

**JPEL Private Equity Limited**  
**Unaudited Interim Report and Condensed Financial Statements**  
**for the period ended 31 December 2020**

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

# Financial Summary (Company Information)

31 December 2020

## US\$ Equity Shares

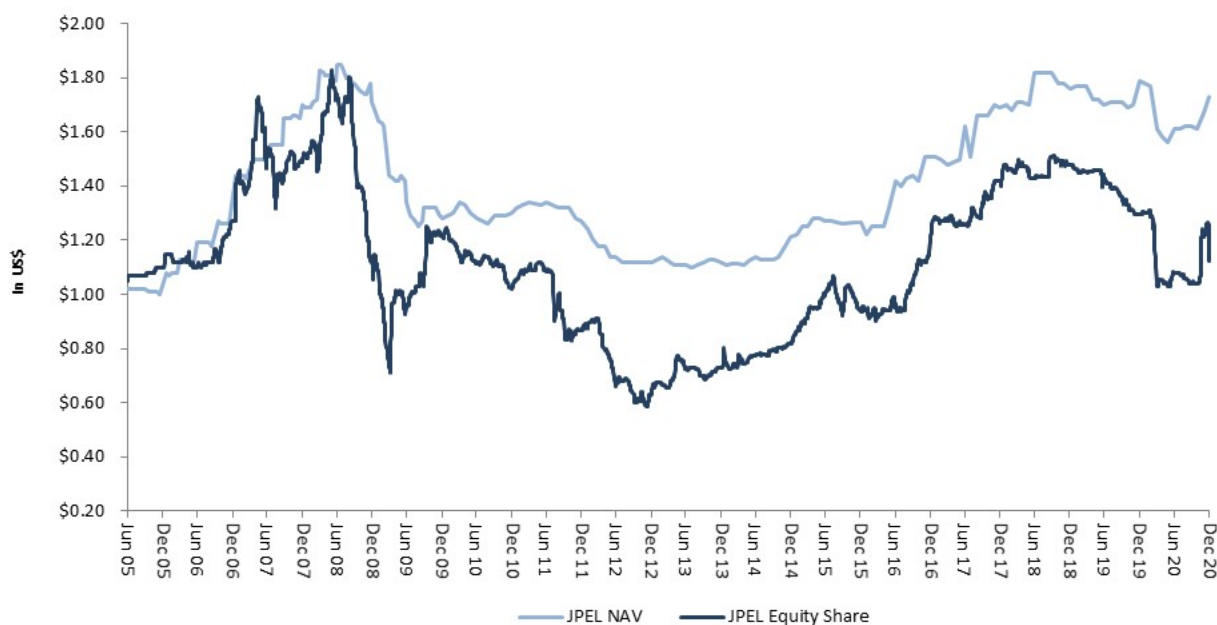
NAV per Share	\$1.73
Share Price	\$1.13
Shares in Issuance (excluding shares held in treasury)	82.5m

## Statement of Financial Position (extract)

Investments at Fair Value	\$133.4m
Bank Deposits	\$10.9m
Other Assets <sup>1</sup>	\$0.5m
Credit Facility	-
Other Liabilities <sup>2</sup>	(\$1.8m)
<b>US\$ Equity Net Asset Value<sup>3</sup></b>	<b>\$143m</b>

## PERFORMANCE AS AT 31 DECEMBER 2020

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



Past performance is not an indication of future performance.

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

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

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

<sup>4</sup> Source: Manager, Bloomberg as at 31 December 2020. NAV and trading prices are given on a per Equity Share basis

# Overview, Investment Strategy, Investment Policy & Leverage

## OVERVIEW

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

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

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

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

## INVESTMENT STRATEGY & INVESTMENT POLICY

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

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

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

## LEVERAGE

The Company has the ability to borrow up to 30% of its adjusted total of capital and reserves subject to and in accordance with the limitations and conditions in its Articles of Incorporation ("Articles"). As part of its leverage policy, the Company may borrow 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 (the "Shares" or "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

## 2020 SEMI ANNUAL HIGHLIGHTS

- US\$ Equity Share price increased 4.3% to \$1.13 during the six month period ending 31 December 2020.
- NAV per US\$ Equity Share increased \$0.12, or 7.5%, to 1.73 from \$1.61 over the same period.
- JPEL exited its largest investment in MBI Holdings on 17 December 2020 at a 8.5% premium to prevailing NAV.
- JPEL's eighth mandatory redemption returned \$75 million to US\$ Equity Shareholders on 30 December 2020.

## REVIEW OF PROGRESS SINCE JANUARY 2014

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

When JPEL made this announcement, the Company's US\$ Equity Share price and NAV per share was \$0.80 and \$1.13, respectively and total outstanding debt (including zero dividend preference shares) was \$167.8 million.

The end of the 2020 calendar year marked approximately seven years since this announcement:

- In total, \$414.2 million was returned to US\$ Equity Shareholders at prevailing NAVs ranging from \$1.48 to \$1.79
- As discussed in prior reports, a significant portion of JPEL's performance and volume of cash distributions is directly attributable to the investments made during the two years from 2014-2016 ("The New Portfolio")
  - The New Portfolio (including a late 2013 investment) has produced a MOIC of 2.24x and an IRR of 24.3%<sup>1</sup>
  - The realized and partially realized New Portfolio performance is approximately 3.23x with an IRR of 35.2%<sup>1</sup>

### New Portfolio: Performance through 31 December 2020<sup>1</sup>

	Cost	Realized	Unrealized	Total Value	MOIC	IRR
Realized & Partially Realized	\$124.9	\$262.5	\$141.1	\$403.6	3.23x	35.2%
Unrealized	58.2	0.3	6.0	6.3	0.11x	0.0%
<b>Total New Investments</b>	<b>\$183.1</b>	<b>\$262.8</b>	<b>\$147.0</b>	<b>\$409.9</b>	<b>2.24x</b>	<b>24.3%</b>

## NAV AND SHARE PRICE PERFORMANCE

In the six months ending 31 December 2020, JPEL's NAV per US\$ Equity Share increased \$0.12 or 7.5 % from \$1.61 to \$1.73. JPEL's US\$ Equity Share price increased 4.3% during the six month period from \$1.08 to \$1.13. On 15 March 2021, JPEL's US\$ Equity Share price closed at \$1.15, which is a 33.5% discount to the 31 December 2020 NAV.

## RETURN OF CAPITAL

On 30 December 2020, JPEL completed its 8<sup>th</sup> Mandatory Redemption and returned \$75 million to US\$ Equity Shareholders (the equivalent of approximately 46.58 million US\$ Equity Shares, or 36.08% of US\$ Equity Shareholder NAV). Inclusive of this Mandatory Redemption, JPEL has returned \$414.2 million to US\$ Equity Shareholders, or approximately 86.5% and 108.9% of the Company's 31 October 2016 NAV and market capitalization. Please note that the prevailing NAV at the time of the Company's first mandatory redemption was 31 October 2016<sup>2</sup>.

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

<sup>1</sup> IRR and MOIC have been adjusted to exclude the effect of foreign exchange. Returns are net of underlying sponsor fees and gross of JPEL fees. Note that JPEL's investment in Swania is included in the Realized and Partially Realized category.

<sup>2</sup> The date 31 October 2016 represents the most current NAV at the time of the Company's initial mandatory redemption

# Chairman’s Statement continued

## CAPITAL POSITION

JPEL refinanced and extended its existing credit facility with Lloyds through 31 December 2021. The size of JPEL’s facility was reduced to \$10 million with interest of LIBOR / EUROBOR + 250bps. The new facility became effective on 23 December 2020. As of 31 December 2020, the Company did not have any leverage outstanding.

