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JPEL Private Equity Limited

Unaudited Interim Report and Financial Statements

for the period ended 31 December 2017

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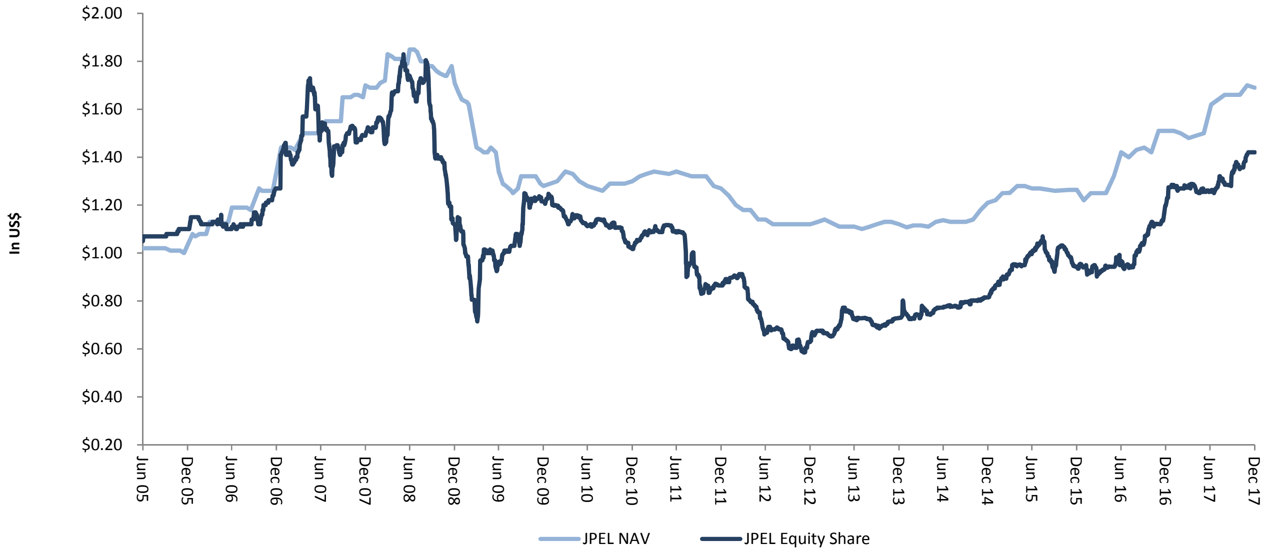
Financial Summary (Company Information)

	31 December 2017
US$ Equity Shares	
NAV per Share	$1.69
Share Price	$1.42
Shares in Issuance (excluding shares held in treasury)	218.4m
2017 ZDP Shares	
(2017 ZDP Shares were redeemed during the period)	-
Statement of Financial Position (extract)	
Investments at Fair Value	$339.6m
Bank Deposits	$30.9m
Other Assets	$0.1m
Credit Facility	-
Other Liabilities	($1.5m)
Zero Dividend Preference Shares	-
US$ Equity Net Asset Value[1]	**$369.2m**

Performance as at 31 December 2017

JPEL Performance Since Inception[2]



Past performance is not an indication of future performance.

1 Numbers may not sum due to rounding.
2 Source: Manager, Bloomberg as at 31 December 2017.

Overview & Strategy

OVERVIEW

JPEL Private Equity Limited[1] ("JPEL" or the "Company") is a Guernsey registered and incorporated closed ended investment company with a Premium Listing on the London Stock Exchange (LSE: JPEL). The fair value of the Company's total assets as at 31 December 2017 was $370.7 million.

JPEL held its initial public offering on 30 June 2005 under the name "Bear Stearns Private Equity Limited". The Company currently has one class of US$ Equity Shares.

At 31 December 2017, JPEL is managed by FCF JPEL Management LLC ("FCF JPEL" or the "Manager"), an affiliate of Fortress Investment Group LLC ("FIG" or "Fortress"). On 11 March 2016, JPEL signed an investment management agreement with the Manager, which, other than provisions specifically reflecting the appointment of a new investment manager, is similar to the prior investment management agreement with J.P. Morgan Asset Management ("JPMAM") in all material aspects. Accordingly, JPEL terminated its investment management agreement with JPMAM on 11 March 2016 (the "Fortress Transaction"). Prior to 11 March 2016, JPEL was managed by Bear Stearns Asset Management Inc., JPMorgan Asset Management (UK) Limited and JF International Management Inc., all wholly-owned subsidiaries of JPMorgan Chase & Co.

As part of the Fortress Transaction, the investment management team that has been responsible for managing JPEL, led by Troy Duncan and Greg Getschow, has transitioned from JPMAM to the Credit business of FIG. There was no change in the Company's underlying investment strategy, investment team or investment committee members as a result of the Fortress Transaction. The Company has entered into a management agreement with the Manager, subject to the overall supervision of the Board of Directors (the "Directors"). All Directors are independent of the Company. The Directors have overall responsibility for the Company's investment policy and the Company's activities.

FIG is a highly diversified global investment firm with approximately $36.1 billion[2] in assets under management as of 30 September 2017. Founded in 1998, Fortress manages assets on behalf of approximately 1,750 institutional and private investors worldwide across a range of private equity and permanent capital strategies, credit and real estate.

FIG's Credit business ("Fortress Credit") was launched in 2002 by Pete Briger. Today, the Fortress Credit team consists of over 460 professionals and is focused on investing globally, primarily in undervalued assets and distressed and illiquid credit investments. The investment team, led by Co-Chief Investment Officers Pete Briger and Dean Dakolias, has a long and established track record investing throughout a number of credit and distressed cycles around the world. With over 105 professionals dedicated to asset management in over 13 geographic locations, the Fortress Credit team also has the experience to manage and service assets with operational complexity.

Fortress was acquired by Softbank Group Corp (9984: Tokyo) ("Softbank") on December 27, 2017 and operates as an independent business within Softbank under the continuing leadership of Pete Briger, Wes Edens and Randy Nardone.

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").

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[1] On 26 February 2016, Shareholders voted to change the Company's name from J.P. Morgan Private Equity Limited to JPEL Private Equity Limited. The name change was effective on 11 March 2016.

[2] Includes $1.4 billion of AUM related to co-managed funds as at 30 June 2017. Includes $5.1 billion of AUM related to the Affiliated Manager, an external manager in which Fortress owns a minority interest as at 30 September 2017.

Overview & Strategy continued

INVESTMENT STRATEGY

Following the retirement of JPEL's 2017 Zero Dividend Preference Shares in October 2017 and change to the Company's investment policy, the Manager is effecting an orderly realisation of the investments and other assets comprised in the Company's portfolio and will seek to realise such investments and assets in order to maximize returns to US$ Equity Shareholders.

This will include the Manager exploring the private equity secondary market for the Company's legacy fund interests within three years from June 2016 as well as holding the direct investment portfolio until maturity, unless the Manager believes that market pricing would be more favourable than realising such investments before their maturity.

The Company will not make any new investments save for follow-on investments associated with investments in existence as of June 2016 to meet capital calls with respect to its undrawn commitments to underlying investments or to preserve or protect the value of its existing investments as of June 2016.

Investment Policy

REALISATION OF THE COMPANY’S PORTFOLIO

Following the repayment of the 2017 Zero Dividend Preference Shares in October 2017, the Manager is effecting an orderly realisation of the investments and other assets comprised in the Company Portfolio and will seek to realise such investments and assets in order to maximize returns to US$ Equity Shareholders. This will include the Manager exploring the private equity secondary market for the Company’s legacy fund interests within three years from June 2016 as well as holding the direct investment portfolio until maturity, unless the Manager believes that market pricing would be more favourable than realising such investments before their maturity. Commencing from June 2016, the Company will not make any new investments save for follow-on investments associated with investments in existence as of June 2016 to meet capital calls with respect to its undrawn commitments to underlying investments or to preserve or protect the value of its existing investments as of June 2016.

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 of Incorporation (“Articles”). As part of its leverage policy, the Company may borrow for short-term or temporary purposes as is necessary for settlement of transactions, to facilitate the operation of the over-commitment policy or to meet ongoing expenses. The Directors and the Manager will not incur any short-term borrowings to facilitate any tender or redemption of US$ Equity Shares unless such borrowings have a repayment period of 180 days or less. The Company is indirectly exposed to borrowings to the extent that subsidiaries and underlying funds in its portfolio are themselves leveraged.

Chairman's Statement

During the last six months, JPEL delivered strong performance and returned approximately $118.3 million to 2017 ZDP Shareholders (£32.6 million) and US$ Equity Shareholders ($75 million).

