JPEL Private Equity Limited

Annual Report and Financial Statements
for the year ended 30 June 2019

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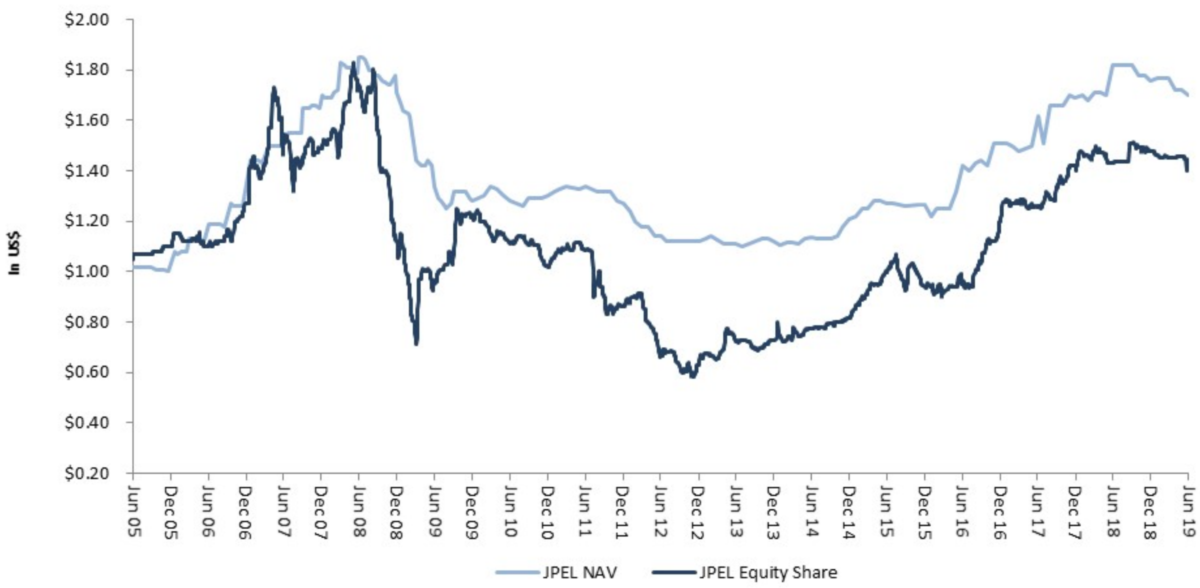
Financial Summary (Company Information)

	30 June 2019
US$ Equity Shares	
Net Asset Value ("NAV") per Share	$1.70
Share Price	$1.43
Shares in Issuance (excluding shares held in treasury)	189.7m
Statement of Financial Position (extract)	
Investments at Fair Value	$298.7m
Cash and cash equivalents	$25.7m
Other Assets[1]	$0.1m
Credit Facility	-
Other Liabilities[2]	($1.9m)
US$ Equity NAV	**$322.6m**
Ongoing charges[4]	
Excluding performance fee	1.40%
Including performance fee	1.40%

Performance as at 30 June 2019

JPEL NAV and Share Price Development from Inception through 30 June 2019[5]



Past performance is not an indication of future performance

[1] Includes distribution receivable and prepayments.
[2] Includes fee accruals, other payables and derivative liabilities.
[3] The NAV represents the capital of the Company which includes the NAV of the US$ Equity Shares. Numbers may not sum due to rounding.
[4] Ongoing charges ratio calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses divided by the average Net Asset Value throughout the year.
[5] Source: Manager, Bloomberg as at 30 June 2019.

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.

Fortress was acquired by Softbank Group Corp on 27 December 2017 and operates as an independent business within Softbank.

The Company has entered into a management agreement with the Manager, subject to the overall supervision of the Board of Directors (the "Directors" 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 (formerly called Augentius (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 within three years from June 2016 as well as holding the direct investment portfolio until maturity, if the Manager believes that market pricing would be more favourable than realising such investments before their maturity.

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

Chairman's Statement

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

FISCAL YEAR 2019 HIGHLIGHTS

- JPEL returned $25 million to US$ Equity Shareholders through mandatory redemptions
- US$ Equity Share price was unchanged at $1.43
- NAV per US$ Equity Share decreased 6.6%, to $1.70 from $1.82

RETURN OF CAPITAL

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

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

CAPITAL POSITION

As at 30 June 2019, the Company's credit facility with Lloyds was undrawn and the Company did not have any leverage nor any outstanding ZDPs and had $25.7 million in cash and cash equivalents on its Statement of Financial Position.

JPEL's existing credit facility with Lloyds expires at the end of December 2019. The Company may seek an extension. The size of JPEL's facility is $35 million at LIBOR / EURIBOR + 250bps for drawn amounts.

PORTFOLIO HIGHLIGHTS[1]

During the fiscal year, JPEL's NAV was negatively impacted by the stock price decline of both JPEL's publicly traded investments, Paratek and Fibrogen as well as mark downs in Placid Holdings and Corsicana. In addition, the value of RCR Industrial was reduced to reflect the sale price, as proceeds from the sale of RCR Industrial were received after the period. JPEL's investment in RCR Industrial generated a 1.4x MOIC.

On a weighted average basis, JPEL's top buyout companies are carried at an Enterprise Value / EBITDA multiple of 7.57x with a weighted average Net Debt / EBITDA multiple 1.7x.

Latest twelve month EBITDA for JPEL's top buyout investments grew by a weighted-average of 26.2%. Latest twelve month Revenue for JPEL's top buyout investments grew by a weighted-average of 15.5%.

[1] Analysis based on latest twelve month (LTM) information on JPEL's largest buyout companies and as at 30 June 2019. Percentages based on relevant investment value as a % of total value for which information was available. LTM Information for six of the companies is as of 30 June 2019, three companies as of 31 December 2018 and one company as of 31 March 2019. Enterprise Value / EBITDA multiples were available for 8 of the 9 companies.

DISTRIBUTION ACTIVITY[1]

In total, JPEL received $40.2 million of gross distributions or 11.3% of the prior year's private equity portfolio value at 30 June 2018. During the fiscal year, JPEL funded $3.2 million of capital calls.

JPEL's pre-credit crisis or legacy portfolio* represented 70.5% of total distributions, or $28.3 million for the 2019 fiscal year. As expected, due to increased distribution activity, JPEL's legacy portfolio has decreased significantly over the last 3 years, from 39.6% of total private equity portfolio value at 30 June 2015 to 17.0% of total private equity portfolio value at 30 June 2019.

The majority of distributions received during the 2019 fiscal year were from underlying distributions from JPEL's legacy portfolio. JPEL received $8.8 million in distributions from BoS Mezzanine Partners Fund, L.P., a portfolio of European mezzanine fund interests with vintage years from 2000-2007 investments. JPEL received $6.7 million from Leeds Equity Partners V, a 2008 vintage year fund. JPEL received a partial distribution of $6.2 million from Alia Capital Fund I, a 2001 European buyout fund from the sale of Grupo Zena[2]. In addition, JPEL received over $2.5 million in dividends from its investment in a Tax Advisory Services Company.

Pre-Credit Crisis Portfolio Distribution Activity*

Fiscal Year Ended 30 June	Pre-Credit Crisis Distributions as % of Total Distributions	Pre-Credit Crisis Distributions as % of Prior Year Pre-Credit Crisis Portfolio Value	Pre-Credit Crisis Portfolio Value % of JPEL's total PE Portfolio Value
2015	51.1%	25.8%	39.6%
2016	54.4%	33.6%	26.9%
2017	22.7%	28.2%	26.2%
2018	22.0%	29.7%	23.4%
2019	70.5%	33.9%	17.0%

* Source: Managers. As at 30 June 2019. Pre-Credit Crisis portfolio is defined as those investments made prior to 30 September 2008.

Post-Credit Crisis Portfolio Distribution Activity*

Fiscal Year Ended 30 June	Post-Credit Crisis Distributions as % of Total Distributions	Post-Credit Crisis Distributions as % of Prior Year Post-Credit Crisis Portfolio Value	Post-Credit Crisis Portfolio Value % of JPEL's total PE Portfolio Value
2015	48.9%	18.0%	60.4%
2016	45.6%	15.8%	73.1%
2017	77.3%	30.4%	73.8%
2018	78.0%	37.4%	76.6%
2019	29.5%	4.3%	83.0%

* Source: Managers. As at 30 June 2019. Post Credit Crisis Portfolio is defined as those investments made after 30 September 2008.

[1] Distributions are shown on a cash basis. Distributions from JPEL's investment in ROC Capital Trust are reflected on the date that JPEL received the distribution from ROC Capital Trust.
[2] Subsequent to the year end, the Company received a final distribution of €7.69 million from the sale of Alia Capital Fund I C.V. which was in addition to the $6.2 million received during the fiscal year.
* Source: Managers. As at 30 June 2019, Post Credit Crisis or legacy portfolio is defined as those investments made after 30 September 2008.

Chairman's Statement continued

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 2019 fiscal year marks 5.5 years since this announcement:

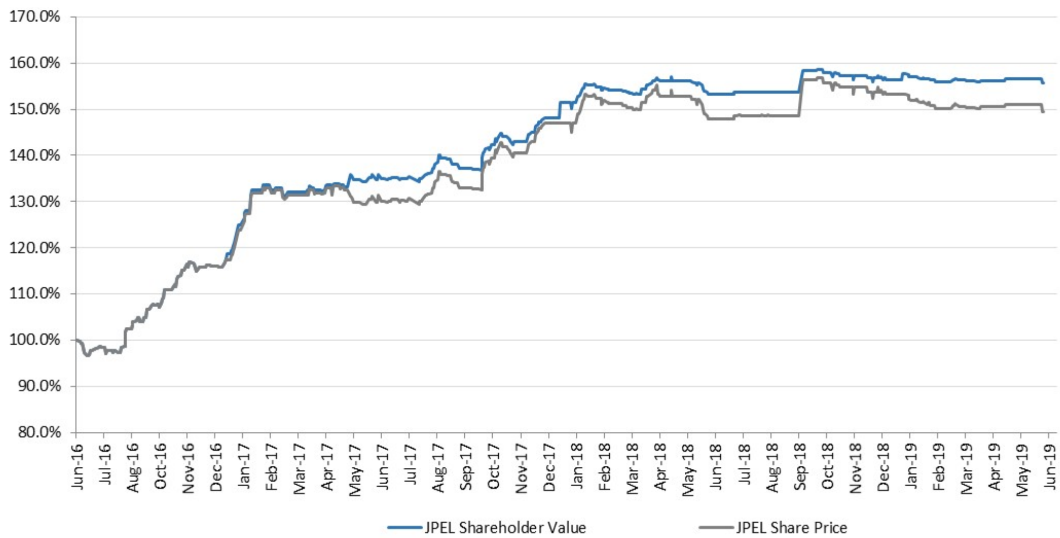
- Since that announcement, $234.2 million was returned to equity shareholders at prevailing NAVs ranging from $1.48 to $1.78.
- As discussed in prior reports, a significant portion of JPEL's performance and volume of cash distributions is directly attributable to the investments made during the two years from 2014-2016 ("The New Portfolio")
  - o The New Portfolio (including a late 2013 investment) has produced a MOIC of 2.19x and an IRR of 27.0%[1]
  - o The realized and partially realized portfolio performance is approximately 3.01x cost with an IRR of 41.9%[1].

New Portfolio: Performance through 30 June 2019[1]

	Cost	Realized	Unrealized	Total Value	MOIC	IRR
Realized & Partially Realized	$80.5	$200.7	$41.4	$242.1	3.01x	41.9%
Unrealized	97.4	1.0	146.9	147.9	1.52x	11.3%
Total New Investments	**$178.0**	**$201.7**	**$188.3**	**$390.0**	**2.19x**	**27.0%**

SHAREHOLDER VALUE

Including the return of capital through JPEL's five mandatory redemptions, holders of JPEL's US$ Equity shares experienced a 55% increase in shareholder value[2] from 30 June 2016 through 30 June 2019. If a US$ Equity Shareholder owned $1.00 of JPEL in June 2016, the total return would be $1.55 at June 2019 ($0.72 from mandatory redemptions and $0.83 in remaining shareholder equity).



Source: Manager, Bloomberg as at 30 June 2019.

[1] IRR and MOIC have been adjusted to exclude the effect of foreign exchange. Returns are net of underlying general partner or sponsor ("Sponsor") fees and gross of JPEL fees.

[2] "Shareholder value" includes the impact of the mandatory redemptions as well as JPEL's increase in share price as at 30 June 2019.

Chairman's Statement continued

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 mature, with a weighted average age of 6.8 years at 30 June 2019. The Board and the Manager do not expect any disruption to the investment strategy of the Company due to Brexit.

CONCLUSION

I have had the pleasure of speaking with many JPEL US$ Equity Shareholders and hope to continue to do so in the coming fiscal year. Both JPEL's Board and Manager remain focused on returning capital to US$ Equity 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
26 September 2019

Corporate Actions

2018 CORPORATE ACTIONS

- On 22 March 2018, JPEL announced a capital distribution of $25 million (the equivalent of approximately 14.7 million US$ Equity Shares, or 6.7% of US$ Equity Shareholder NAV as at that date) to take place on 10 April 2018. The compulsory redemption of US$ Equity Shares was issued at a price equal to the prevailing NAV per US$ Equity Share of $1.70 as at 31 January 2018 (being the most recent NAV per US$ Equity Share available as of the date of the announcement) for US$ Equity Shareholders on the register of members as at close of business on 9 April 2018. 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 18 April 2018.

- On 10 April 2018, JPEL announced that the fourth mandatory redemption of the Company's US$ Equity Share class announced on 22 March 2018 was completed.

