in 2014 as a result of JPEL's recently reinvigorated investment strategy.

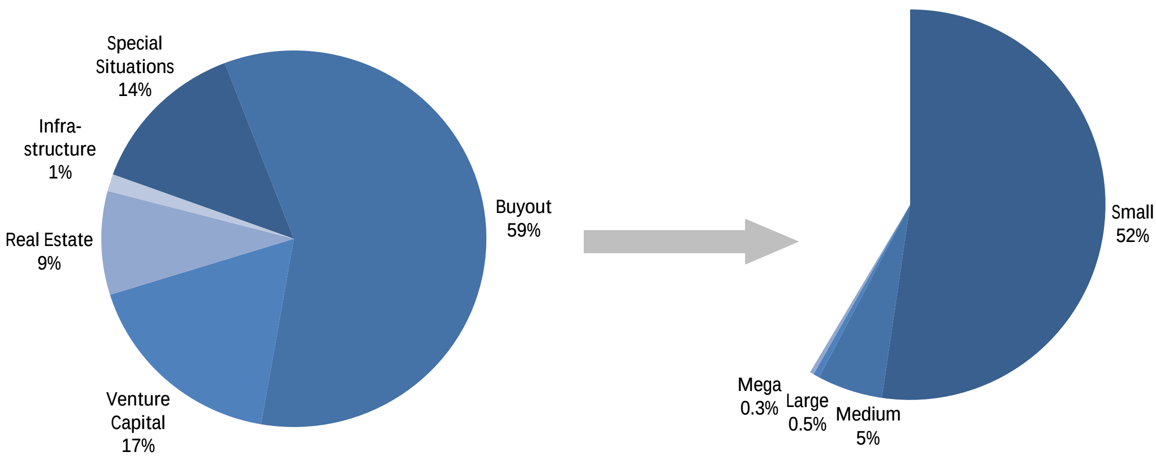
Consistent with JPEL's investment strategy, the portfolio is composed of "highly funded assets" which, in addition to direct investments, includes assets acquired in the secondary market and funded primary investments. In total, secondary and funded primary investments represent 45% of the portfolio.

Funded primary investments are portfolios that are partially invested at the time of investment and tend to produce distributions and NAV growth more quickly since they are further along the private equity "J-Curve".

From time to time, JPEL may make a primary commitment to a fund, typically as part of a secondary transaction. As at 30 June 2015, primary investments made up 9% of JPEL's portfolio.

Investment Strategy[1]

Buyout Fund Sizes[2]



Currently, buyout funds constitute approximately 59% 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 maintains a 14% allocation to special situation funds which includes mezzanine, debt, turnaround and distressed funds. JPEL's exposure to real estate (which is 9% of the portfolio) is primarily a result of the Company's investment in Deustche Annington Immobilien Group ("DAIG") (XTR:ANN), a publicly traded German residential real estate company. Infrastructure and venture capital funds represent 1% and 17% of private equity net asset value, respectively. Subsequent to the period, DAIG was renamed to Vonovia SE ("VNA").

[1] Based on 30 June 2015 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: $2,000 million - $5,000 million; Mega: over $5,000 million. Co-investments allocated by size of underlying sponsor fund.

Managers' Report continued

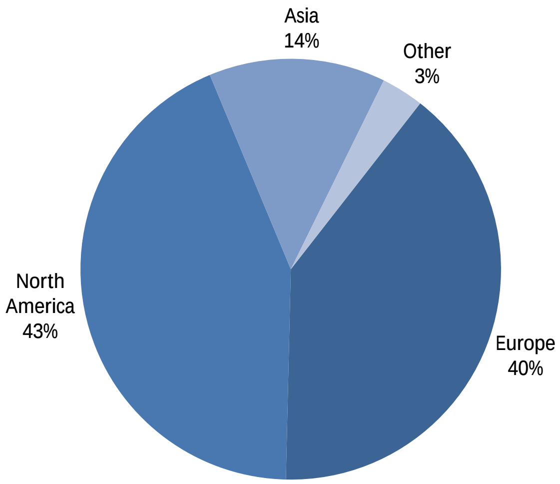
PORTFOLIO REVIEW continued

Portfolio Age[1]

Average Age of Portfolio by Investment Strategy	
Average age of investments:	8.1 years
§ Buyout investments:	3.4 years
§ Small buyout:	3.1 years
§ Medium buyout:	5.6 years
§ Large buyout:	6.6 years
§ Mega buyouts:	11.3 years
§ Venture Capital investments:	9.6 years
§ Real Estate investments:	6.8 years
§ Special Situations:	6.3 years
§ Infrastructure investments:	8.8 years

When making investment decisions, JPEL seeks more mature assets that have the potential for near-term exits. With an average age of 8.1 years, JPEL's portfolio is well positioned on the private equity "J-Curve" to receive distributions. As venture assets often take longer to develop, JPEL's venture capital investments have a more mature weighted average life of 8.8 years.

Geographic Footprint[2]



JPEL's private equity portfolio is diversified with investments in over 35 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 43% and 40%, respectively. JPEL's allocation to Asia stands at 14% while investments in the rest of the world represent 3% of the portfolio.

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[1] Based on 30 June 2015 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 30 June 2015. Average is weighted based on investments at market value as at 30 June 2015 percentages based on underlying company-level values.

[2] Based on 30 June 2015 market value of investments, percentages based on underlying company-level values.

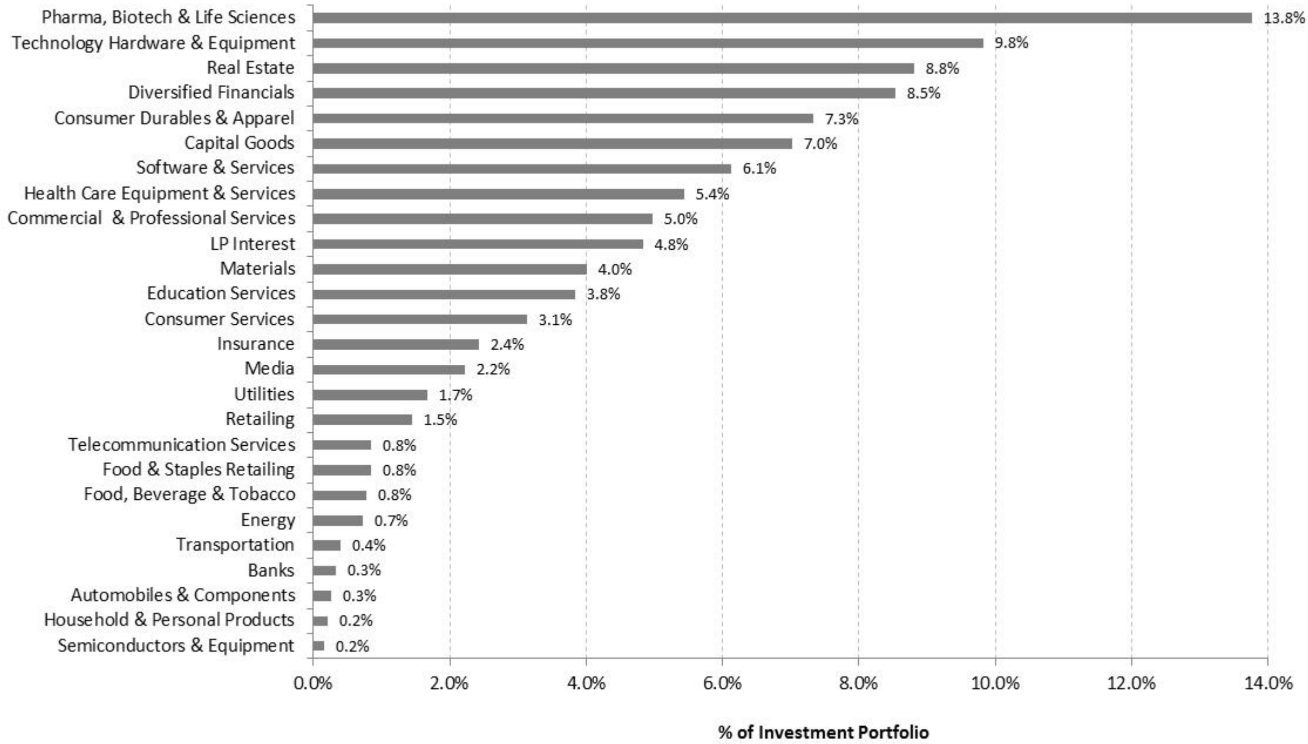
Managers' Report continued

PORTFOLIO REVIEW continued

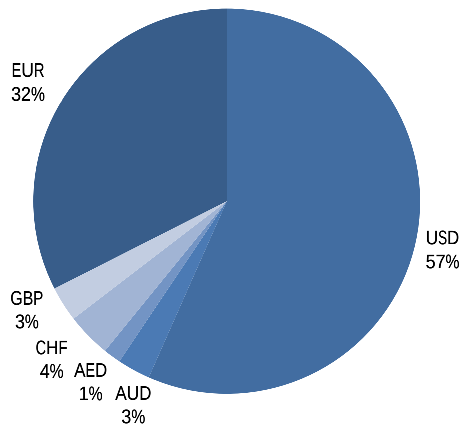
Industry Composition [1]

In addition to geographic diversification, the Managers diversify JPEL's portfolio by industry composition. The portfolio is currently weighted towards healthcare-oriented companies at 13.8% of the portfolio and technology hardware and equipment with approximately 9.8% of investment value in this sector. JPEL's exposure to real estate will continue to diminish as the Company sells down its ownership in Deutsche Annington Immobilien Group.

The Company engages in a single segment of business, as detailed in note 1 to the financial statements, and the diversification analysis is provided as supplementary information.



Currency Composition [2]



The Managers continue to monitor JPEL's exposure to foreign currencies and take currency exposure into consideration when making investment decisions. The currency composition of JPEL's portfolio may change as the Company continues to pursue an investment policy focused on geographic diversification.

As at 30 June 2015, investments held in US Dollars made up approximately 57% of JPEL's private equity market value. Investments held in Euros comprised 32% of the private equity portfolio, while the Australian Dollar, Sterling, Swiss Franc and UAE Dirham represented 3%, 3%, 4% and 1% of the portfolio, respectively.

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[1] Based on 30 June 2015 market value of investments, percentages based on underlying company-level values.

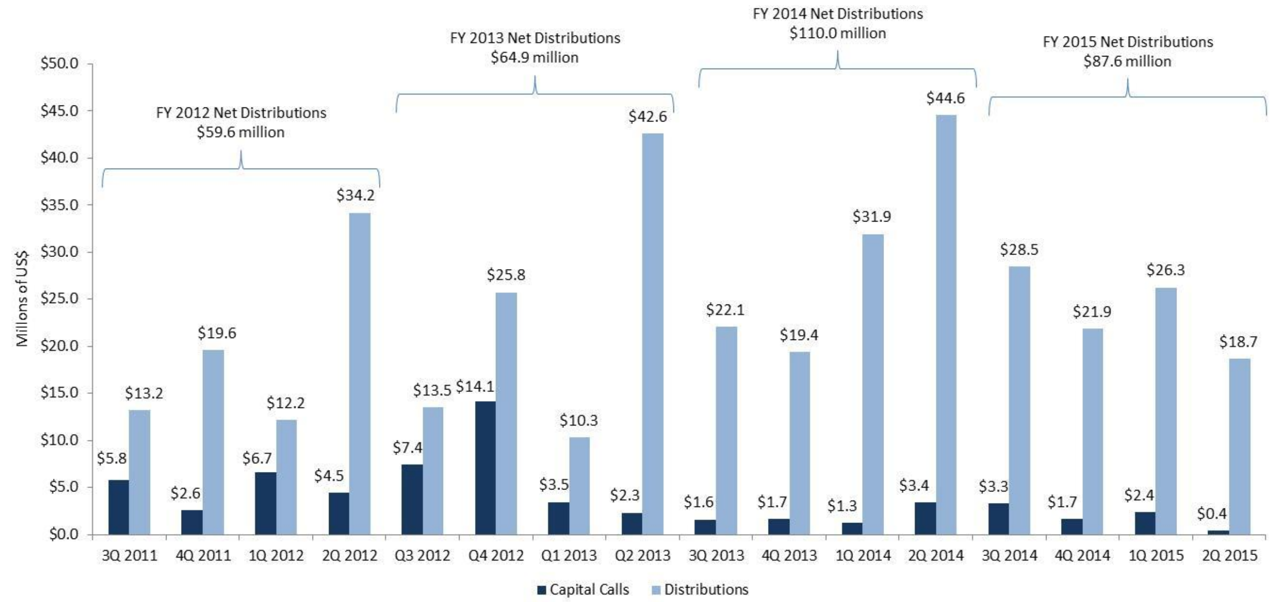
[2] Based on 30 June 2015 market value of investments, percentages based on underlying fund-level values. Please refer to pages 49 and 50 of the financial statements for net currency exposure on the Company Level.

Managers' Report continued

CAPITAL CALLS AND DISTRIBUTIONS

JPEL invests with a goal of delivering consistent NAV growth and generating a high level of distributions.

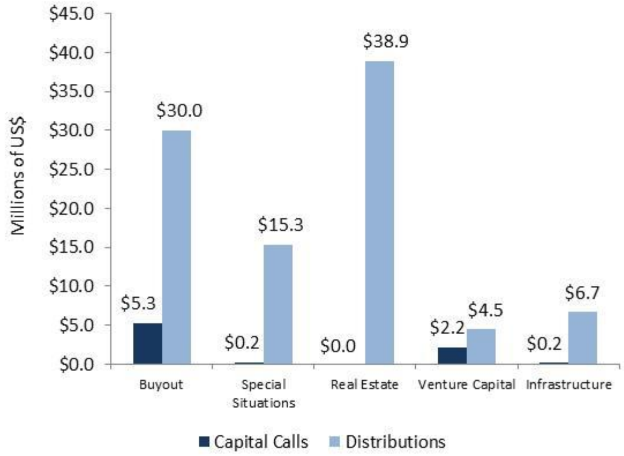
Capital Call and Distribution Summary[1] (Past 4 years)



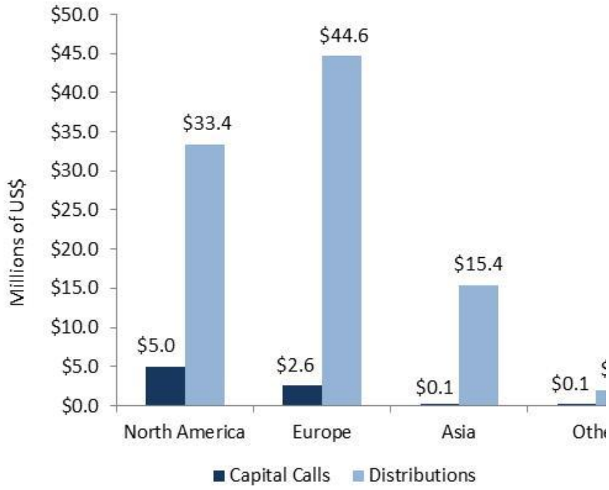
JPEL's portfolio continues to generate significant net distributions. In FY 2015, JPEL received net distributions of $87.6 million down from FY 2014 where JPEL received $110.0 million in net distributions.

Cash Flow Breakout[1]

Cash Flows by Investment Strategy
(12 months ending 30 June 2015)



Cash Flows by Geographic Region
(12 months ending 30 June 2015)



In FY 2015, approximately 40% of JPEL's distributions resulted from the Company's investment in Deutsche Annington Immobilien Group ("DAIG") which accounts for the large distribution flow from Real Estate investments and European investments. Outside of DAIG, JPEL continues to receive strong cash flow from the Buyout portfolio and the US.