HIGHLIGHTS[1]

- NAV per US$ Equity Share increased $0.07, or 4.3%, to $1.69 from $1.62.
- US$ Equity Share price increased 12.8%.
- Retired JPEL's remaining class of Zero Dividend Preference Shares, returning £32.6 million to shareholders on 31 October 2017.
- Completed third mandatory redemption, returning $75 million to equity shareholders on 14 December 2017.
- The Company had $31 million in cash at 31 December 2017 and no debt.
- Subsequent to the period, the Company extended its credit facility through 31 December 2019, and reduced the size of the facility to $35 million.

NAV AND SHARE PRICE PERFORMANCE

In the six months ending 31 December 2017, JPEL's NAV per US$ Equity Share increased by $0.07 or 4.3% to $1.69. JPEL's US$ Equity Share price increased 12.8% during the six month period from $1.26 to $1.42. Subsequent to the period, JPEL's US$ Equity Share price increased from $1.42 to $1.45 on 16 March 2018, representing an increase of 2.1%. As of 16 March 2018, JPEL traded at a 14.7% discount to prevailing NAV.

RETURN OF CAPITAL

On 31 October 2017, JPEL redeemed and cancelled its 2017 Zero Dividend Preference Share Class (Ticker – LSE: JPSZ) and the listing was cancelled. The Final Capital Entitlement of the 2017 ZDP Shares was £32.6 million and was financed using cash on hand.

On 14 December 2017, JPEL completed its third mandatory redemption and returned $75 million or 17.2% of the October 2017 NAV, representing approximately 45.2 million US$ Equity Shares. Inclusive of the third mandatory redemption, JPEL has returned $184.2 million to US$ Equity Shareholders, or approximately 38% of the Company's 31 October 2016 NAV, the prevailing NAV at the time of the Company's initial mandatory redemption.

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

CAPITAL POSITION

As of 31 December 2017, the Company did not have any leverage nor any outstanding ZDPs. This compares to a total leverage ratio[2] of 8.7% at 30 June 2017.

Subsequent to the period, JPEL refinanced and extended its existing credit facility with Lloyds through December 2019. The size of JPEL's facility was reduced to $35 million and the cost was reduced from LIBOR / EURIBOR + 285bps to LIBOR / EURIBOR + 250bps.

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[1] For the six-month period ending 31 December 2017.

[2] Leverage is defined as debt drawn under the Company's credit facility and Zero Dividend Preference Shares. The Leverage ratio is calculated as leverage divided by total assets.

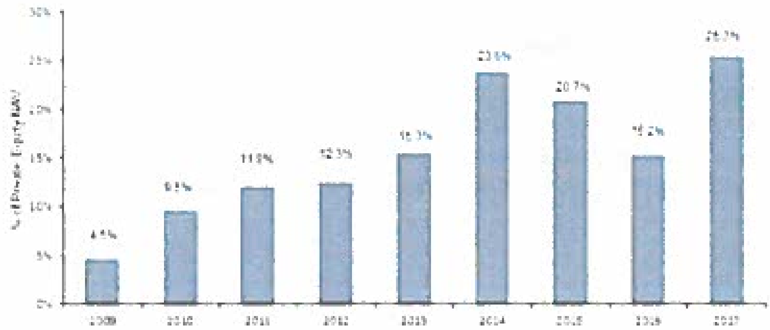
Chairman's Statement continued

DISTRIBUTION ACTIVITY

During the six months ended 31 December 2017, the portfolio generated gross distributions of $129.1 million[1] and funded capital calls of $4.6 million. While the portfolio produced distributions from a large number of holdings, notable distributions during the period included the sale of Accela (JPEL's third largest investment at 30 June 2017), the sale of Celerion (JPEL's 8th largest investment at 30 June 2017) as well as distributions from the sale of shares in FibroGen.

Distributions received during JPEL's 2017 calendar year represented 25.3% of 31 December 2016 private equity NAV.

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



* Source Manager. As at 31 December 2017.

MARKET OUTLOOK

The Board and the Manager believe that despite recent public market volatility, the overall environment continues to be favourable for realisations of well performing private equity assets. The current portfolio is fairly mature with a weighted average age of 6.4 years at 31 December 2017.

CONCLUSION

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

Sean Hurst
Chairman
21 March 2018

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[1] Distributions are shown on a cash basis

Corporate Actions

2017 CORPORATE ACTIONS

- On 31 October 2017, JPEL's 2017 ZDP Shares (Ticker: JPSZ) were successfully redeemed and cancelled in accordance with the Company's Articles of Incorporation. The Final Capital Entitlement of the 2017 ZDP Shares was approximately £32.6 million at their final redemption date and paid to shareholders on record on 31 October 2017. The redemption was financed using cash on hand.

- On 9 November 2017, JPEL published a circular to Shareholders.
    - The circular contained a notice of AGM and separate class meeting of holders of US$ Equity Shares on 30 November 2017.
    - The following summarises all of the resolutions the Company sought approval for at the Annual General Meeting.

  Special Resolutions
  1. To renew the Company's authority to make purchases of up to 15 per cent. of each class of its own issued shares pursuant to any proposed Tender Offer.
  2. To renew the Company's general authority to make market purchases of up to 14.99 per cent. of each class of its own issued Shares.

  Ordinary Resolutions
  3. To approve and adopt the Annual Report and Financial Statements of the Company for the year ended 30 June 2017.
  4. To re-elect PricewaterhouseCoopers CI LLP as Auditors to the Company.
  5. To re-authorise the Directors to determine the Auditors' remuneration.
  6. To re-authorise and agree the remuneration of the Directors in accordance with the Articles of Incorporation.
  7. To re-elect Christopher P. Spencer as a non-executive, independent director of the Company, who retires by rotation.
  8. To re-elect John Loudon as a non-executive, independent director of the Company, who retires by rotation.

- On 1 December 2017, JPEL announced a capital distribution of $75 million (the equivalent of approximately 42.5 million US$ Equity Shares, or 17.1% of US$ Equity Shareholder NAV) to take place on 14 December 2017. The compulsory redemption of US$ Equity Shares was issued at a price equal to the prevailing NAV per US$ Equity Share of $1.66 as at 31 October 2017 (being the most recent NAV per US$ Equity Share available as of the date of the announcement) for US$ Equity Shareholders on the register of members as at close of business on 14 December 2017. Payments of redemption proceeds were effected either through CREST (in the case of shares held in uncertificated form) or by cheque (in the case of shares held in certificated form) on or around 21 December 2017.

- On 4 December 2017, JPEL announced that at the AGM of the Company held on 30 November 2017, all resolutions put to shareholders at the AGM were duly passed.

- On 14 December 2017, JPEL announced that the third mandatory redemption of the Company's US$ Equity Share class announced on 1 December 2017 was completed.

Statement of Principal Risks and Uncertainties

The Company, the Company's investments and the underlying portfolio companies are materially affected by a variety of risks and uncertainties in the global financial markets and economic conditions throughout the world. The risks described below are the principle risks which are considered by the Board to be material to the shareholders of the Company. Greater detail on these risks is provided in Note 3 of the Annual Financial Statements. The Directors consider that the principal risks and uncertainties have not changed materially since the year end and are not expected to change materially for the remaining six months of the financial year.

- **Market risk:** Market risk embodies the potential for both gains and losses and includes interest rate risk, currency risk and price risk. The Manager works to mitigate risk by creating a diversified portfolio, focusing on achieving a balance across Manager, investment styles, industrial sectors and geographical focus;
- **Interest rate risk:** Interest rate risk refers to the Company's exposure to changes in interest rates, primarily relating to cash and cash equivalents and floating rate debt obligations. External interest bearing liabilities are limited in size by the Company's internal policies;
- **Currency risk:** Currency risk arises from the possibility that fluctuations in foreign currency exchange rates will affect the value of the Company's assets and liabilities, the net asset value and the market price of the US$ equity shares. As at 31 December 2017, the Company had two currency hedges in place to partially mitigate fluctuations in its foreign exchange exposure.
- **Price risk:** Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in that market;
- **Credit risk:** Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. The Company's exposure to credit risk is managed on an ongoing basis by the Manager and on a quarterly basis by the Board 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. Subsequent to the period, on 26 January 2018, the Company extended the terms of its credit facility with Lloyds until December 2019 and reduced the facility size to $35 million.
- **Other risks:** The Company is exposed to various other risks with respect to its financial assets including valuation risk, reliance on the Manager, political and regulatory risk.

Related Party Transactions

Related party transactions are reported in note 15 of the condensed interim financial statements.

