

**JPEL Private Equity Limited**  
**Annual Report and Financial Statements**  
**for the year ended 30 June 2023**

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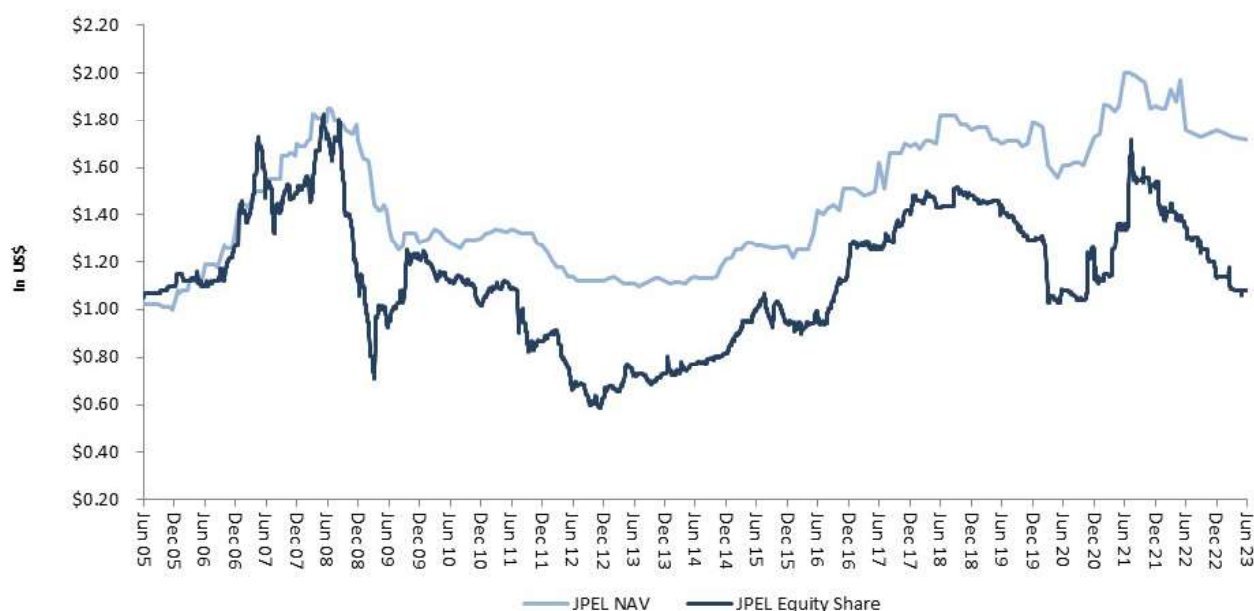
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## Financial Summary (Company Information)

|  | 30 June 2023   | 30 June 2022   |
|--|----------------|----------------|
| <b>US\$ Equity Shares</b>                              |                |                |
| Net Asset Value ("NAV") per Share                      | \$1.63         | \$1.76         |
| Share Price  | \$1.08         | \$1.35         |
| Shares in Issuance (excluding shares held in treasury) | 25.4m          | 30.3m          |
| <b>Statement of Financial Position (extract)</b>       |                |                |
| Investments at Fair Value                              | \$35.6m        | \$47.1m        |
| Cash and cash equivalents                              | \$5.9m         | \$6.3m         |
| Other Assets <sup>1</sup>                              | \$0.3m         | \$0.3m         |
| Other Liabilities <sup>2</sup>                         | (\$0.5m)       | (\$0.5m)       |
| <b>US\$ Equity NAV<sup>3</sup></b>                     | <b>\$41.3m</b> | <b>\$53.2m</b> |
| <b>Ongoing charges<sup>4</sup></b>                     |                |                |
| Excluding performance fee                              | 2.53%          | 1.82%          |
| Including performance fee                              | 2.53%          | 1.84%          |

### Performance as at 30 June 2023

JPEL NAV and Share Price Development from Inception through 30 June 2023<sup>5</sup>



Past performance is not an indication of future performance

Please note that throughout this report, numbers in diagrams, charts and graphs, as well as in the body of the report, may not sum due to rounding.

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

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

<sup>3</sup> The NAV represents the capital of the Company which includes the NAV of the US\$ Equity Shares.

<sup>4</sup> 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 NAV throughout the year.

<sup>5</sup> Source: Manager, Bloomberg as at 30 June 2023.

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

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

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

## INVESTMENT STRATEGY & INVESTMENT POLICY

Following the retirement of JPEL's 2017 zero dividend preference shares in October 2017 and change to the Company's investment policy, the Manager is effecting an orderly realisation of the investments and other assets comprised in the Company's portfolio and will seek to realise such investments and assets in order to maximise returns to US\$ Equity Shareholders (as defined below).

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

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

## LEVERAGE

The Company has the ability to borrow up to 30% of its adjusted total of capital and reserves subject to and in accordance with the limitations and conditions in its articles of incorporation ("Articles"). As part of its leverage policy, the Company may borrow: (i) for short-term or temporary purposes as is necessary for the settlement of transactions; (ii) to facilitate the operation of the over-commitment policy; or (iii) to meet ongoing expenses. The Directors and the Manager will not incur any short-term borrowings to facilitate any tender or redemption of US\$ Equity Shares (the "Shares" or "US\$ Equity Shares" and the holders of such US\$ Equity Shares being the "US\$ Equity Shareholders" and, for the time being the "shareholders") 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 twelve-month period ending 30 June 2023, JPEL's US\$ Equity Share price decreased 20% to \$1.08 while the Company's NAV per US\$ Equity Share declined to \$1.63. On 23 December 2022, JPEL completed its eleventh mandatory redemption and returned \$8.4 million to US\$ Equity Shareholders.