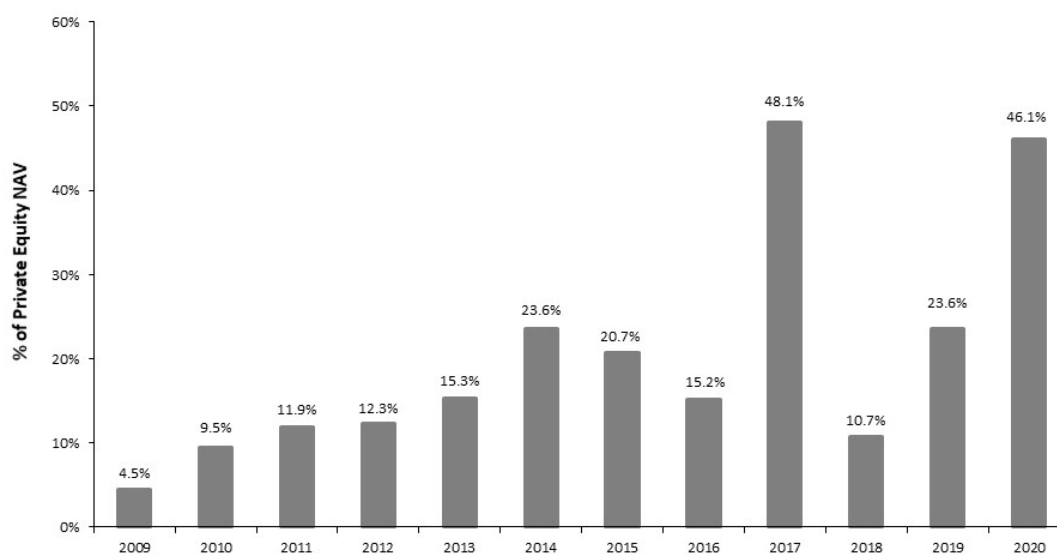
## DISTRIBUTION ACTIVITY

During the six months ended 31 December 2020, the portfolio generated gross distributions of \$76.4 million and funded capital calls of \$0.06 million. The majority of distributions during the period were a result of the transfer of JPEL’s indirect minority interest in MBI Holdings. MBI Holdings was the Company’s largest investment, the transaction was completed at an 8.5% premium to prevailing NAV.

Distributions received during JPEL’s 2020 calendar year represented 46.1% of 31 December 2019 investment portfolio value. This is a significant increase from the prior year when JPEL received 23.6% of the prior year’s private equity NAV. On average, over the past 12 years, JPEL has received distributions equating to 20.1% of the prior year’s investment portfolio value during a single calendar year.

As JPEL’s portfolio runs off and becomes more concentrated, distribution activity from the underlying portfolio is expected to be increasingly uneven.

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



\* Source: Manager. As at 31 December 2020.

# Chairman's Statement continued

## SIGNIFICANT EXITS AND ONGOING PORTFOLIO MANAGEMENT

As discussed earlier in this report, JPEL announced the completion of the transfer of its indirect minority interest in MBI Holdings on 17 December 2020. MBI Holdings was the Company's largest investment and the transaction was completed at an 8.5% premium to prevailing NAV.

The Manager is currently exploring various liquidity options for certain of the Company's investments and will provide more detail as and when these opportunities materialize.

## MARKET OUTLOOK

The outbreak of the COVID-19 in many countries continues to adversely impact global commercial activity, and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and cases of COVID-19 have resulted in various countries instituting quarantines and restrictions on travel. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Manager continues to engage in regular dialogue with the management and sponsors of its largest underlying positions and has been receiving regular updates on any potential and anticipated impact on underlying portfolio company operations. Based on these conversations and sponsor reports received to date, the Board and Manager believe that the Company has experienced minimal impact from COVID-19 and the current environment continues to be favourable for realisations of well performing private equity assets.

The current portfolio is mature, with a weighted average age of 7.5 years at 31 December 2020. The Board and the Manager anticipate that the majority of the JPEL portfolio will be wound down within the next three years.

## CONCLUSION

I have had the pleasure of speaking with many JPEL Shareholders and hope to continue to do so in the coming fiscal year. Both JPEL's Board and Manager are cognisant of maximising shareholder value alongside the reduced size of the Company as a result of returning capital to shareholders.

We have also prioritized a review of the Company's expenses and are pleased to announce that IQEQ has agreed in principle to reduce their fees by \$125,000 per annum, effective 1 January 2021. In addition, IQEQ fees will not be adjusted upward by inflation for the 2021 – 2023 calendar years.

In conclusion, I would like to thank Shareholders for the support that they have placed in the Company.



Sean Hurst  
Chairman  
17 March 2021

# Corporate Actions

## 2020 CORPORATE ACTIONS

- On 4 November 2020, JPEL published a circular to Shareholders.
  - The circular contained a notice of AGM on 25 November 2020.
  - The following summarises all of the resolutions the Company sought approval for at the AGM.
- Special Resolutions
  1. To renew the Company's authority to make purchases of up to 15 per cent. of its own issued Shares pursuant to any proposed Tender Offer.
  2. To renew the Company's general authority to make market purchases of up to 14.99 per cent. of its own issued Shares.
- Ordinary Resolutions
  3. To approve and adopt the Annual Report and Financial Statements of the Company for the year ended 30 June 2020.
  4. To re-elect PricewaterhouseCoopers CI LLP as Auditors to the Company.
  5. To re-authorise the Directors to determine the Auditors' remuneration.
  6. To re-authorise and agree the remuneration of the Directors in accordance with the Articles of Incorporation.
  7. To re-elect Christopher P. Spencer as a non-executive, independent director of the Company, who retires by rotation.
  8. To re-elect John Loudon as a non-executive, independent director of the Company, who retires by rotation.
  9. To re-elect Anthony (Tony) Dalwood as a non-executive, independent director of the Company, who retires by rotation.
  10. To re-elect Sean Hurst as a non-executive, independent director of the Company, who retires by rotation.
- On 26 November 2020, JPEL announced that at the AGM of the Company held on 25 November 2020, all resolutions put to Shareholders at the AGM were duly passed.
- On 30 December 2020 JPEL announced that the eighth mandatory redemption of the Company's US\$ Equity Share class announced on 17 December 2020 had been completed.
- As discussed in the 26 November 2020 AGM Results Announcement, in accordance with the provisions of the 2019 AIC Code of Corporate Governance, the JPEL Board intends to reduce the size of the Board by the next AGM in 2021.



# Statement of Principal Risks and Uncertainties

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

- **Market risk:** Market risk embodies the potential for both gains and losses and includes interest rate risk, currency risk and price risk. The Manager works to mitigate risk by creating a diversified portfolio, focusing on achieving a balance across Manager, investment styles, industrial sectors and geographical focus;
- **Interest rate risk:** Interest rate risk refers to the Company's exposure to changes in interest rates, primarily relating to cash and cash equivalents and floating rate debt obligations. External interest bearing liabilities are limited in size by the Company's internal policies;
- **Currency risk:** Currency risk arises from the possibility that fluctuations in foreign currency exchange rates will affect the value of the Company's assets and liabilities, the net asset value and the market price of the US\$ Equity Shares. As at 31 December 2020, the Company had two currency hedges in place to partially mitigate fluctuations in its foreign exchange exposure.
- **Price risk:** Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in that market;
- **Credit risk:** Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. The Company's exposure to credit risk is managed on an ongoing basis by the Manager and on a quarterly basis by the Board;
- **Liquidity risk:** The Company's financial instruments primarily include investments in unlisted equity investments that are not publicly traded and therefore may be illiquid. As a result, the Company may not be able to liquidate some of its investments in these instruments at an amount close to their fair value should such liquidation be necessary to meet liquidity requirements, including the need to meet outstanding undrawn commitments and other obligations as and when these fall due.
- **Other risks:** The Company is exposed to various other risks with respect to its financial assets including valuation risk, reliance on the Manager, political and regulatory risk.