Going Concern

The Directors have examined significant areas of possible credit and liquidity risk and have satisfied themselves that no material uncertainties exist. The Directors have taken into consideration the Company's expected cash flows for a period exceeding twelve months from the date of approval of the financial statements, in respect of follow-on investments and ongoing fees. Given the Company's current cash position, and the undrawn amounts from the Lloyds facility which has been extended until December 2019 (see note 10 of the condensed financial statements for further details on the loan facility), combined with the expected distributions over the same period, the Directors believe the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the condensed financial statements. After due consideration of this, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

PRIIPs Regulation

Following the introduction of the Packaged Retail and Insurance Investments Products (PRIIPs) Regulation on 1 January 2018, the Company has released its Key Information Document which may be found on the Company's website:www.jpelonline.com

Responsibility Statement

The Directors confirm to the best of their knowledge:

a. The condensed half year financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting; and

b. The Interim Report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules 4.2.7R; and

c. The Interim Report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

The Interim Report was approved by the Board on 21 March 2018 and the above Responsibility Statement was signed on its behalf by

Sean Hurst

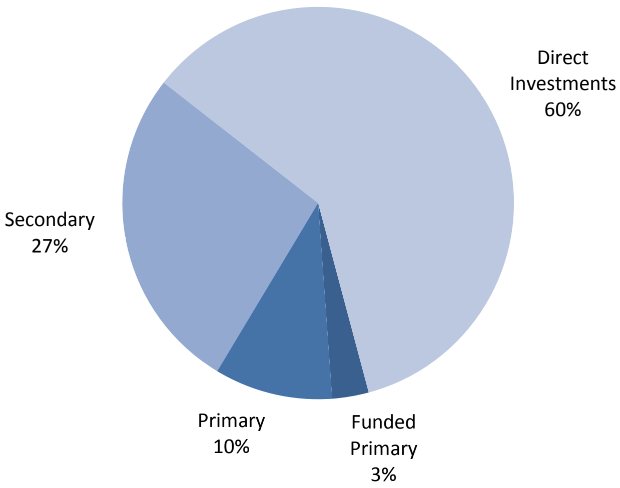
Chairman

Manager's Review

PORTFOLIO REVIEW

With an investment value of $339.6 million, JPEL's portfolio is diversified globally across multiple investment strategies and industries as at 31 December 2017.

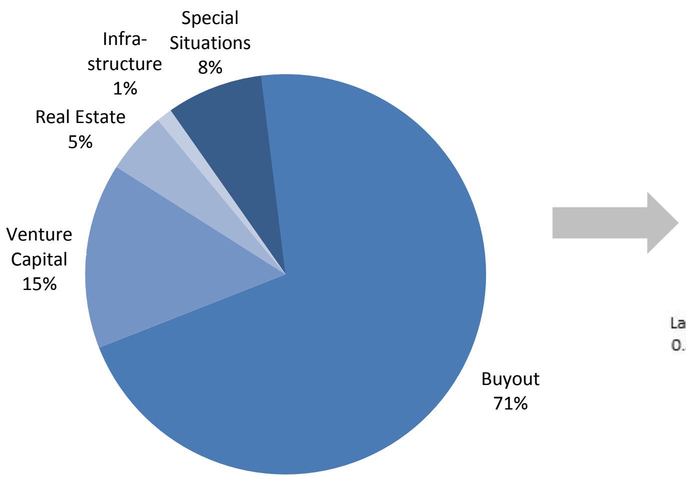
Investment Type[1]



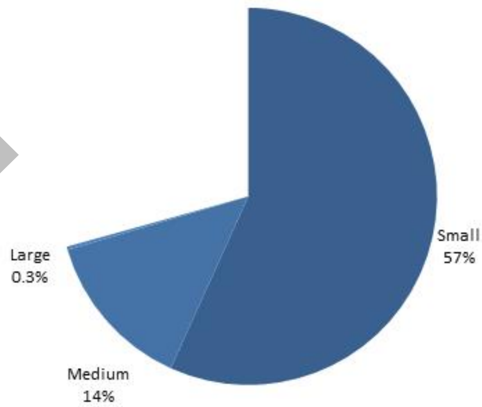
Direct investments comprise 60% of the portfolio, while secondary investments make up 27% of JPEL's portfolio NAV.

As at 31 December 2017, primary investments comprised 10% of JPEL's portfolio while funded primaries made up 3% of JPEL's portfolio NAV.

Investment Strategy[1]



Buyout Fund Sizes[2]



Currently, buyout funds constitute approximately 71% of JPEL's portfolio. Within this strategy, the majority of the Company's investments are with fund managers that focus on small to medium sized buyouts, which generally utilise less leverage.

JPEL's exposure to venture capital stands at 15% due largely to the Company's interests in FibroGen Inc. and Paratek Pharmaceuticals, Inc. JPEL maintains an 8% allocation to special situation funds which includes mezzanine, debt, turnaround and distressed funds. JPEL's exposure to real estate and infrastructure stands at 3% and 1%, respectively.

1 Based on 31 December 2017 market value of investments, percentages based on underlying fund-level values.
2 Fund classifications for buyout strategy are based on total fund commitments: Small: $0 - $500 million; Medium: $500 - $2,000 million; Large: over $2,000 million. Co-investments allocated by size of underlying sponsor fund.

Manager's Review continued

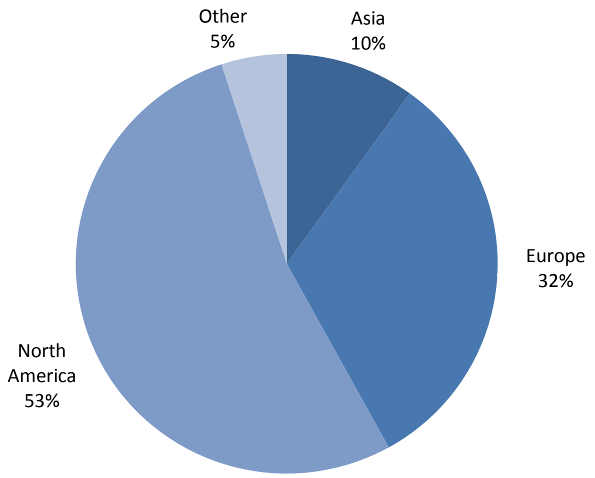
PORTFOLIO REVIEW continued

Portfolio Age[1]

Average Age of Portfolio	
Weighted average age:	**6.4 years**
Direct investments:	4.2 years
Fund investments:	9.3 years
Buyout investments:	5.2 years
Venture investments:	7.9 years

With a weighted average age of 6.4 years, JPEL's portfolio is well positioned on the private equity "J-Curve" to continue to receive distributions.

Geographic Footprint[2]



JPEL's private equity portfolio is diversified with investments in over 30 countries, helping to mitigate country and regional risk as well as to capitalise on the growth of expanding economies. North America and Europe represent the majority of the Company's portfolio at 53% and 32% respectively. JPEL's allocation to Asia stands at 10% while investments in the rest of the world represent 5% of the portfolio.

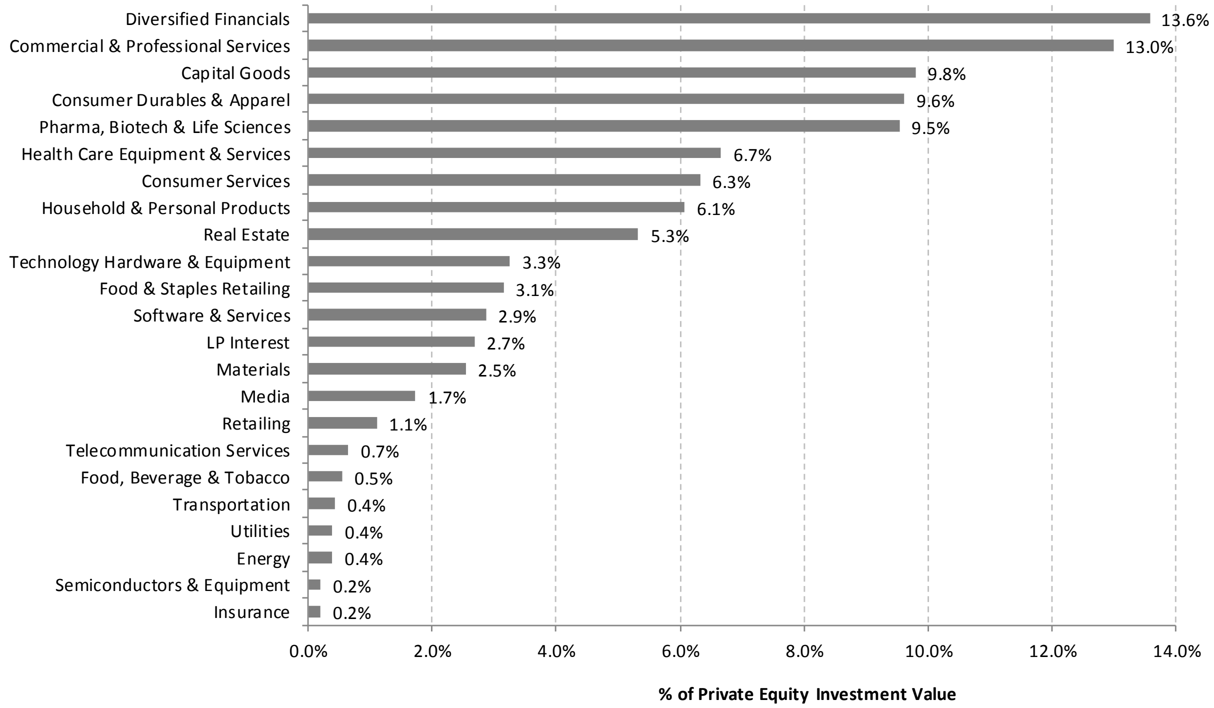
1 Based on 31 December 2017 market value of investments, percentages based on underlying company-level values. Average age of investments is based on the date in which each individual portfolio company investment was made, subject to availability. Weighting is based on underlying portfolio company level values. Age calculated at 31 December 2017. Average is weighted based on investments at market value as at 31 December 2017 percentages based on underlying company-level values. Direct investment age is based on the date of JPEL's investment. Fund investment age is based on the date of the Sponsors' original investment.
2 Based on 31 December 2017 market value of investments, percentages based on underlying company-level values.