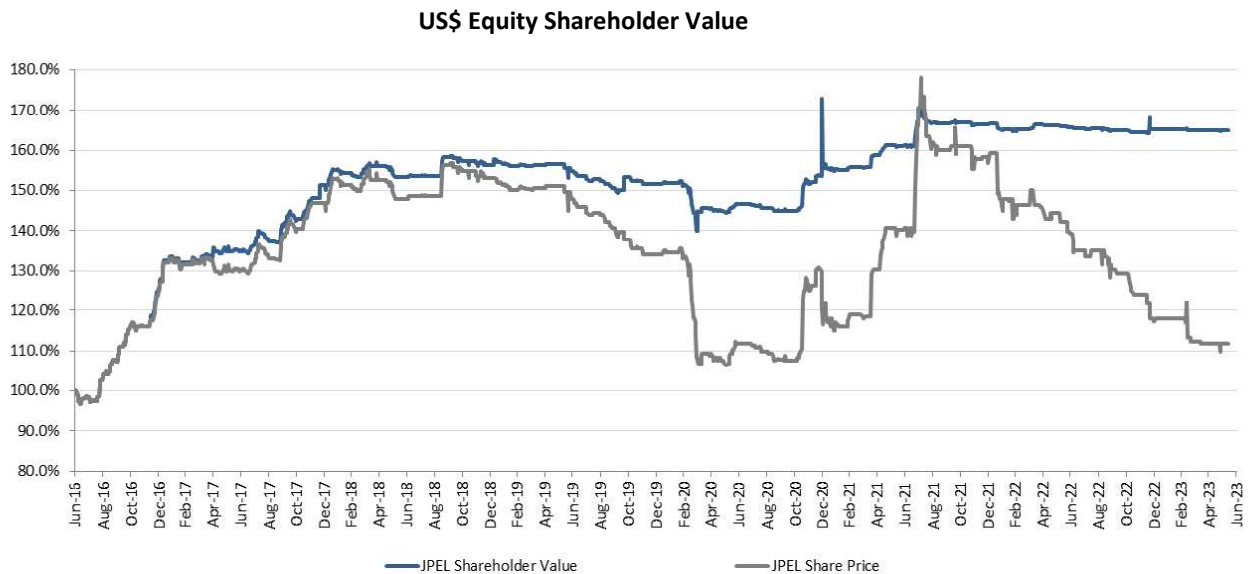
## NAV AND SHARE PRICE PERFORMANCE

During the Fiscal Year, JPEL's NAV per US\$ Equity Share decreased 7.4%, to \$1.63 from \$1.76. The decline in NAV was primarily due to mark to market adjustments in JPEL's investment in a Tax Advisory Services Company and its investment in a SaaS Company.

During the fiscal year, JPEL's US\$ Equity Share price decreased 20%, from \$1.35 to \$1.08. As of 30 June 2023, JPEL traded at a 33.7% discount to 30 June 2023 NAV of \$1.63 per US\$ Equity Share. As the Company continues with its investment strategy of realising investments which will result in the reduction of the NAV, minor valuation changes may have a material impact on the Company's NAV.

Subsequent to the Fiscal Year, JPEL's US\$ Equity Share price declined to \$1.035 on 22 September 2023. As of 22 September 2023, JPEL traded at a 35.6% discount to prevailing NAV.

Including the return of capital through JPEL's eleven mandatory redemptions, holders of JPEL's US\$ Equity Shares experienced a 65% increase in shareholder value<sup>1</sup> from 30 June 2016 through 30 June 2023. By way of example, if a US\$ Equity Shareholder owned \$1.00 of JPEL in June 2016, the total return would be \$1.65 at June 2023 (\$1.57 from mandatory redemptions and \$0.07 in remaining shareholder equity).



Source: Manager, Bloomberg as at 30 June 2023.

<sup>1</sup> "Shareholder value" includes the impact of the mandatory redemptions as well as JPEL's increase in share price.

# Chairman's Statement continued

## UPDATE ON STRATEGIC PLAN

On 3 May 2022, the Board announced that together with the Manager and its corporate broker and counsel, the Company was exploring numerous options, including: placing the Company into a formal liquidation process; changing the listing venue to a lower cost option; continuing to operate the Company under the existing structure until the ultimate wind down of the private equity portfolio; or selling the remaining assets where it is believed that fair value could be achieved in the secondary market.

As an immediate first step, the Board has focused on reducing the Company's ongoing charges. Beginning with the Fiscal Year starting 1 July 2022, JPEL changed its frequency from monthly reporting to quarterly reporting. The reduction in frequency of reporting is expected to reduce administrative expenses.

At this time, JPEL's Board believes that the best option for the Company in the near term is to continue to run-off JPEL's portfolio organically, and revisit all options once JPEL's NAV approaches approximately \$30 million.

As a reminder, in 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 were \$0.80 and \$1.13, respectively and total outstanding debt (including zero dividend preference shares) was \$167.8 million.

The 2023 fiscal year marks 9.5 years since this announcement:

- Inclusive of the \$8.5 million returned to shareholders in December 2022, \$525.7 million was returned to US\$ Equity Shareholders at prevailing NAVs ranging from \$1.42 to \$2.00 per share;
- 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"); and The New Portfolio (including a late 2013 investment) has produced a multiple on invested capital ("MOIC") of 2.34x and an internal rate of return ("IRR") of 24.5%<sup>1</sup>.

### New Portfolio: Performance through 30 June 2023 (\$ in millions)<sup>1</sup>

|                       | Cost    | Realized | Unrealized | Total Value | MOIC  | IRR   |
|-----------------------|---------|----------|------------|-------------|-------|-------|
| Total New Investments | \$184.7 | \$414.0  | \$18.1     | \$432.1     | 2.34x | 24.5% |

## RETURN OF CAPITAL

On 23 December 2022, the Company completed its eleventh mandatory redemption and returned approximately \$8.5 million to shareholders. Inclusive of this mandatory redemption, JPEL has returned \$525.7 million to US\$ Equity Shareholders, or approximately 109.7% and 138.3% of prevailing NAV and market capitalization, respectively 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.