## Related Party Transactions

Related party transactions are reported in note 13 of the financial statements. Please also refer to the RNS dated 17 December 2020 as it relates to the transfer of JPPEL's interest in MBI Holdings.

## Going Concern

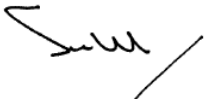
The Directors have examined significant areas of possible credit and liquidity risk and have satisfied themselves that no material uncertainties exist. The Directors have taken into consideration the Company's expected cash flows for a period exceeding twelve months from the date of approval of the financial statements, in respect of follow-on investments and ongoing fees. Given the Company's current cash position, and the undrawn amounts from the Lloyds facility (see note 9 of the financial statements for further details on the credit facility), combined with the expected distributions over the same period, the Directors believe the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. After due consideration of this, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

# Responsibility Statement

The Directors confirm to the best of their knowledge:

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

This report was approved by the Board on 17 March 2021 and the above Responsibility Statement was signed on its behalf by



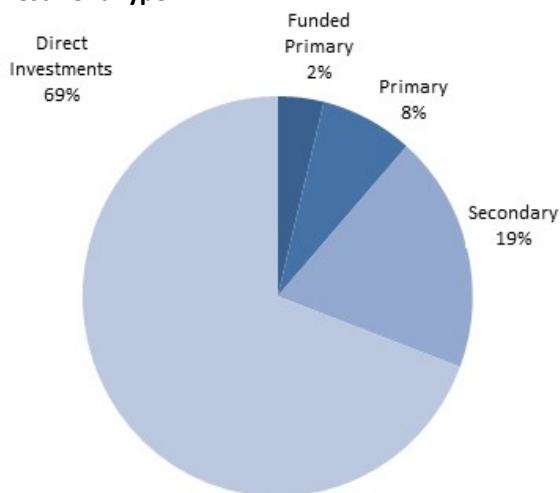
Sean Hurst  
Chairman

# Manager's Report

## PORTFOLIO REVIEW

With an investment value of \$133.4 million, JPEL's portfolio is diversified globally across multiple investment strategies and industries as at 31 December 2020.

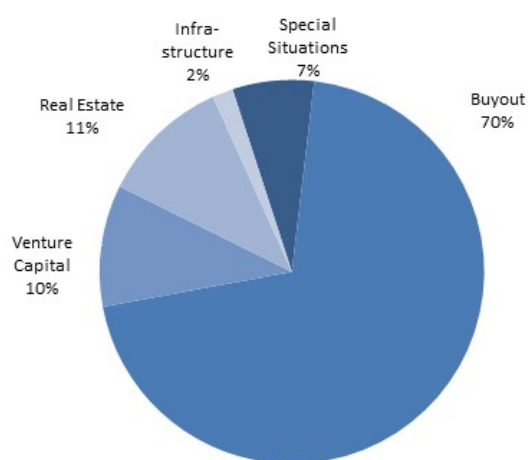
### Investment Type<sup>1</sup>



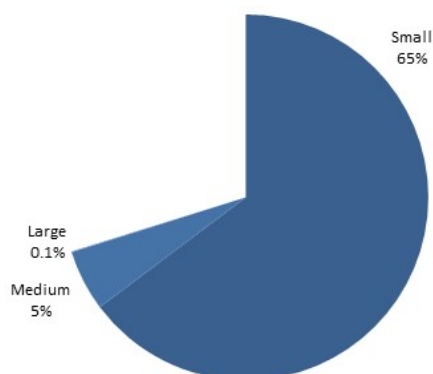
Direct investments comprise 69% of the portfolio, while secondary investments make up 19% of JPEL's portfolio NAV.

As at 31 December 2020, primary investments comprised 8% of JPEL's portfolio while funded primaries made up 2% of JPEL's portfolio NAV.

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



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



Currently, buyout funds constitute approximately 70% 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 10%. JPEL's exposure to real estate, special situation funds and infrastructure stands at 11%, 7% and 2%, respectively.

<sup>1</sup> Based on 31 December 2020 market value of investments, percentages based on underlying fund-level values.

<sup>2</sup> 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 Report continued

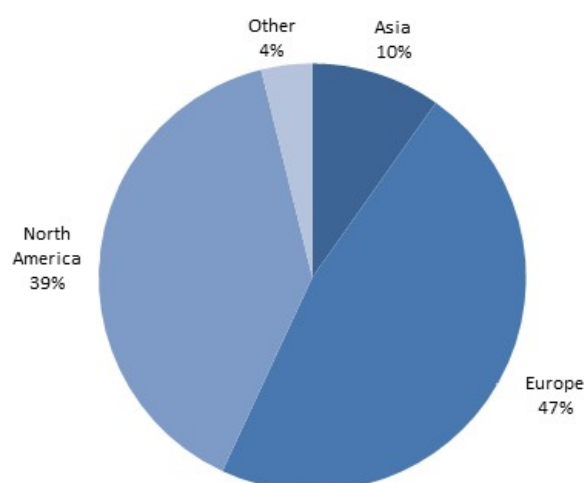
## PORTFOLIO REVIEW continued

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

Average Age of Portfolio	
<b>Weighted average age:</b>	<b>7.5 years</b>
Direct investments:	6.8 years
Fund investments:	12.0 years
Buyout investments:	7.8 years
Venture investments:	13.2 years

With a weighted average age of 7.5 years, JPEL's portfolio is well positioned on the private equity "J-Curve" to continue to receive distributions.

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



JPEL's private equity portfolio is diversified with investments in over 30 countries, helping to mitigate country and regional risk as well as to capitalise on the growth of expanding economies. Europe and North America represent the majority of the Company's portfolio at 47% and 39% respectively. JPEL's allocation to Asia stands at 10% while investments in the rest of the world represent 4% of the portfolio.

<sup>1</sup> Based on 31 December 2020 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 2020. Average is weighted based on investments at market value as at 31 December 2020 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.