- On 7 November 2018, JPEL published a circular to Shareholders.
    - The circular contained a notice of Annual General Meeting ("AGM") and separate class meeting of holders of US$ Equity Shares on 26 November 2018.
    - 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 each class of its own issued shares pursuant to any proposed Tender Offer.
  2. To renew the Company's general authority to make market purchases of up to 14.99 per cent. of each class of its own issued Shares.

  Ordinary Resolutions
  3. To approve and adopt the Annual Report and Financial Statements of the Company for the year ended 30 June 2018.
  4. To re-elect PricewaterhouseCoopers CI LLP as Auditors to the Company.
  5. To re-authorise the Directors to determine the Auditors' remuneration.
  6. To re-authorise and agree the remuneration of the Directors in accordance with the Articles of Incorporation.
  7. To re-elect Christopher Spencer as a non-executive, independent director of the Company, who retires by rotation.
  8. To re-elect John Loudon as a non-executive, independent director of the Company, who retires by rotation.
  9. To re-elect Anthony (Tony) Dalwood as a non-executive, independent director of the Company, who retires by rotation.
  10. To re-elect Sean Hurst as a non-executive, independent director of the Company, who retires by rotation.

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

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

2019 CORPORATE ACTIONS

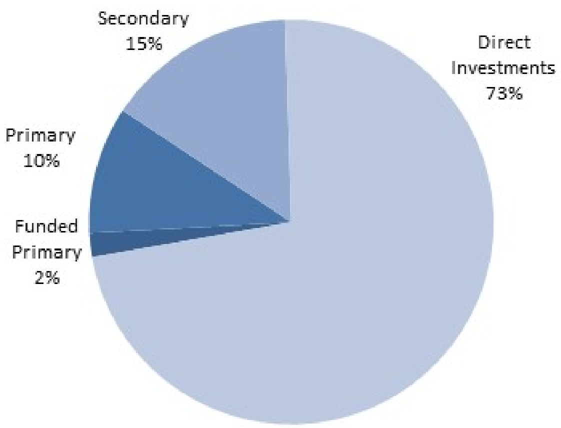
- On 8 January 2019, JPEL announced that the fifth mandatory redemption of the Company's US$ Equity Share class announced on 10 December 2018 was completed.

Manager's Report

PORTFOLIO REVIEW

With an investment value of $298.7 million, JPEL's portfolio is diversified globally across multiple investment strategies and industries as at 30 June 2019. The Company engaged in a single segment of business, as detailed in note 1 to the financial statements, and the diversification analysis is provided as supplementary information.

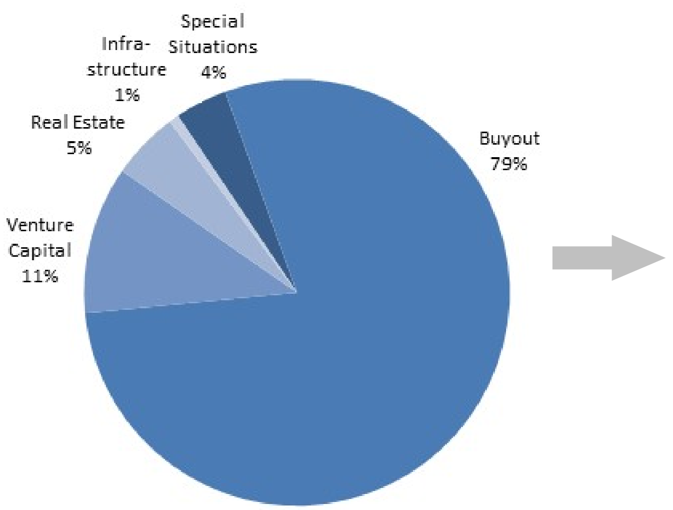
Investment Type[1]



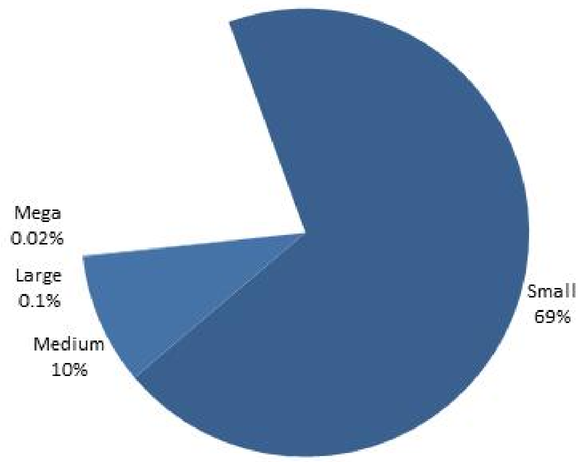
Direct investments comprise 73% of the portfolio, while secondary investments make up 15% of JPEL's portfolio NAV.

As at 30 June 2019, primary investments comprised 10% of JPEL's portfolio while funded primaries made up 2% of JPEL's portfolio NAV.

Investment Strategy[1]



Buyout Fund Sizes[2]



Currently, buyout funds constitute approximately 79% 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 11% due largely to the Company's interests in Prosper Marketplace and Paratek Pharmaceuticals, Inc. JPEL maintains a 4% allocation to special situation funds which includes mezzanine, debt, turnaround and distressed funds. JPEL's exposure to real estate and infrastructure stands at 5% and 1%, respectively.

[1] Based on 30 June 2019 market value of investments, percentages based on underlying fund-level values.
[2] Fund classifications for buyout strategy are based on total fund commitments: Small: $0 - $500 million; Medium: $500 - $2,000 million; Large: $2,000 million - $5,000 million; Mega: over $5,000 million. Co-investments allocated by size of underlying sponsor fund.

Manager's Report continued

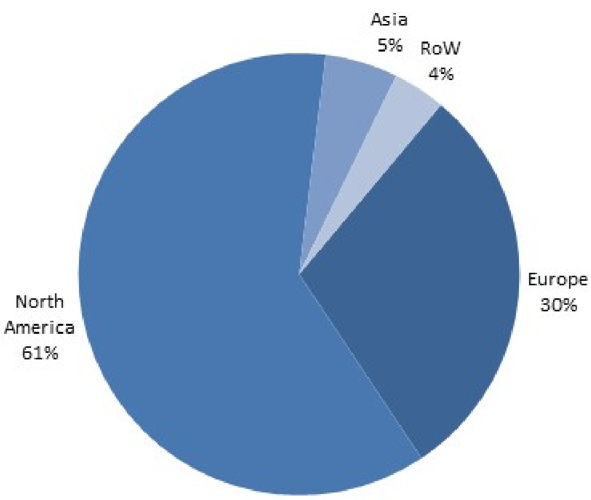
PORTFOLIO REVIEW continued

Portfolio Age[1]

Weighted Average Age of Portfolio by Investment Strategy	
Overall portfolio:	**6.8 years**
Buyout investments:	6.1 years
Small buyout:	5.9 years
Medium buyout:	6.2 years
Large buyout:	14.9 years
Mega buyouts:	15.2 years
Venture Capital investments:	8.0 years
Real Estate investments:	7.6 years
Special Situations:	11.5 years
Infrastructure investments:	13.5 years
Direct investments	5.2 years
Fund investments	10.1 years

When making investment decisions, JPEL sought more mature assets that have the potential for near-term exits. With a weighted average age of 6.8 years, JPEL's portfolio is well positioned on the private equity "J-Curve" 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 61% and 30%, respectively. JPEL's allocation to Asia stands at 5% while investments in the rest of the world represent 4% of the portfolio.

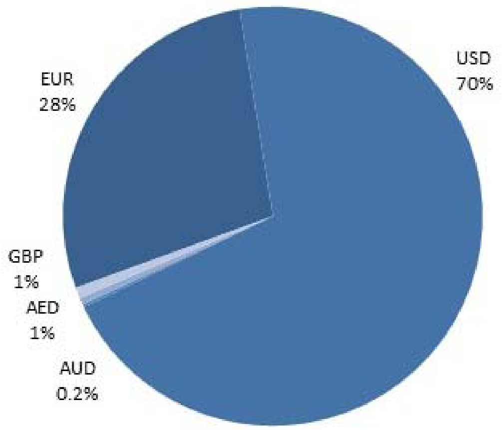
[1] Based on 30 June 2019 market value of investments, percentages based on underlying company-level values. Average age of investments is based on the date on which each individual portfolio company investment was made, subject to availability. Weighting is based on underlying portfolio company level values. Age calculated at 30 June 2019. Average is weighted based on investments at market value as at 30 June 2018 percentages based on underlying company-level values.

[2] Based on 30 June 2019 market value of investments, percentages based on underlying company-level values.

Manager's Report continued

PORTFOLIO REVIEW continued

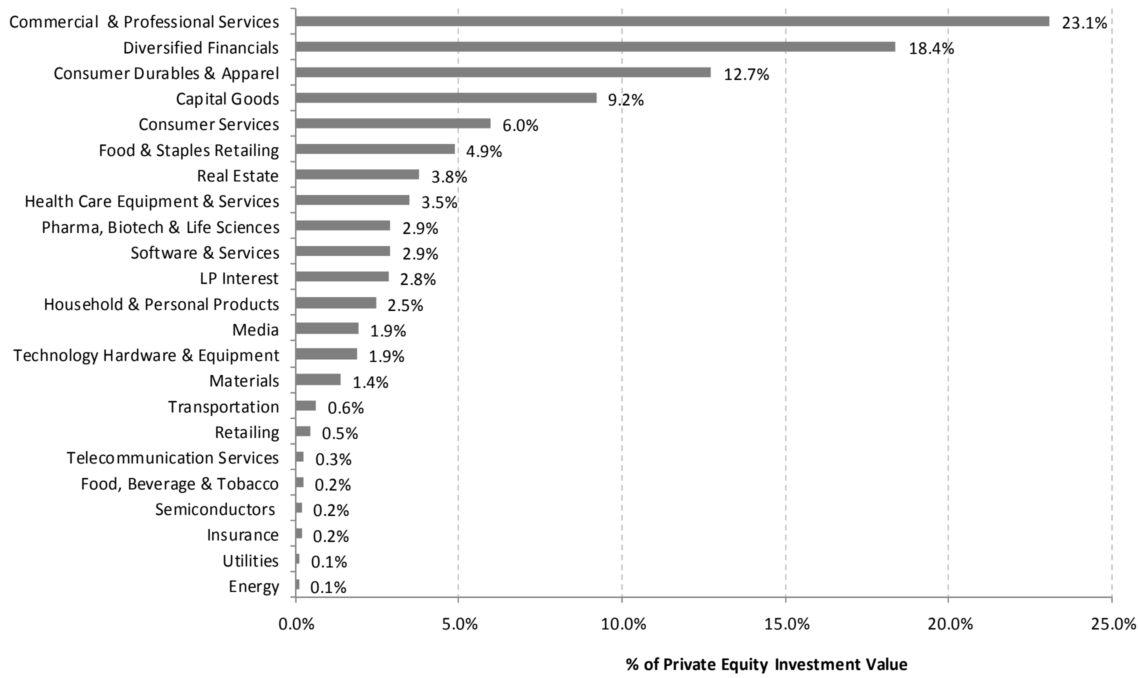
Currency Composition[1]



As at 30 June 2019, investments held in US Dollars made up approximately 70% of the Company's portfolio. Investments held in Euros comprised 28% of the Company's portfolio, while the Australian Dollar, Sterling and UAE Dirham represented 0.2%, 1%, and 1% of the portfolio, respectively.

Industry Composition[2]

In addition to geographic diversification, the Manager diversifies JPEL's portfolio by industry composition. The portfolio is currently weighted towards commercial and professional services with 23.1% of investment value in this sector.

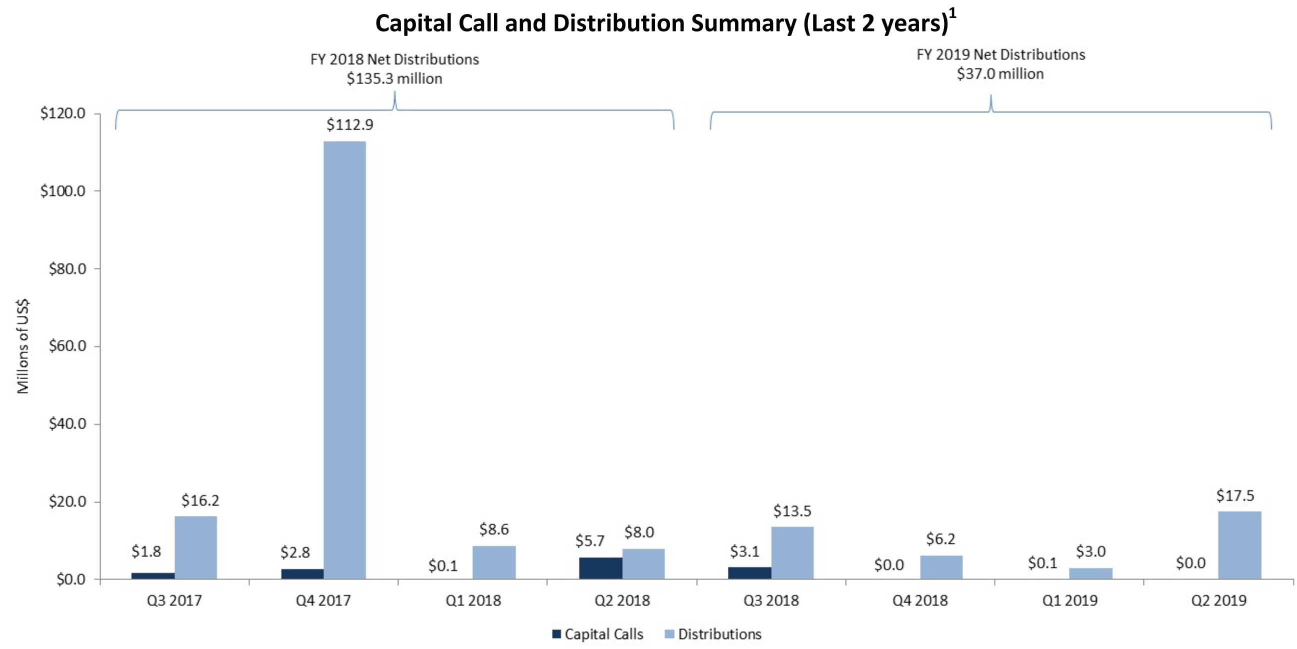


*LP Interest includes underlying partnership investments held through fund of fund positions.