Manager's Review continued

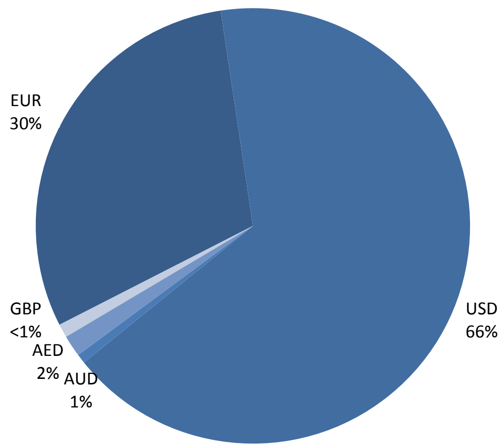
PORTFOLIO REVIEW continued

Industry Composition [1]

The portfolio is currently weighted towards companies in the diversified financials sector at 13.6% of the portfolio as well as commercial and professional services which represent 13.0% of the portfolio.



Currency Composition [2]



As at 31 December 2017, investments held in US Dollars made up approximately 66% of JPEL's private equity market value. Investments held in Euros comprised 30% of the private equity portfolio, while the Australian Dollar, UAE Dirham and Sterling represented 4% of the portfolio, combined.

1 Based on 31 December 2017 market value of investments, percentages based on underlying company-level values.

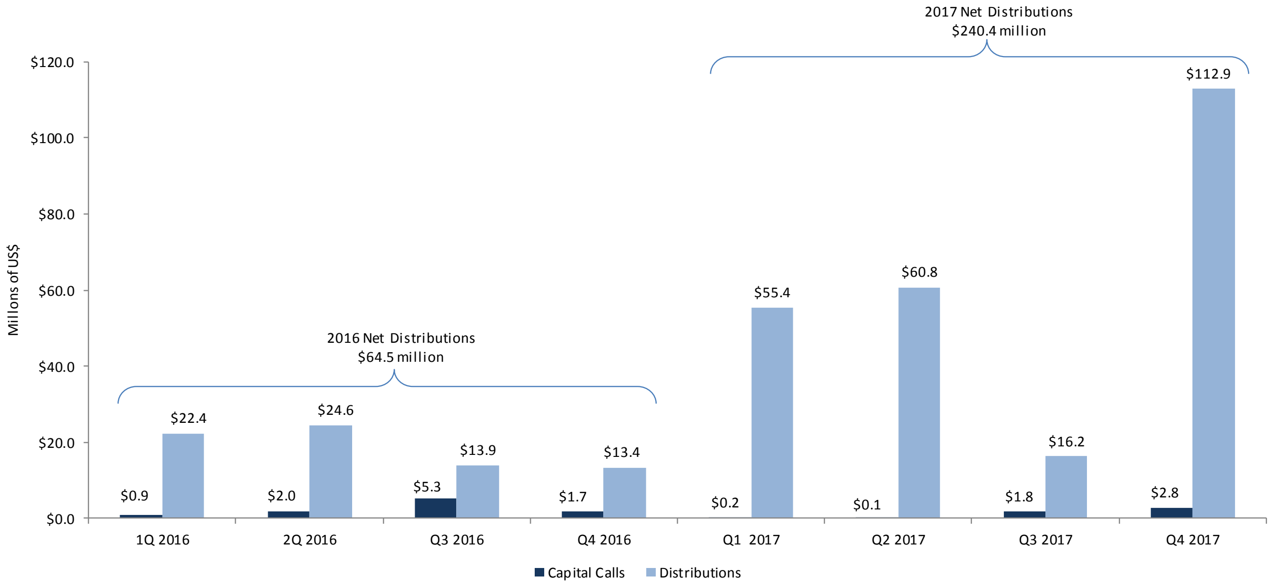
2 Based on 31 December 2017 market value of investments, percentages based on underlying fund-level values. Please refer to page 26 of the financial statements for net currency exposure on the Company Level.

Manager's Review 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]



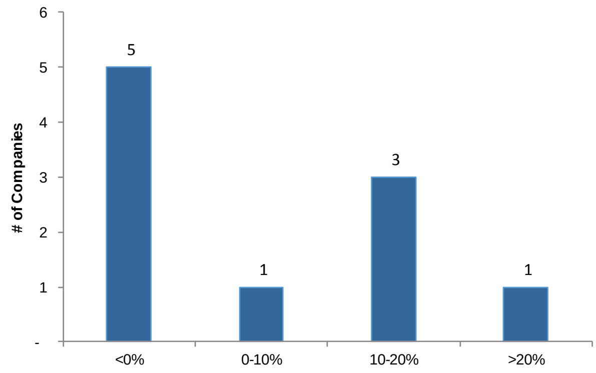
With $110.1 million of net distributions, Q4 2017 delivered JPEL's strongest distribution activity in the Company's history. As the Company's older fund of funds assets run off, the Manager anticipates distribution activity may become more intermittent with cash flow stemming from the sale of direct investments.

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

BUYOUT COMPANY VALUATIONS AND PERFORMANCE

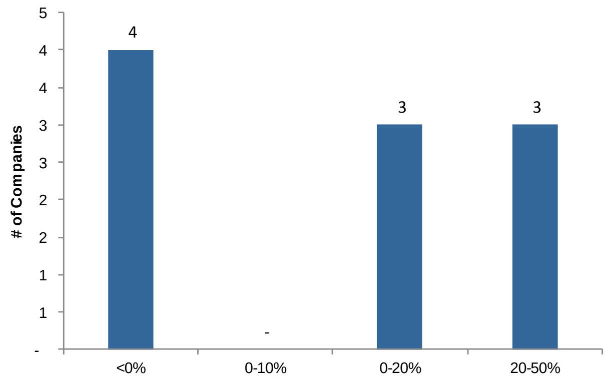
The following charts provide an analysis of JPEL's ten largest traditional buyout companies which comprise more than 50% of the NAV at 31 December 2017. Of JPEL's 20 largest companies by unrealised value, 10 are traditional buyout companies, three are venture capital, two are growth equity investments, two are real estate and three are special situations.

Top Buyout Company EBITDA Growth[1]



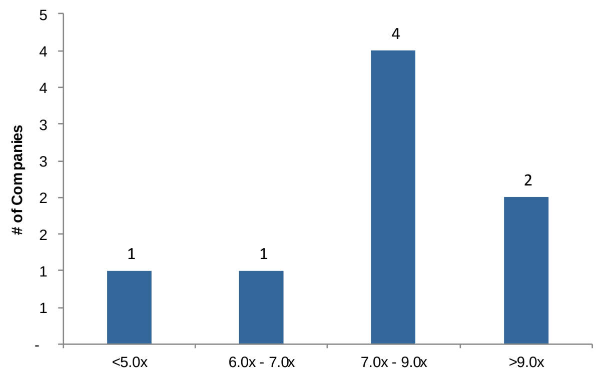
LTM EBITDA for JPEL's top investments grew by a weighted-average of 6.5%.

Top Buyout Company Revenue Growth[1]



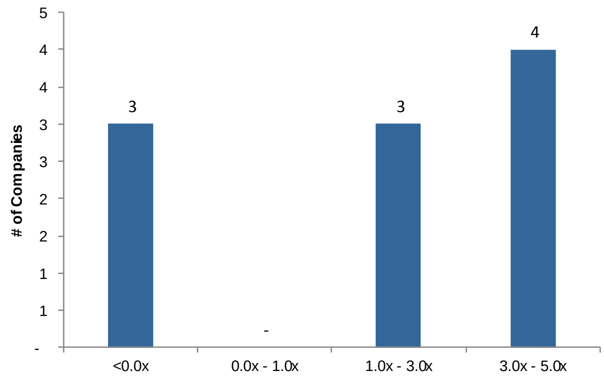
LTM Revenue for JPEL's top investments grew by a weighted-average of 5.5%.