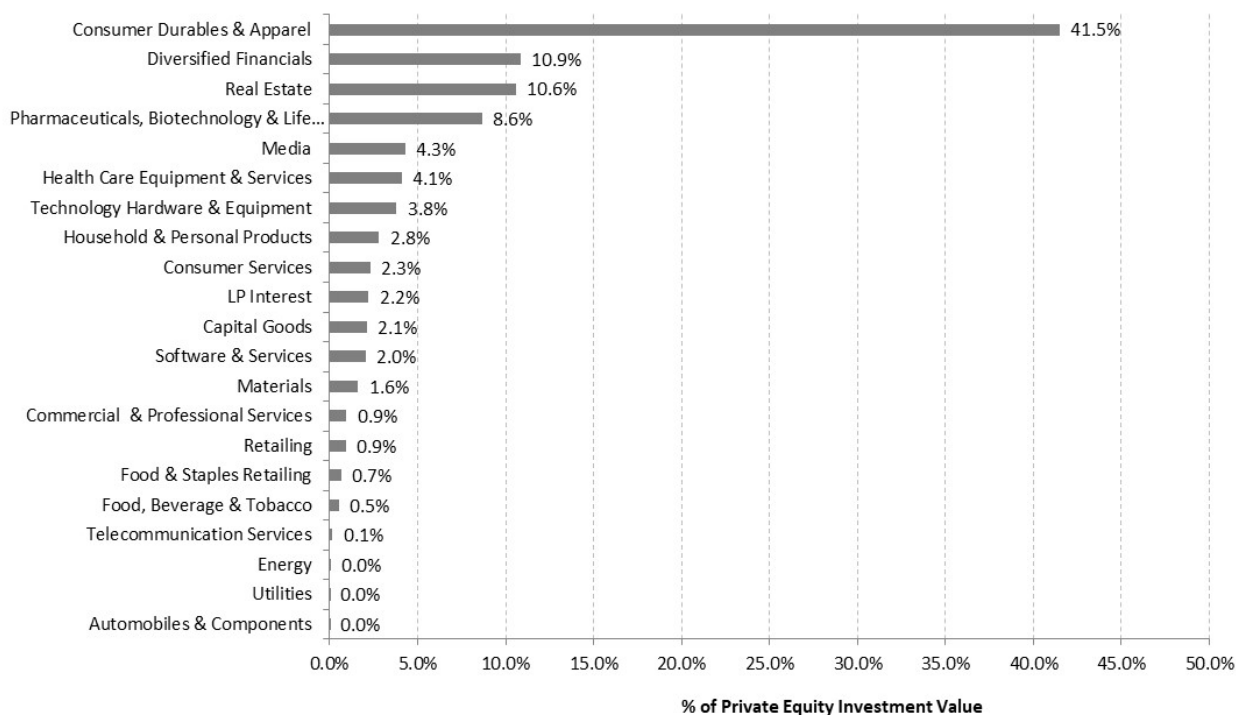
<sup>2</sup> Based on 31 December 2020 market value of investments, percentages based on underlying company-level values.

# Manager's Report continued

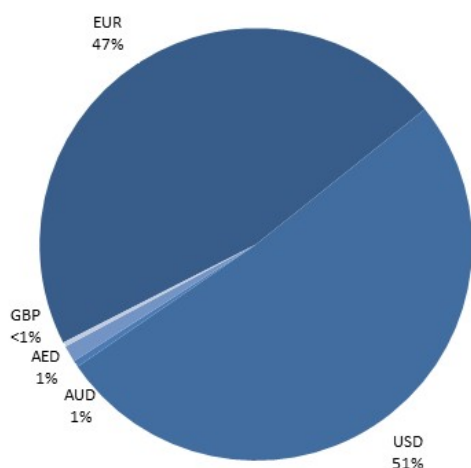
## PORTFOLIO REVIEW continued

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

JPEL's private equity portfolio is currently weighted towards companies in the Consumer Durables & Apparel sector which represent 41.5% of the portfolio.



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



As at 31 December 2020, investments held in US Dollars made up approximately 51% of JPEL's private equity portfolio market value. Investments held in Euros comprised 47% of the private equity portfolio, while the Australian Dollar, UAE Dirham and Sterling represented 2% of the portfolio, combined.

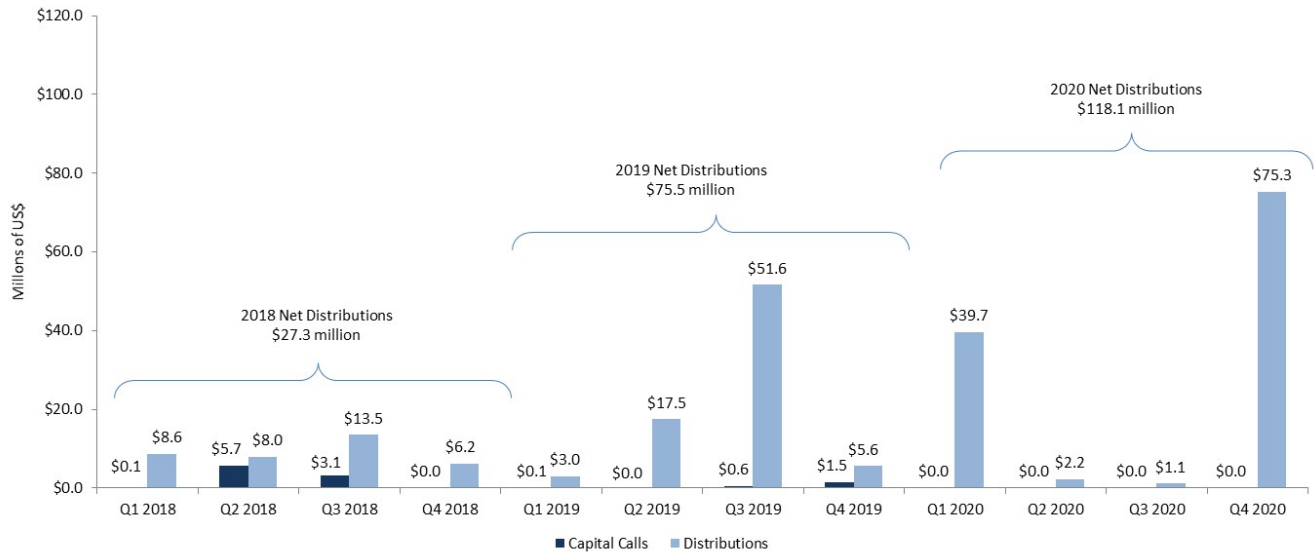
<sup>1</sup> Based on 31 December 2020 market value of investments, percentages based on underlying company-level values.

<sup>2</sup> Based on 31 December 2020 market value of investments, percentages based on underlying fund-level values. Please refer to page 23 of the financial statements for net currency exposure on the Company level.

# Manager's Report continued

## CAPITAL CALLS AND DISTRIBUTIONS

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



2020 generated significantly more distributions than the prior calendar year with \$118.1 million in net cash received largely due to the exit of MBI Holdings. JPEL's mature portfolio continues to be well positioned to receive distributions. As the Company's older fund of funds assets run off, the Manager anticipates that distribution activity will be intermittent with larger cash flows stemming from the sale of direct investments.