## DISTRIBUTION ACTIVITY<sup>2</sup>

In total, JPEL received \$9.4 million of gross distributions or 19.9% of the prior year's private equity portfolio value at 30 June 2023. During the fiscal year, JPEL funded \$0.02 million of capital calls.

<sup>1</sup> IRR and MOIC have been adjusted to exclude the effect of foreign exchange. Returns are net of underlying sponsor fees and gross of JPEL fees. Numbers may not add due to rounding.

<sup>2</sup> 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.

# Chairman's Statement continued

## CAPITAL POSITION

As of 30 June 2023, the Company did not have any leverage.

## MARKET OUTLOOK

The global economy continued to face headwinds from higher inflation, increased interest rates, increased energy and commodity prices as well as volatility in the stock markets. In addition, the ongoing crisis in Ukraine continues to add pressures to the global economy. While JPEL has no direct exposure to Russia or Ukraine and limited exposure to energy and commodity prices, some of JPEL's underlying portfolio companies may be affected by the uncertainty and volatility in the market, and as a result, may negatively impact the final execution of the Company's realisation strategy.

The current portfolio is mature with a weighted average age of 11.83 years at 30 June 2023. The Board and the Manager anticipate that the majority of the JPEL portfolio will continue to be wound down within the next three years. However, the Board and the Manager will continue to look at all options that they believe will maximise shareholder value for the assets individually and the company as a whole.

## DIRECTOR UPDATE

In December, we announced the passing of our colleague, Chris Spencer. Mr. Spencer was a member of JPEL's Board since its inception in 2005 and was an integral part of the Company's history and will be dearly missed. Tim Wilson, an executive member of the Administrator, was appointed as an interim Director to fill the vacancy with immediate effect from 13 December 2022 and served as interim Director until the appointment of Trina Le Noury as an Independent Non-Executive Director of the Company on 21 June 2023. We are pleased to welcome Trina Le Noury to the Company's Board of Directors. We believe that Trina's expertise in both the private capital sector as well as a qualified accountant will further enhance the existing skill set of our Board. The Board believes it currently contains adequate skills and experience to oversee the current strategy whilst maintaining a sensible approach to costs.

## CONCLUSION

Both the Board and Manager are working closely and remain focused on maximising value in the portfolio and returning capital to US\$ Equity Shareholders. In conclusion, I would like to thank shareholders for the support that they have placed in the Company.

DocuSigned by:  
  
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**Sean Hurst**  
Chairman  
27 September 2023

# Corporate Actions

## CORPORATE ACTIONS

- On 21 June 2023, JPEL announced that Trina Le Noury was appointed as an Independent Non-Executive Director of the Company and that Tim Wilson, interim director, has stepped down from the Board with immediate effect.
- On 22 December 2022, JPEL announced that the eleventh mandatory redemption of the Company's US\$ Equity Share class announced on 14 December 2022 had been completed.
- On 13 December 2022, JPEL announced that Tim Wilson was appointed as an interim Director with immediate effect.
- 29 November 2022, JPEL announced that at the Annual General Meeting ("AGM") of the Company held on 29 November 2022, all resolutions put to shareholders at the AGM were duly passed.
- On 9 November 2022, JPEL published a circular to Shareholders. The circular contained a notice of the AGM to be held on 29 November 2022 (the "AGM"). The following summarises all of the resolutions the Company sought approval for at the AGM.
  - Special Resolutions:
    1. To renew the Company's authority to make purchases of up to 15 per cent of its own issued Shares pursuant to any proposed Tender Offer; and
    2. To renew the Company's general authority to make market purchases of up to 14.99 per cent of its own issued Shares.
  - Ordinary Resolutions:
    3. To approve and adopt the annual report and financial statements of the Company for the year ended 30 June 2022;
    4. To re-elect PricewaterhouseCoopers CI LLP as Auditors of 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;
    7. To re-elect Christopher P. Spencer as a non-executive, independent director of the Company, who retires by rotation;
    8. To re-elect Anthony (Tony) Dalwood as a non-executive, independent director of the Company, who retires by rotation; and
    9. To re-elect Sean Hurst as a non-executive, independent director of the Company, who retires by rotation.