Top Buyout Company Enterprise Value / EBITDA[1, 2]



On a weighted average basis, JPEL's top buyout companies are carried at an Enterprise Value / EBITDA multiple of 7.5x.

Top Buyout Company Net Debt / EBITDA[1]



JPEL's top buyout companies have a weighted average Net Debt / EBITDA multiple 1.8x.

1. Analysis based on LTM information on JPEL's largest buyout investments and as at 31 December 2017. Of JPEL's top 20 underlying company exposures, 10 companies are classified as traditional buyout and included in this analysis. Information for all of the companies is as of 30 September 2017.
2. EV/EBITDA information was unavailable for two of the 10 companies.

Manager's Review continued

TOP 20 FUNDS & COMPANIES INFORMATION

Top 20 Funds[1,2]

	Fund	Region	Fund Strategy	% of Private Equity Investment
1	Leeds Equity Partners V, L.P.	North America	Buyout	4.2%
2	Life Sciences Holdings SPV I Fund, L.P.	Europe	Venture Capital	4.0%
3	Global Buyout Fund, L.P.	Other	Buyout	1.7%
4	Omega Fund III, L.P.	Europe	Venture Capital	1.6%
5	Beacon India Private Equity Fund	Asia	Buyout	1.5%
6	Black Diamond Capital Management	North America	Special Situations	1.5%
7	Alcentra Euro Mezzanine No1 Fund L.P.	Europe	Special Situations	1.3%
8	GSC European Mezzanine Fund II L.P.	Europe	Special Situations	1.2%
9	Industry Ventures Fund V, L.P	North America	Venture Capital	1.2%
10	Argan Capital Fund	Europe	Buyout	1.1%
11	Global Opportunistic Fund	Other	Buyout	1.0%
12	Hutton Collins Capital Partners II LP	Europe	Special Situations	1.0%
13	Esprit Capital I Fund	Europe	Venture Capital	0.9%
14	Liberty Partners II, L.P.	North America	Buyout	0.9%
15	Blue River Capital I, LLC	Asia	Buyout	0.8%
16	Highstar Capital III Prism Fund, L.P.	North America	Infrastructure	0.7%
17	Omega Fund IV, L.P.	North America	Venture Capital	0.7%
18	Wellington Partners Ventures III Life Science Fund	Europe	Venture Capital	0.6%
19	Strategic Value Global Opportunities Fund I-A	North America	Special Situations	0.5%
20	Industry Ventures Fund VI, L.P.	North America	Venture Capital	0.5%

Top 20 Companies[1,2]

	Company	Country	Industry Group	% of Private Equity Investment
1	Mr. Bult's, Inc.	US	Commercial Services & Supplies	13.3%
2	Swania	France	Household Durables	9.3%
3	RCR Industrial S.a.r.l	Spain	Construction & Engineering	8.0%
4	Tax Advisory Services	US	Diversified Financial Services	7.5%
5	Corsicana Bedding Inc.	US	Household Products	6.5%
6	Paratek Pharmaceutical Inc.	US	Pharmaceuticals	4.4%
7	Prosper Marketplace, Inc.	US	Diversified Financial Services	3.8%
8	Groupo Zena	Spain	Food & Staples Retailing	3.0%
9	Placid Holdings	India	Electronic Equipment, Instruments &	2.7%
10	Back Bay (Guernsey) Limited	US	Real Estate Management &	2.7%
11	Genuine Idea	China	Real Estate Management &	2.5%
12	Diaverum	Sweden	Health Care Providers & Services	2.4%
13	Gulf Healthcare International LLC	United Arab Emirates	Health Care Providers & Services	1.9%
14	FibroGen	US	Biotechnology	1.7%
15	SaaS Provider	US	Software	1.7%
16	SSK Pertorp	Sweden	Chemicals	1.5%
17	BARBRI, Inc	US	Diversified Consumer Services	1.2%
18	ION Media	US	Media	1.2%
19	Indostar Capital	India	Diversified Financial Services	0.9%
20	iModules Software, Inc.	US	Software	0.9%

1 Top 20 Funds and Top 20 Companies include underlying funds and companies indirectly owned through the purchase of secondary interest in Private Equity Access Fund II Ltd, Bear Stearns Global Turnaround Fund, L.P., BoS Mezzanine Partners Fund, L.P. (BoS company-level exposure includes estimated pro rated fund-level leverage), and ROC Capital Trust.
2 Percentages are calculated based on 31 December 2017 unaudited market value of investments.

Condensed Interim Statement of Comprehensive Income - Unaudited

for the period ended 31 December 2017

	Notes	01/07/2017 to 31/12/2017 $'000	01/07/2016 to 31/12/2016 $'000
Income			
Interest and dividend income	4	2,288	(368)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss	7	26,394	25,347
Realized (loss)/gain on forward currency contracts		(5,719)	8,809
Total net income		**22,963**	**33,788**
Expenses			
Investment management fees		(2,267)	(2,659)
Accounting and administration fees		(375)	(354)
Audit fees		(105)	(106)
Directors' fees		(100)	(95)
Other expenses	6	(743)	(804)
Total expenses		**(3,590)**	**(4,018)**
Profit before finance costs		**19,373**	**29,770**
Finance costs			
Loan facility costs	5	(249)	(709)
Interest expense - Zero dividend preference shares	11	(1,165)	(1,558)
Net foreign exchange gain		474	2,312
Profit before tax		**18,433**	**29,815**
Tax expense		(2,592)	(969)
Net Profit for the period		**15,841**	**28,846**
Other comprehensive income		-	-
Total comprehensive income for the period		**15,841**	**28,846**
Earnings per share			
Earnings per US$ Equity Share		$0.060	$0.085

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

The notes on pages 20 to 33 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Financial Position - Unaudited

as at 31 December 2017

	Notes	31 December 2017 $'000	30 June 2017 $'000
Non-current assets			
Financial assets at fair value through profit or loss			
- Investment portfolio	9	339,643	439,385
Current assets			
Cash and cash equivalents		30,924	33,364
Receivables		80	38
Financial assets at fair value through profit or loss			
- Derivative financial assets	9	-	84
		31,004	33,486
Current liabilities			
Payables and accruals		(678)	(781)
Financial liabilities at fair value through profit or loss			
- Derivative financial liabilities	9	(784)	(2,461)
Zero dividend preference shares	11	-	(41,285)
Net current assets/(liabilities)		29,542	(11,041)
Net Assets		369,185	428,344
Represented by:			
Share capital	12	292,928	353,517
Accumulated gain		76,257	74,827
Total equity		369,185	428,344
Number of US$ Equity Shares in issue		218,433,139	263,613,782
NAV per US$ Equity Share		$1.6901	$1.6249

The condensed interim financial statements on pages 16 to 33 are approved by the Board of Directors on 21 March 2018 and were signed on its behalf by:

Sean Hurst
Chairman

Chris Spencer
Director

The notes on pages 20 to 33 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Changes in Equity - Unaudited

for the period ended 31 December 2017

	Notes	Share capital $'000	Accumulated gain $'000	Total $'000
At 1 July 2017		353,517	74,827	428,344
Profit for the period		-	15,841	15,841
Total comprehensive income for the period		**-**	**15,841**	**15,841**
Mandatory redemption	12	(60,589)	(14,411)	(75,000)
Total transactions with owners of the Company during the period		**(60,589)**	**(14,411)**	**(75,000)**
At 31 December 2017		**292,928**	**76,257**	**369,185**

		Share capital $'000	Accumulated gain $'000	Total $'000
At 1 July 2016		453,199	26,156	479,355
Profit for the period		-	28,846	28,846
Total comprehensive income for the period		-	**28,846**	**28,846**
Mandatory redemption	12	(18,133)	(1,067)	(19,200)
Total transactions with owners of the Company during the period		**(18,133)**	(1,067)	**(19,200)**
At 31 December 2016		**435,066**	**53,935**	**489,001**

The notes on pages 20 to 33 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Cash Flows - Unaudited

for the period ended 31 December 2017

	Notes	01/07/2017 to 31/12/2017 $'000	01/07/2016 to 31/12/2016 $'000
Operating activities			
Profit for the period		15,841	28,846
Adjustments for:			
Interest income	4	(161)	(16)
Interest expense		1,165	1,654
Net unrealised (gains)/losses on derivative financial instruments	7	(1,593)	2,658
Net gains on investment portfolio	7	(24,801)	(28,005)
Net foreign exchange gain		(474)	(2,312)
Purchase of investments and funding of capital calls		(4,615)	(6,395)
Proceeds from disposal of investments, interest and dividend income		129,154	27,677
Interest received		161	22
Operating cash flows before changes in working capital		114,677	24,128
(Increase)/decrease in receivables		(42)	551
Decrease in payables		(103)	(492)
Cash from operations		114,532	24,187
Financing activities			
Equity shares buy back	8	(75,000)	(19,200)
Loans repaid		-	(22,211)
Interest paid		-	(96)
Retirement of zero dividend preference shares	8	(42,965)	-
Cash used in financing activities		(117,965)	(41,507)
Net decrease in cash and cash equivalents		(3,433)	(17,320)
Cash and cash equivalents at the beginning of the period		33,364	35,938
Effects of exchange differences arising from cash and cash equivalents		993	(410)
Cash and cash equivalents at the end of the period		30,924	18,208

The notes on pages 20 to 33 form an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

JPEL Private Equity Limited ("JPEL" or the "Company") is a closed ended investment fund incorporated as a limited liability company in Guernsey under The Companies (Guernsey) Law, 2008. As at December 2017, the Company's capital structure consisted of one class US$ Equity Shares 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 of private equity limited partnership interests and direct private equity investments.