[1] JPEL's cash flows have been updated to reflect distributions from BoS Mezzanine Partners.

Managers' Report continued

TOP 20 FUNDS & COMPANIES INFORMATION

Top 20 Funds[1,2]

	Fund	Region	Fund Strategy	% of Private Equity Investments
1	Life Sciences Holdings SPV I Fund, L.P.	Europe	Venture Capital	6.8%
2	Alcentra Euro Mezzanine No1 Fund L.P.	Europe	Special Situations	3.0%
3	Leeds Equity Partners V, L.P.	North America	Buyout	2.2%
4	Omega Fund III, L.P.	Europe	Venture Capital	2.2%
5	Beacon India Private Equity Fund	Asia	Buyout	2.0%
6	Black Diamond Capital Management	North America	Special Situations	1.3%
7	GSC European Mezzanine Fund II L.P.	Europe	Special Situations	1.3%
8	Almack Mezzanine I Fund L.P.	Europe	Special Situations	1.3%
9	Industry Ventures Fund V, L.P	North America	Venture Capital	1.2%
10	Liberty Partners II, L.P.	North America	Buyout	1.2%
11	10th Lane Finance Co., LLC	North America	Special Situations	1.1%
12	Global Buyout Fund, L.P.	Other	Buyout	1.1%
13	MezzVest II L.P.	Europe	Special Situations	1.0%
14	Alia Capital Fund I C.V.	Europe	Buyout	1.0%
15	Aqua Resources Fund Limited	Europe	Buyout	1.0%
16	Hutton Collins Capital Partners II LP	Europe	Special Situations	0.9%
17	Highstar Capital III Prism Fund, L.P.	North America	Infrastructure	0.9%
18	Global Opportunistic Fund	Other	Buyout	0.7%
19	PCG Special Situations Partnership	North America	Special Situations	0.7%
20	Macquarie Alternative Investment Trust III	Asia	Buyout	0.7%

Top 20 Companies[1,2]

	Company	Country	Industry Group	% of Private Equity Investment
1	Placid Holdings	India	Technology Hardware & Equipment	5.5%
2	Deutsche Annington Immobilien SE	Germany	Real Estate	5.2%
3	Swania	France	Consumer Durables & Apparel	4.1%
4	Celerion	United States	Pharma, Biotech & Life Sciences	4.1%
5	FibroGen Inc.	United States	Pharma, Biotech & Life Sciences	3.9%
6	Paratek Pharmaceuticals Inc.	United States	Pharma, Biotech & Life Sciences &	3.8%
7	Datamars S.A.	Switzerland	Technology Hardware & Equipment	3.7%
8	RCR Industrial S.a.r.l	Spain	Capital Goods	3.7%
9	Mr. Bult's, Inc.	United States	Commercial & Professional Services	3.5%
10	Accela, Inc.	United States	Software & Services	3.3%
11	Alliant Group	United States	Diversified Financials	3.3%
12	Prosper Marketplace, Inc.	United States	Diversified Financials	2.4%
13	Compre Group	United Kingdom	Insurance	2.3%
14	Innovia Films	United Kingdom	Materials	2.1%
15	Yangzhou Ya Tai Property Limited	China	Real Estate	2.1%
16	Gulf Healthcare International LLC	United Arab Emirates	Health Care Equipment & Services	1.7%
17	Diaverum	Sweden	Health Care Equipment & Services	1.5%
18	Luxury Optical Holdings	United States	Consumer Durables & Apparel	1.2%
19	Concorde Career Colleges, Inc.	United States	Education Services	1.1%
20	Pilosio S.p.A.	Italy	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 Macquarie Private Capital Trust.
[2] Percentages are calculated based on 30 June 2015 market value of investments.

Managers' Report continued

TOP 10 INVESTMENTS [1]

JPEL's ten largest investments are diversified across a broad range of managers and investment strategies. In total, these ten investments account for $235.9 million, or 44.3% of total private equity investment value, at 30 June 2015.

1. Life Sciences Holdings SPV I Fund, L.P.

Sponsor	Omega Funds	Life Sciences Holding SPV I Funds, L.P. is a holding vehicle for an investment in a secondary portfolio of European life science companies.
Geographic Focus	Europe	
Investment Type	Secondary	
Investment Strategy	Venture Capital	
Date of Investment	June 2009	
30 June 2015 Value	$36.4 million	
% of PE Investment Value	6.8%	

2. Placid holdings

Sponsor	Madison India Capital	Placid holdings is a holding company with an investment in a branded Asian handset distributor, with a leading market position in smart phones and feature phones in India.
Geographic Focus	Asia	
Investment Type	Direct Investment	
Investment Strategy	Buyout	
Date of Investment	February 2014	
30 June 2015 Value	$29.2 million	
% of PE Investment Value	5.5%	

3. Deutsche Annington Immobilien SE

Sponsor	Terra Firma	Deutsche Annington Immobilien SE ("DAIG") is a German residential real estate company with approximately 350,000 leased and managed properties. DAIG is the largest German residential housing company. Subsequent to the period, DAIG was renamed to Vonovia SE ("VNA").
Geographic Focus	Europe	
Investment Type	Secondary	
Investment Strategy	Real Estate	
Date of Investment	December 2008	
30 June 2015 Value	$27.6 million	
% of PE Investment Value	5.2%	

4. Swania

Sponsor	Milestone Investisseurs	Swania is the spin-out of three leading household brands in France: • Maison Verte: laundry and hand dishwashing brand with eco-friendly credentials • O'Cedar: wood care brand with 60-year history • Baranne: oldest shoe care brand with a 100-year history
Geographic Focus	Europe	
Investment Type	Direct Investment	
Investment Strategy	Buyout	
Date of Investment	December 2014	
30 June 2015 Value	$21.9 million	
% of PE Investment Value	4.1%	

5. Celerion

Sponsor	MTS Health Investors	Celerion is a US-based leading clinical research organization which provides support to the pharmaceutical and biotechnology industries in the form of research services outsourced on a contract basis
Geographic Focus	North America	
Investment Type	Direct Investment	
Investment Strategy	Buyout	
Date of Investment	October 2014	
30 June 2015 Value	$21.7 million	
% of PE Investment Value	4.1%	

[1] Top 10 Investments include fund investments and direct investments by size at 30 June 2015. Also includes interests indirectly owned through the purchase of secondary interests.

Managers' Report continued

TOP 10 INVESTMENTS[1] continued

6. FibroGen Inc.

Sponsor	Omega Funds
Geographic Focus	North America
Investment Type	Secondary
Investment Strategy	Venture Capital
Date of Investment	June 2009
30 June 2015 Value	$20.7 million
% of PE Investment Value	3.9%

FibroGen, Inc. is a research-based pharmaceutical company focused on the discovery, development and commercialisation of novel therapeutic agents to treat serious unmet medical needs. The Company has a global approach to the development and commercialization of its products.

7. Paratek Pharmaceuticals, Inc.

Sponsor	Omega Funds
Geographic Focus	North America
Investment Type	Secondary
Investment Strategy	Venture Capital
Date of Investment	June 2009
30 June 2015 Value	$20.4 million
% of PE Investment Value	3.8%

Paratek Pharmaceuticals, Inc. is focused on the discovery, development, and commercialisation of medicines designed to save lives and alleviate suffering. The company's lead product candidate is a broad-spectrum antibiotic being developed as a first-line monotherapy for serious community-acquired bacterial infections where antibiotic resistance is of concern.

8. Datamars SA

Sponsor	Columna Partners
Geographic Focus	Europe
Investment Type	Secondary
Investment Strategy	Co-Investment
Date of Investment	February 2014
30 June 2015 Value	$19.8 million
% of PE Investment Value	3.7%

Datamars SA is a leading supplier of animal identification systems (including pet and livestock) and textile identification systems. Datamars is based in Switzerland and operates globally.

9. RCR Industrial S.a.r.l.

Sponsor	Columna Capital
Geographic Focus	Europe
Investment Type	Co-Investment
Investment Strategy	Buyout
Date of Investment	January 2011
30 June 2015 Value	$19.7 million
% of PE Investment Value	3.7%

RCR Industrial S.a.r.l. is a global market leader for industrial flooring solutions. The Company is headquartered in Spain and operates in Europe, Latin America and Africa.

10. Mr. Bult's, Inc.

Sponsor	American Working Capital
Geographic Focus	North America
Investment Type	Direct Investment
Investment Strategy	Buyout
Date of Investment	November 2014
30 June 2015 Value	$18.4 million
% of PE Investment Value	3.5%

Mr. Bult's, Inc. is the largest provider of municipal solid waste transportation services in the niche outsourced, long-haul market in the United States

Bear Stearns Asset Management Inc.
JPMorgan Asset Management (UK) Limited
JF International Management Inc.
26 October 2015

[1] Top 10 Investments include fund investments and direct investments by size at 30 June 2015. Also includes interests indirectly owned through the purchase of secondary interests.

Directors' Report

INTRODUCTION

The Directors present their annual report together with the audited financial statements of J.P. Morgan Private Equity Limited (the "Company") for the year ended 30 June 2015 (the "Financial Year"). The financial summary is set out on page 1. A detailed review of activities is contained in the Managers' Report on pages 13 to 20.

DIVIDENDS

The Directors do not propose the payment of a dividend for the year ended 30 June 2015.

PRINCIPAL ACTIVITY

The Company is a closed ended investment fund incorporated as a limited liability company in Guernsey under The Companies (Guernsey) Law, 2008, authorised under The Authorised Closed-Ended Investment Schemes Rules, 2008 and is regulated by the Guernsey Financial Services Commission.

The Company's primary activity is that of an investment company investing in private equity funds, unquoted and public companies and subsidiaries.

GOING CONCERN

The Directors have examined significant areas of possible credit and liquidity risk and have satisfied themselves that no material exposures exist. The Directors have taken into consideration the Company's expected cash flows over the coming twelve months following the year end in respect of commitments to invest, on-going fees, and the redemption of the 2015 zero dividend preference shares. Given the Company's current cash position, and the vast sum undrawn from the Lloyds facility which has been extended until January 2018 (see note 14 of the audited financial statements for further details on the loan facility), combined with the expected distributions over the same twelve month period, the Directors believe the Company has adequate resources to continue in operational existence for the foreseeable future. After due consideration of this, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

CORPORATE GOVERNANCE

Principles Statement

The Directors are committed to high standards of corporate governance and have made it the Company's policy to comply with best practice in this area, insofar as the Directors believe it is relevant and appropriate to the Company, and in compliance with the 'UK Corporate Governance Code' (i.e. the code of best practice published by the Financial Reporting Council (FRC), in respect of a financial year beginning on or after 01 October 2012). The complete UK Corporate Governance Code can be viewed on the Financial Reporting Council website at http://www.frc.org.uk.

The Company is a member of the Association of Investment Companies (the "AIC"). The Directors have considered the principles and recommendations of the Association of Investment Companies Code of Corporate Governance ("AIC Code") by reference to the Association of Investment Companies Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Directors consider reporting against principles and recommendations of the AIC Code, by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Company has complied with the provisions of the AIC Code and the UK Corporate Governance Code, except for the UK Corporate Governance Code provisions relating to:

- The role of the chief executive;
- The appointment of a Senior Independent Director;
- Executive Directors' remuneration;
- The need for an internal audit function;
- Meeting with major shareholders to discuss governance and strategy; and
- The appointment of external facilitators.

Directors' Report continued

CORPORATE GOVERNANCE continued

Principles Statement continued

All of the Company's day-to-day management and administrative functions are outsourced to third parties, namely the Administrator and the Managers. This means the Company has no internal operations or employees with it being an externally managed investment company.

For the reasons set out in the AIC Guide, and in the preamble to the UK Corporate Governance Code, the Board considers the above provisions not to be relevant to the Company, and so has decided not to report further in respect of them.

The Guernsey Financial Services Commission has a standing Code of Corporate Governance for the Finance Sector that was issued in 2011 (the "Guernsey Code"). The Guernsey Code states that "Companies which report against the UK Corporate Governance Code or the AIC Code are also deemed to comply with the Code". As a company listed on the London Stock Exchange the Company is subject to the Disclosure Rules and Transparency Rules and the UK Corporate Governance Code but uses the AIC code instead as a member of the AIC and considers this appropriate for a member company. As an AIC member domiciled in Guernsey which reports against the AIC Code, the Company is not required to report separately against the Guernsey Code.

Role of the Board

The Board has determined that its role is to consider and determine the following principal matters which it considers are of strategic importance to the Company:

- Review the overall objectives for the Company as described in the prospectus dated 16 August 2011 and set the Company's strategy for fulfilling those objectives within an appropriate risk framework;
- Consider any shifts in strategy that it considers may be appropriate in light of market conditions;
- Review the capital structure of the Company including consideration of an appropriate use of gearing both for the Company and in any joint ventures in which the Company may invest in from time to time;
- Evaluate its own performance and that of the individual Directors;
- Appoint the Managers, Administrator and other appropriately skilled service providers and monitor their effectiveness through regular reports and meetings; and
- Review key elements of the Company's performance including NAV and payment of dividends.

Board Decisions

At its Board meetings, the Board ensures that all the strategic matters listed under 'Role of the Board' are considered and resolved by the Board. While issues associated with implementing the Company's strategy are generally considered by the Board to be non-strategic in nature and are delegated either to the Managers or the Administrator, the Board considers that there are implementation matters that are significant enough to be of strategic importance to the Company and should be reserved to the Board.

Directors, Rotation of Directors and Directors Tenure

The Directors listed below were all appointed on 28 April 2005 except where detailed below:

Trevor Charles Ash (Chairman, Independent Non-Executive)
John Loudon (Independent Non-Executive)
Christopher Paul Spencer (Independent Non-Executive)
Gregory Getschow (appointed 11 June 2009) (Non-Executive)
Anthony Dalwood (appointed 20 February 2015) (Independent Non-Executive)

Mr. Trevor Charles Ash is Non-Executive Independent Chairman of the Board of the Company. He spent 27 years with the Rothschild Group, retiring in May 1999 as Managing Director of the Guernsey-based Rothschild Asset Management (C.I.) Limited and Non Executive Director of Rothschild Asset Management Limited in London. He also recently retired as a Non-Executive Director of N M Rothschild and Sons (C.I.) Limited, the banking arm of the Rothschild Group in the Channel Islands. In retirement Mr. Ash has retained a number of Directorships of the Rothschild Group and joined the Boards of a number of Offshore funds managed by groups including Merrill Lynch, Thames River Capital, Dexion Capital Management and ING. Mr. Ash is a Fellow of the Securities Institute of England and Wales.

Directors' Report continued

CORPORATE GOVERNANCE continued

Directors, Rotation of Directors and Directors Tenure continued

Mr. John Loudon is Non-Executive Independent Director of the Company. He has been Chairman of Caneminster Ltd., a British investment company, since June 1988. Mr. Loudon serves as a director of GEMS Oriental & General Fund II Limited and GEMS Oriental & General Fund III Limited. Previously, Mr. Loudon was a Managing Director of N.M. Rothschild & Sons from 1970 to 1988 and the Chairman of Warrier International Limited from 1988 to 1991. Mr. Loudon also served as a director of Exel Group plc from 1992 to 2004, XL Capital Ltd from 1992 to 2005 and Derby Trust plc from 1989 to 2003.