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

# Manager's Report continued

## TOP 20 FUNDS & COMPANIES INFORMATION

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

	Fund	Region	Fund Strategy	% of Private Equity Investments
1	Life Sciences Holdings SPV I Fund, L.P.	Venture Capital	Europe	4.9%
2	Black Diamond Capital Management	Special Situations	North America	3.8%
3	Beacon India Private Equity Fund	Buyout	Asia	2.6%
4	Global Buyout Fund, L.P.	Buyout	Other	2.2%
5	Liberty Partners II, L.P.	Buyout	North America	1.8%
6	Strategic Value Global Opportunities Fund I-A	Special Situations	North America	1.5%
7	Blue River Capital I, LLC	Buyout	Asia	1.4%
8	Global Opportunistic Fund	Buyout	Other	1.4%
9	Omega Fund IV, L.P.	Venture Capital	North America	1.2%
10	Alcentra Euro Mezzanine No1 Fund L.P.	Special Situations	Europe	1.2%
11	Omega Fund III, L.P.	Venture Capital	Europe	1.2%
12	Wellington Partners Ventures III Life Science Fund L.P.	Venture Capital	Europe	0.9%
13	Private Equity Access Fund II Ltd	Fund of Funds	North America	0.8%
14	Carlyle/Riverstone Global Energy and Power Fund III	Infrastructure	North America	0.5%
15	Main Street Resources II, L.P.	Buyout	North America	0.4%
16	Wellington Partners Ventures II GMBH & CO.KG (B)	Venture Capital	Europe	0.3%
17	Gridiron Capital Fund, L.P.	Buyout	North America	0.3%
18	Industry Ventures Fund VI, L.P.	Venture Capital	North America	0.3%
19	Private Opportunity Ventures, L.P.	Fund of Funds	North America	0.3%
20	Esprit Capital I Fund	Venture Capital	Europe	0.3%

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

	Company	Country	Industry Group	% of Private Equity Investments
1	Swania	Europe	Consumer Durables & Apparel	42.4%
2	Tax Advisory Services Company	North America	Diversified Financials	8.3%
3	Back Bay (Guernsey) Limited	North America	Real Estate	7.4%
4	ION Media	North America	Media	4.4%
5	Paratek Pharmaceutical Inc	North America	Pharmaceuticals, Biotechnology & Life Sciences	3.7%
6	Genuine Idea	Asia	Real Estate	3.5%
7	FibroGen	North America	Pharmaceuticals, Biotechnology & Life Sciences	3.3%
8	Corsicana Bedding Inc.	North America	Household & Personal Products	2.9%
9	KMC Constructions Limited	Asia	Capital Goods	2.2%
10	Concorde Career Colleges, Inc.	North America	Consumer Services	1.7%
11	SaaS Company	North America	Software & Services	1.7%
12	Placid Holdings	Asia	Technology Hardware & Equipment	1.6%
13	Kloekner Pentaplast	Europe	Materials	1.5%
14	Gulf Healthcare International LLC	Other	Health Care Equipment & Services	1.5%
15	National Stock Exchange	Asia	Diversified Financials	1.4%
16	Replimune, Ltd.	Europe	Pharmaceuticals, Biotechnology & Life Sciences	1.2%
17	HHH Ports America	North America	LP Interest	1.2%
18	Diaverum	Europe	Health Care Equipment & Services	1.2%
19	Indostar Capital	Asia	Diversified Financials	1.1%
20	The Lenox Group	North America	Consumer Durables & Apparel	0.8%

<sup>1</sup> 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.

<sup>2</sup> Percentages are calculated based on 31 December 2020 unaudited market value of investments.

# Condensed Interim Statement of Comprehensive Income - Unaudited

for the period ended 31 December 2020

	Notes	01/07/2020 to 31/12/2020 \$'000	01/07/2019 to 31/12/2019 \$'000
<b>Income</b>			
Interest and distribution income	4	151	1,975
Other net changes in fair value of financial assets and financial liabilities through profit or loss	7	15,668	12,752
Realised (loss)/gain on forward currency contracts		(3,156)	1,920
Other income		3	-
<b>Total net income</b>		<b>12,666</b>	<b>16,647</b>
<b>Expenses</b>			
Investment management fees		(999)	(1,476)
Accounting and administration fees		(393)	(378)
Audit fees		(49)	(79)
Directors' fees		(86)	(82)
Other expenses	6	(527)	(437)
<b>Total expenses</b>		<b>(2,054)</b>	<b>(2,452)</b>
<b>Profit before finance costs</b>		<b>10,612</b>	<b>14,195</b>
<b>Finance costs</b>			
Credit facility costs	5	(82)	(143)
Net foreign exchange gain		89	53
<b>Profit before tax</b>		<b>10,619</b>	<b>14,105</b>
Withholding taxes		(70)	(923)
<b>Net Profit for the period</b>		<b>10,549</b>	<b>13,182</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the period</b>		<b>10,549</b>	<b>13,182</b>
<b>Earnings per share</b>			
Earnings per US\$ Equity Share		\$0.13	\$0.09

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

The accompanying notes on pages 18 to 30 form an integral part of the financial statements.

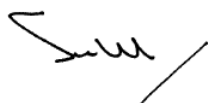


# Condensed Interim Statement of Financial Position - Unaudited

as at 31 December 2020

	Notes	31 December 2020 \$'000	30 June 2020 \$'000
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss			
- Investment portfolio	8	133,446	193,484
<b>Current assets</b>			
Cash and cash equivalents		10,892	15,259
Receivables		477	81
		11,369	15,340
<b>Current liabilities</b>			
Payables and accruals			
		(563)	(956)
Financial liabilities at fair value through profit or loss			
- Derivative financial liabilities	8	(1,275)	(440)
Net current assets		9,531	13,944
<b>Net Assets</b>			
		142,977	207,428
<b>Represented by:</b>			
Share capital	10	110,660	173,131
Accumulated gain		32,317	34,297
<b>Total equity</b>		142,977	207,428
Number of US\$ Equity Shares in issue	10	82,517,769	129,101,529
NAV per US\$ Equity Share		\$1.73	\$1.61

The financial statements on pages 14 to 30 are approved by the Board of Directors on 17 March 2021 and were signed on its behalf by:



Sean Hurst  
Director



Christopher Spencer  
Director

The accompanying notes on pages 18 to 30 form an integral part of the financial statements.

# Condensed Interim Statement of Changes in Equity - Unaudited

for the period ended 31 December 2020

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

	Note	Share capital \$'000	Accumulated gain \$'000	Total \$'000
<b>At 1 July 2019</b>		254,372	68,212	322,584
Profit for the period		-	13,182	13,182
Other comprehensive income for the period		-	-	-
<b>Total comprehensive income for the period</b>		-	<b>13,182</b>	<b>13,182</b>
Mandatory redemption	10	(51,275)	(13,725)	(65,000)
<b>Total transactions with owners of the Share Capital during the period</b>		<b>(51,275)</b>	<b>(13,725)</b>	<b>(65,000)</b>
<b>At 31 December 2019</b>		<b>203,097</b>	<b>67,669</b>	<b>270,766</b>

The accompanying notes on pages 18 to 30 form an integral part of the financial statements.

# Condensed Interim Statement of Cash Flows - Unaudited

for the period ended 31 December 2020

	Notes	01/07/2020 to 31/12/2020 \$'000	01/07/2019 to 31/12/2019 \$'000
<b>Operating activities</b>			
Profit for the period		10,549	13,182
Adjustments for:			
Interest income	4	-	(289)
Net unrealised losses/(gains) on derivative financial instruments	7	836	(35)
Net gains on investment portfolio	7	(16,504)	(12,717)
Net foreign exchange gain		(95)	(42)
Purchase of investments and funding of capital calls		(154)	2,767
Proceeds from disposal of investments and distribution receipts		76,394	51,624
Interest received		-	289
<b>Operating cash flows before changes in working capital</b>		<b>71,026</b>	<b>54,779</b>
Increase in receivables		(112)	(34)
Decrease in payables and accruals		(376)	(224)
<b>Cash from operations</b>		<b>70,538</b>	<b>54,521</b>
<b>Financing activities</b>			
Equity share redemption	11	(75,000)	(65,000)
<b>Cash used in financing activities</b>		<b>(75,000)</b>	<b>(65,000)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,462)</b>	<b>(10,479)</b>
Cash and cash equivalents at the beginning of the period		15,259	25,741
Effects of exchange differences arising from cash and cash equivalents		95	42
<b>Cash and cash equivalents at the end of the period</b>		<b>10,892</b>	<b>15,304</b>

The accompanying notes on pages 18 to 30 form an integral part the financial statements.