[1] Based on 30 June 2019 market value of investments, percentages based on underlying fund-level values. Please refer to pages 49 to 51 of the financial statements for net currency exposure on the Company Level. Numbers may not add due to rounding.
[2] Based on 30 June 2019 market value of investments, percentages based on underlying company-level values.

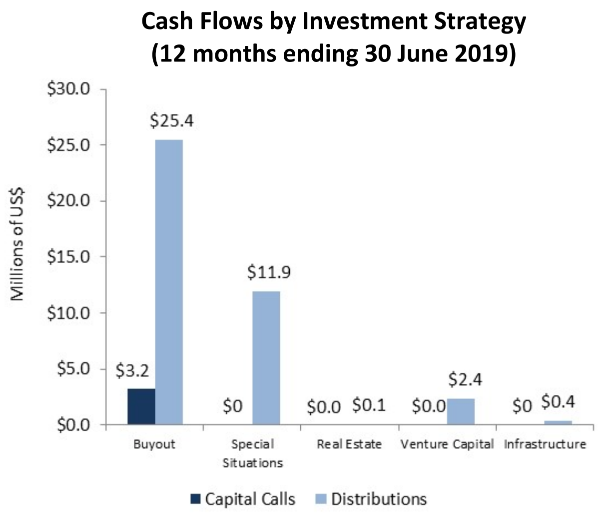
Manager's Report continued

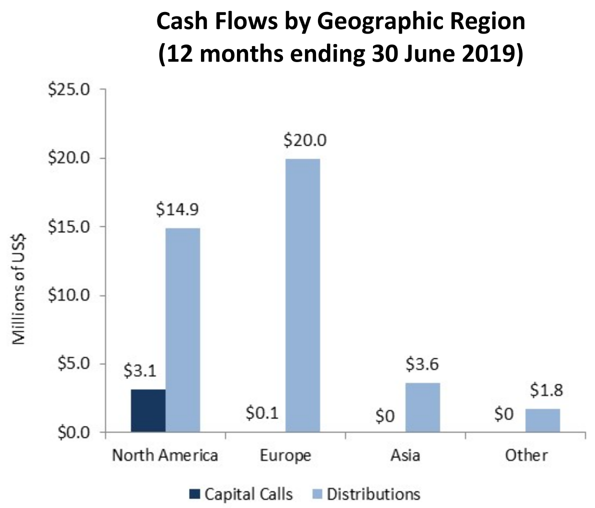
CAPITAL CALLS AND DISTRIBUTIONS



In FY 2019, JPEL received net distributions of $37.0 million, compared to $135.3 million in FY 2018. [1]

Cash Flow Breakout





JPEL received the majority of distributions from Buyout, North America and European investments during FY 2019.

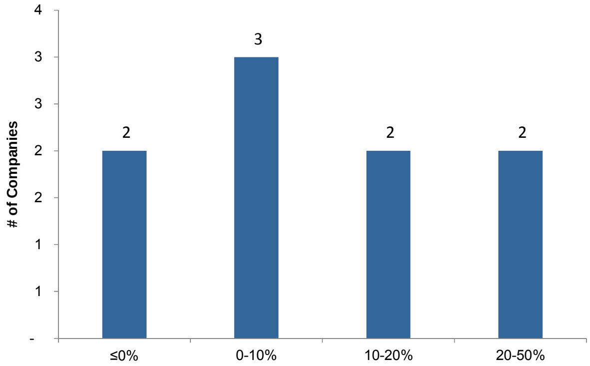
[1] The above capital calls and distributions are shown above on a cash basis. Distributions from JPEL's investment in ROC Capital Trust are reflected on the date that JPEL received the distribution from ROC Capital Trust.

Manager’s Report continued

BUYOUT COMPANY VALUATIONS AND PERFORMANCE

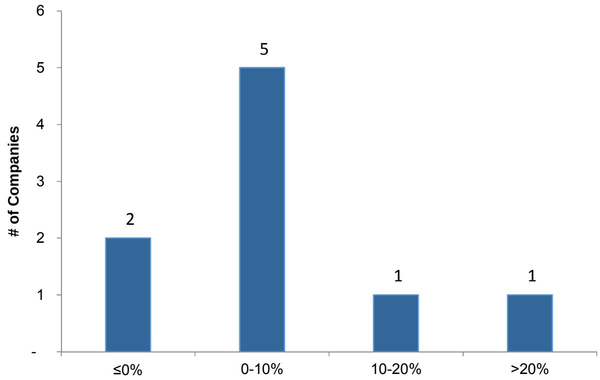
The following charts provide an analysis of JPEL’s nine largest (based on underlying JPEL NAV) traditional buyout companies which in aggregate comprise more than 65% of the NAV at 30 June 2019.

Top Buyout Company EBITDA Growth[1]



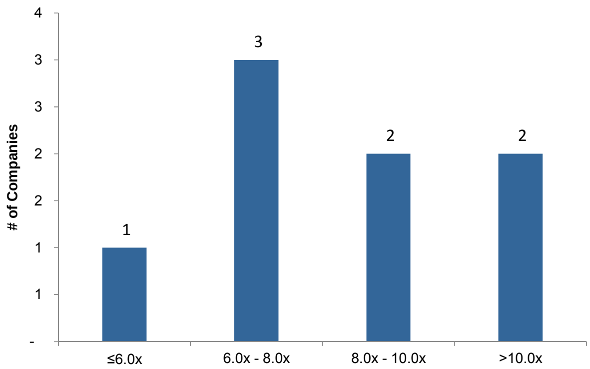
LTM EBITDA for JPEL’s top investments grew by a weighted-average of 26.2% (over the fiscal year).

Top Buyout Company Revenue Growth[1]



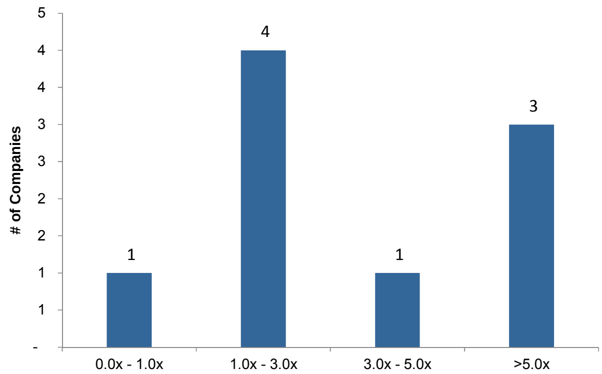
LTM Revenue for JPEL’s top investments grew by a weighted-average of 15.5% (over the fiscal year).

Top Buyout Company Enterprise Value / EBITDA[1]



On a weighted average basis, JPEL’s top buyout companies are carried at an Enterprise Value / EBITDA multiple of 7.57x.

Top Buyout Company Net Debt / EBITDA[1]



JPEL’s top buyout companies have a weighted average Net Debt / EBITDA multiple 1.7x.

[1] 1. Analysis based on LTM information on JPEL’s largest 9 buyout investments and as at 30 June 2019. Percentages based on relevant investment value as a % of total value for which information was available i.e. 6 companies is as of 30 June 2019, 3 companies as of 31 December 2018 and 1 as of 31 March 2019. Information for Enterprise Value/EBITDA multiples were available for 8 of the 9 companies.

TOP 20 FUNDS & COMPANIES INFORMATION

Top 20 Funds[1,2]

	Fund	Fund Strategy	Geographic Region	% of Private Equity Investments
1	Leeds Equity Partners V, L.P.	Buyout	North America	5.03%
2	Life Sciences Holdings SPV I Fund, L.P.	Venture Capital	Europe	2.17%
3	Black Diamond Capital Management	Special Situations	North America	1.67%
4	Global Buyout Fund, L.P.	Buyout	RoW	1.57%
5	Beacon India Private Equity Fund	Buyout	Asia	1.40%
6	Industry Ventures Fund V, L.P	Venture Capital	North America	1.32%
7	Liberty Partners II, L.P.	Buyout	North America	0.79%
8	Esprit Capital I Fund	Venture Capital	Europe	0.78%
9	Blue River Capital I, LLC	Buyout	Asia	0.69%
10	Global Opportunistic Fund	Buyout	RoW	0.61%
11	Omega Fund IV, L.P.	Venture Capital	North America	0.60%
12	Wellington Partners Ventures III Life Science	Venture Capital	Europe	0.50%
13	Macquarie European Infrastructure Fund	Infrastructure	Europe	0.45%
14	Trumpet Feeder Ltd	Buyout	North America	0.44%
15	Strategic Value Global Opportunities Fund I-A	Special Situations	North America	0.43%
16	Private Equity Access Fund II Ltd	Buyout	North America	0.39%
17	Alcentra Euro Mezzanine No1 Fund L.P.	Special Situations	Europe	0.38%
18	GSC European Mezzanine Fund II L.P.	Special Situations	Europe	0.37%
19	Hutton Collins Capital Partners II LP	Special Situations	Europe	0.36%
20	Industry Ventures Fund IV, L.P	Venture Capital	North America	0.34%

Top 20 Companies[1,2]

	Company	Geographic Region	Industry Group	% of Private Equity Investments
1	Mr. Bult's, Inc.	North America	Commercial & Professional Services	23.69%
2	Swania International S.A.	Europe	Consumer Durables & Apparel	12.80%
3	Tax Advisory Services Company	North America	Diversified Financials	12.54%
4	RCR Industrial S.a.r.l	Europe	Capital Goods	5.38%
5	Prosper Marketplace, Inc.	North America	Diversified Financials	4.35%
6	Back Bay (Guernsey) Limited	North America	Real Estate	3.46%
7	Polo Holdings S.à.r.l.	Europe	Capital Goods	3.38%
8	Grupo Zena[3]	Europe	Food & Staples Retailing	3.03%
9	Corsicana Bedding Inc.	North America	Household & Personal Products	2.60%
10	BARBRI, Inc	North America	Consumer Services	2.12%
11	ION Media	North America	Media	1.87%
12	FibroGen	North America	Pharmaceuticals, Biotechnology & Life Sciences	1.78%
13	Genuine Idea	Asia	Real Estate	1.49%
14	iModules Software, Inc.	North America	Software & Services	1.39%
15	SaaS Company	North America	Software & Services	1.31%
16	Placid Holdings	Asia	Technology Hardware & Equipment	1.05%
17	Paratek Pharmaceutical Inc	North America	Pharmaceuticals, Biotechnology & Life Sciences	1.05%
18	Diaverum	Europe	Health Care Equipment & Services	1.04%
19	DisplayLink	North America	Technology Hardware & Equipment	0.91%
20	INTO University Partnerships	Europe	Consumer Services	0.83%

[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 Private Capital Trust.
[2] Percentages are calculated based on 30 June 2019 market value of investments.
[3] Subsequent to the year end, the Company received a final distribution of €7.69 million from the sale of Alia Capital Fund I C.V. which was in addition to the distribution of €5.5 million received before year end.

Manager's Report continued

TOP 10 INVESTMENTS [1]

JPEL's ten largest investments are diversified across a broad range of managers and investment strategies. In total, these ten investments account for $227.9 million, or 76.3% of total private equity investment value, at 30 June 2019.

1. Mr. Bult's, Inc.

Sponsor	American Working Capital	Mr. Bult's, Inc. is the largest provider of municipal solid waste transportation services in the niche outsourced, long-haul market in the United States.
Geographic Focus	North America	
Investment Type	Direct Investment	
Investment Strategy	Buyout	
Date of Investment	November 2014	
30 June 2019 Value	$70.8 million	
% of PE Investment Value	23.7%	

2. Swania International S.A.

Sponsor	Milestone Investisseurs	Swania is the spin-out of three leading household brands in France: • Maison Verte: laundry and hand dishwashing brand with eco-friendly credentials • O'Cedar: wood care brand with 60-year history • Baranne: oldest shoe care brand with a 100-year history
Geographic Focus	Europe	
Investment Type	Direct Investment	
Investment Strategy	Buyout	
Date of Investment	December 2014	
30 June 2019 Value	$38.2 million	
% of PE Investment Value	12.8%	

3. Tax Advisory Services

Sponsor	ABRY Partners	Provider of complex tax consulting services to domestic companies to help them identify, calculate and claim various state, local and federal tax credits on their business tax returns.
Geographic Focus	North America	
Investment Type	Direct Investment	
Investment Strategy	Buyout	
Date of Investment	December 2013	
30 June 2019 Value	$37.5 million	
% of PE Investment Value	12.5%	

4. RCR Industrial S.a.r.l.

Sponsor	Columna Capital	RCR Industrial S.a.r.l. is a global market leader for industrial flooring solutions. The Company is headquartered in Spain and operates in Europe, Latin America and Africa.
Geographic Focus	Europe	
Investment Type	Direct Investment	
Investment Strategy	Buyout	
Date of Investment	January 2011	
30 June 2019 Value	$16.1 million	
% of PE Investment Value	5.4%	

5. Leeds Equity Partners V, L.P.

Sponsor	Leeds Equity Partners	Leeds Equity Partners V, L.P. is a 2008 vintage year fund focused on private equity investing in the knowledge sector, which includes the education, training, business services, and information services and software industries.
Geographic Focus	North America	
Investment Type	Primary	
Investment Strategy	Buyout	
Date of Investment	October 2008	
30 June 2019 Value	$15.0 million	
% of PE Investment Value	5.0%	

[1] Top 10 Investments include fund investments and direct investments by size at 30 June 2019. Also includes interests indirectly owned through the purchase of secondary interests.