Mr. Christopher Spencer is Non-Executive Independent Director of the Company and Chairman of the Audit Committee. He qualified as a chartered accountant in London in 1975. Following two years in Bermuda he moved to Guernsey where he now holds residency. Mr. Spencer, who specialised in audit and fiduciary work, was Managing Partner/Director of Pannell Kerr Forster (Guernsey) Limited from 1990 until his retirement in May 2000. Mr. Spencer is a member of the AIC Offshore Committee, a past President of the Guernsey Society of Chartered and Certified Accountants and a past Chairman of the Guernsey Branch of the Institute of Directors. Mr. Spencer sits on the Board of Directors of Real Estate Credit Investments PCC Limited, JP Morgan Private Equity Limited, John Lang Infrastructure Fund Limited, Ruffer Investment Company Limited, SQN Asset Finance Income Fund Limited, each of which is listed on the London Stock Exchange and also Summit Germany Limited which is listed on AIM. Mr. Spencer is also a member of the Board of Directors of a number of companies, details of which can be found in the latest prospectus of the Company which can be found at the investor section of the Company's website.

Mr. Gregory Getschow is Non-Executive Director of the Company. He is a Managing Director of J.P. Morgan Asset Management and a portfolio manager for the Company. Mr. Getschow has been on the Company's investment committee since its inception on 30 June 2005. Prior to joining J.P. Morgan Asset Management, Mr. Getschow was a Senior Managing Director of BSAM Inc. Prior to joining BSAM Inc., Mr. Getschow was a co-founder of BDC Financial, Inc. Mr Getschow began his career practicing law at Bingham Dana LLP and Sullivan & Worcester LLP. Mr. Getschow received a JD from Villanova Law School, where he was a member of the Law Review, and an AB from Colby College.

Mr. Anthony Dalwood has been appointed as Non-Executive Independent Director of the Company, with effect from 20 February 2015. He was formerly Chairman of SVG Investment Managers and CEO of SVG Advisers, the global private equity funds business and manager of $5b billion in AUM. He established the public equities business for Schroder Ventures (London) Limited. Prior to this he was a Director at UBS Global Asset Management (formerly Phillips & Drew Fund Management) where he was a member of the UK Equity Investment Committee and responsible for managing over £1.5 billion of UK equities. He is currently CEO of Gresham House plc, and a Board director of Branton Capital and the London Pensions Fund Authority. Mr. Dalwood has an honours degree in Economics & Accounting from Bristol University, a degree in Management Studies from Cambridge University (Judge Institute) and is a member of the CFA Institute.

The Directors hold no significant shareholdings in any investment in which the Company holds an interest.

Appointment and Rotation

The Directors have the power to appoint any person at any time to the Board in accordance with the Company's Articles of Incorporation and taking into consideration Guernsey Company Law, the UK Code of Corporate Governance, and the AIC Code of Corporate Governance. Any new Board members must be re-elected at the next AGM following their appointment. Mr Getschow will be put forward for re-election as a Non-Independent, Non-Executive Director of the Company on an annual basis and the other Directors on a three year rotational basis.

On 20 February 2015, Anthony Dalwood was appointed to the Board as an Independent Non-Executive Director.

In accordance with the Appointment and Rotation policy, Mr. Getschow, Mr. Spencer and Mr. Dalwood were re-elected as Non-Executive and Independent Non-Executive Directors at the Annual General Meeting held on 29 July 2015, following their retirements by rotation.

No Director has a service contract with the Company. The Company did not use open advertising to appoint the Directors of the Company.

Directors' Report continued

CORPORATE GOVERNANCE continued

Board Meetings

The Board meets quarterly and as required from time to time to consider specific issues reserved to the Board. At the quarterly meetings it considers papers circulated seven days in advance including reports provided by the Managers and the Administrator. The Managers' report comments on:

- The investment market including recommendations for any changes in strategy that the Managers consider may be appropriate;
- Performance of the Company's portfolio and key asset management initiatives;
- Transactional activity undertaken over the previous quarter and being contemplated for the future; and
- The Company's financial position including its relationship with its bankers and lenders.

The Administrator provides a compliance report at each quarterly meeting. These reports enable the Board to assess the success with which the Company's investment strategy and other associated matters are being implemented and also to consider any relevant risks and how they should properly be managed.

The table below shows the attendance at Board Meetings during the year to 30 June 2015.

Director Name	09.07.2014	02.10.2014	19.02.2015	05.05.2015
Trevor Charles Ash	P	P	P	P
John Loudon	P	P	P	P
Christopher Paul Spencer	P	P	P	P
Gregory Getschow	P	P	P	P
Anthony Dalwood	-	-	P	P

In between its quarterly meetings, the Board has also met on one additional occasion during the year to approve various corporate actions. The Board also uses these meetings to evaluate its own performance by recognising the strengths and weaknesses of the individual Directors as well as the effectiveness of the Board as a whole. It has not always been possible for all Directors to attend these meetings. The Company maintains liability insurance for its Directors and Officers although the Company has no employees and none of its Directors are executive.

The Board has access to accurate, timely and clear information about the Company in order to enable it to discharge its duties. The Company Secretary, Augentius (Guernsey) Limited, ensures that Board procedures are complied with and that good information flows between the Board and the Managers. The Board has the right to access independent, professional advice at the Company's expense when deemed necessary.

The Chairman is responsible for leadership and ensuring the Board's effectiveness on all aspects of its role. The Board discusses quarterly the training and development needs of the Directors, and assess whether their balance of skills, experience, diversity, independence and knowledge are sufficient in fulfilling their duties. The Chairman ensures that there is adequate time available for discussion of all agenda items and works with the Board and Managers to promote a culture of openness, support and co-operation.

Directors' Interests

Mr. Getschow is a senior executive of Bear Stearns Asset Management Inc., one of the Managers to the Company and a subsidiary of JPMorgan Chase & Co. Other than Mr. Spencer who, as at 30 June 2015, owns 30,067 US$ Equity Shares and Mr. Dalwood who, as at 30 June 2015, owns 127,747 US$ Equity Shares, no other Director holds directly or indirectly shares in the Company. Other than Mr. Getschow, all Directors are independent of the Company.

Audit Committee

The Audit Committee consists of Trevor Ash, John Loudon and Christopher Spencer, who is currently the chairman. All members served on the committee throughout the year. The members have relevant and recent commercial and financial knowledge, and experience to satisfy the provisions of the AIC Code by virtue of their holding or having held various executive and Non-Executive roles in other financial and asset management organisations.

Directors' Report continued

CORPORATE GOVERNANCE continued

Audit Committee continued

The Audit Committee operates within clearly defined terms of reference in order to assist the Board in discharging its duties and responsibilities for financial reporting, internal control and the appointment and remuneration of an independent external auditor. In summary, the Audit Committee's main functions are:

- To make recommendations on the appointment of the Company's external auditors, the scope of the audit, the audit fee, and the tenure of the external auditors and tendering process;
- As the day-to-day management and administrative functions are outsourced to third parties there is no requirement for an internal audit function. Consequently the Audit Committee reviews and monitors reports on the internal control systems and risk management systems of the third parties on which the Company is reliant;
- To review the annual reports and accounts in order to assess whether they represent a fair, balanced, and understandable view of the Company's position and performance, business model, and strategy;
- To act upon any significant financial reporting issues and judgements that are made in connection with the preparation of the Company's financial statements;
- To meet with the external auditor and assess the effectiveness of the entire audit process, and to review the findings of the external auditor, as well as looking at the proposed audit programme;
- To monitor the integrity of the semi, and annual, financial statements in order to review the actions and judgements of the Manager, challenging decisions if necessary; and
- To continually monitor the independence, objectivity, effectiveness, qualification, and resources of the external auditor.

Report on the committee's activities during the year

During the year the Audit Committee discharged its responsibilities under its terms of reference by monitoring the integrity of the financial statements and formal announcements relating to the Company's financial performance, and reviewing, and challenging where necessary, the actions and judgements of the Investment Managers and any other relevant entities, in relation to the financial statements before submission to the Board, paying particular attention to:

- Reviewing the draft 2015 financial statements prior to discussion and approval by the Board, and reviewing the external auditor's reports, both oral and written thereon;
- Receiving and reviewing confirmations of external auditor independence and approving the terms of engagement and proposed audit fees for the 2015 audit. Also recommending the re-appointment of the external auditor for 2016 and considering future tender requirements.
- Critical accounting policies and practices and any changes in them, as they relate to the results of the Company;
- Decisions requiring a major element of judgement including the impact of adopting any acceptable alternative accounting treatment;
- The extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
- Reviewing and understanding the Company's risk management framework;
- The clarity of disclosures;
- The going concern assumption;
- Compliance with Accounting Standards;
- Compliance with Financial Conduct Authority and other legal, regulatory or listing requirements.

Significant Issues

During its review of the Company's financial statements for the year ended 30 June 2015, the Audit Committee considered the following significant issues, in particular those communicated by the external auditors during their reporting.

Valuation of investments

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

Direct investments in public companies are valued at the quoted market price at the reporting date and so carry minimal risk of being valued incorrectly. Investments in subsidiaries and investments in unquoted funds are valued at the net asset value as reported by the general partner.

Directors' Report continued

CORPORATE GOVERNANCE continued

Significant Issues continued

Valuation of investments continued

These net asset values are reviewed by the Managers, and if they conclude that the value provided by the general partner does not represent fair value, the Directors and Managers will adjust the value of the investment from the general partner's estimate.

As the net asset values are reviewed, and adjusted as necessary, the risk of an incorrect valuation is minimal. Direct investments in unquoted companies are generally valued at fair value as reported by the respective management. To limit any risks that are associated with these valuations they are reviewed by the Managers and then adjusted where necessary.

The Audit Committee concludes that the Managers have the appropriate control processes in place, in respect of valuation of investments, and that they are reviewed on a regular basis so that all valuations are reflected at fair value.

The Audit Committee has reviewed the contents of this year's annual report and financial statements and advised the Board that, in its view, the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Remuneration Committee

The Board as a whole fulfils the function of a remuneration committee in relation to the setting and periodic review of the fees of the Directors and the Chairman, taking into account, amongst other factors, prevailing market conditions and the need to attract to the Board, and retain thereafter, suitable persons. The Board considers that, given its size and the size of the Company, it would not be appropriate to establish a separate remuneration committee. Directors' remunerations reflect their duties, responsibilities and the value of their time spent.

Mr. Ash 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. Mr. Getschow is an employee of BSAM Inc. and has waived his right to Directors' fees.

At the Company's 29 July 2015 Annual General Meeting, shareholders approved an increase to the cap on the aggregate base remuneration payable to the Directors as a whole to £250,000 per annum.

Nomination Committee

The Board as a whole fulfils the function of a nomination committee. The Board considers that, given its size and the size of the Company, it would not be appropriate to establish a separate nomination committee.

Management Engagement Committee

The Board as a whole fulfils the function of a management engagement committee. The Board considers that, given its size and the size of the Company, it would not be appropriate to establish a separate management engagement committee.

On 8 August 2012, the Company entered into an amended and restated Investment Management Agreement. Under the new agreement dated 8 August 2012 the Company agreed that henceforth it be provided with investment management services by JF International Management Inc. ("JFIMI") in addition to Bear Stearns Asset Management Inc. ("BSAM Inc.") and JPMorgan Asset Management (UK) Limited ("JPMAM UK").

The Directors believe that BSAM Inc., JPMAM UK and JFIMI (together the "Managers"), subsidiaries of JPMorgan Chase & Co have performed consistently since being appointed as the Managers of the Company. As such, it is the view of the Independent Directors that it is in the best interests of the Shareholders to continue with the current appointment of the Managers under the terms agreed.

The Board as a whole considers and reviews the remuneration of the Managers.

Directors' Report continued

CORPORATE GOVERNANCE continued

Internal Controls

The Directors have reviewed the effectiveness of the Company's system of internal financial and operating controls during the fiscal year and found they were operating as expected.

The Board considers risk management and internal financial and operating controls on a regular basis during the year although such a system can only provide reasonable and not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate risk of failure.

The key elements designed to provide effective internal financial and operating controls are as follows:

- Financial reporting – A regular review of relevant financial data including NAV calculations and performance projections;
- Management and Administration Agreements – Contractual documentation with appropriately regulated entities which clearly describes responsibilities for the two principal service providers;
- Management Systems – The Managers' system of internal controls is based on clear written processes, a formal investment committee and clear lines of responsibility and reporting, all of which are monitored by the Managers' internal risk team;
- Administrator's Systems - Augentius (Guernsey) Limited ("Augentius" or the "Administrator") is part of the largest independent Private Equity and Real Estate Administrator in the world. The Administrator's systems of internal controls are based on formalised processes tailored specifically to JPEL. In addition, every transaction and report is reviewed by at least two qualified Accountants before release; and
- Administrator's Technology - Augentius uses SunGard Investran as its core accounting system and benefits from structured change control processes and clear audit trail functionality. Investran as a system is recognised as a leading accounting technology for Private Equity.

Administration and company secretarial services have been provided by Augentius (Guernsey) Limited, effective 13 August 2012. Consideration was given to the internal controls of the Administrator prior to appointment and will be assessed on an ongoing basis. The Company's system of internal control is substantially reliant on the Managers' and Augentius' internal controls and their internal audit. During the period Augentius was awarded an SSAE16 Type II report for its internal controls for the period ended 31 December 2013. The report for the period ended 31 December 2014 is currently in process, however to date there have been no issues with the internal financial and operating controls arising from the Administrator. It is the view of the independent Directors that it is in the best interest of Shareholder's to continue with the current appointment of the Administrator as all of their duties and responsibilities have been carried out successfully since their appointment.

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. These risks and uncertainties include, but are not limited to, interest rates, currency, investment prices, credit, liquidity, investment managers, valuations, political, and regulatory. These factors are outside the Company's control and may affect the level and volatility of securities prices, the amount of distributions received, the liquidity and value of investments in the portfolio. The Company may be unable to mitigate its exposure to these conditions as efforts to manage its exposure may or may not be effective. Please refer to note 3 of the audited financial statements for a more detailed discussion of the above principal risks and uncertainties, and how they are managed or mitigated.

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology, and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market, and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance the limiting of financial losses and damage to its reputation, whilst achieving its investment objective of generating returns to investors.

Directors' Report continued

CORPORATE GOVERNANCE continued

Principal risks and uncertainties continued

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Contingency plans;
- Ethical and business standards; and
- Risk mitigation, including insurance where this is effective.

The Directors' assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risks is carried out via regular discussions with the service providers and a review of the Administrators' SSAE16 reports on internal controls.

Managers

The Managers' key responsibilities include proposing an investment strategy to the Board, selecting investments for acquisition and disposal and arranging appropriate lending facilities. The Managers are also responsible for all issues pertaining to asset management. The Directors agree policies with the Managers covering key operational issues.

In conjunction with the Company's acquisition of Macquarie Private Capital Trust ("MPCT"), Macquarie Investment Management Limited ("MIML") was retained as an advisor and sub-administrator by BSPEL Australia Limited. Pursuant to the management agreement between BSPEL Australia Limited and MIML, BSAM Inc. has assumed day-to-day control over the portfolio. During the fiscal year, the management agreement between BSPEL Australia Limited and MIML was novated from MIML to ROC Capital Pty Limited. MIML sold a portion of its Macquarie Investment Management Private Markets ("MIMPM") business to senior managers of MIMPM in a management buyout and the new owner of the MIMPM business is ROC Capital Pty Limited.

The Board reviews the performance of the Managers, including evaluation of performance and fees on an annual basis. The Board is satisfied that the continuing appointment of the Managers is in the interest of the shareholders as a whole. The investment skills, performance, experience, and commitment are the key factors taken into account in reaching this decision.

Alternative Investment Fund Managers Directive (AIFMD)

The Managers have determined that the Company is out of scope from the full Directive for the following reasons:

- The Company is a Non EU Alternative Investment Fund (Guernsey);
- The Company's investment decisions are made by Non EU Alternative Investment Fund Managers (BSAM and JFIMI); and
- The Company is not currently marketing into the EU.