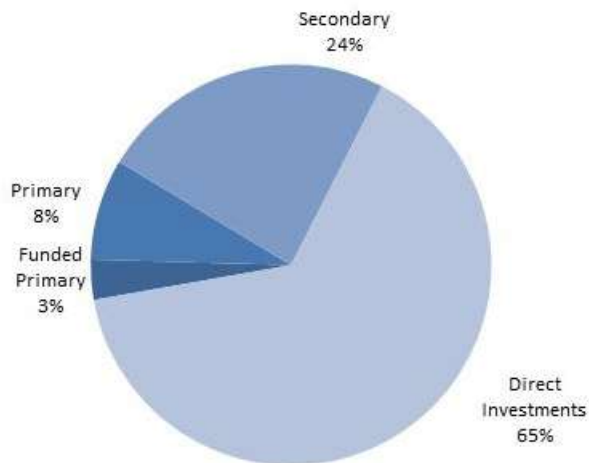


# Manager's Report

## PORTFOLIO REVIEW

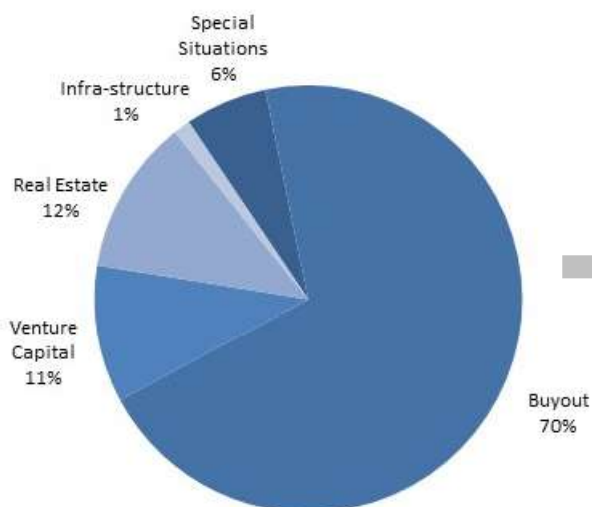
JPEL's portfolio is diversified globally across multiple investment strategies and industries as at 30 June 2023. The Company engaged in a single segment of business, as detailed in note 1 to the financial statements, and the diversification analysis is provided as supplementary information.

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

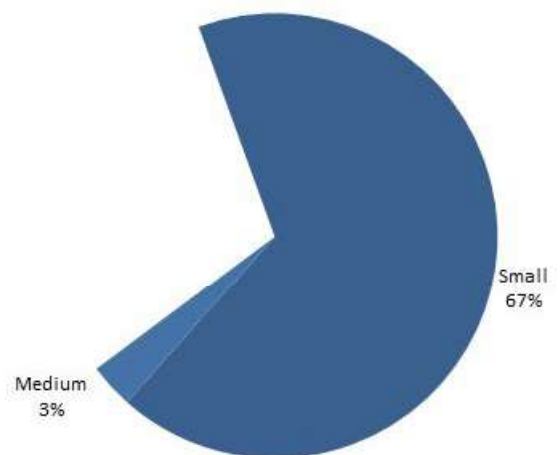


As at 30 June 2023, direct investments comprise 65% (2022: 60%) of the portfolio, while secondary investments make up 24% (2022: 28%) of JPEL's portfolio NAV. Primary investments comprised 8% (2022: 7%) of JPEL's portfolio while funded primaries and public made up 3% (2022: 3%) and 0% (2022: 2%) and of JPEL's portfolio NAV, respectively.

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



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



As at 30 June 2023, buyout funds constitute approximately 70% (2022: 70%) of JPEL's portfolio. Within this strategy, the majority of the Company's investments are with fund managers that focus on small to medium sized buyouts, which generally utilise less leverage.

JPEL's exposure to real estate and venture capital stand at 12% (2022: 11%) and 11% (2022: 9%), respectively, in each category. JPEL maintains a 6% (2022: 7%) allocation to special situation funds which includes mezzanine, debt, turnaround and distressed funds. JPEL's exposure to listed private equity and infrastructure stands at 0% (2022: 2%) and 1% (2022: 1%), respectively.

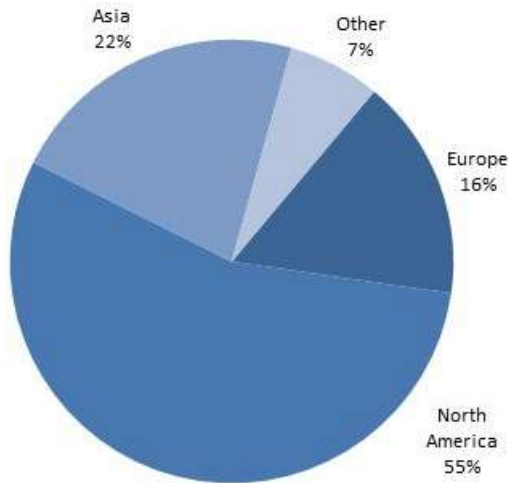
<sup>1</sup> Based on 30 June 2023 market value of investments, percentages based on underlying fund-level values.

<sup>2</sup> Fund classifications for buyout strategy are based on total fund commitments: Small: \$0 - \$500 million; Medium: \$500 - \$2,000 million; Large: \$2,000 million - \$5,000 million; and Mega: over \$5,000 million. Co-investments allocated by size of underlying sponsor fund.

# Manager's Report continued

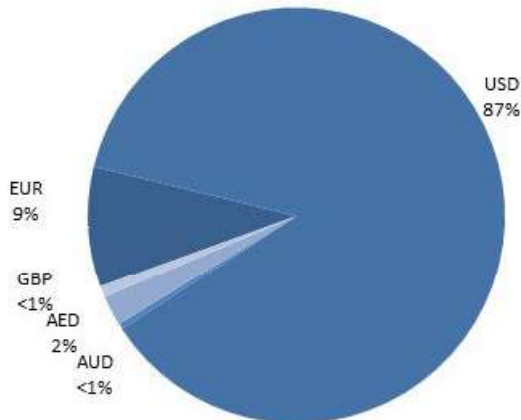
## PORTFOLIO REVIEW continued

### Geographic Footprint<sup>1</sup>



JPEL's private equity portfolio is diversified with investments in over 30 countries. North America and Asia represent the majority of the Company's portfolio at 55% (2022: 57%) and 22% (2022: 27%), respectively. JPEL's allocation to Europe stands at 16% (2022: 11%) while investments in the rest of the world represent 7% (2022: 5%) of the portfolio.

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



As at 30 June 2023, investments held in US Dollars made up approximately 87% (2022: 89%) of the Company's portfolio. Investments held in Euros comprised 9% (2022: 7%) of the Company's portfolio, while the UAE Dirham, Pound Sterling and Australian Dollar represented 4% (2022: 4%) of the portfolio, combined.

<sup>1</sup> Based on 30 June 2023 market value of investments, percentages based on underlying company-level values.