TOP 10 INVESTMENTS continued

6. Prosper Marketplace

Sponsor	CS NEXT	Prosper Marketplace, Inc. is a leading peer-to-peer marketplace lender.
Geographic Focus	North America	
Investment Type	Direct Investment	
Investment Strategy	Venture Capital	
Date of Investment	April 2015	
30 June 2019 Value	$13.0 million	
% of PE Investment Value	4.4%	

7. Back Bay Limited

Sponsor	StoneLeigh Capital	Back Bay Limited is a 54-unit townhome real estate development project in St. Petersburg, Florida that was purchased out of foreclosure.
Geographic Focus	North America	
Investment Type	Direct Investment	
Investment Strategy	Real Estate	
Date of Investment	December 2010	
30 June 2019 Value	$10.4 million	
% of PE Investment Value	3.5%	

8. Polo Holdings S.à.r.l.

Sponsor	Columna Capital	An Italian-based designer and builder of scaffolding and formwork products for large international construction and engineering groups
Geographic Focus	Europe	
Investment Type	Direct Investment	
Investment Strategy	Buyout	
Date of Investment	December 2014	
30 June 2018 Value	$10.1 million	
% of PE Investment Value	3.4%	

9. Grupo Zena[1]

Sponsor	Alia Capital Partners	Grupo Zena is the leading multi-brand restaurant chain operator in Spain. The Group is one of the main operators of fast food, casual dining and traditional food. The company operates six different brands in three business models: as a franchisee of international brands (Burger King, Domino's Pizza) and franchisor of their own banners and as a direct operator (Foster's Hollywood, Cañas y Tapas, La Vaca Argentina and Il Tempietto).
Geographic Focus	Europe	
Investment Type	Direct Investment	
Investment Strategy	Buyout	
Date of Investment	September 2008	
30 June 2019 Value	$9.1 million	
% of PE Investment Value	3.0%	

10. Corsicana Bedding

Sponsor	Long Point Capital	Leading, low cost manufacturer of generic and private label mattresses and foundations (box springs) in the U.S.
Geographic Focus	North America	
Investment Type	Direct Investment	
Investment Strategy	Buyout	
Date of Investment	October 2015	
30 June 2019 Value	$7.8 million	
% of PE Investment Value	2.6%	

FCF JPEL Management LLC
26 September 2019

[1] Subsequent to the year end, the Company received a final distribution of €7.69 million from the sale of Alia Capital Fund I C.V. which was in addition to the distribution of €5.5 million received befor year end.

Directors' Report

INTRODUCTION

The Directors present their annual report together with the audited financial statements of the Company for the year ended 30 June 2019 (the "Financial Year"). The financial summary is set out on page 1. A detailed review of activities is contained in the Manager's Report on pages 8 to 15.

DIVIDENDS

The Directors do not propose the payment of a dividend for the year ended 30 June 2019. The Company did not pay a dividend for the year ended 30 June 2018.

PRINCIPAL ACTIVITY

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

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

GOING CONCERN

The Directors have examined significant areas of possible credit and liquidity risk and have satisfied themselves that no material 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, and have considered outstanding commitments and on-going fees. Given the Company's investment policy, its current cash position, combined with the expected distributions over the same period, the Directors believe the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. After due consideration of this, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

CORPORATE GOVERNANCE

Principles Statement

The Directors are committed to high standards of corporate governance and have made it the Company's policy to comply with best practice in this area, insofar as the Directors believe it is relevant and appropriate to the Company, and in compliance with the 'UK Corporate Governance Code' (i.e. the April 2016 edition of the code of best practice published by the Financial Reporting Council (FRC), in respect of a financial year beginning on or after 17 June 2016 but before 1 January 2019). The complete UK Corporate Governance Code can be viewed on the Financial Reporting Council website at http://www.frc.org.uk.

The Company is a member of the Association of Investment Companies (the "AIC"). The Directors have considered the principles and recommendations of the Association of Investment Companies Code of Corporate Governance ("AIC Code"), dated July 2016, by reference to the Association of Investment Companies Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Directors consider reporting against principles and recommendations of the AIC Code, by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

Directors' Report continued

CORPORATE GOVERNANCE continued

Principles Statement continued

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

- The role of the chief executive;
- The appointment of a Senior Independent Director;
- Executive Directors' remuneration;
- The need for an internal audit function; and
- The whistle blowing policy.

For the reasons set out in the AIC Guide, the Board considers the first five provisions listed above not to be relevant to the Company because all administrative functions are outsourced to service providers. The Board understands its corporate governance responsibilities in relation to bribery, corruption, whistle blowing and cybercrime and as such, the Board reviews the relevant policies of those providers. Over the last three years, JPEL has augmented its Board composition to include two new independent directors one of which replaced the Company's then existing Chairman. Given the substantial, recent changes to the Board, the Board felt that it was important to maintain a certain level of continuity amongst Board members. As such, Christopher Spencer and John Loudon were not put up for re-election at the 2016 AGM, however, they were put up for re-election at the 2017 and 2018 AGMs.

All of the Company's day-to-day management and administrative functions are outsourced to third parties, namely the Manager and IQ EQ. This means the Company has no internal operations or employees with it being an externally managed investment company and the Directors are all non-executive. The Company relies on the procedures in place at the Manager and the Administrator for whistle blowing procedures.

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

Role of the Board

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

- Review the overall objectives for the Company as described in the Company's amended investment policy, the implementation of Phase III of the Company's Strategy Initiatives and set the Company's strategy for fulfilling those objectives within an appropriate risk framework;
- Consider any shifts in strategy that it considers may be appropriate in light of market conditions;
- Appoint the Manager, Administrator and other appropriately skilled service providers and monitor their effectiveness through regular reports and meetings;
- Review key elements of the Company's performance including NAV, portfolio company realisations and payment of mandatory redemptions;
- Review the capital structure of the Company including consideration of an appropriate use of gearing for the Company;
- Review and maintain viability of the Company;
- Continue to review cost-cutting initiatives;
- Periodically meet with shareholders; and
- Evaluate its own performance and that of the individual Directors.

CORPORATE GOVERNANCE continued

Board Decisions

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

Directors, Rotation of Directors and Directors Tenure

The Directors who served during the year are listed below:
Sean Hurst (Chairman, Independent Non-Executive) (Appointed Director 28 October 2016, Appointed Chairman 8 November 2016, Reappointed 27 November 2018)
John Loudon (Independent Non-Executive) (Appointed 28 April 2005, Reappointed 27 November 2018)
Christopher Spencer (Independent Non-Executive) (Appointed 28 April 2005, Reappointed 27 November 2018)
Anthony Dalwood (Independent Non-Executive) (Appointed 20 February 2015, Reappointed 27 November 2018)

Mr Sean Hurst was appointed as a Non-Executive Independent Director on 28 October 2016 and as Independent Chairman of the Board with effect from 8 November 2016. He was a Co-founder, Director and CIO of Albion Asset Management, a French regulated asset management company. He is an experienced multi-jurisdictional Director including roles at London/AIM-listed funds and numerous offshore and UCITS funds. In addition to advising companies on launching both offshore and onshore investment funds, Mr. Hurst is currently Non-Executive Chairman at VietNam Holding Ltd and a Non-Executive Director at The CIAM Fund and Satellite Event-Driven UCITS Fund.

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

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

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

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

CORPORATE GOVERNANCE continued

Appointment and Rotation

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

The UK Corporate Governance Code recommends that Directors should be appointed for a specified period and that non-executive directors who have served longer than nine years should be subject to annual re-election. The Board considers that, for the reasons discussed on page 17 as well as the fact that all Directors are non-executive and their respective appointments can be terminated at any time without penalty, it was not necessary for Directors' appointments to comply with this requirement in the preceding years. Christopher Spencer and John Loudon were put up for re-election at the 2017 AGM and it is the Board's intent to put those Board members who have served longer than 9 years up for annual re-election on a going forward basis.

No Director has a service contract with the Company. The Company did not use open advertising to appoint the Directors of the Company and all appointments are subject to re-election.

The Board recognises the benefits of diversity amongst itself, and all of its service providers with regard to aspects such as, skillset, age, gender, culture or educational and professional backgrounds. The current composition of the Board includes members with a diverse set of skills including accounting, private equity, banking and corporate broking. The Board believes that the Company has adequate diversity among the service providers to the Company. When engaging any new providers the Board ensures that a diverse group of candidates is considered. There were no new providers engaged during the year.

Board Meetings

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

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

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

The table below shows the attendance at Board Meetings during the year to July 2019:

Director Name	27 September 2018	11 November 2018	19 March 2019	25 June 2019
Sean Hurst	✓	✓	✓	✓
John Loudon	✓	✓	✓	✓
Christopher Spencer	✓	✓	✓	✓
Anthony Dalwood	✓	✓	✓	✓

In addition to quarterly meetings, the Board has also met on four other occasions during the year to approve various corporate actions.

CORPORATE GOVERNANCE continued

Board Meetings continued

The Board also uses these meetings to evaluate its own performance by recognising the strengths and development areas of the individual Directors as well as the effectiveness of the Board as a whole. It may not always be possible for all Directors to attend these meetings. The Company maintains liability insurance for its Directors and Officers although the Company has no employees and none of its Directors are executive.

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

The Board has access to accurate, timely and clear information about the Company in order to enable it to discharge its duties. The company secretary and the Administrator ensure that Board procedures are complied with and that there is good communication between the Board and the Manager. The Board has the right to access independent, professional advice at the Company's expense when deemed necessary.

Directors' Interests

Mr. Spencer owned 16,876 US$ Equity Shares; Mr. Hurst owned 13,988 US$ Equity Shares and Mr. Dalwood owned 71,696 US$ Equity Shares at 30 June 2019. All Directors are independent of the Company. Since 30 June 2019, there have been no changes to the numbers of US$ Equity Shares held by any of the Directors and thus, no changes to their shareholdings have been disclosed to the Company.

Audit Committee

Due to the size of the Company and limited number of Directors, all Directors are members of the audit committee and served on the committee throughout the year. The members have relevant and recent commercial and financial knowledge, and experience to satisfy the provisions of the AIC Code by virtue of their holding or having held various executive and Non-Executive roles in other financial and asset management organisations. The Board is satisfied that the Audit Committee as a whole has competence relevant to the private equity sector, in which the Company operates.

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

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

CORPORATE GOVERNANCE continued

Report on the Audit Committee’s activities during the year

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

- Reviewing the draft 2019 financial statements prior to discussion and approval by the Board, and reviewing the external auditor’s reports, both oral and written thereon;
- Receiving and reviewing confirmations of external auditor independence and approving the terms of engagement and proposed audit fees for the 2019 audit. Also recommending the re-appointment of the external auditor for 2019/2020 and considering future audit tender requirements.
- Critical accounting policies and practices and any changes in them, as they relate to the results of the Company;
- Decisions requiring a major element of judgement including the impact of adopting any acceptable alternative accounting treatment;
- The extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
- Reviewing and understanding the Company’s risk management framework;
- The clarity of disclosures;
- The going concern assumption;
- Compliance with Accounting Standards; and
- Compliance with Financial Conduct Authority and other legal, regulatory or listing requirements.

During its review of the Company's financial statements for the year ended 30 June 2019, the Audit Committee reviewed the following:

Valuation of investments

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

Investments in subsidiaries and investments in unquoted funds are valued at the net asset value as reported by the Sponsor and then adjusted if necessary. The Manager adjusted the reported March 31, 2019 values of Omega Fund III L.P., Omega Fund IV L.P. and Life Sciences Holdings SPV I Fund L.P. which are being used for the Company’s year end values to account for the publicly traded positions in these funds at June 30, 2019. In addition, the Manager applied a liquidity discount of 10% to these public positions.

Direct investments in unquoted companies are generally valued at fair value as reported by the respective management or Sponsor. The provided valuations are reviewed by the Manager and assesed the reasonableness and reliability then adjusted where necessary. No adjustments were made during the year.

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. The Directors and Manager may seek to appoint an expert to provide support over fair value.

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

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

CORPORATE GOVERNANCE continued

Remuneration Committee

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

Mr. 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. The cap on total Directors remuneration was unchanged at £250,000 as at 30 June 2019.

During the year no further payments were made to each director for additional services provided.

Nomination Committee

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

Management Engagement Committee

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

The Directors believe that the Manager, a subsidiary of Fortress Investment Group LLC, has performed consistently since being appointed as the Manager of the Company. As such, it is the view of the Independent Directors that it is in the best interests of the Shareholders to continue with the current appointment of the Manager under the terms agreed.

Internal Controls

The Directors have reviewed the effectiveness of the Company's system of internal financial and operating controls during the fiscal year and found they were operating as expected. The Company's system of internal control is substantially reliant on the Manager's and the Administrator's internal controls and their internal audit given all administrative functions are outsourced.

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

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

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

CORPORATE GOVERNANCE continued

Internal Controls continued

Administration and company secretarial services have been provided by IQ EQ since 13 August 2012. Consideration was given to the internal controls of the Administrator prior to appointment and will be assessed on an ongoing basis. During the year, an SSAE18 Type II report was completed over internal controls at IQ EQ for the period ended 30 September 2018. It is the view of the Directors that it is in the best interest of Shareholder's to continue with the current appointment of the Administrator as all of their duties and responsibilities have been carried out successfully since their appointment.