Secretary

Augentius (Guernsey) Limited held the office of Company Secretary through 30 June 2015. The registered office of the Company is PO Box 60, Carinthia House, 9-12 The Grange, St Peter Port, Guernsey, GY1 4BF.

Independent Auditors

PricewaterhouseCoopers CI LLP was re-appointed as independent external auditors during the year. The Board has reviewed the effectiveness of the external auditor and considers them to be independent, and is confident they take the necessary steps in order to ensure their continued independence and objectivity. The Board feels the external audit work is done to an excellent standard, is in a timely manner, and any issues are communicated in a clear and concise way in order to gain a prompt result. A resolution to reappoint PricewaterhouseCoopers CI LLP as independent external auditors to the Company will be proposed at the forthcoming Annual General Meeting. PricewaterhouseCoopers CI LLP does not perform any non-audit services for the Company.

Directors' Report continued

CORPORATE GOVERNANCE continued

Shareholder Relations

Shareholder communications are a high priority for the Board. The Managers produce a monthly fact sheet which is distributed to shareholders and released to the London Stock Exchange. Members of the Managers' Investment Committee make themselves available at all reasonable times to meet with principal shareholders and key sector analysts. Feedbacks from these sessions are provided by the Managers at the quarterly Board meetings.

In addition, the Board is also kept fully appraised of all market commentary on the Company by the Managers and other professional advisers including the Company's brokers. Through this process the Board seeks to monitor the views of shareholders and to ensure that the Company's communication program is effective.

The Chairman and the Managers will be available during each Annual General Meeting to answer any questions that attending shareholders may have.

Substantial Interests

Disclosure and Transparency Rules are comprised in the Financial Conduct Authority Handbook. Such rules require substantial shareholders to make relevant holding notifications to the Company and the UK Financial Conduct Authority. The Company must then disseminate this information to the wider market.

Three shareholders remain from last year as investors with more than 10% ownership in the total number of US$ Equity Shares in issue, with an addition of one shareholder that has increased their ownership to above 10% for this share type within the year. In total, four shareholders hold greater than 10% of the total number of US$ Equity Shares in issue with holdings of approximately 11.0%, 11.5%, 11.5% and 15.1%.

One nominee owns more than 10% of the US$ Equity Shares in issue, with an ownership 17.9%.

The below tables list the shareholders and nominees with greater than 10% ownership in the total number of US$ Equity Shares in issue as at year end.

2015

Shareholder	Shares	Ownership
Barwon Investment Partners	50,877,817	15.10%
Brooks Macdonald Asset Management	38,883,112	11.50%
Asset Value Investors Limited	38,749,094	11.50%
Baring Asset Management Ltd	37,264,148	11.00%

Nominee		
HSBC Management (Guernsey) Ltd	60,531,753	17.90%

2014

Shareholder	Shares	Ownership
Baring Asset Management Ltd	59,090,631	17.10%
Barwon Investment Partners	53,596,246	15.50%
Brooks Macdonald Asset Management	44,765,015	12.90%

Nominee		
HSBC Management (Guernsey) Ltd	76,704,680	22.10%

Directors' Report continued

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report, annual report and financial statements in accordance with the applicable laws and regulations.

Guernsey company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) and applicable Guernsey law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Ensure, when taken as a whole, the financial statements are fair, balanced and understandable.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

We also confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole as required by Disclosure and Transparency Rules ("DTR") 4.1.12R; and
- The Chairman's Statement, Corporate Actions, Managers' Report and Directors' Report (together referred to as the "Management Report") includes a fair review of the development and performance of the business and the position of the Company taken as a whole, together with a description of the principal risks and uncertainties that they face as required by DTR 4.1.12R.

By order of the Board

Trevor Ash
Director
26 October 2015

Christopher Spencer
Director

Independent Auditors’ Report

INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF J.P. MORGAN PRIVATE EQUITY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of J.P. Morgan Private Equity Limited (“the Company”) which comprise the Statement of Financial Position as of 30 June 2015 and the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS’ RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of Guernsey law. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Financial Summary, Historical Performance, Overview and Strategy, Investment Policy, Chairman’s Statement, Corporate Actions, Managers’ Report and Directors’ Report.

In our opinion the information given in the Directors’ Report is consistent with the financial statements.

This report, including the opinion, has been prepared for and only for the Company’s members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' Report continued

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters which we are required to review under the Listing Rules:

- the directors' statement set out on page 21 in relation to going concern and;
- the part of the Corporate Governance Statement relating to the Company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review.

Joanne Peacegood

Joanne Peacegood
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognised Auditor
Guernsey, Channel Islands
26 October 2015

The maintenance and integrity of the J.P. Morgan Private Equity Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of the financial statements may differ from the legislation in other jurisdictions.

Statement of Comprehensive Income
for the year ended 30 June 2015

	Notes	2015 $'000	2014 $'000
Income			
Interest and distribution income	4	5,195	6,557
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss	7	34,289	40,607
Realised gain on forward currency contracts		14,036	836
Total net income		53,520	48,000
Expenses			
Investment management fees	18	(5,421)	(5,525)
Accounting and administration fees	18	(621)	(253)
Audit fees		(262)	(274)
Directors' fees	20	(157)	(164)
Other expenses	6	(3,501)	(3,521)
Total expenses		(9,962)	(9,737)
Net profit before finance costs		43,558	38,263
Finance costs			
Interest expense - Loans	5	(201)	(1,409)
Interest expense - Zero dividend preference shares	15	(10,574)	(10,139)
Net foreign exchange gain/(loss)	8	8,708	(15,845)
Profit for the year		41,491	10,870
Other comprehensive income		-	-
Total comprehensive income for the year:		41,491	10,870
Earnings per share			
Earnings per US$ Equity Share	19	$0.12	$0.03

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

The notes on pages 37 to 66 form an integral part of these financial statements.

Statement of Financial Position

as at 30 June 2015

	Notes	2015 $'000	2014 $'000
Non-current assets			
Financial assets at fair value through profit or loss	11	533,102	484,291
Current assets			
Cash and cash equivalents		20,547	25,410
Receivables	9	2,688	3,173
Financial assets at fair value through profit or loss			
- Derivative financial assets	13	5,334	-
		28,569	28,583
Non-current assets held for sale	3, 11	-	36,588
Current liabilities			
Payables and accruals	10	(1,452)	(2,283)
Financial liabilities at fair value through profit or loss			
- Derivative financial liabilities	13	-	(1,023)
Zero dividend preference shares - Short term	15	(89,374)	-
Net current (liabilities)/assets		(62,257)	25,277
Non-current liabilities			
Loan balances	14	-	(20,545)
Zero dividend preference shares - Long term	15	(42,294)	(131,873)
		(42,294)	(152,418)
Net Assets		428,551	393,738
Represented by:			
Share capital	16	453,199	459,877
Accumulated loss		(24,648)	(66,139)
Total equity		428,551	393,738
NAV per US$ Equity Share	19	$1.27	$1.14

The financial statements on pages 37 to 66 are approved by the Board of Directors on 26 October 2015 and were signed on its behalf by:

Trevor Ash
Director

Christopher Spencer
Director

The notes on pages 37 to 66 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2015

	Notes	Share capital $'000	Accumulated loss $'000	Total $'000
At 1 July 2014		459,877	(66,139)	393,738
Profit for the year		-	41,491	41,491
Total comprehensive income for the year		-	41,491	41,491
Share buy backs	16	(6,743)	-	(6,743)
Shares issued on warrant conversion	17	65	-	65
Total transactions with owners of the Company for the year ended 30 June 2015		(6,678)	-	(6,678)
At 30 June 2015		453,199	(24,648)	428,551

	Notes	Share capital $'000	Accumulated loss $'000	Total $'000
At 1 July 2013		467,108	(84,240)	382,868
Profit for the year		-	10,870	10,870
Total comprehensive income for the year		-	10,870	10,870
Expiry of warrant subscription rights	17	(7,231)	7,231	-
Total transactions with owners of the Company for the year ended 30 June 2014		(7,231)	7,231	-
At 30 June 2014		459,877	(66,139)	393,738

The notes on pages 37 to 66 form an integral part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2015

	Notes	2015 $'000	2014 $'000
Operating activities			
Profit for the year		41,491	10,870
Adjustments for:			
Interest income	4	(92)	(42)
Distributions from investments	4	(5,103)	(6,515)
Interest expense	5,15	10,775	11,548
Net unrealised (gains)/losses on derivative financial instruments	7	(6,357)	1,400
Net realised gains on derivative financial instruments		(14,036)	(838)
Net gains on investment portfolio	7	(27,932)	(42,007)
Net foreign exchange (gain)/loss	8	(8,708)	15,845
Operating cash flows before changes in working capital		(9,962)	(9,739)
(Increase)/decrease in receivables		(572)	315
Decrease in payables		(222)	(124)
Cash used in operations		(10,756)	(9,548)
Investing activities			
Purchase of investments		(138,846)	(126,703)
Net proceeds from sale of investments		155,008	179,380
Cash received on settlement of derivative financial instruments		14,036	838
Interest received		89	45
Other income distributions from investments	4	5,103	6,515
Cash from investing activities		35,390	60,075
Financing activities			
Equity shares buy back	16	(6,743)	-
Shares issued on warrant conversion	17	65	-
Loans received	14	12,377	-
Loans paid	14	(32,921)	(37,137)
Interest paid		(203)	(1,439)
Cash used in financing activities		(27,425)	(38,576)
Net (decrease)/increase in cash and cash equivalents		(2,791)	11,951
Cash and cash equivalents at the beginning of the year		25,410	13,032
Effects of exchange differences arising from cash and cash equivalents		(2,072)	427
Cash and cash equivalents at the end of the year		20,547	25,410

The notes on pages 37 to 66 form an integral part of these financial statements.

Notes to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

J.P. Morgan Private Equity Limited (the “Company”) is a closed ended investment fund incorporated as a limited liability company in Guernsey under The Companies (Guernsey) Law, 2008. As at 30 June 2015, the Company’s capital structure consisted of three classes of shares, US$ Equity Shares and two series of zero dividend preference shares, all of which are listed on the London Stock Exchange.

The primary objective of the Company is to achieve capital growth, with income as a secondary objective, from a diversified portfolio consisting predominantly of private equity limited partnership interests. The Company may also invest directly in private equity investments.

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 in accordance with International Financial Reporting Standards ("IFRS") issued and adopted by the International Accounting Standards Board (the "IASB") and interpretations issued by the International Financial Reporting Interpretations Committee. They give a true and fair view and are in compliance with applicable legal and regulatory requirements of The Companies (Guernsey) Law, 2008 and the Listing Rules of the UK Listing Authority.

Standards and amendments to existing standards effective for annual periods beginning on or after 1 July 2014 that are relevant and have been adopted by the Company

Amendments to IAS 32, ‘Offsetting Financial Instruments Assets and Liabilities’

The amendments do not change the offsetting model in IAS 32, ‘Financial Instruments: Presentation’, but clarify that in order to offset financial assets and liabilities, the right of set-off must not be contingent on future events, and must be legally enforceable in the normal course of business. The amendments also clarify that master netting agreements where offset is only legally enforceable when future events occur (e.g. defaults), do not allow offsetting. Finally, the amendments specify situations when offsetting is permitted when gross settlement mechanisms are used. The amendment is effective for annual periods beginning on or after 1 January 2014. The Directors have adopted these amendments and there is no impact on the Company’s financial statements.

Annual Improvements to IFRSs 2010–2012 Cycle (Amendment to *IAS 24, ‘Related Party Disclosures’*)

On 12 December 2013, the International Accounting Standards Board (IASB) issued Annual Improvements to IFRSs 2010–2012 Cycle which provided clarification on ‘management entity’. The IASB considered that an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity is also a related party of that reporting entity. These amendments are effective for periods beginning on or after 1 July 2014. The Directors have adopted these amendments and there is no impact on the Company’s financial statements.

IFRS 12 ‘Disclosures of Interests in Other Entities’

IFRS 12 ‘Disclosures of Interests in Other Entities’ does not affect the amounts recognised in the financial statements, but requires new disclosures about judgements made by the Board to determine whether control exists and to require summarised information on the Company's investees.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time in the financial year beginning 1 July 2014 that would be expected to have a material effect on the Company.

New standards and amendments to existing standards that are relevant but have not yet been adopted by the Company
A number of new standards, amendments to standards and interpretations in issue are not yet effective for the year ended 30 June 2015, and have not been applied in preparing these financial statements. The Directors are considering the potential effect of the implementation of the new standards.

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

IFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

1. SIGNIFICANT ACCOUNTING POLICIES continued

Statement of compliance continued

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The standard is not applicable until 1 January 2018 but is available for early adoption. The Company has yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2018)
In May 2014, IASB issued IFRS 15 'Revenue from Contracts with Customers'. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

IFRS 15 is effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The Company has yet to assess IFRS 15's full impact.

Investment Entities, 'Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'

In December 2014, IASB issued the amendments to IFRS 10, IFRS 12 and IAS 28 providing clarification on the application of consolidation exception for investment entities including its subsidiaries.

The amendments clarify that intermediate parent entities which are subsidiaries of investment entities can also avail the exception from preparing a consolidated financial statements. The amendments also clarify that a subsidiary that provides services related to the investment activities of its investment entity parent should be consolidated. However, if such subsidiary is also an investment entity, then such subsidiary should also be measured at fair value through profit or loss by the parent investment entity. The amendments now also allow a non-investment entity parent to retain the fair value measurement applied by the investment entity associate or joint venture to its subsidiaries.

The amendments are effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The Company will apply the new requirements when these amendments become effective. The Directors believe that the adoption of these amendments will not have a material impact in the financial statements of the Company.

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.

Basis of preparation

These financial statements have been prepared on a going concern basis in US Dollars under the historical cost convention except for investments and derivative financial instruments that are measured at fair value with changes in fair value recognised in the statement of comprehensive income. Other financial assets and financial liabilities including receivables, payables, accruals, loans and zero dividend preference shares are stated at amortised cost.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below in Note 2 'Key estimates and assumptions'.

These financial statements are the only financial statements presented by the Company.

1. SIGNIFICANT ACCOUNTING POLICIES continued

Investment entity

The Company has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- The Company has obtained funds for the purpose of providing investors with investment management services.
- The Company's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the use of investment vehicles.
- The performance of investments made through the investment vehicles are measured and evaluated on a fair value basis.
- The Company has more than one investment and more than one investor.
- The Company has investors who are not its related parties.
- The Company has ownership interests in the form of equity.

Subsidiaries

The Company is required to consider all facts and circumstances when assessing whether an entity is an investment entity, including its purpose and design. The absence of any of these typical characteristics, as listed above, does not necessarily disqualify an entity from being classified as an investment entity. The subsidiaries are also deemed to meet the definition of an investment entity per IFRS 10, as they have been formed in connection with JPEL for legal, regulatory, tax or similar business reasons. The subsidiaries do not render investment advisory or management services, or administrative services to any of the investments in the portfolio.

Please refer to note 12 for details of the Company's subsidiaries.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position and statement of comprehensive income when there is a currently enforceable legal right to offset the recognised amounts and the Company intends to settle on a net basis or realise the asset and liability simultaneously.

i) Financial assets

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics. All financial assets are initially recognised at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. All purchases of financial assets are recorded at trade date, being the date on which the Company became party to the contractual requirement of the financial asset. The Company's financial assets comprise of assets designated as financial assets at fair value through profit or loss and loans and receivables. Unless otherwise indicated the carrying amounts of the Company's financial assets approximate to their fair values.

a) *Financial assets at fair value through profit or loss*

The Company manages its investments with a view to profiting from the receipt of dividends and changes in fair value of equity investments. The Company may also make loan investments and these are designated as financial assets at fair value through profit or loss. Therefore, all quoted investments, unquoted equity investments and debt securities are designated at fair value through profit or loss and subsequently carried in the statement of financial position at fair value. Equity investments at fair value through profit or loss are initially recognised at fair value and related transaction costs are recognised immediately in the statement of comprehensive income within other expenses.