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements for the year ended 30 June 2017.

Statement of compliance

These condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting (IFRS) and in accordance with the requirement of IAS 34 *Interim Financial Reporting.*

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2017.

These condensed interim financial statements were approved by the Board of Directors on 21 March 2018.

Standards and amendments to existing standards effective for annual periods beginning on or after 1 July 2017 that are relevant and have been adopted by the Company

Disclosure Initiative (Amendments to IAS 7) (effective for accounting periods beginning on or after 1 January 2017)

The Company has adopted these amendments for the first time in the current period. The amendments require entities to explain changes in their liabilities arising from financing activities, including both cash and non-cash changes. The Company's liabilities arising from financing activities consist of loan balances, ZDP shares and amounts due on US$ Equity shares mandatory redemption. A reconciliation between the opening and closing balances of these liabilities is provided in note 8. Consistent with the transition provisions of the amendments, the Company has not disclosed comparative information for the prior period.

Apart from the additional disclosure in note 8, the application of these amendments has had no impact on the Company's financial statements.

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 period ended 31 December 2017, 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 15, 'Revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2018)

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

Segmental information

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

Three shareholders remain from 30 June 2017 as investors with more than 10% ownership in the total number of US$ Equity Shares in issue with holdings of approximately 17.5%, 14.9 and 10.9%.

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

Whilst the Manager may make investment decisions on a day-to-day basis, any changes to the investment strategy or major allocation decisions have to be approved by the Board of Directors, even though they may be proposed by the Manager. The Board of Directors therefore retains full responsibility as to the major allocation decisions made on an ongoing basis. The Manager will act under the terms of the Amended and Restated Investment Management Agreement which cannot be changed without the approval of the parties to the agreement.

The key measure of performance used by the Board of Directors to assess the Company's performance and to allocate resources is the NAV 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 financial assets held as of the period end, and their geographical areas (included as supplementary information only) are presented in the table below. The Company does not hold any non-current assets other than financial assets at fair value through profit or loss.

	31 December 2017		30 June 2017	
Region	$'000	%	$'000	%
Europe	120,132	36%	136,745	31%
North America	174,862	50%	251,106	57%
Asia	29,644	9%	35,124	8%
Other	15,005	4%	16,410	4%
Total	339,643	100%	439,385	100%

2. KEY ESTIMATES AND ASSUMPTIONS

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

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

In preparing the condensed interim financial statements, the significant judgements made in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30 June 2017.

Valuation of investments

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

2. KEY ESTIMATES AND ASSUMPTIONS continued

Valuation of investments continued

Investments in subsidiaries

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

Unquoted investments in funds

The unquoted investments in funds are valued in accordance with International Private Equity and Venture Capital Valuation Guidelines (IPEVCG).

Investments in private equity funds do not have a readily available market and are generally valued based on the fair value of each private equity fund as reported by the respective general partner as per the capital statement, which necessarily incorporates estimates made by those general partners. The Company believes that this value, in most cases, represents fair value as of the relevant statement date, although, if other factors lead the Company to conclude that the value provided by the general partner does not represent fair value, the Directors and Manager will adjust the value of the investment from the general partner's estimate. The Company estimates fair value based on publicly available information and the most recent financial information provided by the general partners, as adjusted for cash flows since the date of the most recent financial information.

Where no valuation is available from the general partner or an independent valuation agent the Directors and Manager will estimate the fair value in accordance with IPEVCG.

The public equity securities known to be owned within the purchased private equity fund are based on the most recent information reported to the Company by the general partners.

Where such securities have publically available stock prices, these are adjusted by applying the appropriate discount to reflect limited marketability and illiquidity.

Direct investments in unquoted companies

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

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

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

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

2. KEY ESTIMATES AND ASSUMPTIONS continued

Valuation of investments continued

Direct investments in unquoted companies continued

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

	31 December 2017					
Description	**Fair Value $ '000**	**Valuation Technique**	**Unobservable Inputs**	**Average Input**	**Reasonable possible shift +/- (absolute value)**	**Change in Valuation +/-**
Asia						
Equity	1,475	Comparable trading multiples	EBITDA	7.4x	+/- 5%	26,734 / (26,734)

	30 June 2017					
Description	**Fair Value $ '000**	**Valuation Technique**	**Unobservable Inputs**	**Average Input**	**Reasonable possible shift +/- (absolute value)**	**Change in Valuation +/-**
Asia						
Equity	1,417	Comparable trading multiples	EBITDA	7.0x	+/- 5%	27,224 / (27,224)

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.

Valuation processes

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

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

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at 30 June 2017.

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

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES

Exposure to interest rate risk

During the period, the company cancelled a total of $30 million of the loan facility and reduced it down to $50 million from $80 million at 30 June 2017. 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. As at 31 December 2017 the facility remained undrawn.

Exposure to currency risk

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

Currency	31 December 2017	30 June 2017
Euro	29%	29%
Sterling	1%	(7%)
Swiss Franc	-	9%
UAE Dirham	1%	1%
Australian Dollar	1%	2%

Exposure to other price risk

As at 31 December 2017 the Company had no direct exposure to assets that are publicly traded on equity markets. (30 June 2017: Nil).

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

Liquidity risk

As of 31 December 2017, the Company had unfunded commitments to private equity funds of $36.3 million (30 June 2017: $36.9 million) that may be called by the underlying limited partnerships. Approximately 98.35% (30 June 2017: 96.19%) of the Company's unfunded commitments, or approximately $35.7 million (30 June 2017: $35.3 million), represents funds with vintage years of 2008 and earlier and are unlikely to be called.

During the period the Company's loan facility remained undrawn. The undrawn amount of the loan facility as of 31 December 2017 was $50 million (30 June 2017: $80 million).

Credit risk

In respect of credit risk arising from cash and cash equivalents and derivative financial instruments, the Company continues to mitigate such risks by maintaining substantially all of the Company's cash and forward currency contracts with Lloyds Bank, Bank of America Merrill Lynch and ING Luxembourg SA. As at 31 December 2017, Moody's has given the long term credit ratings for Lloyds Bank Plc and ING Bank as Aa3 (30 June 2017: A1), Standard & Poor's has given the same for Bank of America Merrill Lynch International as A+ (30 June 2017: A+).

All other aspects of the Company's financial risk management objectives and policies are consistent with those described in the annual report for the year ended 30 June 2017.

4. INTEREST AND DIVIDEND INCOME

	01/07/2017 to 31/12/2017 $'000	01/07/2016 to 31/12/2016 $'000
Interest income from cash and cash equivalents	161	16
Interest income from investments	149	1,019
Dividend income	1,978	998
Reclassification of accrued interest *	-	(2,401)
	2,288	**(368)**

*In prior period previously recognised accrued interest from a certain investment was reclassified to unrealised gain

5. LOAN FACILITY COSTS

	01/07/2017 to 31/12/2017 $'000	01/07/2016 to 31/12/2016 $'000
Undrawn commitment fees	249	456
Credit facility fees	-	18
Amortisation of arrangement fees	-	139
Interest expense on loan balance	-	96
	249	**709**

6. OTHER EXPENSES

	01/07/2017 to 31/12/2017 $'000	01/07/2016 to 31/12/2016 $'000
Legal and professional fees	428	300
Portfolio management fees from limited partnerships	118	279
Travel expenses	75	96
Bank charges	22	22
Filling and regulatory fees	29	24
Sundry expenses	72	83
	743	**804**

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

	01/07/2017 to 31/12/2017 $'000	01/07/2016 to 31/12/2016 $'000
Designated at fair value through profit or loss		
Investment portfolio	24,801	28,005
Held for trading		
Derivative financial instruments	1,593	(2,658)
Net gain from financial assets and liabilities at fair value through profit or loss	**26,394**	**25,347**

The Company does not experience seasonality or cyclicality in its investing activities

8. Changes in liabilities arising from financial activities

	As at 01 July 2017 $'000	Fair value adjustment $'000	Foreign exchange adjustment $'000	Financing cash flows $'000	As at 31 December 2017 $'000
Amount due on U$ Equity shares redemption	-	75,000	-	(75,000)	-
Retirement of zero dividend preference shares	41,285	1,165	515	(42,965)	-
Financial liabilities as at 31 December 2017	**41,285**	**76,165**	**515**	**(117,965)**	**-**

9. 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 31 December 2017, the Company had unfunded commitments to private equity funds of $36.3 million (30 June 2017: $36.9 million) that may be called by the underlying limited partnerships. Approximately 98.35% (30 June 2016: 96.19%) of the Company's unfunded commitments, or approximately $35.7 million (30 June 2017: $35.3 million), represents funds with vintage years of 2008 and earlier and are unlikely to be called.