Principal Financial and Operational 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, including those which would threaten its business model, future performance, solvency or liquidity. These financial and operational risks and uncertainties include, but are not limited to, interest rates, currency, investment markets, credit, liquidity, investment managers and valuations. These factors are outside the Company's control and may affect the level and volatility of securities prices, the amount of distributions received and the liquidity and value of investments in the portfolio.

The Company may be unable to mitigate its exposure to these conditions as efforts to manage its exposure may or may not be effective.

Principal financial risks and uncertainties

The Board and the Manager consider principal financial risks to comprise market risk (including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. Please refer to note 3 of the audited financial statements for a more detailed discussion of the principal financial risks and uncertainties, and how they are managed or mitigated.

Principal operational risks and uncertainties

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

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

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

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

Directors' Report continued

CORPORATE GOVERNANCE continued

Principal Financial and Operational Risks and Uncertainties continued

Principal operational risks and uncertainties continued

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

(a) Valuation risk

Valuations of the private equity investments incorporated in the Company's reported Net Asset Value are made, in part, on valuation information provided by the managers or Sponsors of investments in the Company's portfolio. Due to other factors, the Manager may conclude that the fair value provided by the underlying managers or Sponsors does not represent actual fair value. To mitigate this risk, the majority of the underlying investments are required to undergo an annual audit or third party valuation exercise. In addition, the Manager may adjust the value of the investment from the underlying managers and Sponsors.

(b) Reliance on Manager

Quality and execution of management is key to a successful business development. The Company will be relying on the Manager and its ability to evaluate investment opportunities and to further develop the Company's investments. The Manager exercises a central role in the investment decision process. Accordingly, the returns of the Company will primarily depend on the performance and abilities of the Manager. To mitigate this risk, the Board holds quarterly meetings, in which the Manager is required to provide a portfolio update including a review of performance, portfolio diversification as well as a detailed report on its largest underlying investments.

To mitigate the above risks, the Directors assess the adequacy of the controls and processes in place at the Manager and the Administrator via periodic visits and regular discussions. The Directors also review the Administrator's SSAE18 report on internal controls.

Applying the framework described above, the Board is able to confirm that they have carried out a robust assessment of the principal risks facing the Company, including those which would threaten its business model, future performance, solvency or liquidity.

Manager

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

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

Alternative Investment Fund Managers Directive ("AIFMD")

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

- The Company is a Non EU Alternative Investment Fund (Guernsey);
- The Company's investment decisions are made by a Non EU Alternative Investment Fund Manager, FCF JPEL Management LLC; and
- The Company is not currently marketing into the EU.

Non Mainstream Pooled Investments

On 1 January 2014 the UK Financial Conduct Authority implemented new rules regarding the retail distribution of unregulated collective investment schemes, namely, the Non-Mainstream Pooled Investment rules ("NMPI rules").

The Board confirms that the shares of the Company qualify as "excluded securities" under these rules. Therefore shares issued by the Company can be recommended by independent financial advisors and other authorised firms as an investment for retail investors in accordance with the NMPI rules.

CORPORATE GOVERNANCE continued

International Tax Reporting

For the purposes of the US Foreign Account Tax Compliance Act ("FATCA"), the Company registered with the US Internal Revenue Service as a Guernsey reporting Foreign Financial Institution and received a Global Intermediary Identification Number ("GIIN") X7WT1B.00000.LE.831.

The Common Reporting Standard ("CRS") is a standard developed by the Organisation for Economic Co-operation and Development ("OECD") and is a global approach to the automatic exchange of tax information.

The Company is subject to Guernsey regulations and guidance based on the reciprocal information sharing Inter-Governmental Agreements ("IGAs") which Guernsey has entered into with the UK and the US, and the various multilateral or bilateral agreements with other countries which support the CRS. The new CRS regulations superseded the obligations under the UK IGA in respect of reportable UK investors. The Board has taken the necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

Secretary

IQ EQ held the office of Company Secretary through 30 June 2019. The registered office of the Company is Ground Floor, Cambridge House, Le Truchot, St Peter Port, Guernsey, GY1 1WD.

Independent Auditor

PricewaterhouseCoopers CI LLP was re-appointed as independent external auditor during the year. The Board has reviewed the effectiveness of the external auditor and considers them to be independent, and is confident they take the necessary steps in order to ensure their continued independence and objectivity. The Board feels the external audit work is done to an excellent standard, is in a timely manner, and any issues are communicated in a clear and concise way in order to gain a prompt result. A resolution to reappoint PricewaterhouseCoopers CI LLP as independent external auditor to the Company will be proposed at the forthcoming AGM. PricewaterhouseCoopers CI LLP has been the appointed auditor since 2012, when the last audit tender was conducted. The audit committee is responsible for the scrutiny of all non-audit services, and the Board have reviewed the fees and the constitution of the non-audit team and are satisfied that the objectivity and independence of the external auditor have been appropriately safeguarded.

Shareholder Relations

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

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

The Chairman and the Manager will be available during each AGM to answer any questions that attending Shareholders may have.

CORPORATE GOVERNANCE continued

Substantial Interests

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

As at 30 June 2019, three Shareholders (2018: three) have more than 10% ownership in the total number of US$ Equity Shares in issue with holdings of approximately 17.5%, 14.7% and 10.7%.

There were no nominees (2018: Nil) who owned more than 10% of the US$ Equity Shares in issue.

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

As at 30 June 2019		
Shareholder	Shares	Ownership
Asset Value Investors Limited	34,858,884	18.38%
Barwon Investment Partners Pty Ltd	26,596,242	14.02%
Baring Asset Management Ltd	20,305,421	10.70%
Nominee		
-	-	-

As at 30 June 2018		
Shareholder	Shares	Ownership
Asset Value Investors Limited	35,692,811	17.52%
Barwon Investment Partners	30,017,338	14.73%
Baring Asset Management Ltd	21,808,907	10.70%
Nominee		
-	-	-

Viability Statement

In accordance with the UK Corporate Governance Code, the Directors have assessed the prospects of the Company by considering the Company's amended investment policy as discussed earlier in this annual report, the Company's principal risks discussed on pages 23 and 24, as well as, the Company's cash balances and liabilities. In making this assessment, the Directors have considered detailed information provided by the Administrator and Manager at Board meetings which include the Company's statement of financial position and projected cash flows. Projected cash flows include, but are not limited to, the projected realisations from the Company's investment portfolio, projected capital calls from the Company's unfunded capital commitments, and projected expenses over the expected term of exit. As discussed in note 12 of the Company's financial statements, at 30 June 2019, JPEL had $32.1 million in unfunded commitments to private equity funds. However, based on the vast majority of the Company's investment portfolio being made up of older vintage year funds that are outside of their respective investment periods as well as the Manager's conversations with various underlying investment Sponsors, the Directors and the Manager are confident that approximately 95% of these unfunded commitments will not be called.

The Board believes a period of three years is appropriate having made this assessment. Based on the above, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period of this assessment.

Directors' Report continued

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

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

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

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

In preparing those financial statements the Directors are required to:

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

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

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

The Directors are responsible for the oversight of the maintenance and integrity of the corporate and financial information on to the Company's website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to the Auditor

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

We also confirm that to the best of our knowledge, in accordance with Disclosure Guidance and Transparency Rules 4.1.12:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole; and
- The Chairman's Statement, Corporate Actions, Manager's Report and Directors' Report (together referred to as the "Management Report") include a fair review of the development and performance of the business and the position of the Company taken as a whole, together with a description of the principal risks and uncertainties that it faces.

In the opinion of the Board, the Financial Statements taken as a whole, are fair, balanced and understandable.

On behalf of the Board

Sean Hurst
Director
26 September 2019

Christopher Spencer
Director

Independent auditor's report to the members of JPEL Private Equity Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of JPEL Private Equity Limited (the "Company") as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 30 June 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We re independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements of the Company, as required by the Crown Dependencies' Audit Rules and Guidance, and SEC Independence Rules. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Materiality

- Overall materiality was $7.3 million which represents 2.25% of the Company's net assets

Audit scope

- The Company is incorporated and based in Guernsey;
- The Company has a number of unconsolidated subsidiaries that serve as holding vehicles. The underlying investment portfolio is held either directly by the Company or through these holding vehicles. Consolidated financial statements are not prepared as the Company is an Investment Entity as defined under IFRS 10 'Consolidated Financial Statements' and therefore the Company presents financial statements on a standalone basis;
- We conducted our audit of the financial statements from information provided by IQ EQ Fund Services (Guernsey) Limited (formerly named Augentius (Guernsey) Limited) (the "Administrator") and FCF JPEL Management LLC (the "Manager"), each of whom the directors have delegated the provision of certain functions; and
- We conducted our audit work in Guernsey, as well as in London (where certain aspects of the administration are delegated by the Administrator) and in New York with the Manager.

Key audit matters

- Valuation of the investment portfolio

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, the industry in which the Company operates and the roles and responsibilities of both the Administrator and the Manager. Furthermore, we conducted onsite visits to both the Administrator in London and Manager in New York during our audit.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall Company materiality	$7.3 million (2018: $8.3 million)
How we determined it	2.25% of net assets (2018: 2.25% of net assets)
Rationale for the materiality benchmark	We believe that net assets is the most appropriate benchmark as this is the key metric of interest to investors. It is also a generally accepted measure used for companies in this industry.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $0.4 million (2018: $0.4 million), as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How our audit addressed the Key audit matter**
Valuation of the investment portfolio The investment portfolio, valued at $299 million at year end as shown in the statement of financial position and in notes 12 and 22, is measured at fair value through profit or loss. It is a diverse portfolio of investments (held directly and through unconsolidated subsidiaries) in unquoted funds and unquoted companies. The investment portfolio represents the most significant balance on the statement of financial position and is	We understood and evaluated the Company's processes, internal controls and methodology applied in valuing the investment portfolio. We met with the Manager to discuss the valuation basis and investment performance during the year and considered this activity when tailoring our approach to testing valuations accordingly. We performed tests over key controls in order to validate the operating effectiveness of these controls during the year. We assessed the investment valuation accounting policy for compliance with International Financial Reporting Standards and best practice and we ensured that the investment valuations are accounted for in accordance with the stated policy. We applied audit methodology to select an appropriate sample of

the principal driver of the Company's net asset value ("NAV"). Given the nature of the investments, market data is not always readily available to corroborate the valuations provided by the Manager and supported by the underlying investee managers / general partners / sponsors or administrators, therefore the valuation of the investment portfolio may be subject to judgement, estimates and complexity, some of which may materially affect the NAV. For these reasons, the valuation of the investment portfolio has been a key focus of our audit work and is considered a key audit matter.	investments (based on materiality and complexity of the valuations), and for the selected sample, we independently obtained and confirmed the investment valuations to the latest available capital account statements / sponsor reports or other form of valuation support received directly from the underlying investee managers / general partners / sponsors or administrators. For those investment valuations included in our sample that are subject to higher levels of estimates or judgements, we assessed the reasonableness of the valuation methodology and any assumptions made, understood and corroborated key inputs and rationale as applicable, and we have assessed the reliability of the information used in the valuations. We note that despite the higher levels of complexity implicit in certain valuations, there are limited judgemental adjustments made by the Manager to the reported valuations performed and provided by the underlying investee managers / general partners / sponsors or administrators. For those valuations that are subject to input by the Manager, we performed stress analysis to evaluate the impact of a reasonable alternate assumption or a flex in the estimate used. We also considered the quality of information obtained through our confirmation process, as well as the date of the latest available information used to support these valuations at year end. This included a review of the latest audited financial statements of the underlying investment companies / funds, assessment of the appropriateness of the accounting framework under which the valuations are reported in those audited financial statements and confirmation that the audit opinion is unqualified. Further, we considered the reputability and appropriateness of the confirming parties supplying us with the requested valuation support; and the competence, capabilities and objectivity of any third party valuation firms engaged by the confirming parties to assist with the valuations. We highlight that in accordance with the investment valuation accounting policy, the Manager estimates fair value using the most recent financial information available at the year end. Therefore, the valuation of the portfolio at year end comprises valuations reported as at 30 June 2019 and estimated valuations for 30 June 2019 based on the latest available information adjusted for any known movements by the Manager. We have considered the adequacy of the investment monitoring controls and the processes in place to enable the Manager to reliably estimate the year end fair value. Furthermore, we have performed back testing analysis on the Manager's ability to estimate fair value. We have quantified and evaluated the impact on the valuation of the portfolio as more recent financial information has become available from the underlying investee managers / general partners / sponsors or administrators during the audit process. In these instances, we have compared the valuations reported at 30 June 2019 to the Manager's estimate of the year end value made in preparation of the financial statements. We have discussed any differences identified with the Manager and reported these to the Audit Committee. The noted differences are in aggregate below our materiality level. Based on our work performed, we did not identify any material differences and we consider the methodology, key assumptions and underlying data used in valuing the investment portfolio to be reasonable and supportable by our external confirmation requests.

Other information

The directors are responsible for the other information. The other information comprises all the information included in the Annual Report and Financial Statements but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company and the wider economy.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JPEL PRIVATE EQUITY LIMITED (CONTINUED)

Report on other legal and regulatory requirements

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

We have nothing to report in respect of the following matters which we have reviewed:

- the directors' statement set out on page 16 in relation to going concern. As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the Company has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Company's ability to continue as a going concern;
- the directors' statement that they have carried out a robust assessment of the principal risks facing the Company and the directors' statement in relation to the longer-term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the ten further provisions of the UK Corporate Governance Code specified for our review.