Investments in subsidiaries are valued at the fair value of the Company's percentage holding based on the net asset values of the subsidiaries. The Company reviews the net asset values of the subsidiaries to make any adjustments in order to obtain the best estimate of fair value. "Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss" in the statement of comprehensive income include the change in fair value of the subsidiaries.

1. SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

i) Financial assets continued

Investments in funds are recorded at the fair value of the Company's percentage holding as reported by the general partners of those funds per the capital statement. The underlying investments held by those funds are measured at fair value, which is based on the general partners' estimate. In estimating the fair value of underlying investments the objective of the general partners is to replicate the assumptions and estimates that parties in an arm's length transaction would make. In arriving at the estimated value of underlying investments, the general partners consider market multiples, net assets, industry benchmarks, prices of recent transactions, negotiated sales prices, projected operational and financial results of the company and discounted cash flow valuations. 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 partners does not represent fair value, the Directors and Managers will adjust the value of the investment from the general partners' estimate.

The valuation policies used by many of the private equity general partners and sponsors in undertaking such valuations are generally in line with the recommendations of the International Private Equity and Venture Capital Valuation Guidelines (IPEVCG) or standard industry practice. Changes in fair value are recognised in the statement of comprehensive income under "Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss".

Investments made by the Company are generally considered to be long term investments and are not intended to be disposed of on a short term basis. Accordingly, while the valuation at the year end represents the Directors' best estimate of the realisable amount at the year end they do not necessarily represent the amounts which may eventually be realised from sales or other disposals of investments. The key estimates and assumptions used to arrive at the valuation of unlisted investments are stated on pages 44 to 45.

The disclosure requirements in IFRS 13 establish a hierarchal disclosure framework, which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and characteristics specific to the investment. Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments that would generally be included in Level I include listed equities and listed or highly liquid derivatives. The Company, to the extent it holds such investments, does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.
- Level II – Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The types of investments that would generally be included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.
- Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgement or estimation. The types of investments that would generally be included in this category include equity and/or debt securities issued by private entities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the above hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the investment.

b) *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They principally comprise trade and other receivables. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition, and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

1. SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

i) Financial assets continued

c) *Derivative financial instruments*

Derivatives are initially recognised at fair value on the date that a derivative contract is entered into and are subsequently re-measured at their fair values.

The Company's derivative instruments do not qualify for hedge accounting. Changes in the fair value of any of these derivative instruments are recognised immediately in the statement of comprehensive income within "Other net changes in fair value on financial assets and financial liabilities at fair value through profit and loss" and "Realised gains/(losses) on forward currency contracts".

The Company's derivative financial instruments comprise of foreign exchange forward contracts. The fair value of these instruments are based on their quoted price. If a quoted price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

d) *De-recognition of financial assets*

A financial asset (in whole or in part) is de-recognised either:

- When the Company has transferred substantially all the risk and rewards of ownership; or
- When it has neither transferred nor retained substantially all the risk and rewards and when it no longer has control over the asset or a portion of the asset; or
- When the contractual right to receive cash flow has expired; or
- When the Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not de-recognised.

ii) Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All financial liabilities are initially recognised at fair value net of transaction costs incurred. All purchases of financial liabilities are recorded on trade date, being the date on which the Company becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Company's financial liabilities approximate to their fair values.

a) *Financial liabilities measured at amortised cost*

These include trade payables and other short-term monetary liabilities, loans and zero dividend preference shares which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

b) *De-recognition of financial liabilities*

A financial liability (in whole or in part) is de-recognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on de-recognition is taken to the statement of comprehensive income.

Cash and cash equivalents

Cash comprises deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible within a three month maturity period to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

Zero dividend preference shares

Zero dividend preference shares ("ZDP Shares") are classified as a liability in the financial statements.

ZDP shares are initially recognised at their capital entitlement being fair value less issuance costs. Subsequent to the initial recognition, ZDP Shares are carried at amortised cost using the effective interest rate method. Increases in the carrying value of ZDP Shares due to accrued but unpaid interest are recognised in the statement of comprehensive income.

Costs incurred for the issuance of participating shares

Incremental external costs directly attributable to the equity transaction and costs associated with the establishment of the Company that would otherwise have been avoided are written off against the share capital account.

1. SIGNIFICANT ACCOUNTING POLICIES continued

Earnings per share

The Company presents basic and diluted earnings per Equity share data for its participating shares. Basic earnings per share is calculated by dividing the profit or loss attributable to participating shareholders of the Company by the weighted average number of participating shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to participating shareholders and the weighted average number of participating shares outstanding, adjusted for own shares held, and for the effects of the dilutive potential participating shares of the warrants outstanding. When the basic and diluted earnings per Equity share are the same, only the basic earnings per share are reported.

Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from the share capital account. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in the share capital account.

Other net changes in fair value of financial assets and financial liabilities through profit or loss

"Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss" includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income. Net realised gains on investments at fair value through profit or loss are recognised when the de-recognition criteria for financial assets are met. Gain or loss is recognised when persuasive evidence exists, usually in the form of a sale agreement, that the significant risks and rewards of ownership have transferred to the buyer, recovery of the consideration is probable, there is no continuing management involvement with the investment, and the amount of gain or loss can be measured reliably.

Dividend and other distribution income

Dividend and other distribution income is measured at the fair value of the consideration received or receivable. Dividends and other distribution income is recognised when persuasive evidence exists, usually in the form of a dividend or distribution notice that payment will be made, and the amount of the dividend or distribution can be measured reliably.

Interest

Interest income and expense is recognised in the statement of comprehensive income as it accrues using the original effective interest rate of the instrument calculated at the acquisition or origination date.

Expenses

Expenses are recognised on an accruals basis in the statement of comprehensive income.

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 is engaged in a single segment of business, being Private Equity. The Board of Directors, as a whole, has been determined as constituting the chief operating decision maker of the Company.

Five shareholders hold greater than 10% of the total number of US$ Equity Shares in issue. The holdings are displayed under "Substantial Interests" in the Directors' Report.

The Board is charged with setting the Company's investment strategy in accordance with the Company's prospectus, dated 16 August 2011. They have delegated the day-to-day implementation of this strategy to the Managers but retain responsibility to ensure that adequate resources of the Company are directed in accordance with their decisions. The Managers have 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 Managers 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 Managers. The Board of Directors therefore retain full responsibility as to the major allocation decisions made on an ongoing basis. The Managers 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.

1. SIGNIFICANT ACCOUNTING POLICIES continued

Segmental information continued

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 which is prepared on a monthly basis by Augentius (Guernsey) Limited (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 year end and their geographical areas 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.

	2015		2014	
Region	$'000	%	$'000	%
Europe	243,690	46%	283,467	54%
North America	193,587	36%	143,885	28%
Asia	77,835	15%	73,457	14%
Other	17,990	3%	20,070	4%
TOTAL	533,102	100%	520,879	100%

Foreign exchange

Functional and presentation currency

The Board of Directors has resolved that the financial statements of the Company be presented in the US Dollar. The Board of Directors considers the US Dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in the US Dollar, which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within "Net foreign exchange gain/(loss)".

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within "Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss".

Taxation

The Company falls under the Zero-Ten Guernsey tax regime and has its investment income assessed for tax at a taxable rate of 0%.

Offsetting

Financial instruments are offset and the net amounts reported in the statement of financial position only when there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

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 have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the valuation of unquoted investments.

Valuation of investments

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

Investments in subsidiaries

Investments in subsidiaries are valued 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 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 Managers 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 Managers 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 are adjusted by applying the appropriate discount to reflect limited marketability and illiquidity.

Direct investments in unquoted companies

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

Direct investments in unquoted investments 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 Managers. In estimating fair value, the Directors and Managers 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 Managers 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 Managers 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 Managers and shows the effect of changing one or more of the assumptions behind the valuation techniques adopted, based on reasonable possible alternative assumptions.

	2015					
Description	Fair Value $ '000	Valuation Technique	Unobservable Inputs	Average Input	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
Asia						
Equity	5,236	Comparable trading multiples	EBITDA	6.9x	+/- 5%	232,100 / (232,100)
North America						
Equity	6,511	Comparable trading multiples	EBITDA	13.5x	+/- 5%	416,074 / (416,074)

	2014					
Description	Fair Value $ '000	Valuation Technique	Unobservable Inputs	Average Input	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
Asia						
Equity	19,994	Comparable trading multiples	EBITDA	8.6x	+/- 5%	394,958 / (394,958)
North America						
Equity	5,373	Comparable trading multiples	EBITDA	13.2x	+/- 5%	235,596 / (241,684)

Investments in debt securities

Valuation techniques are used primarily to value debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these techniques may not be market observable and are therefore estimated based on assumptions.

Direct investments in public companies

When valuing direct investments in public companies the Company uses the quoted market price at the reporting date.

Unconsolidated structured entities

The Company invests in certain investment funds which meet the definition of unconsolidated structured entities in accordance with IFRS 12 'Disclosures of Interests in Other Entities'. The investment funds are primarily closed-ended private equity limited partnerships or investment companies which invest in underlying companies for the purposes of capital appreciation. These entities are generally financed through committed capital from limited partners or shareholders, with cash being drawn down for financing investment activity.

As at 30 June 2015, the Company's maximum exposure to loss attributable to these entities comprises the current carrying value of the assets, along with the uncalled committed capital relating to those investments, as summarised below:

	2015 $ '000
Financial assets at fair value through profit or loss	211,669
Uncalled commitments	44,336
Maximum loss exposure	256,005

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES

Introduction and overview

The following table details the categories of financial assets and liabilities held by the Company at the reporting date:

	2015 $'000	2014 $'000
Assets		
Financial assets at fair value through profit or loss:		
- Financial assets designated at fair value through profit or loss upon initial recognition:		
- Investment portfolio	533,102	484,291
- Non-current assets held for sale	-	36,588
- Held for trading:		
- Derivative financial instruments	5,334	-
Cash and receivables	23,235	28,583
Total financial assets	561,671	549,462
Liabilities		
Financial liabilities at fair value through profit or loss:		
- Held for trading:		
- Derivative financial instruments	-	(1,023)
Financial liabilities measured at amortised cost	(133,120)	(154,701)
Total financial liabilities	(133,120)	(155,724)

This note presents information about the Company's exposure to each significant area of risk arising from holding financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company, its investments and the underlying portfolio companies are materially affected by a variety of conditions in the global financial markets and economic conditions throughout the world, including, but not limited to rising interest rates, inflation, business and consumer confidence, availability of credit, currency exchange rates and controls and changes in laws. These factors are outside the Company's control and may affect the level and volatility of securities prices, the amount of distributions received from investments in the portfolio and the liquidity and the value of investments. The Company may be unable to mitigate its exposure to these conditions as efforts to manage its exposure may or may not be effective.

The primary investment objective is to achieve both short and long-term capital appreciation by investing in a well-diversified portfolio of private equity fund interests and direct investments primarily purchased in the secondary market. The Company also makes investments in individual companies by co-investing with private equity sponsors. While the Company intends to make investments that will create long-term value for shareholders, the investments made may not appreciate in value and, in fact, may decline in value. Moreover, the Company's historical financial performance, in particular its Net Asset Value, reflects unrealised gains on investments as of applicable measurement dates which may never be realised due to many factors, some of which are not in the Company's control, which may adversely affect the ultimate value realised from the Company's investments. The success of any of the investments in the portfolio will depend upon:

- the quality of its management and the management of the portfolio companies in which it invests;
- its ability to select successfully investment opportunities;
- general economic conditions; and
- its ability to liquidate its investments.

The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

The Company anticipates that the scope of risk management activities it undertakes will vary based on the level and volatility of interest rates and public equity indexes, prevailing foreign currency exchange rates, the type of investments that are made and other changing market conditions. The use of hedging transactions and other derivative instruments to reduce the effects of a decline in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines.

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Market risk

Market risk embodies the potential for both gains and losses and includes currency risk, interest rate risk and price risk.

The private equity investments held through subsidiaries, private equity funds and direct private equity investments in the Company's portfolio may be materially affected by conditions in the global financial markets and economic conditions. The capital and credit markets have experienced unprecedented volatility and disruption over recent periods. Uncertainty created by market and economic conditions and a tightening of credit could lead to declines in valuations of equity and debt securities without regard to the underlying financial condition of the issuer in certain cases.

The global financial markets and economic conditions may become dislocated or deteriorate, due to a variety of factors beyond the control of the Company. The general partners of the funds held by the Company may face reduced opportunities to sell and realise value from their existing portfolio companies, and portfolio companies may employ substantial indebtedness that may be difficult to extend or replace and which may magnify the impact of any valuation changes.

In addition, while difficult market conditions may increase opportunities to make certain distressed asset investments, such conditions also increase the risk of default with respect to portfolio companies with debt investments. Such defaults would adversely affect the profitability and net asset values of the investment funds in the Company Portfolio, and consequently, the profitability, Net Asset Value and share price of the Company. Furthermore, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments and harm its profitability, Net Asset Value and share price. Deteriorating conditions in the global financial markets, and actions by governments to address them, have created a great deal of uncertainty for the asset management industry, which may adversely affect the Company's investments, access to financing, competitive landscape and overall performance.

Management of market risks

The Company's strategy on the management of market risk is driven by its investment objective. The primary investment objective is to achieve both short and long-term capital appreciation by investing in a well diversified portfolio of private equity fund interests and direct investments primarily purchased in the secondary market. The Company also makes investments in individual companies by co-investing with private equity sponsors. These investments are generally illiquid and non-public, however the Company may at times invest in publicly listed securities. The Company's market risks are managed on an ongoing basis by the Managers and are discussed with the Board of Directors on a quarterly basis.

The Managers work to mitigate risk by building a diversified portfolio, focusing on achieving a balance across managers, investment styles, industrial sectors and geographical focus. The Managers will also seek to invest in funds created during different vintage years to dampen systemic economic conditions that may impact the private equity market in any given year. Details of the nature of the Company's investment portfolio at the reporting date are disclosed in the Portfolio Review on pages 14 to 16.

The Managers invest on a highly selective basis and seek opportunities with high quality private equity investment firms that have proven track records and capabilities. The Managers will validate a given firm's underlying investment thesis and evaluate its ability to successfully invest in private equity prior to proceeding with any investment. In addition, the Company's secondary investment strategy enables the Managers to evaluate specific private equity assets.

This permits the Managers to diversify its portfolio at the company level as well as the fund manager level and to determine that assets are purchased at valuations acceptable to the Managers. The Managers actively manage the investment portfolio by meeting with private equity sponsors to discuss current and prospective investments.

Exposure to interest rate risk

The Company's exposure to the risk of changes in interest rates relates primarily to cash and cash equivalents and floating rate debt obligations. The Company has incurred, and expects to continue to incur, indebtedness to fund its liquidity needs and to potentially leverage certain investments. Due to the foregoing, the Company is, and believes that it will continue to be, exposed to risks associated with movements in prevailing interest rates. An increase in interest rates could make it more difficult or expensive to obtain debt financing, could negatively impact the values of debt securities, and could decrease the returns that investments generate or cause them to generate losses.

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Exposure to interest rate risk continued

The Company is, and believes that it will continue to be, subject to additional risks associated with changes in prevailing interest rates due to the fact that its capital is invested in underlying portfolio companies whose capital structures may have a significant degree of indebtedness. Investments in leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would be the case if money had not been borrowed. As a result, the risk of loss associated with an investment in a leveraged company is generally greater than for companies with comparably less debt.