Fair Value Hierarchy

The following table summarises the valuation of the Company's financial assets and liabilities measured at fair value by the fair value hierarchy as of 31 December 2017:

	31 December 2017			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Financial assets designated at fair value through profit or loss				
- Investment portfolio	339,643	-	-	339,643
- Derivative financial assets	-	-	-	-
	339,643	**-**	**-**	**339,643**
Financial liabilities at fair value through profit or loss				
Held for trading				
- Derivative financial liabilities	(784)	-	(784)	-
	338,860	**-**	**(784)**	**339,643**

	30 June 2017			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Financial assets designated at fair value through profit or loss				
- Investment portfolio	439,385	-	-	439,385
Held for trading				
- Net derivative financial liabilties	(2,377)	-	(2,377)	-
	437,008	**-**	**(2,377)**	**439,385**

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

Fair Value Hierarchy (Continued)

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 period.

Details of underlying investments are presented in the supplementary schedule of investments in note 17.

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

	01/07/2017 to 31/12/2017 $'000	01/07/2016 to 31/12/2016 $'000
Fair value at beginning of the period	439,385	498,918
Purchase of investment and funding of capital calls	4,611	6,312
Distributions from limited partnership interests	(129,154)	(23,783)
Net fair value movement in the period (including foreign exchange gains and losses)	24,801	27,999
Fair value at the end of the period	**339,643**	**509,444**
Change in unrealised gains/(losses) in the period for level III assets held at period end (including foreign exchange (losses)/gains)	(43,790)	101,426

Changes in unrealised (losses)/gains during the period recorded for Level III investments held at period end are reported in "Other net changes in fair value of financial assets and liabilities at fair value through profit or loss" in the statement of comprehensive income.

10. LOAN FACILITY

The Company has entered into a multi-currency loan facility agreement with Lloyds Bank. As at 31 December 2017 the facility was for $50 million (30 June 2017: $80 million) and bears interest of US$ LIBOR/EURIBOR + 330 bps on drawn amounts with a leverage of greater than 10% loan to value. At leverage rates of below 10% the loan bears interest of US$ LIBOR/EURIBOR +285 bps. A flat 0.9% rate is paid on undrawn amounts.

The current facility agreement was last amended on 29 November 2016 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 31 December 2017, the Company had no drawn leverage (30 June 2017: 9.0 per cent.) per the credit agreement and the Company was in compliance with all of the diversification restrictions.

In July 2016, December 2016 and July 2017, the Company cancelled $50 million, $20 million and $30 million respectively, of the original $150 million facility. In August 2016, the Company repaid all outstanding debt ($22 million) under the facility. The facility remained undrawn at 31 December 2017 and 30 June 2017.

Subsequent to the period end, on 26 January 2018 the Company extended the terms of the facility agreement until 31 December 2019, reduced the facility to $35 million and changed the terms of the financial covenants under the new facility agreement.

11. ZERO DIVIDEND PREFERENCE SHARES

As at the 30 June 2017 the Company had in issue one class of zero dividend preference shares (“ZDP Shares”), 2017 ZDP shares ($41,284,961).

The holders of the 2017 ZDP Shares were entitled to a redemption amount of 65 pence per ZDP Share as increased daily at such a daily compound rate as which gave a final entitlement of 107.13 pence on 31 October 2017. The effective interest rate was 8.14% p.a. based on the placing price of 65 pence per ZDP Share.

The 2017 ZDP shares were redeemed on 31 October 2017. The final capital entitlement was approximately £32.6 million at their final redemption date and paid to shareholders on record on 31 October 2017. The redemption was financed using cash on hand.

The movement of the ZDP shares in the period was as follows:

Total ZDP Shares	Number of shares	01/07/2017 to 31/12/2017 $'000
Balance at start of period	30,410,753	41,285
Realized foreign exchange movement on retirement of ZDP 2017 shares	-	(306)
Interest accretion	-	1,165
Unrealized foreign exchange movement	-	821
Retirement of ZDP 2017 shares	(30,410,753)	(42,965)
Balance at end of period	-	-

	Number of shares	01/07/2016 to 31/12/2016 $'000
Balance at start of period	30,410,753	38,880
Interest accretion	-	1,558
Unrealized foreign exchange movement	-	(2,883)
Balance at end of period	30,410,753	37,555

The interest charge accrued for the period on the ZDP shares was $1,165,020.

12. ISSUED SHARE CAPITAL

Capital management

The Company's approach to capital management remained the same as described in the annual financial statements for the year ended June 2017. There were no changes in the Company's approach to capital management during the period.

The balance of shares held in treasury at the period end was 17,750,000 (30 June 2017: 17,750,000) all of which was US$ Equity Shares. Shares held in treasury remain at less than 10% of total assets as at period end.

Authorised share capital

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

Issued share capital

On 14 December 2017, JPEL redeemed 45,180,643 US$ Equity Shares, on a pro rata basis, at the prevailing NAV per US$ Equity Share of $1.66 as at 31 October 2017. The shares were cancelled automatically following their redemption.

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

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

	Number of shares	Price ($)	Total proceeds ($)	Share Capital ($)	Premium on redemption
Balance as at 30 June 2016	337,945,574			453,199,652	
Mandatory redemption*					
16 December 2016	(13,521,066)	1.42	(19,199,914)	(18,132,335)	(1,067,579)
	(13,521,066)		**(19,199,914)**	**(18,132,335)**	**(1,067,579)**
Balance as at 31 December 2016	**324,424,508**			**435,067,317**	

*The shares were mandatorily redeemed at the prevailing NAV per share at the time of the mandatory redemption. The premium above the cost basis was recognised in the Company's accumulated gains in the Statement of Changes in Equity.

The US$ Equity Shares carry the right to receive all revenue profits of the Company (including accumulated revenue reserves) which are available for distribution and from time to time determined to be distributed by way of interim and/or final dividends and at such times as the Directors may determine. On winding up, equity Shareholders will be entitled to the net assets of the Company after any payables have been paid and the accrued entitlement of the ZDP Shares has been met. As at 31 December 2017 the total share capital was $292,928,300 (30 June 2017: $353,517,499). Please refer to the Statement of Changes in Equity on page 18 for details of the movements in share capital.

13. 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 of subsidiary	Country of Incorporation	% Holding	Principal activity
BSPEL Mezzanine Funding Limited ("BMFL")	Guernsey	100.0	Holding company
BSPEL/Migdal Mezzanine Limited ("BMML")	Guernsey	80.0	Holding company
BSPEL Australia Limited ("BSPEL Aus")	Guernsey	100.0	Holding company
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
Back Bay (Guernsey) Limited ("Back Bay")	Guernsey	78.8	Holding company
JPEL Convey Limited	Guernsey	100.0	Holding company
JPEL Holdings Limited ("JPEL Holdings")	Guernsey	100.0	Holding company

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

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

BMML holds a 50% interest in BoS Mezzanine Partners, LP (“BoS Mez”), a Scotland registered LP whose principle activity is that of a limited partnership. BoS Mez holds six fund investments

BSPEL Aus owns 100% of the issued trust units in ROC Private Capital Trust, an Australia registered trust whose principal activity is that of an investment trust and holds 15 fund investments.

Hunter Aq does not currently hold investments and the company is currently in liquidation.

GTF is a limited partnership and holds non-controlling interests in 11 fund investments.

BSPEL Lux does not currently hold any investment and the company is currently in liquidation.

JPEL TF does not currently hold investments and the company is currently in liquidation.

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

JPEL Convey Limited does not currently hold investments and the company is currently in liquidation.