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

Joanne Peacegood

Joanne Peacegood
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognised Auditor
Guernsey, Channel Islands
26 September 2019

Statement of Comprehensive Income
for the year ended 30 June 2019

	Notes	2019 $'000	2018 $'000
Income			
Interest and distribution income	4	3,987	4,627
Other net changes in fair value of financial assets and financial liabilities through profit or loss	7	(24,178)	50,298
Realised gains/(losses) derivative financial instruments	3	4,157	(1,479)
Total net (loss)/income		**(16,034)**	**53,446**
Expenses			
Investment management fees	17	(3,486)	(4,067)
Performance fees	17	-	(1,024)
Accounting and administration fees	17	(775)	(750)
Audit fees		(219)	(209)
Directors' fees	19	(168)	(186)
Other expenses	6	(893)	(1,274)
Total expenses		**(5,541)**	**(7,510)**
(Loss)/profit before finance costs		**(21,575)**	**45,936**
Finance costs			
Credit facility costs	5	(292)	(560)
Interest expense - Zero dividend preference shares		-	(1,165)
Net foreign exchange (loss)/gain	9	(8)	658
(Loss)/profit before tax		**(21,875)**	**44,869**
Withholding taxes	1	(735)	(3,019)
Net (loss)/profit for the year		**(22,610)**	**41,850**
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		**(22,610)**	**41,850**
Earnings per share			
(Losses)/earnings per US$ Equity Share	18	$(0.11)	$0.18

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

The accompanying notes on pages 37 to 62 form an integral part of these financial statements.

Statement of Financial Position

as at 30 June 2019

	Notes	2019 $'000	2018 $'000
Non-current assets			
Financial assets at fair value through profit or loss			
- Investment portfolio	12, 22	298,746	356,902
Current assets			
Cash and cash equivalents		25,741	16,284
Receivables	10	117	166
		25,858	16,450
Current liabilities			
Payables and accruals	11	(1,398)	(2,042)
Financial liabilities at fair value through profit or loss			
- Derivative financial instruments	14	(622)	(1,116)
Net current assets		23,838	13,292
Net Assets		322,584	370,194
Represented by:			
Share capital	16	254,372	273,207
Accumulated gain		68,212	96,987
Total equity		322,584	370,194
Number of US$ Equity Shares in issue	16	189,682,752	203,727,430
NAV per US$ Equity Share		$1.70	$1.82

The financial statements on pages 33 to 62 are approved by the Board of Directors on 26 September 2019 and were signed on its behalf by:

Sean Hurst
Director

Christopher Spencer
Director

The accompanying notes on pages 37 to 62 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2019

	Notes	Share capital $'000	Accumulated gain $'000	Total $'000
At 1 July 2018		273,207	96,987	370,194
Loss for the year		-	(22,610)	(22,610)
Total comprehensive income for the year		**-**	**(22,610)**	**(22,610)**
Share redemption	16	(18,835)	(6,165)	(25,000)
Total transactions with owners of Share capital for the year		**(18,835)**	**(6,165)**	**(25,000)**
At 30 June 2019		**254,372**	**68,212**	**322,584**

	Notes	Share capital $'000	Accumulated gain $'000	Total $'000
At 1 July 2017		353,517	74,827	428,344
Profit for the year		-	41,850	41,850
Total comprehensive income for the year		-	**41,850**	**41,850**
Share redemption	16	(80,310)	(19,690)	(100,000)
Total transactions with owners of Share capital for the year		**(80,310)**	(19,690)	**(100,000)**
At 30 June 2018		**273,207**	**96,987**	**370,194**

The accompanying notes on pages 37 to 62 form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2019

	Notes	2019 $'000	2018 $'000
Operating activities			
(Loss)/profit for the year		(22,610)	41,850
Adjustments for:			
Interest income	4	(316)	(297)
Interest expense		-	1,165
Net unrealised gains on derivative financial instruments	7	(495)	(1,262)
Net losses/(gains) on investment portfolio	7, 12	24,673	(49,036)
Net foreign exchange losses/(gains)		8	(1,501)
Purchase of investments and funding of capital calls	12	(5,283)	(6,946)
Proceeds from disposal of investments and distribution receipts		39,313	139,217
Interest received		316	297
Operating cash flows before changes in working capital		35,606	123,487
Decrease/(increase) in other receivables	10	53	(45)
(Decrease)/increase in payables and accruals	11	(1,195)	1,260
Cash from operations		34,464	124,702
Financing activities			
Equity share redemption	8, 16	(25,000)	(100,000)
Zero dividend preference shares retirement		-	(42,965)
Cash used in financing activities		(25,000)	(142,965)
Net increase/(decrease) in cash and cash equivalents		9,464	(18,263)
Cash and cash equivalents at beginning of year		16,284	33,364
Effects of exchange difference arising from cash and cash equivalents	9	(7)	1,183
Cash and cash equivalents at end of the year		25,741	16,284

The accompanying notes on pages 37 to 62 form an integral part of these financial statements.

Notes to the 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 30 June 2019, the Company's capital structure consisted of one class of US$ Equity Shares which are listed on the London Stock Exchange.

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

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

Statement of compliance

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

Standards and amendments to existing standards effective for the Company's annual period beginning on 1 July 2018 that are relevant and have been adopted by the Company

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

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

The nature and impact of IFRS 9 is outlined below:

(i) Recognition, classification and measurement:

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

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

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

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

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

Notes to the Financial Statements continued

1. SIGNIFICANT ACCOUNTING POLICIES continued

Statement of compliance continued

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

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

(ii) Impairment:

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

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

(iii) Hedge Accounting

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

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

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

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

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

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

Basis of preparation

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

Investment entity

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

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

Subsidiaries

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

Please refer to note 13 for details of the Company's subsidiaries.

Financial instruments

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

i) **Financial assets**

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

i) **Financial assets** continued

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

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

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

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

Investments made by the Company are generally considered to be long term investments and are not intended to be disposed of on a short term basis. Accordingly, while the valuation at the year end represents the Directors' best estimate of the realisable amount at the year end, they do not necessarily represent the amounts which may eventually be realised from sales or other disposals of investments. The key estimates and assumptions used to arrive at the valuation of unlisted investments are stated in note 2 on pages 44 to 45.

The disclosure requirements in IFRS 13 establish a hierarchal disclosure framework, which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and characteristics specific to the investment.

Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value.

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

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

Notes to the Financial Statements continued

1. SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

i) **Financial assets** continued

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

b) R*eceivables*

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

De-recognition of financial assets

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

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

ii) **Financial liabilities**

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

a) *Financial liabilities measured at amortised cost*

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

b) *Derivative financial instruments*

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

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

The Company's derivative financial instruments comprise of foreign exchange forward contracts. The fair value of these instruments is determined by rates in active currency markets.

De-recognition of financial liabilities

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

Cash and cash equivalents

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

Notes to the Financial Statements continued

1. SIGNIFICANT ACCOUNTING POLICIES continued

Zero dividend preference shares

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

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

Costs incurred for the issuance of ordinary shares

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

Earnings per share

The Company presents basic and diluted earnings per Equity share data for its participating shares. When the basic and diluted earnings per Equity share are the same, only the basic earnings per share are reported. Basic earnings per share is calculated by dividing the profit or loss attributable to participating Shareholders of the Company by the weighted average number of participating shares outstanding during the year, adjusted for treasury shares. Diluted earnings per share is determined by adjusting the profit or loss attributable to participating Shareholders and the weighted average number of participating shares outstanding, adjusted for treasury shares, and for the effects of the dilutive potential participating shares of the warrants outstanding. There were no potentially dilutive shares outstanding at the year end.

Treasury shares

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

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

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

Dividend and other distribution income

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

Interest

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

Expenses

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

Segmental information

The Board of Directors has considered the requirements of IFRS 8 – "Operating Segments". The Board of Directors is of the view that the Company'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.

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

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.

Notes to the Financial Statements continued

1. SIGNIFICANT ACCOUNTING POLICIES continued

Segmental information continued

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 which is prepared on a monthly basis by IQ EQ. The NAV reported by the Administrator is prepared on a basis consistent with International Financial Reporting Standards.

The Company's investments held as of the year end, and their geographical areas (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.

	2019		2018	
Region	$'000	%	$'000	%
North America	183,205	61%	196,709	55%
Europe	92,695	31%	124,054	35%
Asia	14,358	5%	22,446	6%
Other	8,488	3%	13,693	4%
Total	**298,746**	**100%**	**356,902**	**100%**

Foreign exchange

Functional and presentation currency

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

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

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

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

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

Taxation

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

The Company incurs only withholding tax imposed by certain countries on dividend income, which is recorded gross of withholding tax with withholding tax being shown as a separate item in the statement of comprehensive income.

Offsetting

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

2. KEY ESTIMATES AND ASSUMPTIONS

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

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

Valuation of investments

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

Investments in subsidiaries

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

Investments in unquoted funds

The investments in unquoted funds are valued in accordance with IPEVCG as set out in the financial assets policy above. Investments in unquoted private equity funds do not have a readily available market and are generally valued based on the fair value of each private equity fund as reported by the respective Sponsor as per the capital statement, which necessarily incorporates estimates made by those Sponsors. The Company believes that this value, in most cases, represents fair value as of the relevant statement date, 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 the Sponsor's estimate. The Company estimates fair value based on publicly available information and the most recent financial information provided by the Sponsors, as adjusted for cash flows since the date of the most recent financial information.

Where no valuation is available from the Sponsor or an independent valuation agent, the Directors and 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 Financial Statements continued

2. KEY ESTIMATES AND ASSUMPTIONS 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 5% change in unobservable inputs is the best estimate of a reasonable possible shift for all the categories listed below.

	2019					
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	80,412	NAV - Adjusted	NAV	N/A	5%	4,020/(4,020)
Direct Investments - NAV provided by the Sponsors	218,333	NAV - Adjusted	NAV	N/A	5%	10,917/(10,917)
Direct Investments - NAV estimated by the Board and Managers	-	Comparable Trading Multiples	EBITDA	5.1x	5%	-

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

Unconsolidated structured entities

A structured entity is defined by IFRS 12 ‘Disclosures of Interests in Other Entities’ as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding control, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Company invests in certain investment funds which meet the definition of structured entities in accordance with IFRS 12. The investment funds are primarily closed-ended private equity limited partnerships or investment companies which invest in underlying companies for the purposes of capital appreciation and where the relevant activities are directed mostly by means of contractual arrangements with the Sponsors or managers. These entities are generally financed through committed capital from limited partners or shareholders, with cash being drawn down for financing investment activity.

As at 30 June 2019, the Company's maximum exposure to loss attributable to these entities comprises the current carrying value of the assets, along with the uncalled committed capital relating to those investments, as summarised below:

	2019 $'000	2018 $'000
Financial assets at fair value through profit or loss	119,732	155,147
Uncalled commitments	32,074	33,030
Maximum loss exposure	**151,806**	**188,177**

Notes to the Financial Statements continued

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES

Introduction and overview

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

	2019 $'000	2018 $'000
Assets		
Financial assets at fair value through profit or loss:		
- Mandatorily classed at fair value through profit or loss		
- Investment portfolio	298,746	356,902
Cash and cash equivalents and receivables	25,858	16,450
Total financial assets	324,604	373,352
Liabilities		
Financial liabilities at fair value through profit or loss:		
- Mandatorily classed at fair value through profit or loss		
- Derivative financial instruments	(622)	(1,116)
Payables and accruals	(1,398)	(2,042)
Total financial liabilities	(2,020)	(3,158)

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

Financial Risk management framework

The Company, its investments and the underlying portfolio companies are materially affected by a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk.

These risks are outside the Company's control and may affect the level and volatility of securities prices, the amount of distributions received from investments in the portfolio and the liquidity and the value of investments. The Company may be unable to mitigate its exposure to these risks as efforts to manage its exposure may or may not be effective.

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

Market risk

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

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

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

Notes to the Financial Statements continued

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Market risk continued

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

Management of market risks

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

The Manager works to mitigate risk by building a diversified portfolio, focusing on achieving a balance across managers, investment styles, industrial sectors and geographical focus.

The Manager will also seek to invest in funds created during different vintage years to dampen systemic economic conditions that may impact the private equity market in any given year. Details of the nature of the Company's investment portfolio at the reporting date are disclosed in the Portfolio Review on pages 8 to 10.

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

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

Exposure to interest rate risk

The Company's exposure to the risk of changes in interest rates relates primarily to cash and cash equivalents and the credit facility. The Company has incurred and may continue to incur indebtedness to fund its liquidity needs. As such, the Company may be exposed to risks associated with movements in prevailing interest rates.

The credit facility is based on the US Dollar London Interbank Offer Rate ("LIBOR") or Euro Interbank Offered Rate ("EURIBOR") as applicable.

In addition, the Company believes it will continue to be subject to additional risks associated with changes in the prevailing interest rates as its underlying portfolio companies may have a significant degree of indebtedness. Investments in leveraged companies are more sensitive to a change in interest rates. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would be the case if money had not been borrowed. As a result, the risk of loss associated with an investment in a leveraged company is generally greater than for companies with comparably less debt.

The Company also has investments in mezzanine and special situation private equity funds and as such, has interest rate exposure through these fund investments.

Recourse on external borrowings will only be undertaken if the Directors and the Manager consider the prevailing interest rates favourable and that the terms and conditions attaching to such borrowings are acceptable, having regard to the investment objective and policy of the Company. Such borrowings are also limited in size by the Company's internal policies. On 5 September 2012, a shareholder resolution was passed amending the Company's borrowing powers to 30% of its adjusted total of capital and reserves.