During the year the Company returned all borrowings outstanding from its $150 million secured credit facility, leaving a balance of €NIL (2014: €15 million ($20.5 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.

The majority of the Company's assets are non-interest bearing, however the assets that do have interest rate exposure are primarily related to investments in mezzanine and special situation private equity funds. In addition, excess cash held by the Company may be invested in short-term fixed deposit accounts that are rolled over on a weekly basis and are impacted by interest rate fluctuations as such giving the Company variable loans and cash deposits. The Company is therefore not significantly exposed to interest rate risk on its assets and liabilities.

The Company also maintains zero dividend preference shares ("ZDP Shares") at a fixed rate, and is therefore not impacted by interest rate fluctuations. The market value of the ZDP Shares from time to time will be affected by changes in general interest rates, with upward movements in interest rates likely to lead to reductions in the market value of the ZDP Shares.

Recourse on external borrowings will only be undertaken if the Directors and the Managers consider the prevailing interest rates favourable and that the terms and conditions attaching to such borrowings are acceptable, having regard to the investment objective and policy of the Company.

Such borrowings are also limited in size by the Company's internal policies. On 5 September 2012, a shareholder resolution was passed amending the Company's borrowing powers to 30% of Total Assets, as defined in the Company's Articles of Incorporation. The Company's overall interest risks and day-to-day decision making are managed on an ongoing basis by the Managers in accordance with its internal policies. The Board of Directors are consulted on a quarterly basis, or more frequently as the case may be.

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table classifies the financial assets and liabilities by fixed and variable rate instruments.

	2015 $'000	2014 $'000
Fixed rate instruments		
Financial assets - debt securities	4,535	-
Financial liabilities - ZDP shares	(131,668)	(131,873)
	(127,133)	(131,873)
Variable rate instruments		
Financial assets - cash and cash equivalents	20,547	25,410
Financial liabilities - loan balances	-	(21,568)
	20,547	3,842
Total interest sensitivity gap	(106,586)	(128,031)

An increase in 100 basis points in interest rates as at the reporting date would have increased shareholders equity by $205,470 (2014: $38,417). A decrease of 100 basis points would have had an equal but opposite effect. Moreover, the average outstanding loan and cash balances for the fiscal year ended 30 June 2015 may differ materially from the fiscal year ended 30 June 2014, which would impact the results of the sensitivity analysis.

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Exposure to 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. The Company's functional currency is the US Dollar. As a result, foreign currency assets and liabilities will be translated to US Dollars. The Company maintains investments in Euros, Sterling, Australian Dollars, and other currencies, and may invest in financial instruments and enter into transactions denominated in currencies other than US Dollars.

When valuing investments that are denominated in currencies other than the functional currency, the Company is required to convert the values of such investments into its functional currency based on prevailing exchange rates as at the end of the applicable accounting period. Changes in exchange rates between the functional currency and other currencies could lead to significant changes in the Net Asset Values that the Company reports from time to time and could subject such Net Asset Values to favourable or unfavourable fluctuations. Among the factors that may affect currency values are trade balances, levels of short term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

The Company currently has three currency hedges in place to partially mitigate fluctuations in its foreign exchange exposure. The Managers may engage in currency hedging to limit the Company's exposure to currency fluctuations. Currency hedging by the Managers may be by means of spot and forward currency contracts or options on such contracts or by using such other derivative instruments as may be available and having the same or similar effect. To date, the Company has employed put options, spot and forward currency contracts.

During the year the Company realised a net foreign exchange gain of $10,912,179 (2014: $966,122). This was largely a result of the currency hedges placed to mitigate the Company's exposure to the Australian Dollar and Euro and realised currency gain on the disposal of investments.

The success of any hedging or other derivative transactions that the Company may enter into will generally depend on its ability to correctly predict market changes. As a result, while the Company may enter into such transactions for a particular class of shares in order to reduce its exposure to currency fluctuations, unanticipated market changes may negatively affect the outcome of such transactions. The Company is also subject to the risk that counterparties in any hedging or other derivative transactions will be unable or unwilling to perform their obligations.

The Company's counterparty risk has increased as credit and liquidity have become constrained in the global financial markets. There can be no assurance that currency hedging will be effective and that the Company's financial condition will not be adversely affected by fluctuations in currency exchange rates. Furthermore, if any of the Company's counterparties were to default on their obligations under derivative contracts, it could have a material adverse effect on the Company's business, financial condition or results of operations. See discussion on credit risk for how the Company manages counterparty risk.

The Company's underlying investments are denominated in Euros, Sterling, Australian Dollars, Swiss Francs, UAE Dirham and US Dollars. Any distributions in respect of the ZDP Shares will be made in Sterling and the market prices and Net Asset Values of the ZDP Shares are reported in Sterling. Any distributions in respect of the US$ Equity Shares have been made in US Dollars and the market prices and Net Asset Values of the US$ Equity Shares are reported in US Dollars.

The Managers consider currency risk when making investments into non-US Dollar denominated assets and monitor currency movements on an on-going basis. The Managers discuss their policies with the Board of Directors on a quarterly basis and may choose to alter its asset allocation or currency risk strategies as a result in their absolute discretion.

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	2015	2014
Euro	41%	31%
Sterling	(26%)	(24%)
Swiss Franc	5%	5%
UAE Dirham	2%	2%
Australian Dollar	7%	8%
	29%	22%

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Exposure to currency risk continued

The following table sets out the aforementioned total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities:

	2015			
	Financial assets $'000	Financial liabilities $'000	Foreign exchange currency contracts $'000	Net exposure $'000
Euro	173,658	(82)	2,192	175,767
Sterling	15,700	(131,695)	3,096	(112,899)
Swiss Franc	19,896	-	-	19,896
UAE Dirham	9,199	-	-	9,199
Australian Dollar	30,186	-	46	30,232

	2014			
	Financial assets $'000	Financial liabilities $'000	Foreign exchange currency contracts $'000	Net exposure $'000
Euro	213,045	(21,177)	(747)	191,121
Sterling	39,011	(131,939)	-	(92,928)
Swiss Franc	18,949	-	-	18,949
UAE Dirham	7,784	-	-	7,784
Australian Dollar	45,217	-	(276)	44,941

Amounts on the above table are based on the carrying value of monetary assets and liabilities and the underlying principal amount of forward currency contracts. Based on the standard deviation of currency fluctuations, the volatility of each currency has been assessed at the year end; had the reporting currency of each investment (where the functional currency is not US Dollar) strengthened by the following amounts in relation to US Dollar, shown in the table below with all other variables held constant, shareholders' equity would have decreased/(increased) by the amounts shown below:

	Standard Deviation	
	2015	2014
US Dollar	%	%
Euro	9.4	3.8
Sterling	7.0	3.4
Swiss Franc	9.7	4.3
Australian Dollar	7.8	9.2

	2015	2014
US Dollar	$'000	$'000
Euro	16,522	7,263
Sterling	(7,903)	(3,160)
Swiss Franc	1,930	815
Australian Dollar	2,358	4,135
Total	12,907	9,053

The relevant weakening of the reporting currency against the above currencies would have resulted in an equal but opposite effect on shareholders' equity by amounts shown above, on the basis that all other variables remain constant.

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Exposure to other price risk

Other 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 all factors affecting all instruments traded in that market. As the Company's financial instruments are carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market conditions will directly affect net gains on investments and Net Asset Value.

The valuation of unquoted investments depends upon a combination of market factors and the performance of the underlying asset. The Company manages price risk by actively pursuing investment opportunities that are acquired at what the Managers believe to be relatively attractive purchase multiples and may therefore be less susceptible to negative fluctuations in fair value calculations. In addition, the Managers consult with a variety of other private equity investors and industry experts to better ascertain fair value pricing before proceeding with an investment, and may also refrain from making commitments to funds that are acquiring assets at relatively expensive valuations. Moreover, the Managers seek to maximise the diversification of its portfolio by investment type, investment strategy, vintage year, geography, and industry in an effort to minimise the impact of fluctuations in value of any single investment. The Managers monitor price risk and consult with the Board of Directors on a quarterly basis, or more frequently as the case may be.

The Company also has direct exposure to assets that are publicly traded on various equity markets. These represent 5.17% (2014: 10.45%) of the Company's portfolio value as at 30 June 2015. Under IFRS, the Company is required to value investments in traded securities at their fair value at the end of each accounting period, which could lead to significant changes in the Net Asset Values and results of operations of the Company.

At 30 June 2015, the impact on the Company's net assets due to a change of 5% in the benchmark used to measure the performance of the Company's listed equity securities would be $1,378 million (2014: $2,672 million).

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.

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 carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. This relates also to financial assets carried at amortised cost, as they have a short term to maturity.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2015 $'000	2014 $'000
Derivative financial instruments	5,334	-
Cash and cash equivalents	20,547	25,410
Receivables	2,688	3,173
Debt securities	4,535	-
Total	33,104	28,583

In respect of credit risk arising from cash and cash equivalents and derivative financial instruments, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments. In order to mitigate such risks substantially all of the Company's cash and forward currency contracts are maintained with Lloyds Bank and ING Luxembourg SA. In addition, the Managers monitor the financial position of both banks on an ongoing basis by reviewing earnings releases. As at 30 June 2015, Moody's has given the long term credit ratings for Lloyds Bank and ING Bank as A1. In the event that the credit quality of either bank deteriorates significantly, the Managers will move the cash holdings to another bank. Substantially all of the cash assets of the Company are held by Lloyds Bank. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial position of the custodian the Company uses.

The Company is exposed to the risk of non-payment of debt securities or the interest due on loans given to the portfolio companies. No collateral is received from the underlying companies. For those assets that are not past due, it is believed that the risk of default is low, and the capital repayments and interest payments will be made in accordance with the agreed terms and conditions. No terms and conditions have been renegotiated.

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Credit risk continued

No financial assets were past due or impaired at 30 June 2015 or 30 June 2014.

The Company's exposure to credit risk is managed on an ongoing basis by the Managers. The Company's overall credit risk is managed on a quarterly basis by the Board of Directors.

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.

The Company's exposure to liquidity risk is actively managed and monitored on an ongoing basis by the Managers, and by the Board of Directors on a quarterly basis. The Managers frequently consult with their underlying fund managers about upcoming capital requirements as well as potential exit and other monetisation events. Allocations to new investments take into consideration the near-term capital needs within the Company's broader private equity portfolio. Where the Managers believe there may be upcoming liquidity requirements, they will take necessary action to ensure that adequate funds are available.

The Company's liquidity may also be impacted by its existing tender offer facility. While any tender of shares is offered at the Board of Director's sole discretion, in the event that the facility is utilised, it may require the use of a material amount of excess cash that the Company may otherwise be able to invest in private equity or reduce outstanding indebtedness.

The Company has entered into a $150 million revolving loan facility agreement with Lloyds Bank which will provide the Company with both short-term and long-term liquidity. Per the credit agreement, the Company and the lender monitor the loan covenants on a quarterly basis. As at 30 June 2015, the Company was in compliance with all such covenants. The loan will mature in January 2018. The undrawn amount of the loan facility as of 30 June 2015 was $150,000,000 (2014: $129,463,500).

The Company also maintains cash and cash equivalents in excess of what the Managers believe will be required in the coming quarters. As at 30 June 2015 the Company held cash and cash equivalents of $20.55 million (2014: $25.41 million). The Managers pursue an investment strategy with respect to all uninvested cash in the Company Portfolio that is designed to balance the need for appropriate liquidity to meet its present and future private equity commitment obligations with the desire to increase the returns of the Company Portfolio.

The investment commitments presented in note 11 represent commitments to invest capital to underlying investments at such time as the managers of those assets request. The precise timing of future calls, and whether such calls will be made at all, is at the discretion of the investment managers of each individual asset within the investment portfolio.
The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	2015					
Financial liabilities	Carrying amounts $'000	Contracted cash flows $'000	Less than 1 month $'000	1 month to - 3 months $'000	3 months to 1 year $'000	More than 1 year $'000
Other payables	1,452	1,452	1,452	-	-	-
ZDP shares	131,668	143,117	-	-	91,966	51,151
	133,120	144,569	1,452	-	91,966	51,151

	2014					
Financial liabilities	Carrying amounts $'000	Contracted cash flows $'000	Less than 1 month $'000	1 month to - 3 months $'000	3 months to 1 year $'000	More than 1 year $'000
Other payables	2,283	2,283	2,283	-	-	-
Derivative financial instruments	1,023	1,023	1,023	-	-	-
Loans	20,545	20,537	-	-	-	20,537
ZDP shares	131,873	155,857	-	-	-	155,857
	155,724	179,700	3,306	-	-	176,394

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Other risks

The Company is exposed to various other risks with respect to its financial assets. A summary of these risks is as follows:

(a) Valuation risk
Valuations of the private equity investments incorporated in the Company's reported Net Asset Value are made, in part, on valuation information provided by the managers of investments in the Company's portfolio. If other factors lead the Managers to conclude that fair value provided by the underlying managers or general partners does not represent actual fair value, the Managers will adjust the value of the investment from the underlying managers and general partners' estimate.

(b) Reliance on Managers
Quality and execution of management is key to a successful business development. The Company will be relying on the Managers and their ability to evaluate investment opportunities and to further develop the Company's investments. The Managers exercise a central role in the investment decision process. Accordingly, the returns of the Company will primarily depend on the performance and abilities of the Managers.

(c) Political and /or regulatory risk
The Net Asset Value of the Company's assets may be affected by uncertainties such as international political developments, changes in governmental policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which the Company's assets are invested.

4. INTEREST AND DISTRIBUTION INCOME

The following table details the interest and other distribution income earned during the year:

	2015 $'000	2014 $'000
Interest income from cash and cash equivalents	92	42
Distributions from financial assets at fair value through profit or loss	5,103	6,515
	5,195	6,557

5. LOAN INTEREST EXPENSE

The following table details the interest expense incurred during the year:

	2015 $'000	2014 $'000
Interest expense from financial liabilities at amortised cost	201	1,409

6. OTHER EXPENSES

The following table details the other expenses incurred during the year:

	2015 $'000	2014 $'000
Legal and professional fees	520	606
Travel expenses	189	171
Bank charges	1	1
Sundry expenses	2,791	2,743
	3,501	3,521

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

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

	2015 $'000	2014 $'000
Designated at fair value through profit or loss		
Investment portfolio	27,932	38,711
Non-current assets held for sale	-	3,296
Held for trading		
Derivative financial instruments	6,357	(1,400)
Net gain from financial assets and liabilities at fair value through profit or loss	34,289	40,607

8. NET FOREIGN CURRENCY GAIN/(LOSS)

The following table details the unrealised foreign currency gains/(losses) during the year:

	2015 $'000	2014 $'000
Cash and cash equivalents	(2,072)	427
ZDP shares	10,779	(13,875)
Lloyds loan	-	(2,389)
Other	1	(8)
	8,708	(15,845)

9. RECEIVABLES

The following table details the receivables at the reporting date:

	2015 $'000	2014 $'000
Accrued distributions	1,297	2,358
Other receivables	1,391	815
	2,688	3,173

10. PAYABLES AND ACCRUALS

The following table details the payables and accruals at the reporting date:

	Notes	2015 $'000	2014 $'000
Administration fee	18	56	302
Audit fee		262	262
Management fee	18	928	909
Directors' fees		-	42
Accrued capital calls		88	696
Other fees		118	72
		1,452	2,283
Maturity profile			
Due within one year		1,452	2,283

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

All investments are designated at fair value through profit or loss at initial recognition, therefore all gains and losses arise on investments designated at fair value through profit or loss. Given the nature of the Company's investments the fair value losses recognised in these 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 30 June 2015, the Company held interests in private equity funds, including fund-of-funds, direct investments and publicly traded equity securities and had unfunded commitments to private equity funds of $53.2 million (2014: $57.7 million) that may be called by the underlying limited partnerships. Approximately 90.32% of the Company's unfunded commitments, or approximately $48.0 million, represents funds with vintage years of 2008 and earlier and are unlikely to be called. In addition, the Company may make capital commitments to private equity funds in the future and may make purchases of existing private equity funds in the secondary market, many of which will be subject to additional funding requirements.