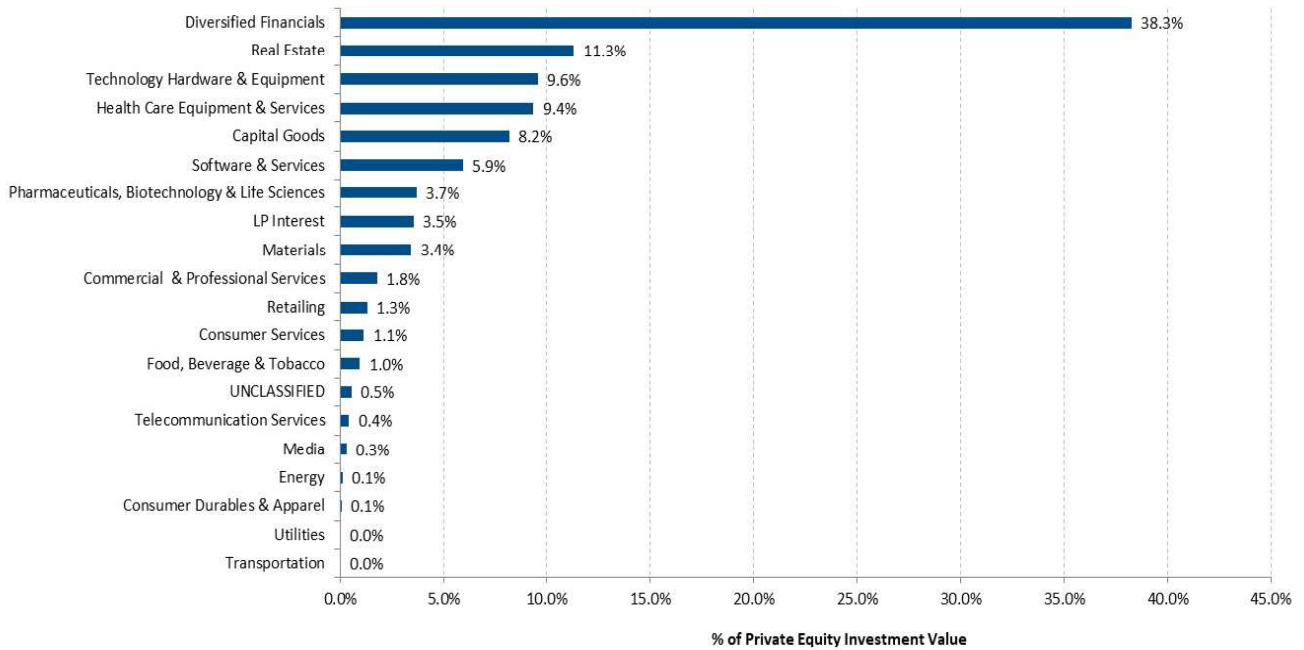
<sup>2</sup> Based on 30 June 2023 market value of investments, percentages based on underlying fund-level values. Please refer to pages 46 to 47 of the financial statements for net currency exposure on the Company Level. Numbers may not add due to rounding.

# Manager's Report continued

## PORTFOLIO REVIEW continued

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

In addition to geographic diversification, the Manager diversifies JPEL's portfolio by industry composition. The portfolio is currently weighted towards diversified financials with 38.3% (2022: 41.5%) of investment value in this sector.

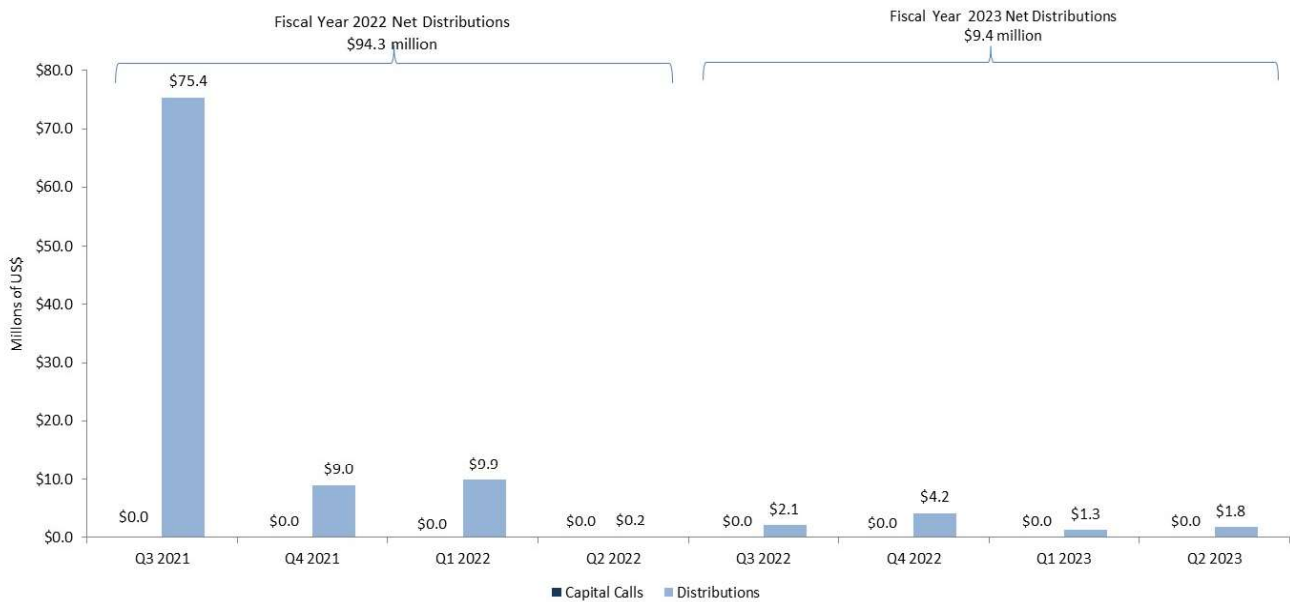


<sup>1</sup> Based on 30 June 2023 market value of investments, percentages based on underlying company-level values. LP Interest includes underlying partnership investments held through fund of fund positions.