# Notes to the Condensed Interim Financial Statements

## 1. SIGNIFICANT ACCOUNTING POLICIES

JPEL Private Equity Limited ("JPEL" or the "Company") is a closed ended investment fund incorporated as a limited liability company in Guernsey under The Companies (Guernsey) Law, 2008. As at 31 December 2020, the Company's capital structure consisted of one class of US\$ Equity Shares ("Shares") which are listed on the London Stock Exchange.

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

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

### Statement of compliance

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

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2020.

The financial statements were approved by the Board of Directors on 17 March 2021.

### Standards and amendments to existing standards effective for annual periods beginning on or after 1 July 2020 that are relevant and have been adopted by the Company

#### *Definition of Material (Amendments to IAS 1 and IAS 8)*

The IASB has made amendments to IAS 1 Presentation of financial statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify and align the definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting. The amendments clarify when information is material and provide some guidance in IAS 1 about immaterial information.

The amendments address the following:

- 'Obscuring' was added to the definition of materiality and clarifies that obscuring information has a similar effect to omitting or misstating that information;
- An entity must assess materiality in the context of the financial statements as a whole; and
- The 'primary users of general-purpose financial statements' are defined as 'existing and potential investors, lenders and other creditors' who rely on general purpose financial statements for the financial information they need.

The amendment does not have a material impact on the Company in the current and future reporting periods.

#### *Revised Conceptual Framework for Financial Reporting*

The IASB has issued a Revised Conceptual Framework which will be used in standard-setting decisions with immediate effect.

Key changes include:

- clarifying important areas, such as roles of stewardship, prudence and measurement uncertainty in financial reporting;
- New definitions of an asset and a liability, including criteria for inclusion in financial statements;
- Guidance added on derecognition of assets and liabilities;
- Guidance added on different measurement bases; and
- Improving guidance on presentation and disclosure, recognising the profit and loss statement as the primary source of information on financial performance, but providing guidance on when income and expenses can be held in other comprehensive income and if subsequent recycling to profit and loss in a future period will enhance the relevance or faithful representation of the financial statements.

Where existing IFRS standards reference the Conceptual Framework and its definitions, these references have been updated by the IASB, with immediate effect, to the Revised Conceptual Framework and its definitions. The amendment does not have a material impact on the Company in the current and future reporting periods.

### New standards and amendments to existing standards that are relevant but have not yet been adopted by the Company

There are no standards, amendments to standards and interpretations issued but not yet effective that are expected to have a material impact on the Fund.

## Notes to the Condensed Interim Financial Statements continued

### 1. SIGNIFICANT ACCOUNTING POLICIES continued

#### Segmental information

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

As at 31 December 2020, two shareholders have more than 10% ownership in the total number of US\$ Equity Shares in issue with holdings of approximately 18.4% and 13.7% (30 June 2020: 18.4%, 13.8% and 10.5%).

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

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

The key measure of performance used by the Board of Directors to assess the Company’s performance and to allocate resources is the Net Asset Value (“NAV”) which is prepared on a monthly basis by IQ EQ. The NAV reported by the Administrator is prepared on a basis consistent with IFRS.

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

Region	31 December 2020		30 June 2020	
	\$'000	%	\$'000	%
North America	44,882	34%	107,776	56%
Europe	69,178	52%	67,584	35%
Asia	12,361	9%	11,555	6%
Other	7,025	5%	6,569	3%
Total	133,446	100%	193,484	100%

### 2. KEY ESTIMATES AND ASSUMPTIONS

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

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

In preparing the financial statements, the significant judgements made in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30 June 2020.

#### Valuation of investments

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

## Notes to the Condensed Interim Financial Statements continued

### 2. KEY ESTIMATES AND ASSUMPTIONS continued

#### Valuation of investments continued

##### Investments in subsidiaries

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

##### Investments in unquoted funds

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

Where no valuation is available from the Sponsor or an independent valuation agent, the Directors and 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 Sponsors. Where such securities have publically available stock prices, these may be adjusted by applying the appropriate discount to reflect limited marketability and illiquidity.

##### Direct investments in unquoted companies

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

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

The Directors and 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.

## Notes to the Condensed Interim Financial Statements continued

### 2. KEY ESTIMATES AND ASSUMPTIONS continued

#### Valuation of investments continued

##### Direct investments in unquoted companies continued

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

31 December 2020						
Description	Fair Value (\$000's)	Valuation Technique	Unobservable Inputs	Input	Reasonable possible shift +/- (%)	Change in Valuation and impact on Profit or Loss +/- (\$000's)
Fund Investments	40,590	NAV	NAV	N/A	10%	4,059/(4,059)
Direct Investments - NAV provided by the Sponsors	84,251	NAV	NAV	N/A	10%	8,425/(8,425)
Direct Investments - NAV provided by the Sponsors and discounted by the Board and Manager	8,605	NAV - Adjusted	NAV	Weighted average discount	10%	(1,930)/(309)
30 June 2020						
Description	Fair Value (\$000's)	Valuation Technique	Unobservable Inputs	Input	Reasonable possible shift +/- (%)	Change in Valuation and impact on Profit or Loss +/- (\$000's)
Fund Investments	42,156	NAV	NAV	N/A	10%	4,216/(4,216)
Direct Investments - NAV provided by the Sponsors	143,264	NAV	NAV	N/A	10%	14,326/(14,326)
Direct Investments - NAV provided by the Sponsors and discounted by the Board and Manager	8,064	NAV - Adjusted	NAV	Weighted average discount	10%	(1,930)/(309)

#### 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 regularly.

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

The financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at 30 June 2020.

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

## Notes to the Condensed Interim Financial Statements continued

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

#### Exposure to interest rate risk

The Company's credit facility remained undrawn at \$10 million (30 June 2020: \$20 million). This capital is a floating rate debt with the interest expenses incurred from this facility based on the US Dollar London Interbank Offer Rate ("LIBOR") or Euro Interbank Offered Rate ("EURIBOR") as applicable.

#### Exposure to currency risk

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

Currency	31 December 2020	30 June 2020
Euro	43%	28%
Sterling	1%	1%
UAE Dirham	1%	1%
Australian Dollar	-	-

#### Exposure to other price risk

As at 31 December 2020, the Company had no direct exposure to assets that are publicly traded on equity markets (30 June 2020: Nil).

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

#### Exposure to liquidity risk

As of 31 December 2020, the Company had unfunded commitments to private equity funds of \$25.2 million (30 June 2020: \$25.3 million) that may be called by the underlying limited partnerships. Approximately 98.81% (30 June 2020: 98%) of the Company's unfunded commitments, or approximately \$24.9 million (30 June 2020: \$24.7 million), represents funds with vintage years of 2010 and earlier and are unlikely to be called.

During the period the Company's credit facility has been reduced and remained undrawn. The undrawn amount of the credit facility as of 31 December 2020 was \$10 million (30 June 2020: \$20 million).

#### Exposure to credit risk

In respect of credit risk arising from cash and cash equivalents and derivative financial instruments, the Company continues to mitigate such risks by maintaining substantially all of the Company's cash and forward currency contracts with Lloyds Bank plc and Bank of America Merrill Lynch International. As at 31 December 2020, Moody's has given the long term credit ratings for Lloyds Bank plc as Aa3 (30 June 2020: Aa3), Standard & Poor's has given the long term credit ratings for Bank of America Merrill Lynch International as A+ (30 June 2020: 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 2020.