Back Bay owns 100% of Back Bay (Cayman) Ltd which holds 100% of the issued debt of Stoneleigh Back Bay Associates LLC, a US registered company whose principal activity in that of real estate investment and holds one investment.

JPEL Holdings owns 60% of Corsicana Feeder Co-Investors, LLC, a US registered company whose principal activity is that of a holding company and holds one investment in a household products company. JPEL Holdings also holds non-controlling interests in 13 other companies and fund investments.

Details of the names and values as of 31 December 2017 of all the investments held by the subsidiaries are disclosed in note 17.

14. MATERIAL AGREEMENTS

The Manager, FCF JPEL Management LLC, is entitled to a base management fee, payable monthly in arrears of 1.0% per annum of the Company's Total Assets. The total management fee due for the period was $2,267,390 (six months to 31 December 2016: $2,659,251). The amount payable to the Manager at the end of the period was $313,821 (30 June 2017: $460,374).

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

The amount of such fee will be 7.5% of the total increase in aggregate Net Asset Value above the performance hurdle. The performance fee paid during the period was $NIL (six months to 31 December 2016: $NIL).

Fortress was acquired by Softbank Group Corp (9984: Tokyo) ("Softbank") on December 27, 2017 and operates as an independent business within Softbank under the continuing leadership of Pete Briger, Wes Edens and Randy Nardone.

The administrator, Augentius (Guernsey) Limited is entitled to an annual fee in respect of accounting, company secretarial, administration and investment tracking services. Total fees for the period were $374,506 (six months to 31 December 2016: $354,000). At 31 December 2017 $62,797 (30 June 2017: $61,827) was outstanding in respect of administration fees.

15. RELATED PARTY TRANSACTIONS

FCF JPEL Management LLC is a related party of the Company. Refer to Note 14 for a breakdown of fees paid during the period.

Other than Mr. Spencer who owns 19,434 US$ Equity Shares, Mr. Hurst who owns 5,387 US$ Equity Shares and Mr. Dalwood who owns 82,566 US$ Equity Shares, no other Director holds directly or indirectly shares in the Company.

Mr. Hurst is entitled to receive Directors fees of £40,000 per annum, Mr. Loudon, Mr. Spencer and Mr. Dalwood are each entitled to receive Directors fees of £30,000 per annum. In addition, during the period the Company paid $9,129 to the Directors in travel expenses. The cap on total Directors remuneration was unchanged at £250,000 as at 31 December 2017.

Mr. Ash retired as a Director of the Company on 26 September 2017.

16. POST BALANCE SHEET EVENTS

Subsequent to the period end, on 26 January 2018 the Company extended the terms of the facility agreement with Lloyds Bank until 31 December 2019, reduced the facility to $35 million and changed the terms of the financial covenants under the facility agreement.

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

17. SCHEDULE OF INVESTMENTS

Vehicle	Investment	31 December 2017 $000's	30 June 2017 $000's
Back Bay	Stoneleigh Back Bay Associates LLC	9,071	6,047
BMFL/BMML	BoS Mezzanine Partners, LP	13,266	19,345
BSPEL Aus	ROC Private Capital Trust	7,130	12,512
BSPEL Lux	Alto Capital II	-	190
BSPEL Lux	Realza Capital Fondo, FCR	-	2,135
Iberian Acq	Alia Capital Fund I C.V.	14,672	12,774
JPEL	10th Lane Finance Co., LLC	-	4,427
JPEL	Aksia Capital III	1,098	1,045
JPEL	Alto Capital II (JPEL)	194	-
JPEL	Apollo Investment Fund V, L.P.	67	79
JPEL	Apollo Real Estate Investment Fund IV, L.P.	46	78
JPEL	Ares European Real Estate Fund I (IF), L.P.	742	793
JPEL	Argan Capital Fund	3,803	3,473
JPEL	Arlington Capital Partners II, L.P.	483	470
JPEL	Arrow Path Fund II, L.P.	-	216
JPEL	Beacon India Private Equity Fund	5,185	7,995
JPEL	Bear Stearns Global Turnaround Fund LP	6,847	7,775
JPEL	Black Diamond Capital Management	5,032	6,365
JPEL	Blackstone Real Estate Partners IV, L.P.	402	401
JPEL	Blue River Capital I, LLC	2,793	2,793
JPEL	Candover 2005 Fund	8	54
JPEL	Clearwater Capital Partners Fund I, L.P.	8	13
JPEL	Clearwater Capital Partners Opportunities Fund (Cayman) Ltd.	4	4
JPEL	Colony Investors VI, L.P.	179	179
JPEL	Double B Foods, Inc	37	37
JPEL	Esprit Capital I Fund	3,163	2,604
JPEL	Global Buyout Fund, L.P.	5,652	5,295
JPEL	Global Opportunistic Fund	3,509	3,520
JPEL	Gridiron Capital Fund, L.P.	1,740	2,192
JPEL	Guggenheim Aviation Offshore Investment Fund II, L.P.	-	104
JPEL	Highstar Capital III Prism Fund, L.P.	2,515	2,564
JPEL	Hupomone Capital Fund, L.P.	184	196
JPEL	Hutton Collins Capital Partners II LP	756	718
JPEL	Industry Ventures Fund IV, L.P	732	861
JPEL	Industry Ventures Fund V, L.P	3,929	3,918
JPEL	Jobson Medical Information, LLC	14	14
JPEL	Leeds Equity Partners IV, L.P.	1,583	1,272
JPEL	Leeds Equity Partners V, L.P.	14,350	14,332
JPEL	Liberty Partners II, L.P.	2,976	3,039
JPEL	Life Sciences Holdings SPV I Fund, L.P.	13,640	31,355
JPEL	Main Street Resources I, L.P.	429	429
JPEL	Main Street Resources II, L.P.	528	528
JPEL	Markstone Capital Partners, L.P.	10	10
JPEL	Nixon, Inc	171	-
JPEL	Omega Fund III, L.P.	3,682	4,677

Continued on next page

17. SCHEDULE OF INVESTMENTS continued

Vehicle	Investment	31 December 2017 $000's	30 June 2017 $000's
JPEL	Oxford Bioscience Partners IV, L.P.	-	41
JPEL	Primopiso Acquisition S.a.r.l	27,061	23,629
JPEL	Private Equity Access Fund II Ltd	1,481	2,182
JPEL	Private Opportunity Ventures, L.P.	429	688
JPEL	Quadrangle Capital Partners, L.P.	7	133
JPEL	Strategic Value Global Opportunities Feeder Fund I-A, LP	1,056	848
JPEL	Strategic Value Global Opportunities Master Fund, LP	476	478
JPEL	Terra Firma Deutsche Annington L.P.	335	14
JPEL	Terra Firma Deutsche Annington - IV, L.P.	-	308
JPEL	The Oneida Group	333	-
JPEL	Trumpet Feeder Ltd	1,590	1,785
JPEL	Warburg Pincus Private Equity VIII, L.P.	616	1,158
JPEL	Wellington Partners Ventures II GMBH & CO.KG (B)	700	805
JPEL	Wellington Partners Ventures III Life Science Fund L.P.	1,926	1,823
JPEL Holdings	Saas Company	5,870	18,768
JPEL Holdings	Accurate Result Investments Limited	1,475	2,114
JPEL Holdings	Tax Advisory Services Company	25,486	23,671
JPEL Holdings	Aqua Resources Fund Limited	561	606
JPEL Holdings	Cavalier International SA	-	5,498
JPEL Holdings	Corsicana Feeder Co-Investors, LLC	21,937	28,204
JPEL Holdings	Fairfield L.P.	-	17,998
JPEL Holdings	Genuine Idea Investments Ltd	8,500	6,113
JPEL Holdings	Gulf Healthcare International LLC	5,431	8,185
JPEL Holdings	Identitag Secondary Opportunities S.A.R.L	-	33,152
JPEL Holdings	Industry Ventures Fund VI, L.P.	1,748	2,023
JPEL Holdings	MBI Holding, Inc.	45,157	45,717
JPEL Holdings	Milestone Investisseurs 2014 SLP	31,486	25,496
JPEL Holdings	MTS Celerion Holdings, LLC	626	27,143
JPEL Holdings	Omega Fund IV, L.P.	2,412	2,183
JPEL Holdings	Placid Holdings	9,314	24,518
JPEL Holdings	Polo Holdings S.à.r.l.	0	2,502
JPEL Holdings	Prosper Marketplace, Inc.	13,000	13,000
Total market value of Investments held by the Company		**339,643**	**499,709**

Investment Vehicle	Abbreviation
JPEL 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 Holdings Limited	JPEL Holdings
JPEL TF Limited	JPEL TF

Information about the Company

DIRECTORS:	Sean Hurst (Chairman) John Loudon (*re-elected 30 November 2017)* Christopher Spencer (*re-elected 30 November 2017)* Anthony Dalwood
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