# Manager's Report continued

## CAPITAL CALLS AND DISTRIBUTIONS

### Capital Call and Distribution Summary (last 2 years)<sup>1</sup>



In the Fiscal Year ending 30 June 2023, JPEL received net distributions of \$9.4 million, compared to \$94.3 million, in Fiscal Year 2022.<sup>1</sup>

<sup>1</sup> 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

### TOP 10 INVESTMENTS

Given the exits within JPEL's portfolio throughout the Fiscal Year, JPEL's top 10 investments represent approximately 80.4% of private equity investment value as at 30 June 2023.

|    | <b>Investment Name</b>                                  | <b>Geography</b> | <b>Value<br/>(\$ m)</b> | <b>% of PE<br/>Investment<br/>Value</b> |
|----|---|------------------|-------------------------|---|
| 1  | Tax Advisory Services Company                           | North America    | \$14.3                  | 40.2%                                   |
| 2  | Genuine Idea Investments Ltd                            | Asia             | 4.2                     | 11.8%                                   |
| 3  | SaaS Company  | North America    | 2.2                     | 6.2%                                    |
| 4  | Blue River Capital I, LLC                               | Asia             | 1.7                     | 4.8%                                    |
| 5  | Global Opportunistic Fund                               | Other            | 1.2                     | 3.3%                                    |
| 6  | Private Equity Access Fund II Ltd                       | North America    | 1.2                     | 3.3%                                    |
| 7  | Global Buyout Fund, L.P.                                | Other            | 1.2                     | 3.2%                                    |
| 8  | Placid Holdings   | Asia             | 0.9                     | 2.6%                                    |
| 9  | Wellington Partners Ventures III Life Science Fund L.P. | Europe           | 0.9                     | 2.5%                                    |
| 10 | Omega Fund IV, L.P.                                     | North America    | 0.9                     | 2.5%                                    |
|    | <b>Total</b>  |                  | <b>\$28.7</b>           | <b>80.4%</b>                            |

**FCF JPEL Management LLC**  
**27 September 2023**

# Directors' Report

## INTRODUCTION

The Directors present their annual report together with the audited financial statements of the Company for the Fiscal Year ended 30 June 2023. The financial summary is set out on page 1. A detailed review of activities is contained in the Manager's Report on pages 7 to 11.

## DIVIDENDS

The Directors do not propose the payment of a dividend for the year ended 30 June 2023. The Company did not pay a dividend for the year ended 30 June 2023 (2022: Nil).

## 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 and Guidance, 2021 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, interest rate and liquidity risk and have satisfied themselves that no material uncertainties exist. The Directors have taken into consideration the Company's expected cash flows for a period exceeding twelve months from the date of approval of the financial statements, in respect of follow-on investments and ongoing fees. Given the Company's current cash position 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. However, as discussed in the Chairman's Statement, the Manager and the Board continue to explore strategic solutions which may accelerate the Company's realisation strategy.

## CORPORATE GOVERNANCE

### Principles Statement

The Company is a member of the Association of Investment Companies (the "AIC"). The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance ("AIC Code") dated February 2019. The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to JPEL.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission, provides more relevant information to shareholders.

The Company has complied with the principles and provisions of the AIC Code (except for the deviation as explained below). The AIC Code is available on the AIC website ([www.theaic.co.uk](http://www.theaic.co.uk)) and includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

As referenced above, JPEL has deviated from the AIC Code to the extent that a senior independent director ("SID") has not been appointed by JPEL as all administrative functions are outsourced to the Manager and the Administrator (as defined below) and JPEL has relied on the procedures put in place by these service providers to enable the correct channels of communication to exist. Although none of the Directors have a SID title, Directors are available to talk to shareholders if it is not appropriate to discuss issues with the chairman as: (i) JPEL is no longer actively making new investments; (ii) JPEL is returning capital to shareholders; (iii) the Directors perform an active role; and (iv) the majority of Directors have filled their respective positions for a material length of time. All other provisions of the AIC Code have been complied with.

# Directors' Report continued

## CORPORATE GOVERNANCE continued

### 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 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.

### Board Decisions

The Board ensures that all the strategic matters listed above 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 certain implementation matters 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 29 November 2022)
- Anthony Dalwood (Independent Non-Executive) (appointed 20 February 2015, reappointed 29 November 2022)
- Trina Le Noury (Independent Non-Executive) (appointed 21 June 2023)
- Tim Wilson, executive of the Administrator (appointed 13 December 2022, resigned 21 June 2023)
- Christopher Spencer (appointed 28 April 2005, deceased December 2022)

**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. Previously, Mr. Hurst was a co-founder, director and CIO of Albion Asset Management, a French regulated asset management company. Mr. Hurst is an experienced multi-jurisdictional director including roles at London/AIM-listed funds and numerous offshore and UCITS funds. He is currently a Non-Executive Director of Vietnam Holding Ltd and Non-Executive Chairman of DCI Advisors Ltd (formerly Dolphin Capital Ltd). Mr Hurst has an MBA in Finance from City University Business School.

**Mr. Anthony Dalwood** is a non-executive independent director of the Company, with effect from 20 February 2015. Formerly, Mr. Dalwood was chairman of SVG Investment Managers and CEO of SVG Advisers, the global private equity funds business and manager of \$5 billion in AUM. Mr. Dalwood 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).