### 4. INTEREST AND DISTRIBUTION INCOME

	01/07/2020 to 31/12/2020 \$'000	01/07/2019 to 31/12/2019 \$'000
Interest income from cash and cash equivalents	-	289
Interest income from investments	151	195
Dividend income	-	1,491
Other income	3	-
	<b>154</b>	<b>1,975</b>



## Notes to the Condensed Interim Financial Statements continued

### 5. CREDIT FACILITY COSTS

	01/07/2020 to 31/12/2020 \$'000	01/07/2019 to 31/12/2019 \$'000
Undrawn commitment fees	82	143
	<b>82</b>	<b>143</b>

### 6. OTHER EXPENSES

	01/07/2020 to 31/12/2020 \$'000	01/07/2019 to 31/12/2019 \$'000
Legal and professional fees	365	196
Sundry expenses	78	112
Travel and other expenses	54	33
Filing and regulatory fees	24	27
Bank charges	6	8
Portfolio management fees from limited partnerships	-	61
	<b>527</b>	<b>437</b>

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

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

	01/07/2020 to 31/12/2020 \$'000	01/07/2019 to 31/12/2019 \$'000
<b>At fair value through profit or loss</b>		
- Investment portfolio	16,504	12,717
- Derivative financial instruments	(836)	35
<b>Net gain from financial assets and liabilities at fair value through profit or loss</b>	<b>15,668</b>	<b>12,752</b>

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

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

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

#### Commitments

The Company has committed to invest in certain private equity funds and investments. Such commitments are payable upon demand at the request of the fund's administrator or general partner. As of 31 December 2020, the Company had unfunded commitments to private equity funds of \$25.2 million (30 June 2020: \$25.3 million) that may be called by the underlying limited partnerships. Approximately 98.81% (30 June 2020: 98%) of the Company's unfunded commitments, or approximately \$24.9 million (30 June 2020: \$24.7 million), represents funds with vintage years of 2010 and earlier and are unlikely to be called.

## Notes to the Condensed Interim Financial Statements continued

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

#### Fair Value Hierarchy

The following table summarises the valuation of the Company's financial assets and liabilities measured at fair value by the fair value hierarchy as of 31 December 2020:

	31 December 2020			
	Total \$'000	Level I \$'000	Level II \$'000	Level III \$'000
Financial assets at fair value through profit or loss				
- Investment portfolio	133,446	-	-	133,446
Financial liabilities at fair value through profit or loss				
- Derivative instruments	(1,275)	-	(1,275)	-
	<b>132,171</b>	<b>-</b>	<b>(1,275)</b>	<b>133,446</b>
	30 June 2020			
	Total \$'000	Level I \$'000	Level II \$'000	Level III \$'000
Financial assets at fair value through profit or loss				
- Investment portfolio	193,484	-	-	193,484
Financial liabilities at fair value through profit or loss				
- Derivative instruments	(440)	-	(440)	-
	<b>193,044</b>	<b>-</b>	<b>(440)</b>	<b>193,484</b>

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

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

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

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

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

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

## Notes to the Condensed Interim Financial Statements continued

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

#### Fair Value Hierarchy continued

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

	01/07/2020 to 31/12/2020 \$'000	01/07/2019 to 31/12/2019 \$'000
Fair value at beginning of the period	193,484	298,746
Purchase of investment and funding of capital calls	137	(3,336)
Distributions from limited partnership interests	(76,679)	(51,598)
Net fair value movement in the period (including foreign exchange gains and losses)	16,504	12,717
<b>Fair value at the end of the period</b>	<b>133,446</b>	<b>256,529</b>
Change in unrealised (losses)/gains in the period for level III assets held at period end (including foreign exchange gains)	(33,887)	1,880

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

### 9. CREDIT FACILITY

The Company has entered into a multi-currency credit facility agreement with Lloyds Bank. As at 31 December 2020, the facility was renewed for \$10 million (30 June 2020: \$20 million) and bears interest of US\$ LIBOR/EURIBOR + 250 bps for drawn amounts. A flat 0.9% rate is paid on undrawn amounts.

The current facility agreement was last amended on 23 December 2020 and is due to expire 31 December 2021. The facility amount had been reduced to \$10 million and had changed the terms of the financial covenants under the new facility agreement. 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 25% 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 2020, the Company had no drawn leverage (30 June 2020: Nil) per the credit agreement and the Company was in compliance with all of the diversification restrictions.

## Notes to the Condensed Interim Financial Statements continued

### 10. ISSUED SHARE CAPITAL

#### Capital management

The Company's approach to capital management remained the same as described in the annual financial statements for the year ended June 2020. 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 2020: 17,750,000) all of which was US\$ Equity Shares. Shares held in treasury remain at less than 10% of total assets as at period end.

#### Authorised share capital

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

#### Issued share capital

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

	Number of shares	Price (\$)	Total proceeds (\$)	Share Capital (\$)	Premium on redemption
<b>Balance as at 30 June 2020</b>	129,101,529	-	-	173,130,742	-
Share redemption	-	-	-	-	-
31 December 2020	(46,583,760)	1.34	(74,999,854)	(62,470,840)	(12,529,014)
<b>Total</b>	<b>(46,583,760)</b>		<b>(74,999,854)</b>	<b>(62,470,840)</b>	<b>(12,529,014)</b>
<b>Balance as at 31 December 2020</b>	<b>82,517,769</b>			<b>110,659,902</b>	

	Number of shares	Price (\$)	Total proceeds (\$)	Share Capital (\$)	Premium on redemption
<b>Balance as at 30 June 2019</b>	189,682,752	-	-	254,372,787	-
Share redemption*	-	-	-	-	-
25 October 2019	(38,235,033)	1.34	(64,999,556)	(51,274,836)	(13,724,720)
<b>Total</b>	<b>(38,235,033)</b>		<b>(64,999,556)</b>	<b>(51,274,836)</b>	<b>(13,724,720)</b>
<b>Balance as at 31 December 2019</b>	<b>151,447,719</b>			<b>203,097,951</b>	

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

The US\$ Equity Shares carry the right to receive all revenue profits of the Company (including accumulated revenue reserves) which are available for distribution and from time to time determined to be distributed by way of interim and/or final dividends and at such times as the Directors may determine. On winding up, US\$ Equity Shareholders will be entitled to the net assets of the Company after any payables have been paid. As at 31 December 2020, the total share capital was \$203,097,951 (30 June 2020: \$173,130,742). Please refer to the Statement of Changes in Equity on page 17 for details of the movements in share capital.

## Notes to the Condensed Interim Financial Statements continued

### 11. UNCONSOLIDATED SUBSIDIARIES

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

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

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

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

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

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

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

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

Details of the names and values as of 31 December 2020 of all the investments held by the subsidiaries are disclosed in note 15.

## Notes to the Condensed Interim Financial Statements continued

### 12. MATERIAL AGREEMENTS

The Manager, FCF JPEL Management LLC, is entitled to a base management fee, payable monthly in arrears of 1.0% per annum of the Company's Total Assets as defined by the investment agreement. The total management fee due for the period was \$999,072 (six months to 31 December 2019: \$1,475,574). The amount payable to the Manager at the end of the period was \$121,204 (30 June 2020: \$506,407).

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 fee was last paid.