The Company may employ an over-commitment strategy when making investments in private equity funds in order to maximise the amount of its capital that is invested at any given time. When an over-commitment strategy is employed, the aggregate amount of capital committed by the Company to private equity funds at a given time may exceed the aggregate amount of cash that the Company has available for immediate investment.

Because the managers of private equity funds will typically be permitted to make calls for capital contributions following the expiration of a relatively short notice period, employing an over-commitment approach requires the Company to time investments and manage available cash in a manner that allows the funding of its capital commitments when capital calls are made. The Managers are primarily responsible for managing the Company's cash and the timing of its investments. The Managers take into account current cash balances and expected cash flows when planning investment and cash management activities with the objective of seeking to ensure that the Company is able to honour its commitments to funds when they become due.

The Company believes it currently has sufficient liquidity to meet an over-commitment strategy.

In September 2014, the Company completed the sale for $36.6 million of selected non-core assets, Parallel Ventures Limited Partnership and Parallel Private Equity Limited Partnership, (collectively the "Parallel Portfolio") at a 3.75% discount to the sponsor's reported Net Asset Value at 31 March 2014. The Parallel Portfolio was recognised in the comparatives for these financial statements as 'non-current assets held for sale', valued at the cash amount received from the sale.

The following table is an analysis of the investment portfolio and non-current assets held for sale disclosing fair value balances and fair value movements of the investments:

	2015 $'000	2014 $'000
Fair value at beginning of the year	520,879	533,935
Purchase of investment and funding of capital calls	138,239	126,673
Distributions from limited partnership interests and proceeds from disposal of investments	(153,948)	(181,736)
Net fair value movement in the year (including foreign exchange gains and losses)	27,932	42,007
Fair value at the end of the year	533,102	520,879
Reconciliation of accumulated unrealised movements		
Accumulated unrealised losses at beginning of the year	(121,967)	(84,629)
Net unrealised gains/(losses) in the year (including foreign exchange gains and losses)	22,386	(37,338)
Accumulated unrealised losses at the end of the year	(99,581)	(121,967)

Details of underlying investments are presented in the supplementary schedule of investments in note 23.

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

The following tables summarises the valuation of the Company's financial assets and liabilities measured at fair value by the fair value hierarchy as of 30 June 2015:

	2015			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Financial assets designated at fair value through profit or loss				
- Investment portfolio	533,102	27,554	-	505,548
Held for trading				
- Derivative financial instruments	5,334	-	5,334	-
	538,436	27,554	5,334	505,548

	2014			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Financial assets designated at fair value through profit or loss				
- Investment portfolio	484,291	54,416	-	429,875
- Non-current assets held for sale	36,588	-	-	36,588
	520,879	54,416	-	466,463
Financial liabilities designated at fair value through profit or loss				
- Derivative financial instruments	(1,023)	-	(1,023)	-
	519,855	54,416	(1,023)	466,463

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. A sensitivity analysis has not been presented for investments in unquoted companies and funds where these are valued based on the fair values as reported by the respective management or general partners.

There have been no transfers between levels I, II and III during the year.

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

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

	2015 $'000	2014 $'000
Fair value at beginning of the year	466,463	530,001
Purchase of investment and funding of capital calls	132,906	57,294
Distributions from limited partnership interests	(118,956)	(164,914)
Net fair value movement in the year (including foreign exchange gains and losses)	25,135	44,082
Fair value at the end of the year	505,548	466,463

The Level III portfolio gains and losses included in profit or loss for the year ended 30 June 2015 are as follows:

	2015 $'000	2014 $'000
Reconciliation of accumulated unrealised movements		
Accumulated unrealised losses at beginning of the year	(111,828)	(75,222)
Net unrealised gains/(losses) in the year (including foreign exchange gains and losses)	24,197	(36,606)
Accumulated unrealised losses at the end of the year	(87,632)	(111,828)

Total realised and unrealised gains and losses recorded for Level III investments, if any, are reported in "Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss" in the statement of comprehensive income.

The following table summarises within the fair value hierarchy the Company's assets and liabilities not measured at fair value but for which fair value is disclosed:

	2015			
Assets	Total $'000	Level I $'000	Level II $'000	Level III $'000
Other receivables	2,688	-	2,688	-
Cash and cash equivalents	20,547	20,547	-	-
Total financial assets at fair value	23,235	20,547	2,688	-
Liabilities				
Zero dividend preference shares	(131,668)	-	(131,668)	-
Other payables, accrued expenses and other financial liabilities	(1,452)	-	(1,452)	-
Total financial liabilities at fair value	(133,120)	-	(133,120)	-

	2014			
Assets	Total $'000	Level I $'000	Level II $'000	Level III $'000
Other receivables	3,173	-	3,173	-
Cash and cash equivalents	25,410	25,410	-	-
Total financial assets at fair value	28,583	25,410	3,173	-
Liabilities				
Loan balances	(20,545)	-	(20,545)	-
Zero dividend preference shares	(131,873)	-	(131,873)	-
Other payables, accrued expenses and other financial liabilities	(2,283)	-	(2,283)	-
Total financial liabilities at fair value	(154,701)	-	(154,701)	-

Please note that the loan balances are measured at amortised cost, this is not materially different from fair value.

12. 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. These special purpose entities are presented in detail below:

Name	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
Hunter Acquisition Limited ("Hunter Aq")	Guernsey	68.2	Holding company
Bear Stearns Global Turnaround Fund L.P. ("GTF")	Delaware	100.0	Limited Partnership
BSPEL (Lux) S.á r.l. ("BSPEL Lux")	Luxembourg	100.0	Holding company
JPEL TF Limited ("JPEL TF")	Guernsey	100.0	Holding company
Iberian Acquisition Holdings LLC ("Iberian Acq")	Delaware	100.0	Holding company
JPEL Convey Limited ("Convey")	Guernsey	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

BSPEL Mezzanine Funding Limited owns 80% of the issued capital of BSPEL/Migdal Mezzanine Limited, a Guernsey registered company which holds seven fund investments through a limited partnership.

BSPEL/Migdal Mezzanine Limited, a Guernsey registered company which holds seven fund investments through a limited partnership.

BSPEL Australia Limited owns 100% of the issued trust units in Macquarie Private Capital Trust, an Australia registered trust which holds 16 fund investments.

Hunter Acquisition Limited, a Guernsey registered company which holds one fund investment.

Bear Stearns Global Turnaround Fund L.P., a Delaware registered company which holds 11 fund investments.

BSPEL (Lux) S.á r.l., a Luxembourg registered company which holds two fund investments.

JPEL TF Limited is a limited partner in Terra Firma Deutsche Annington, L.P., a Guernsey limited partnership.

Iberian Acquisition Holdings LLC is a limited partner in Alia Capital Fund I CV, a Dutch limited partnership.

JPEL Convey Limited owned a 35% interest in China Media Enterprises Limited, a limited liability BVI company, which was restructured in the prior year.

Back Bay (Guernsey) Limited, a Guernsey registered company which holds one fund investment.

JPEL Holdings Limited, a Guernsey registered company which holds 17 fund investments.

13. DERIVATIVE FINANCIAL INSTRUMENTS

The derivatives held are forward currency contracts.

Forward currency contracts are primarily used by the Company to hedge against foreign exchange rate risks on its non-US dollar dominated trading securities. The Company agrees to deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the reporting date. The Company recognises a gain or loss equal to the change in fair value at the reporting date.

The following forward currency contracts were outstanding as at the reporting date:

	2015				
Currency sold	Currency amount sold '000	Currency bought	Currency amount bought '000	Settlement date	Fair value $'000
AUD	15,000	USD	11,615	13 Jul 2015	46
EUR	110,000	USD	124,677	23 Jul 2015	2,192
USD	67,576	GBP	45,000	21 Oct 2015	3,096
					5,334

	2014				
Currency sold	Currency amount sold '000	Currency bought	Currency amount bought '000	Settlement date	Fair value $'000
AUD	15,000	USD	13,875	7 Jul 2014	(276)
EUR	50,000	USD	67,709	17 Jul 2014	(747)
					(1,023)

14. LOAN BALANCES

	2015 $'000	2014 $'000
Lloyds Bank	-	20,545
Maturity profile		
Due after more than one year	-	20,545

The Company has entered into a multi-currency loan facility agreement with Lloyds Bank. The facility is for $150,000,000 and bears interest of US$ LIBOR/EURIBOR + 330 bps on drawn amounts with leverage of greater than 10% loan to value. At a leverage ratio of below 10%, the loan bears interest of US$ LIBOR/EURIBOR +285 bps. A flat 0.9% rate is paid on undrawn amounts.

The facility agreement was amended on 16 June 2014 and is due to expire 31 January 2018. 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 Total Assets. 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 30 June 2015, the Company's leverage ratio was 0.3 per cent. per the credit agreement and the Company was in compliance with all of the diversification restrictions. The facility is undrawn at 30 June 2015 as the Company paid off all the loans during the financial year (2014: €15,000,000 ($20,545,106)).

15. ZERO DIVIDEND PREFERENCE SHARES

The Company has in issue two classes of zero dividend preference shares ("ZDP Shares") as at the year end: 2015 ZDP Shares ($89,374,460 (2014: $89,414,335)) and 2017 ZDP Shares ($42,293,498 (2014: $42,458,744)).

The holders of the 2015 ZDP Shares are entitled to a redemption amount of 48.75 pence per ZDP Share as increased daily at such a daily compound rate as would give a final entitlement of 87.30 pence on 31 October 2015. The effective interest rate is 8.48% p.a. based on the placing price of 50 pence per ZDP Share. ZDP Shares rank prior to the US$ Equity Shares in respect of the repayment of their entitlement of up to 87.30 pence per ZDP Share. However, they rank behind any borrowings made by the Company that remain outstanding. They carry no entitlement to income and the whole of their return takes the form of capital.

15. ZERO DIVIDEND PREFERENCE SHARES continued

The holders of the 2017 ZDP Shares are entitled to a redemption amount of 65 pence per ZDP Share as increased daily at such a daily compound rate as would give a final entitlement of 107.13 pence on 31 October 2017. The effective interest rate is 8.14% p.a. based on the placing price of 65 pence per ZDP Share. ZDP Shares rank prior to the US$ Equity Shares in respect of the repayment of their entitlement of up to 107.13 pence per ZDP Share and pari passu to the 2015 ZDP Shares and 2015 ZDP Shares. However, they rank behind any borrowings made by the Company that remain outstanding. They carry no entitlement to income and the whole of their return takes the form of capital.

ZDP shareholders will not be entitled to receive any part of the revenue profits, including any accumulated revenue reserves of the Company on a winding-up.

The movement of the ZDP Shares in the year was as follows:

	Number of shares	2015 $'000
Balance at start of year	97,488,124	131,873
Interest accretion	-	10,574
Unrealised foreign exchange movement	-	(10,779)
Balance at end of year	97,488,124	131,668

	Number of shares	2014 $'000
Balance at start of year	97,488,124	107,859
Interest accretion	-	10,139
Unrealised foreign exchange movement	-	13,875
Balance at end of year	97,488,124	131,873

ZDP 2015 Shares		Number of shares
Balance at the beginning of the year	Date	67,077,371
Balance at the end of the year		67,077,371
Issue date	19 December 2008	
Valuation date	30 June 2015	
Days from issue	2,384	
Daily compound rate	0.0232434%	
Initial price	48.75 pence	
Price at valuation	84.84 pence	

ZDP 2017 Shares		Number of shares
Balance at the beginning of the year	Date	30,410,753
Balance at the end of the year		30,410,753
Issue date	12 September 2011	
Valuation date	30 June 2015	
Days from issue	1,387	
Daily compound rate	0.0222971%	
Initial price	65 pence	
Price at valuation	88.55 pence	

The interest charge accrued for the year on the ZDP Shares was $10,573,986 (2014: $10,139,086).

At 30 June 2015 the fair value of the 2015 ZDP Shares was $89,374,460 (2014: $96,080,033) and the fair value of the 2017 ZDP Shares was $42,293,498 (2014: $49,736,007).

16. SHARE CAPITAL

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. The Company's capital is represented by the share capital, zero dividend preference shares ("ZDP Shares"), warrants on US$ Equity Shares and other reserves. The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objectives, both of which are detailed in the Overview & Strategy section and Investment Policy on pages 3, 4 and 5. The Board of Directors also monitors the level of discount between the market price of its US$ Equity Shares and the Company's Net Asset Value per share.

The Company attempts to minimise any discount between the market price of its US$ Equity Shares and the Company's NAV per share through open market purchases of shares at the discretion of the Directors. The Company may hold the acquired shares in its treasury and may re-issue such shares to the market at the current prevailing NAV per share to avoid dilution of existing shareholders. At the Annual General Meeting of 20 December 2007, the shareholders entitled the Board of Directors in accordance with the Companies (Purchase of Own shares) Ordinance, 1998, to make market purchases (within the meaning of section 5 of the said ordinance) of US$ Equity Shares and ZDP Shares of up to 14.99% of the issued shares. At the Annual General Meeting (AGM) held on 29 July 2015, the Directors' authority to make such market purchases has been renewed for an additional year. The Directors at their sole discretion may accept redemption requests for up to 15% of US$ Equity Shares during each financial year.

The balance of shares held in treasury at the year end was 72,267,252 (2014: 66,267,252) US$ Equity and 2,344,176 (2014: 2,344,176) 2015 ZDP Shares. At the year end no 2017 ZDP Shares were held in treasury (2014: NIL).

It is the intention of the Company to reduce the number of equity shares held in treasury to less than 10% of the total shares by 30 June 2016.

There were no changes in the Company's approach to capital management during the year.

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, GBP Equity Shares, EUR 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 Association.

Issued share capital

The movement of the US$ Equity Shares in the year was as follows:

	Date	Number of shares	Price ($)
Balance as at 30 June 2014		346,376,158	
Warrants Exercised	26 Aug 2014	44,416	1.47
Share buyback	18 Sep 2014	(6,000,000)	0.79
Share buyback	22 Oct 2014	(1,600,000)	0.80
Share buyback	17 Nov 2014	(875,000)	0.80
Balance as at 30 June 2015		337,945,574	

	Date	Number of shares	Price ($)
Balance as at 30 June 2013		346,376,158	
Movement in period		-	-
Balance as at 30 June 2014		346,376,158	

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 and the accrued entitlement of the ZDP Shares has been met. As at 30 June 2015 the total share capital was $453,199,652 (2014: $459,877,476). Please refer to the Statement of Changes in Equity on page 35 for details of the movements in share capital.

17. SHAREHOLDER WARRANTS

On 17 August 2009, the Company issued 58,075,764 shareholder warrants by way of a Bonus Issue on the basis of one warrant for every six US$ Equity Shares held as at that date. Each Warrant conferred the right (but not the obligation) to subscribe, for cash, for one US$ Equity Share at the Subscription Price on any Business Day during the period from 1 October 2009 until 30 June 2014 (both dates inclusive), after which the Subscription Rights under the Warrants lapsed.

Each Warrant was capable of conversion into one US$ Equity Share upon exercise of the Subscription Right and on payment of the Subscription Price as set out below.