# Directors' Report continued

## CORPORATE GOVERNANCE continued

### Directors, Rotation of Directors and Directors Tenure continued

**Ms. Trina Le Noury** a resident of Guernsey, is a non-executive director of the Company with effect from 21 June 2023. Formerly, Ms. Le Noury was the co-head and director of Apax Partners (Guernsey) Limited and director of the Apax General Partner companies, with responsibility for the management of global private equity funds advised by Apax Partners, with c. \$60 billion AUM. More recently, Ms. Le Noury was a director of Hedosophia Services (Guernsey) Limited, the business responsible for the oversight of the venture capital funds advised by Hedosophia, with c. \$3 billion AUM. Ms. Le Noury has a first-class honours degree in Mathematics from Aberdeen University, holds a Diploma in Company Direction from the Institute of Directors and is a fellow of the Association of Chartered Certified Accountants.

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

### Appointment and Rotation

The Directors have the power to appoint any person at any time to the Board in accordance with the Articles and taking into consideration Guernsey Company Law, the UK Code, and the AIC Code. Any new Board members must be re-elected at the next AGM following their appointment, in line with the Board's adopted policy whereby all Directors who are continuing their role will be proposed for re-election each year. The Board has adopted a policy whereby all Directors who are continuing their role will be proposed for re-election each year and so the relevant Directors will be proposed for re-election at the forthcoming AGM.

The Board has considered the question of a policy on Board (including chairman) tenure. It is strongly committed to striking the correct balance between the benefits of continuity and those that come from the introduction of new perspectives and diversity, to the Board. As provided for in the AIC guidelines and in order to phase future retirements and appointments the Board has not, at this stage, adopted any specific limits to terms, but expects to refresh the Board at appropriate intervals.

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. No new providers were engaged in the Fiscal 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, the Board 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 quarterly Board meetings during the Fiscal Year:

| Director Name       | 21-September-22 | 29-November-22 | 23-March-23 | 21-June-23 |
|---------------------|-----------------|----------------|-------------|------------|
| Sean Hurst          | ✓               | ✓              | ✓           | ✓          |
| Christopher Spencer | ✓               | ✓              | N/A         | N/A        |
| Anthony Dalwood     | ✓               | ✓              | ✓           | ✓          |
| Tim Wilson          | N/A             | N/A            | ✓           | ✓          |
| Trina Le Noury      | N/A             | N/A            | N/A         | N/A        |



# Directors' Report continued

## CORPORATE GOVERNANCE continued

### Board Meetings continued

In addition to quarterly meetings, the Board has also met on two other occasions during the Fiscal Year to approve various corporate actions which were attended by those Directors available at the time.

The Directors recognise the importance of the AIC Code in terms of evaluating the performance of the Board as a whole, its Audit Committee and individual directors. During the year, the performance of the Board, the Audit Committee and individual directors were assessed in terms of:

- Attendance at Board and Audit Committee meetings;
- The independence of individual directors;
- The ability of individual directors to make an effective contribution to the Board and the Audit Committee, together with the diversity of skills and experience each director brings to meetings;
- The Board's ability to effectively challenge the Manager's recommendations, suggest areas of debate and fix timetables for debates on the future strategy of the Company; and
- The Board's diversity in terms of gender, social and ethnic backgrounds and cognitive personal strengths and weaknesses.

The Directors concluded that the performance evaluation process had proven successful, with the Board, the chairman, the Audit Committee and the individual directors performing well in all areas. The Board and Audit Committee continued to be effective, each director's behaviour continued to be aligned to the Company's purpose, values and strategy and the individual directors continues to demonstrate commitment to their respective roles and responsibilities. Although the Board did not procure an externally facilitated Board evaluation during the year under review, the directors will consider doing so at the appropriate time in the future. 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. Hurst owned 1,977 US\$ Equity Shares and Mr. Dalwood owned 10,132 US\$ Equity Shares at 30 June 2023. Since 30 June 2023, 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 (including the chairman who was independent on appointment) are members of the audit committee (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;

# Directors' Report continued

## CORPORATE GOVERNANCE continued

### Audit Committee continued

- 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 to provide the information necessary for shareholders to assess the company's 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;
- To continually monitor the independence, objectivity, effectiveness, qualification, and resources of the external auditor; and
- To develop and implement policy on the engagement of the external auditor to supply non-audit services, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting on any improvement or action required.

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.

### 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: (i) monitoring the integrity of the financial statements and formal announcements relating to the Company's financial performance; and (ii) reviewing, and challenging where necessary, the actions and judgements of the Manager and any other relevant entities.

Before submission of the financial statements, the Audit Committee paid particular attention to:

- The draft 2023 financial statements and the external auditor's reports, both oral and written thereon;
- Confirmations of the external auditor's independence and the terms of engagement and proposed audit fees for the 2023 audit;
- Recommending the re-appointment of the external auditor for 2023/2024 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.

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.

# Directors' Report continued

## CORPORATE GOVERNANCE continued

### Report on the Audit Committee's activities during the year continued

During its review of the Company's financial statements for the year ended 30 June 2023, the Audit Committee considered and addressed the following significant issues:

#### 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 NAV as reported by the sponsor and adjusted by the Manager when considered appropriate in order to better reflect fair value. Adjustments applied by the Manager may include adjustments for cash flows or other events or circumstances occurring between the date of the reported NAV and the year end, in order to derive the year end fair value.

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 assessed for reasonableness and reliability then adjusted where necessary. The Board and the Manager considered all third party reported valuations on the unquoted company investments to be reflective of fair value at year end aside for one investment, Genuine Idea Investment Limited, which the Board and the Manager have discounted to reflect lack of liquidity and control, geography and investment type.

Direct investments in unquoted companies where no fair value is being provided to the Company by the underlying/respective management or sponsor are carried at fair value, as estimated by the Directors and Manager. The Directors and the Manager may seek to appoint an expert to provide support over fair value. The Directors and the Manager estimated the value of one investment in the portfolio, Accurate Results Limited, which resulted in a nil value and therefore did not appoint any such expert.