The amount of such fee will be 7.5% of the total increase in aggregate Net Asset Value above the performance hurdle. The performance fee recognised during the period was \$NIL (six months to 31 December 2019: \$NIL).

The Administrator is entitled to an annual fee in respect of accounting, company secretarial, administration and investment tracking services. Total fees for the period were \$392,840 (six months to 31 December 2019: \$377,979). At 31 December 2020, \$68,812 (30 June 2020: \$65,235) was outstanding in respect of administration fees.

### 13. RELATED PARTY TRANSACTIONS

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

Mr. Spencer owned 13,475 US\$ Equity Shares, Mr. Hurst owned 11,169 US\$ Equity Shares and Mr. Dalwood owned 57,244 US\$ Equity Shares at 31 December 2020.

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 \$14,639 (six months to 31 December 2019: \$14,639) to the Directors in travel expenses. The cap on total Directors remuneration was unchanged at £250,000 as at 31 December 2020.

Please also refer to the RNS dated 17 December 2020 as it relates to the transfer of JPEL's interest in MBI Holdings.

### 14. POST BALANCE SHEET EVENTS

The Company confirms that the operational performance of its investment portfolio continues as expected post calendar year end and that the COVID-19 pandemic has, to date, had no material impact on the Company's operational or financial performance. As the COVID-19 developments and market volatility remains ongoing post year end, the full consequences of the pandemic and effects on the investment portfolio are uncertain. The Directors believe that the Company's liquidity position and the Director's approach to risk mitigation and management offers a significant degree of protection.

## Notes to the Condensed Interim Financial Statements continued

### 15. SCHEDULE OF INVESTMENTS

Vehicles	Investments	31 December	30 June
		2020	2020
		\$000's	\$000's
Back Bay	Back Bay (Cayman) Ltd	9,851	9,942
BMFL/BMML	BoS Mezzanine Partners, LP	2,222	2,047
BSPEL Aus	ROC Private Capital Trust	1,556	1,532
JPEL	Aksia Capital III	92	85
JPEL	Apollo Investment Fund V, L.P.	28	28
JPEL	Ares European Real Estate Fund I (IF), L.P.	8	4
JPEL	Argan Capital Fund	-	468
JPEL	Arlington Capital Partners II, L.P.	7	7
JPEL	Beacon India Private Equity Fund	3,445	4,012
JPEL	Bear Stearns Global Turnaround Fund LP	1,708	1,889
JPEL	Black Diamond Capital Management	5,122	4,433
JPEL	Blackstone Real Estate Partners IV, L.P.	33	19
JPEL	Blue River Capital I, LLC	1,917	1,881
JPEL	Clearwater Capital Partners Fund I, L.P.	-	2
JPEL	Colony Investors VI, L.P.	1	46
JPEL	Double B Foods, Inc	37	37
JPEL	Esprit Capital I Fund	382	2,727
JPEL	Global Buyout Fund, L.P.	2,969	2,811
JPEL	Global Opportunistic Fund	1,807	1,807
JPEL	Gridiron Capital Fund, L.P.	416	378
JPEL	Highstar Capital III Prism Fund, L.P.	37	37
JPEL	Hupomone Capital Fund, L.P.	20	53
JPEL	Industry Ventures Fund IV, L.P	131	234
JPEL	Industry Ventures Fund V, L.P	123	45
JPEL	Leeds Equity Partners IV, L.P.	13	14
JPEL	Liberty Partners II, L.P.	2,374	2,346
JPEL	Life Sciences Holdings SPV I Fund, L.P.	6,504	6,524
JPEL	Main Street Resources I, L.P.	222	256
JPEL	Main Street Resources II, L.P.	521	521
JPEL	Markstone Capital Partners, L.P.	10	10
JPEL	Omega Fund III, L.P.	1,085	898
JPEL	Oaktree Ports America Fund (HS III), L.P.	1,665	1,670
JPEL	Private Equity Access Fund II Ltd	1,129	765
JPEL	Private Opportunity Ventures, L.P.	388	526
JPEL	Strategic Value Global Opportunities Feeder Fund I-A, LP	1,154	895
JPEL	Strategic Value Global Opportunities Master Fund, LP	44	45
JPEL	Terra Firma Deutsche Annington L.P.	-	351
JPEL	The Oneida Group	333	333
JPEL	Trumpet Feeder Ltd	-	238
JPEL	Warburg Pincus Private Equity VIII, L.P.	-	20
JPEL	Wellington Partners Ventures II GMBH & CO. KG (B)	464	589

Continued on next page

## Notes to the Condensed Interim Financial Statements continued

### 15. SCHEDULE OF INVESTMENTS continued

Vehicles	Investments	31 December	30 June
		2020	2020
		\$000's	\$000's
JPEL	Wellington Partners Ventures III Life Science Fund L.P.	1,163	1,283
JPEL Holdings	SaaS Company	2,216	2,005
JPEL Holdings	Tax Advisory Services Company	11,145	10,058
JPEL Holdings	Corsicana Feeder Co-Investors, LLC	3,876	3,866
JPEL Holdings	Genuine Idea Investments Ltd	4,729	4,199
JPEL Holdings	Gulf Healthcare International LLC	1,663	1,636
JPEL Holdings	Industry Ventures Fund VI, L.P.	404	651
JPEL Holdings	MBI Holding, Inc.	-	65,028
JPEL Holdings	Milestone Investisseurs 2014 SLP	56,654	51,988
JPEL Holdings	Omega Fund IV, L.P.	1,658	959
JPEL Holdings	Placid Holdings	2,120	1,286
<b>Total market value of Investments held by the Company</b>		<b>133,446</b>	<b>193,484</b>

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



# Information about the Company

<b>DIRECTORS:</b>	Sean Hurst (Chairman) <i>(re-elected 25 November 2020)</i> John Loudon <i>(re-elected 25 November 2020)</i> Christopher Spencer <i>(re-elected 25 November 2020)</i> Anthony Dalwood <i>(re-elected 25 November 2020)</i>
<b>MANAGER</b> <b>(as to the Private Equity Portfolio):</b>	FCF JPEL MANAGEMENT LLC c/o Fortress Investment Group LLC 1345 Avenue of the Americas 46th floor, New York, New York 10105 United States of America
<b>ADMINISTRATOR AND</b> <b>COMPANY SECRETARY:</b>	IQ EQ FUND SERVICES (GUERNSEY) LIMITED Ground Floor Cambridge House Le Truchot, St Peter Port Guernsey GY1 4BF
<b>INDEPENDENT AUDITOR:</b>	PRICEWATERHOUSECOOPERS CI LLP Royal Bank Place 1 Gategny Esplanade St Peter Port Guernsey GY1 4ND
<b>SOLICITORS</b> <b>(as to English and US law):</b>	HERBERT SMITH FREEHILLS LLP Exchange House Primrose Street London EC2A 2EG United Kingdom  TRAVERS SMITH LLP 10 Snow Hill London EC1A 2AL United Kingdom
<b>LEGAL ADVISERS</b> <b>(as to Guernsey Law):</b>	CAREY OLSEN (Guernsey) LLP PO Box 98, Carey House Les Banques St Peter Port Guernsey GY1 4BZ Channel Islands
<b>REGISTRAR:</b>	LINK ASSET SERVICES (Guernsey) Limited PO Box 627 St Peter Port Guernsey GY1 4PP
<b>REGISTERED OFFICE:</b>	Ground Floor Cambridge House Le Truchot, St Peter Port Guernsey GY1 1WD