Notice of the exercise of the Subscription Right may be given by warrant holders at any time from 1 October 2009 until 30 June 2014 (both dates inclusive).

The Subscription Prices, which were determined by reference to the Net Asset Value of the Company as at 30 June 2009 were:

Date Subscription Notice received by the Company (inclusive)	Relevant Subscription Price
1 October 2009 to 30 June 2010	US$1.35 (being a 1% premium to the NAV per US$ equity share as at 30 June 2009)
1 July 2010 to 30 June 2011	US$1.37 (being a 2% premium to the NAV per US$ equity share as at 30 June 2009)
1 July 2011 to 30 June 2012	US$1.39 (being a 4% premium to the NAV per US$ equity share as at 30 June 2009)
1 July 2012 to 30 June 2013	US$1.45 (being an 8% premium to the NAV per US$ equity share as at 30 June 2009)
1 July 2013 to 30 June 2014	US$1.47 (being a 10% premium to the NAV per US$ equity share as at 30 June 2009)

At 30 June 2014, the subscription rights of the shareholder warrants expired. The value attributed to the unexercised shareholder warrants was transferred from share capital to reserves on expiry as shown in the Statement of Changes in Equity on page 35 of the financial statements. This is due to an amount of $7,231,000 which was previously credited to the share capital account on issue of these warrants, and this amount has now been reversed.

At 30 June 2015, there were no shareholder warrants remaining due to the expiry of the Subscription Rights on 30 June 2014. Following the expiration date of 30 June 2014, 44,416 warrants were exercised during the reporting period due to delay in obtaining confirmation from the participating warrant holder.

18. MATERIAL AGREEMENTS

The Managers, Bear Stearns Asset Management Inc., J.P. Morgan Asset Management UK and JF International Management Inc. are entitled to a base management fee, payable monthly in arrears of 1.0% per annum of the Company's Total Assets. The management fee due for the year was $5,420,837 (2014: $5,524,925) and the amount payable at the end of the year was $928,477 (2014: $908,728).

The Managers are 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 Assets 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 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 Net Asset Value above the performance hurdle. The performance fee paid during the year was $NIL (2014: $NIL).

On 4 July 2012, HSBC Management (Guernsey) Limited resigned as administrator, effective no later than 1 October 2012. HSBC Management (Guernsey) Limited was entitled to an annual fee in respect of administration and company secretarial services provided during the year before the date of resignation calculated on the Total Assets of the Company of 0.125% on the first $100 million, 0.1% on the next $50 million, 0.08% on the next $50 million and 0.05% on the balance subject to a minimum of $125,000. The amount payable at the end of the year was $NIL (2014: $200,000).

On 8 August 2012, the Guernsey Financial Services Commission approved Augentius (Guernsey) Limited as administrator and company secretary. Augentius (Guernsey) Limited is entitled to an annual fee in respect of accounting, company secretarial, administration and investment tracking services calculated on a flat fee basis of $660,652 per annum. The fee is payable monthly in arrears. Total fees for the year were $620,541 (2014: $253,367). In addition $67,783 (2014: $411,015) was in relation to other administration fees included in other expenses in the statement of comprehensive income. At 30 June 2015 $55,550 (2014: $101,945) was outstanding in respect of administration fees.

19. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

Earnings per Share

Earnings per share is calculated by dividing the net profit for the year attributable to the US$ Equity Shares by the weighted average number of shares outstanding during the year. Net profit for the year was $41,490,164 (2014: $10,870,093). The weighted average number of US$ Equity Shares in issue during the year was 340,065,951 (2014: 346,376,158).

Weighted average number of US$ Equity Shares

In thousands of shares	Note	2015
Issued shares at 30 June 2014	16	346,376
Effect of shares issued/(bought back) on:		
26 August 2014	16	38
18 September 2014	16	(4,701)
22 October 2014	16	(1,105)
17 November 2014	16	(542)
Weighted average number of US$ Equity Shares at 30 June 2015		340,065

Weighted average number of US$ Equity Shares

In thousands of shares	Note	2014
Issued shares at 30 June 2013	16	346,376
Effect of shares issued/(bought back) on:		
No movement in the period		-
Weighted average number of US$ Equity Shares at 30 June 2014		346,376

Net Asset Value per Share

Net Asset Value per share is calculated by dividing the Net Assets attributable to the US$ Equity Shares at the end of the year by the number of shares outstanding at the end of the year. The Net Asset Value for the year was $428,551,138 (2014: $393,738,408). The total number of US$ Equity Shares outstanding at the end of the year was 337,945,574 (2014: 346,376,158).

20. RELATED PARTY TRANSACTIONS

JPMorgan Asset Management (UK) Limited, Bear Stearns Asset Management Inc. and JF International Management Inc. (the “Managers”) are all related parties of the Company.

Please refer to Note 18 for a breakdown of fees paid during the year.

Mr. Getschow is a senior executive of Bear Stearns Asset Management Inc, one of the Managers to the Company and a subsidiary of JPMorgan Chase & Co.

Other than Mr. Spencer who owns 30,067 US$ Equity Shares and Mr. Dalwood who owns 127,747 US$ Equity Shares, no other Director holds directly or indirectly shares in the Company.

Mr. Ash is entitled to receive Directors fees of £40,000 ($65,500) per annum, Mr. Loudon and Mr. Spencer are each entitled to receive Directors fees of £30,000 ($49,000) per annum. Mr. Dalwood is entitled to receive Directors fees of £30,000 ($49,000) per annum following the confirmation to increase the cap on total Directors remuneration in aggregate from £100,000 to £250,000 at the AGM held on 29 July 2015. Mr. Getschow has waived his right to Directors Fees.

21. ULTIMATE CONTROLLING PARTY

The Company does not have an ultimate controlling party.

22. POST BALANCE SHEET EVENTS

Subsequent to the year end, but prior to the publication of this Annual Report, Deutsche Annington Immobilien Group was renamed to Vonovia SE.

Subsequent to the year end, but prior to the publication of this Annual Report, JPEL completed a $15 million investment in Corsicana Bedding Inc., a leading, low cost manufacturer of generic and private label mattresses and foundations (box springs) in the US.

Subsequent to the year end, but prior to the publication of this Annual Report, the JPEL Board has entered into discussions to transition the existing investment management contract from J.P. Morgan Asset Management ("JPMAM") to an affiliate of Fortress Investment Group LLC ("Fortress") (the "Potential Transaction"). As part of the Potential Transaction, the investment management team that has been responsible for managing JPEL since its inception in 2005 led by Troy Duncan and Greg Getschow, would transition from JPMAM to the credit business of Fortress. The Potential Transaction is part of a broader spin-out involving the investment management team led by Troy Duncan and Greg Getschow. Further information regarding the Potential Transaction will be made available in due course if and as discussions proceed.

Fortress is a highly diversified global investment firm with $72.0 billion in assets under management as of June 30, 2015. Founded in 1998, Fortress manages assets on behalf of approximately 1,700 institutional clients and private investors worldwide across a range of private equity, credit and real estate, liquid hedge funds and traditional asset management strategies. Fortress is publicly traded on the New York Stock Exchange (NYSE: FIG).

The Directors are not aware of any further post balance sheet events which require further disclosure in the financial statements.

23. SCHEDULE OF INVESTMENTS

Vehicle	Investment	2015 $000's	2014 $000's
Back Bay	Stoneleigh Back Bay Associates LLC	5,936	6,319
BMFL/BMML*	BoS Mezzanine Partners, LP	39,757	43,496
BSPEL Aus	Macquarie Private Capital Trust	30,097	45,216
BSPEL Lux	Alto Capital II	856	2,175
BSPEL Lux	Realza Capital Fondo, FCR	2,384	2,553
Convey**	China Media Enterprises Limited	-	19,994
Iberian Acq	Alia Capital Fund I C.V.	5,466	1,203
JPEL	10th Lane Finance Co., LLC	6,016	6,304
JPEL	Aksia Capital III	3,467	3,761
JPEL	Apollo Investment Fund V, L.P.	183	504
JPEL	Apollo Real Estate Investment Fund IV, L.P.	709	783
JPEL	Ares European Real Estate Fund I (IF), L.P.	836	720
JPEL	Argan Capital Fund	3,897	5,092
JPEL	Arlington Capital Partners II, L.P.	1,269	1,326
JPEL	Arrow Path Fund II, L.P.	2,080	1,718
JPEL	Bain Capital Fund VI, L.P.	-	9
JPEL	BCP V Co-Investors (Cayman) L.P.	2,436	1,431
JPEL	Beacon India Private Equity Fund	10,585	6,961
JPEL	Bear Stearns Global Turnaround Fund LP	11,724	16,331
JPEL	Black Diamond Capital Management	7,122	7,490
JPEL	Blackstone Real Estate Partners IV, L.P.	1,213	1,569
JPEL	Blue River Capital I, LLC	3,335	4,648
JPEL	Candover 2001 Fund	-	20
JPEL	Candover 2005 Fund	1,801	2,283
JPEL	Clearwater Capital Partners Fund I, L.P.	290	1,840
JPEL	Clearwater Capital Partners Opportunities Fund (Cayman) Ltd.	28	228
JPEL	Colony Investors VI, L.P.	175	132
JPEL	CPC RD Investment LLC	-	415
JPEL	Deutsche Annington Immobilien Group	27,554	53,444
JPEL	DFJ Esprit Capital III L.P.	3,844	3,666
JPEL	Esprit Capital I Fund	3,851	4,396
JPEL	Gemini Israel III, L.P.	-	23
JPEL	Global Buyout Fund, L.P.	5,811	5,512
JPEL	Global Opportunistic Fund	3,998	3,952
JPEL	Gridiron Capital Fund, L.P.	3,438	3,779
JPEL	Guggenheim Aviation Offshore Investment Fund II, L.P.	295	5,309
JPEL	Highstar Capital III Prism Fund, L.P.	4,552	3,955
JPEL	Hupomone Capital Fund, L.P.	101	1,598
JPEL	Hutton Collins Capital Partners II LP	805	1,281
JPEL	Industry Ventures Fund IV, L.P	1,656	1,799
JPEL	Industry Ventures Fund V, L.P	6,490	4,333
JPEL	Leeds Equity Partners IV Co-Investment Fund A, L.P.	-	973
JPEL	Leeds Equity Partners IV, L.P.	1,993	5,609
JPEL	Leeds Equity Partners V, L.P.	11,733	12,838
JPEL	Liberty Partners II, L.P.	6,360	11,522
JPEL	Life Sciences Holdings SPV I Fund, L.P.	36,437	19,380
JPEL	Luxury Optical Holding Co.	6,511	4,958
JPEL	Main Street Resources I, L.P.	598	243
JPEL	Main Street Resources II, L.P.	884	1,653
JPEL	Markstone Capital Partners, L.P.	308	2,649
JPEL	Milestone 2010, L.P	11,126	10,109
JPEL	Milestone Link Fund, L.P.	3,195	2,638
JPEL	Montagu III L.P.	1	346
JPEL	Morning Street Partners, L.P.	775	775
JPEL	Omega Fund III, L.P.	7,722	7,041
JPEL	Oxford Bioscience Partners IV, L.P.	175	298

23. SCHEDULE OF INVESTMENTS continued

Vehicle	Investment	2015 $000's	2014 $000's
JPEL	Primopiso Acquisition S.a.r.l	19,746	25,150
JPEL	Private Equity Access Fund II Ltd	2,552	2,610
JPEL	Private Opportunity Ventures, L.P.	1,211	1,740
JPEL	Quadrangle Capital Partners, L.P.	164	828
JPEL	Strategic Value Global Opportunities Feeder Fund I-A, LP	477	1,676
JPEL	Strategic Value Global Opportunities Master Fund, LP	599	2,393
JPEL	SVE Star Ventures	-	148
JPEL	Terra Firma Deutsche Annington L.P.	3	-
JPEL	Thomas H. Lee Equity Fund V, L.P.	22	584
JPEL	Trumpet Feeder Ltd	1,437	1,208
JPEL	Warburg Pincus Private Equity VIII, L.P.	1,748	2,970
JPEL	Wellington Partners Ventures II GMBH & CO.KG (B)	894	1,228
JPEL	Wellington Partners Ventures III Life Science Fund L.P.	2,445	2,765
JPEL Holdings	Accela Investors, LLC	17,625	-
JPEL Holdings	Accurate Result Investments Limited	5,236	-
JPEL Holdings	Alliant Investor A, LLC	17,438	14,393
JPEL Holdings	Aqua Resources Fund Limited	5,242	7,056
JPEL Holdings	Britania Investments S.a.r.l	-	3,276
JPEL Holdings	Cavalier International SA	4,535	-
JPEL Holdings	Fairfield L.P.	11,015	13,896
JPEL Holdings	Gulf Healthcare International LLC	7,873	7,784
JPEL Holdings	Identitag Secondary Opportunities S.A.R.L	19,765	18,949
JPEL Holdings	Industry Ventures Fund VI, L.P.	2,342	2,380
JPEL Holdings	MBI Holding, Inc.	18,392	-
JPEL Holdings	Milestone Investisseurs 2014 SLP	17,383	-
JPEL Holdings	MTS Celerion Holdings, LLC	21,683	-
JPEL Holdings	Omega Fund IV, L.P.	2,186	1,181
JPEL Holdings***	Parallel Ventures Limited Partnership and Parallel Private Equity Limited Partnership	-	36,588
JPEL Holdings	Placid Holdings	29,199	13,471
JPEL Holdings	Polo Holdings S.à.r.l.	6,013	-
JPEL Holdings	Prosper Marketplace, Inc.	13,000	-
JPEL Holdings	Yangzhou Ya Tai Property Limited	10,935	-
JPEL TF	Terra Firma Deutsche Annington L.P. (JPEL TF Limited)	72	-
Total market value of Investments held by the Company		**533,102**	**520,879**

*The value attributed to BoS Mezzanine Partners, LP represents the valuation of JPEL's interest in BMML. This comprises BoS Mezzanine Partners, LP, $36,764,585 (2014: $49,094,764) and net assets of $2,992,455 (2014: net liabilities of $5,598,269).

**In 2014, the Managers restructured the Company's investment in China Media Enterprises Limited ("CME"). In particular, the Managers worked to mitigate the Company's exposure to the non-Hong Kong advertising operations. As part of this restructuring, the Company held an interest in CME's Hong Kong advertising operations as well as a separate investment in a large residential and commercial real estate development project in Yangzhou, China. The Company's 30 June 2014 valuation reflects the combined interest of CME's Hong Kong advertising operations as well as the value of the real estate assets.

***In September 2014, The Company completed the sale for $36.6 million of selected non-core assets, Parallel Ventures Limited Partnership and Parallel Private Equity Limited Partnership, (collectively the "Parallel Portfolio") at a 3.75% discount to the sponsor's reported NAV at 31 March 2014. The sale price represented an approximate 1.7% discount to the Company's US$ carrying value as reported in the Company's 31 May 2014 NAV or $617,282. The value of the Parallel Portfolio in the above table for the comparative period is based on the sale proceeds received by the Company.

Investment Vehicle	Abbreviation
JP Morgan Private Equity Limited	JPEL
Back Bay (Guernsey) Limited	Back Bay
BSPEL Australia Limited	BSPEL Aus
BSPEL (Lux) S.á r.l.	BSPEL Lux
BSPEL Mezzanine Funding Limited	BMFL
BSPEL/Migdal Mezzanine Limited	BMML
Iberian Acquisition Holdings LLC	Iberian Acq
JPEL Convey Limited	Convey
JPEL Holdings Limited	JPEL Holdings
JPEL TF Limited	JPEL TF

Information about the Company

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	JF INTERNATIONAL MANAGEMENT INC Chater House 8 Connaught Road Hong Kong
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Information about the Company continued

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