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Exposure to interest rate risk continued

The Company's overall interest rate risks and day-to-day decision making are managed on an ongoing basis by the Manager in accordance with its internal policies. The Board of Directors are consulted on a quarterly basis, or more frequently as the case may be. In respect of income-earning financial assets and interest-bearing financial liabilities, the following table classifies the financial assets and liabilities by fixed and variable rate instruments.

	2019 $'000	2018 $'000
Variable rate instruments		
Financial assets - cash and cash equivalents	25,741	16,284
Total interest sensitivity gap	**25,741**	**16,284**

An increase in 100 basis points in interest rates as at the reporting date would have increased Net assets by $257,410 (2018: $162,840). A decrease of 100 basis points would have had an equal but opposite effect.

Exposure to currency risk

Currency risk arises from the possibility that fluctuations in foreign currency exchange rates will affect the value of the Company's assets and liabilities, the Net Asset Value and the market price of the US$ Equity Shares. The Company's functional currency is the US Dollar. As a result, foreign currency assets and liabilities will be translated to US Dollars. The Company maintains investments in Euros, Sterling, Australian Dollars, and other currencies, and may invest in financial instruments and enter into transactions denominated in currencies other than US Dollars.

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

The Company currently has two forward currency contracts in place to partially mitigate fluctuations in its foreign exchange exposure. The Manager may engage in currency hedging to limit the Company's exposure to currency fluctuations.

Currency hedging by the Manager may be by means of spot and forward currency contracts or options on such contracts or by using such other derivative instruments as may be available and having the same or similar effect. Since inception, the Company has employed put options, spot and forward currency contracts.

During the year the Company realised a net foreign exchange gain of $4,157,327 (2018: $5,953,825). This was largely a result of the currency hedges placed to mitigate the Company's exposure to the Australian Dollar and Euro and realised currency gain on the disposal of investments.

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

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

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Exposure to currency risk continued

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

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

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

Currency	2019	2018
Euro	28%	29%
Sterling	1%	1%
UAE Dirham	-	1%
Australian Dollar	-	1%

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

	2019			
	Financial assets $'000	Financial liabilities $'000	Forward currency contracts $'000	Net exposure $'000
Euro	90,086	-	(615)	89,471
Sterling	3,172	(601)	-	2,571
UAE Dirham	1,583	-	-	1,583
Australian Dollar	663	-	(7)	656

	2018			
	Financial assets $'000	Financial liabilities $'000	Forward currency contracts $'000	Net exposure $'000
Euro	110,099	-	(1,102)	108,997
Sterling	3,826	(3)	-	3,823
UAE Dirham	5,441	-	-	5,441
Australian Dollar	2,335	-	(14)	2,321

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

	2019		2018	
	Volatility	Decrease/(increase)	Volatility	Decrease/(increase)
	%	$'000	%	$'000
Euro	2.2	1,968	7.8	8,502
Sterling	5.5	141	7.8	298
UAE Dirham	0.0	-	0.0	-
Australian Dollar	3.3	22	7.4	172

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

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Exposure to other price risk

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in that market. As the Company's financial instruments are carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market conditions will directly affect net gains on investments and Net Asset Value.

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

As at 30 June 2019, the Company had no direct exposure to assets that are publicly traded on equity markets. (30 June 2018: Nil).

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

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. This relates also to financial assets carried at amortised cost, as they have a short term to maturity.

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

	2019 $'000	2018 $'000
Cash and cash equivalents	25,741	16,284
Receivables	117	166
Total	**25,858**	**16,450**

In respect of credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments. In order to mitigate such risks substantially all of the Company's cash and forward currency contracts are maintained with Lloyds Bank plc and Bank of America Merril Lynch International. The Manager monitors the financial position of all banks on an ongoing basis by reviewing earnings releases. As at 30 June 2019, Moody's has given the long term credit ratings for Lloyds Bank plc as Aa3 (June 2018: A1), Standard & Poor's has given the same for Bank of America Merrill Lynch International as A+ (2018: A+).
In the event that the credit quality of any bank deteriorates significantly, the Manager will move the cash holdings to another bank. Substantially all of the cash assets of the Company are held by Lloyds Bank.

Bankruptcy or insolvency of the Banks may cause the Company's rights with respect to securities held by the Banks to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial position of the various Banks the Company uses.

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

Liquidity risk

The Company's financial instruments primarily include investments in unlisted equity investments that are not publicly traded and therefore may be illiquid. As a result, the Company may not be able to liquidate some of its investments in these instruments at an amount close to their fair value should such liquidation be necessary to meet liquidity requirements, including the need to meet outstanding undrawn commitments and other obligations as and when these fall due.

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES continued

Liquidity risk continued

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

The Company's liquidity may also be impacted by mandatory redemptions of US$ Equity shares. While any compulsory redemption of US$ Equity Shares is offered at the Board of Director's sole discretion, in the event that US$ Equity shares are redeemed, it may require the use of a material amount of excess cash.

During the fiscal year, the Company's credit facility remained at $35 million, none of which is drawn. Per the credit agreement, the Company and the lender monitor the loan covenants on a quarterly basis. As at 30 June 2019, the Company was in compliance with all such covenants.

The credit facility was extended to expire on 31 December 2019.

The Company also maintains cash and cash equivalents in excess of what the Manager believes will be required in the coming quarters. As at 30 June 2019, the Company held cash and cash equivalents of $25.74 million (2018: $16.28 million). The Manager pursues an investment strategy with respect to all uninvested cash in the Company's portfolio that is designed to balance the need for appropriate liquidity to meet its present and future private equity commitment obligations with the desire to increase the returns of the Company's portfolio.

The investment commitments presented in note 12 represent commitments to invest capital to underlying investments at such time as the managers of those assets request. The precise timing of future calls, and whether such calls will be made at all, is at the discretion of the investment managers of each individual asset within the investment portfolio.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	2019			
Financial liabilities	Carrying amounts $'000	Contracted cash flows $'000	Less than 1 month $'000	3 months to 1 year $'000
Payables and accruals	1,398	1,398	1,398	-
Derivative financial instruments	622	622	622	-
	2,020	**2,020**	**2,020**	**-**

	2018			
Financial liabilities	Carrying amounts $'000	Contracted cash flows $'000	Less than 1 month $'000	3 months to 1 year $'000
Payables and accruals	2,042	2,042	2,042	-
Derivative financial instruments	1,116	1,116	1,116	-
	3,158	**3,158**	**3,158**	**-**

Notes to the Financial Statements continued

4. INTEREST AND DISTRIBUTION INCOME

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

	2019 $'000	2018 $'000
Interest income from cash and cash equivalents	316	297
Dividend income	2,943	3,113
Interest income from investments	728	1,217
	3,987	**4,627**

5. CREDIT FACILITY COSTS

The following table details the interest and other expenses incurred on the credit facility during the year:

	2019 $'000	2018 $'000
Undrawn commitment fee	285	402
Credit facility fees	7	158
	292	**560**

6. OTHER EXPENSES

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

	2019 $'000	2018 $'000
Legal and professional fees	378	697
Portfolio management fees to limited partnerships	309	314
Travel expenses	97	134
Filing and regulatory fees	51	57
Sundry expenses	39	45
Bank charges	19	27
	893	**1,274**

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

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

	2019 $'000	2018 $'000
At fair value through profit or loss		
- Investment portfolio	(24,673)	49,036
- Derivative financial instruments	495	1,262
Net (loss)/gain from financial assets and liabilities at fair value through profit or loss	**(24,178)**	**50,298**

Notes to the Financial Statements continued

8. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 01 July 2018 $'000	Interest accretion $'000	Payable arising on redemption $'000	Foreign exchange adjustment $'000	Financing cash flows $'000	As at 30 June 2019 $'000
Payable arising on U$ Equity shares redemption	-	-	25,000	-	(25,000)	-
Financial liabilities as at 30 June 2019	**-**	**-**	**25,000**	**-**	**(25,000)**	**-**

9. NET FOREIGN EXCHANGE GAINS

The following table details the net foreign exchange gains/(losses) during the year:

	2019 $'000	2018 $'000
Cash and cash equivalents	(7)	1,183
ZDP shares	-	(821)
Other	(1)	296
	(8)	**658**

10. RECEIVABLES

The following table details the receivables at the reporting date:

	2019 $'000	2018 $'000
Distributions receivable	87	83
Other receivables	30	83
Total receivables	**117**	**166**

11. PAYABLES AND ACCRUALS

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

	Notes	2019 $'000	2018 $'000
Audit and tax fees		392	209
Investment management fees	17	265	600
Administration fees	17	128	172
Directors' fees		29	50
Performance fees	17	-	1,024
Other fees		15	(31)
Total accruals		829	2,024
Capital calls payable		569	18
Total payables and accruals		**1,398**	**2,042**
Maturity profile			
Due within one year		1,398	2,042

12. 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, all derivatives are held for trading, therefore all gains and losses arise on investments designated at fair value through profit or loss and on derivatives held for trading. 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 Sponsor. As of 30 June 2019, the Company held interests in private equity funds, including fund-of-funds and direct investments and had unfunded commitments to private equity funds of $32.1 million (2018: $33.4 million) that may be called by the underlying limited partnerships. Approximately 95% of the Company's unfunded commitments, or approximately $30.6 million are unlikely to be called.

Investments at fair value

The following table is an analysis of the investment portfolio disclosing fair value balances and fair value movements of the investments:

	2019 $'000	2018 $'000
Fair value at beginning of the year	356,902	439,385
Purchase of investments and funding of capital calls	5,834	6,946
Distributions from limited partnership interests and proceeds from disposal of investments	(39,313)	(138,466)
Net fair value movement in the year (including foreign exchange gains and losses)	(24,677)	49,037
Fair value at the end of the year	**298,746**	**356,902**
Reconciliation of accumulated unrealised movements		
Accumulated unrealised (losses)/gains at beginning of the year	(16,886)	7,189
Net unrealised losses in the year (including foreign exchange gains and losses)	(36,407)	(24,075)
Accumulated unrealised losses at the end of the year	**(53,293)**	**(16,886)**

Details of underlying investments are presented in the supplementary schedule of investments in note 22.

Fair value hierarchy

The following tables summarises the valuation of the Company's financial assets and liabilities measured at fair value by the fair value hierarchy as of 30 June 2019:

	2019			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Financial assets at fair value through profit or loss				
- Investment portfolio	298,746	-	-	298,746
Financial liabilities at fair value through profit or loss				
- Derivative instruments	(622)	-	(622)	-
	298,124	**-**	**(622)**	**298,746**

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

12. 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/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 year.

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

	2019 $'000	2018 $'000
Fair value at beginning of the year	356,902	439,385
Purchase of investments and funding of capital calls	5,834	6,946
Distributions from limited partnership interests	(39,313)	(138,466)
Net fair value movement in the year (including foreign exchange gains and losses)	(24,677)	49,037
Fair value at the end of the year	**298,746**	**356,902**

The Level III portfolio gains and losses included in profit or loss for the year ended 30 June 2019 are as follows:

	2019 $'000	2018 $'000
Reconciliation of accumulated unrealised movements		
Accumulated unrealised (losses)/gains at beginning of the year	(4,088)	19,987
Net unrealised losses in the year (including foreign exchange gains and losses)	(36,407)	(24,075)
Accumulated unrealised losses at the end of the year	**(40,495)**	**(4,088)**

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

Notes to the Financial Statements continued

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

Fair value hierarchy continued

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

	2019			
Assets	Total $'000	Level I $'000	Level II $'000	Level III $'000
Receivables	117	-	117	-
Cash and cash equivalents	25,741	25,741	-	-
Total financial assets at fair value	**25,858**	**25,741**	**117**	**-**
Liabilities				
Other payables, accrued expenses and other financial liabilities	(2,020)	-	(2,020)	-
Total financial liabilities at fair value	**(2,020)**	**-**	**(2,020)**	**-**

	2018			
Assets	Total $'000	Level I $'000	Level II $'000	Level III $'000
Receivables	166	-	166	-
Cash and cash equivalents	16,284	16,284	-	-
Total financial assets at fair value	**16,450**	**16,284**	**166**	**-**
Liabilities				
Zero dividend preference shares	-	-	-	-
Other payables, accrued expenses and other financial liabilities	(3,158)	-	(3,158)	-
Total financial liabilities at fair value	**(3,158)**	**-**	**(3,158)**	**-**

13. UNCONSOLIDATED SUBSIDIARIES

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

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

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

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

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

13. UNCONSOLIDATED SUBSIDIARIES continued

BSPEL Aus owns 100% of the issued trust units in ROC Private Capital Trust, an Australia registered trust whose principal activity is that of an investment trust and holds 13 fund investments.

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

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

Back Bay holds 100% of Back Bay (Cayman) Limited, 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 22.2% in Back Bay.

JPEL Holdings owns 60% of Corsicana Feeder Co-Investors, LLC, a US registered company whose principal activity is that of a holding company and holds one investment in a household products company. JPEL Holdings also holds non-controlling interests in 11 other companies and fund investments.

Details of the names and values as of 30 June 2019 of all the investments held by the subsidiaries are disclosed in note 22.

Refer to note 2 for disclosure of interests held by the Company and its subsidiaries in unconsolidated structured entities, as defined by IFRS 12.

14. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments held are forward currency contracts.

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

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

	2019				
Currency sold	Currency amount sold $'000	Currency bought	Currency amount bought $'000	Settlement date	Fair value $'000
AUD	760	USD	527	15 July 2019	-
EUR	84,300	USD	97,528	15 July 2019	-
USD	97,302	EUR	84,300	15 July 2019	(615)
USD	1,832	AUD	2,500	15 July 2019	(7)
					(622)

	2018				
Currency sold	Currency amount sold $'000	Currency bought	Currency amount bought $'000	Settlement date	Fair value $'000
AUD	2,500	USD	1,832	31 July 2018	-
EUR	84,300	USD	97,528	31 July 2018	-
USD	(97,302)	EUR	(84,300)	31 July 2018	(1,102)
USD	(1,832)	AUD	(2,500)	31 July 2018	(14)
					(1,116)

Notes to the Financial Statements continued

15. CREDIT FACILITY

The Company has entered into a multi-currency credit facility agreement with Lloyds Bank. As at 30 June 2019, the total facility was $35 million (30 June 2018: $35 million) and bears interest of US$ LIBOR/EURIBOR + 250 bps for drawn amounts. A flat 0.8% rate is paid on undrawn amounts. The current facility agreement was last amended in January 2018 and is due to expire 31 December 2019. The facility contains a number of covenants that restrict total leverage and promote asset diversification. Specifically, the Company has the ability to borrow up to 30% of its Total Assets. Furthermore, the asset base from which the Company may borrow funds may be reduced if certain diversity criteria are breached; including geography, investment strategy, investment type, and company and manager concentration limitations. As at 30 June 2019, the Company had no drawn leverage (30 June 2018: Nil) per the credit agreement.

16. SHARE CAPITAL

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. As at 30 June 2019, the Company's capital is represented by US$ Equity Shares and other reserves. The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objectives, both of which are detailed in the Overview & Strategy and Investment Policy sections on pages 2. The Board of Directors also monitors the level of discount between the market price of its US$ Equity Shares and the Company's Net Asset Value per share.

The Company attempts to minimise any discount between the share price of its US$ Equity Shares and the Company's NAV per share through open market purchases of shares at the discretion of the Directors. The Company may hold the acquired shares in its treasury and may re-issue such shares to the market at the current prevailing NAV per share to avoid dilution of existing Shareholders. At the AGM of 20 December 2007, the Shareholders entitled the Board of Directors in accordance with the Companies (Purchase of Own shares) Ordinance, 1998, to make market purchases (within the meaning of section 5 of the said ordinance) of US$ Equity Shares and ZDP Shares of up to 14.99% of the issued shares. At the AGM held on 30 November 2017, the Directors' authority to make such market purchases has been renewed for an additional year. The Directors at their sole discretion may resolve to make distributions on any particular Redemption Date by way of redeeming US$ Equity Shares in issue. During the year, the Directors authorised the redemption of 14,044,678 US$ equity shares for $24,999,527.

The balance of shares held in treasury at the year end was 17,750,000 (2018: 17,750,000) all of which were US$ Equity Shares. Shares held in treasury remain at less than 10% of total assets as at period end.

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

Authorised share capital

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

Notes to the Financial Statements continued

16. SHARE CAPITAL continued

Issued share capital

On 18 January 2019, JPEL redeemed 14,044,678 US$ Equity Shares, on a pro rata basis, at the prevailing NAV per US$ Equity Share of $1.78 as at 31 October 2018 (being the most recent NAV per US$ Equity Share available at the date of the announcement). The shares were cancelled automatically following their redemption.

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

	Date	Number of shares	Price ($)	Total proceeds ($)	Share Capital ($)	Premium on buyback ($)
Balance as at 30 June 2018		203,727,430			273,207,308	
Share Redemption*						
	16 January 2019	(14,044,678)	$1.78	(24,999,527)	(18,834,522)	(6,165,005)
Total		(14,044,678)		(24,999,527)	(18,834,522)	(6,165,005)
Balance as at 30 June 2019		**189,682,752**			**254,372,786**	

	Date	Number of shares	Price ($)			
Balance as at 30 June 2017		263,613,782			353,517,500	
Share Redemption*						
	14 December 2017	(45,180,643)	$1.66	(74,999,867)	(60,589,199)	(14,410,668)
	10 April 2018	(14,705,709)	$1.70	(24,999,705)	(19,720,993)	(5,278,712)
Total		(59,886,352)		(99,999,572)	(80,310,192)	(19,689,380)
Balance as at 30 June 2018		**203,727,430**			**273,207,308**	

*It is mandatory for all shareholders to participate but redemption is subject to final approval and discretion of 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 30 June 2019, the total share capital was $254,372,786 (2018: $273,206,308). Please refer to the Statement of Changes in Equity on page 35 for details of the movements in share capital.

17. 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 management agreement. The total management fee due for the year was $3,486,257 (2018: $4,066,943). The amount payable to the Manager at the end of the year was $265,356 (2018: $599,676).

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

The amount of such performance fee will be 7.5% of the total increase in aggregate Net Asset Value above the performance hurdle. There were no performance fee recognised during the year (2018: $1,023,682). The Board has reviewed the basis for the performance fee and is satisfied that it is fair and appropriate.

The Administrator is entitled to an annual fee in respect of accounting, company secretarial, administration and investment tracking services. Total fees for the year were $774,574 (2018: $749,849). At 30 June 2019, $128,340 (2018: $172,023) was outstanding in respect of administration fees.

Notes to the Financial Statements continued

18. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

Earnings per Share

Earnings per share is calculated by dividing the net profit for the year attributable to the US$ Equity Shares by the weighted average number of shares outstanding during the year. Net loss for the year was $22,609,553 (2018: (profit) $41,849,439). The weighted average number of US$ Equity Shares in issue during the year was 196,070,195 (2018: 235,757,879).

Weighted average number of US$ Equity Shares		
In thousands of shares	Note	2019
Issued shares at 30 June 2018	16	203,727
Effect of shares bought back on:		
16 January 2019		(6,387)
Weighted average number of US$ Equity Shares at 30 June 2019		**197,340**

Weighted average number of US$ Equity Shares		
In thousands of shares	Note	2018
Issued shares at 30 June 2017	16	263,614
Effect of shares bought back on:		
14 December 2017		(24,633)
10 April 2018		(3,223)
Weighted average number of US$ Equity Shares 30 June 2018		**235,758**

Net Asset Value per share is calculated by dividing the Net Assets attributable to the US$ Equity Shares at the end of the year by the number of shares outstanding at the end of the year. The Net Asset Value for the year was $322,584,156 (2018: $370,194,236). The total number of US$ Equity Shares outstanding at the end of the year was 189,682,752 (2018: 203,727,430).

19. RELATED PARTY TRANSACTIONS

FCF JPEL Management LLC (the "Manager") is a related party of the Company. Refer to note 17 for a breakdown of fees paid during the year.

The Company holds a number of investments in unconsolidated subsidiaries, as detailed under note 17.

Mr. Spencer owned 16,876 US$ Equity Shares, Mr. Hurst owned 13,988 US$ Equity Shares and Mr. Dalwood owned 71,696 US$ Equity Shares at 30 June 2019.

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 year the Company paid $10,509 to the Directors in travel expenses. The cap on total Directors remuneration was unchanged at £250,000 as at 30 June 2019.

20. ULTIMATE CONTROLLING PARTY

The Company does not have an ultimate controlling party.

21. POST BALANCE SHEET EVENTS

Subsequent to the year end the Company received a final distribution of €7,968,848 from the sale of Alia Capital Fund I C.V. which was in addition to the distribution of €5,520,473 received before the year end. Additionally, the Company received proceeds amounting to €14,148,724 from the sale of Primopiso Acquisition S.a.r.l.

Notes to the Financial Statements continued

22. SCHEDULE OF INVESTMENTS

Vehicle	Investment	2019 $000's	2018 $000's
Back Bay	Stoneleigh Back Bay Associates LLC	10,351	10,458
BMFL/BMML*	BoS Mezzanine Partners, LP	3,900	13,265
BSPEL Aus	ROC Private Capital Trust	3,805	6,503
Iberian Acq**	Alia Capital Fund I C.V.	9,057	16,009
JPEL	Aksia Capital III	697	839
JPEI	Alto Capital II	158	164
JPEL	Apollo Investment Fund V, L.P.	28	69
JPEL	Ares European Real Estate Fund I (IF), L.P.	4	3
JPEL	Argan Capital Fund	729	2,336
JPEL	Arlington Capital Partners II, L.P.	15	123
JPEL	Beacon India Private Equity Fund	4,170	5,682
JPEL	Bear Stearns Global Turnaround Fund LP	2,731	4,908
JPEL	Black Diamond Capital Management	4,987	5,684
JPEL	Blackstone Real Estate Partners IV, L.P.	93	354
JPEL	Blue River Capital I, LLC	2,058	2,557
JPEL	Clearwater Capital Partners Fund I, L.P.	2	2
JPEL	Colony Investors VI, L.P.	185	182
JPEL	Double B Foods, Inc	37	37
JPEL	Esprit Capital I Fund	2,338	3,384
JPEL	Global Buyout Fund, L.P.	4,681	4,791
JPEL	Global Opportunistic Fund	1,823	2,973
JPEL	Gridiron Capital Fund, L.P.	786	864
JPEL	Highstar Capital III Prism Fund, L.P.	39	2,439
JPEL	Hupomone Capital Fund, L.P.	214	236
JPEL	Hutton Collins Capital Partners II LP	277	733
JPEL	Industry Ventures Fund IV, L.P	478	677
JPEL	Industry Ventures Fund V, L.P	3,950	3,727
JPEL	Strategic Healthcare Alliance, LLC (SHA)	-	14
JPEL	Leeds Equity Partners IV, L.P.	16	160
JPEL	Leeds Equity Partners V, L.P.	15,036	16,068
JPEL	Liberty Partners II, L.P.	2,360	2,908
JPEL	Life Sciences Holdings SPV I Fund, L.P.	6,479	11,479
JPEL	Main Street Resources I, L.P.	457	429
JPEL	Main Street Resources II, L.P.	521	528
JPEL	Markstone Capital Partners, L.P.	10	10
JPEL	Omega Fund III, L.P.	646	2,272
JPEL	Primopiso Acquisition S.a.r.l	16,084	26,291
JPEL	Private Equity Access Fund II Ltd	1,154	1,503
JPEL	Private Opportunity Ventures, L.P.	526	496
JPEL	Strategic Value Global Opportunities Feeder Fund I-A, LP	726	887
JPEL	Strategic Value Global Opportunities Master Fund, LP	50	46
JPEL	The Oneida Group	333	333
JPEL	Terra Firma Deutsche Annington L.P.	304	319
JPEL	Trumpet Feeder Ltd	1,313	1,450

Continued on next page

Notes to the Financial Statements continued

22. SCHEDULE OF INVESTMENTS continued

Vehicle	Investment	2019 $000's	2018 $000's
JPEL	Warburg Pincus Private Equity VIII, L.P.	72	466
JPEL	Wellington Partners Ventures II GMBH & CO.KG (B)	393	404
JPEL	Wellington Partners Ventures III Life Science Fund L.P.	1,479	1,615
JPEL Holdings	SaaS Company	3,923	5,646
JPEL Holdings	Accurate Result Investments Limited	-	-
JPEL Holdings	Tax Advisory Services Company	37,473	35,503
JPEL Holdings	Aqua Resources Fund Limited	-	529
JPEL Holdings	Corsicana Feeder Co-Investors, LLC	7,764	11,857
JPEL Holdings	Gulf Healthcare International LLC	1,583	5,441
JPEL Holdings	Industry Ventures Fund VI, L.P.	957	1,400
JPEL Holdings	MBI Holding, Inc.	70,773	70,763
JPEL Holdings	Milestone Investisseurs 2014 SLP	38,226	31,731
JPEL Holdings	MTS Celerion Holdings, LLC	-	8
JPEL Holdings	Omega Fund IV, L.P.	1,801	1,943
JPEL Holdings	Placid Holdings	3,139	7,373
JPEL Holdings	Polo Holdings S.à.r.l.	10,100	10,354
JPEL Holdings	Prosper Marketplace, Inc.	13,000	13,000
JPEL Holdings	Genuine Idea Investments Ltd	4,453	4,678
Total		**298,746**	**356,902**

*The value attributed to BoS Mezzanine Partners, LP represents the valuation of JPEL's interest in BMML. This comprises BoS Mezzanine Partners, LP, $3,249,119 (2018: $13,089,999) and net assets of 650,919 (2018: $175,383).

**Subsequent to the year end the Company received a final distribution of €7,968,848 from the sale of Alia Capital Fund I C.V. which was in addition to the distribution of €5,520,473 received before the year end. Additionally, the Company received proceeds amounting to €14,148,724 from the sale of Primopiso Acquisition S.a.r.l.

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

Information about the Company

DIRECTORS:	Sean Hurst (Chairman) (*re-elected 26 November 2018*) John Loudon (*re-elected 26 November 2018)* Christopher Spencer (*re-elected 26 November 2018)* Anthony Dalwood (*re-elected 26 November 2018*)
MANAGER **(as to the Private Equity Portfolio):**	FCF JPEL MANAGEMENT LLC c/o Fortress Investment Group LLC 1345 Avenue of the Americas 46th floor, New York, New York 10105 United States of America
ADMINISTRATOR AND **COMPANY SECRETARY:**	IQ EQ FUND SERVICES (GUERNSEY) LIMITED (formerly AUGENTIUS (GUERNSEY) LIMITED) Ground Floor Cambridge House Le Truchot, St Peter Port Guernsey GY1 4BF
INDEPENDENT AUDITOR:	PRICEWATERHOUSECOOPERS CI LLP Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND
SOLICITORS **(as to English and US law):**	HERBERT SMITH FREEHILLS LLP Exchange House Primrose Street London EC2A 2HS United Kingdom AKIN GUMP LLP 10 Bishops Square London E1 5EG United Kingdom TRAVERS SMITH LLP (*appointed 07 February 2019*) 10 Snow Hill London EC1A 2AL United Kingdom
LEGAL ADVISERS **(as to Guernsey Law):**	CAREY OLSEN 7 New Street St Peter Port Guernsey GY1 4BZ
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