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 to sufficiently ensure that valuations are reflected at fair value.

#### 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. Spencer (deceased December 2022), Mr. Dalwood and Ms. Le Noury 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 2023.

During the year, no further payments were made to an individual 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.

# Directors' Report continued

## CORPORATE GOVERNANCE continued

### Internal Controls

The Directors have reviewed the effectiveness of the Company's system of internal financial and operating controls during the fiscal year and found they were operating as expected. The 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 Board's monitoring covers all controls including financial, operational and risk management. The monitoring is based principally on reviewing reports from the Manager in order to consider whether all significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. A risk matrix is maintained to identify the significant risks faced by the Company together with the controls intended to manage them, the matrix is reviewed at each scheduled Board meeting. The Audit Committee assists the Board in discharging its review responsibilities.

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 one 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.

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 is 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 2022. At each quarterly board meeting, the Directors review the operational controls of IQ-EQ. In addition, as part of the audit process, the Directors request and receive a bridging letter from IQ-EQ reaffirming their operational controls. It is the view of the Directors that it is in the best interest of shareholders to continue with the current appointment of the Administrator as all of their duties and responsibilities have been carried out successfully since their appointment.

### Section 172

As a member of the AIC, the Company is obliged to report against section 172 of the UK Companies Act 2006, which imposes a general duty on the Company's Directors to act in the way they consider, in good faith, to promote the success of the Company for the benefit of its shareholders. The Directors take into consideration the impact the Company has on the community and the interests of its stakeholders, and maintains a high standards of business conduct. The Board provides appropriate training to all Directors, where appropriate, which includes training on their duties, including those under section 172. The chairman reviews the training and development needs of each Director during the annual board evaluation process to evaluate if additional training is needed.

The Company is committed to maintaining good communications and building positive relationships with all stakeholders, including shareholders, service providers, debt providers, analysts, potential investors, and the wider communities in which the Company makes its investments. This includes regular engagement with the Company's stakeholders by the Board, the Manager and the Administrator. Discussions with shareholders continue to be focused on the orderly realisation of the Company's portfolio and the resulting mandatory redemptions at prevailing NAV.

# Directors' Report continued

## CORPORATE GOVERNANCE continued

### Decision Making

A Guernsey domiciled investment company listed on the London Stock Exchange is required to have a decision making strategy that takes into account the interests of, and how the actions and behaviours of a company affect all of, its stakeholders as well as the community, the environment, and the Company's reputation. To accomplish the above, the Board places a large emphasis on the flow of information from the Manager to the Board. To facilitate the flow of information, the Board conducts a minimum of four Board meetings per year in which the Manager is required to participate and as many ad hoc meetings as needed. The Manager provides the Board with key information regarding the underlying investments and ideas for new initiatives that will help drive shareholder value. The Board also has access to the advice and services of the company secretary and Administrator. It is recognised that much of the decision making, particularly with respect to the Company's underlying investments, is granted to the Manager pursuant to the investment management agreement between the Company and the Manager. The Manager considers the best interests of the Company and all of its stakeholders when making decisions relating to the Company.

### Culture

The Board and the Manager have a strong culture of communication and trust which has been firmly ingrained since the inception of the Company. This culture is also an integral part of how the Manager operates, which enhances the relationship that the Board has with the Manager. The Board continues to monitor the Company's culture on an ongoing basis via feedback from shareholders, the Manager, and input from other advisers.

### Community and Environment

The Board recognises that it has obligations to its shareholders and the broader society (collectively "the Stakeholders") to identify the impact, if any, that the Company's investments may have on the community and environment. To fulfill this obligation, while the Board retains ultimate responsibility, it relies on the Manager to ensure that the unrealised companies are acting in the best interest of the Stakeholders. The Manager has an active dialogue with the sponsors of its largest investment positions and receives regular updates from them on the effects the Company's investments may have on the community and environment. As a result of these updates, coupled with the fact that the Company is no longer making new investments and the large majority of the Company's investments have been realised, the Board and the Manager are confident that the Company's holdings have little or no negative impact on the community and environment.

### Shareholders

The Company welcomes the views of shareholders and places great importance on communication with all shareholders. As such, the Board and the Manager are available to meet with shareholders. Also, shareholders have the ability to ask questions to the Company at its registered address. The AGM of the Company also provides a forum for shareholders to meet and discuss issues with the Directors and Manager.

The Board receives shareholder reports at all quarterly Board meetings and regularly monitors the views of shareholders and the shareholder profile of the Company. The Board is also kept fully informed of all relevant market commentary on the Company by the Manager.

### Relations with Other Stakeholders

During the fiscal year, the Company released quarterly NAV updates. In addition, the Company's quarterly reports and interim and annual financial statements provide shareholders and other stakeholders with more detail on the portfolio as well as an update on the performance of the Company. The Company maintains a website ([www.jpelonline.com](http://www.jpelonline.com)) which contains comprehensive information on the Company.

The Company recognises that relationships with suppliers are enhanced by prompt payment of their invoices. The Manager and Administrator ensure all payments are processed as timely as possible. The Company, via the Manager, has long-term, important relationships with its underlying investment portfolio. Representatives of the Manager communicate with private equity sponsors on a regular basis regarding the underlying investments and investment performance.

# Directors' Report continued

## CORPORATE GOVERNANCE continued

### Principal Risks

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 principal risks include, but are not limited to, financial risks, operational risks, valuation risk and reliance on the Manager. Some of these risks 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.

#### Financial risks

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.

#### Operational risks

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. 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.

#### Valuation risk

Valuations of the unquoted companies in the Company's reported NAV 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, in instances where the valuations are not considered representative of fair value.

#### 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, if any, and to further develop the Company's realisation of 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, investment realisation, portfolio diversification as well as a detailed report on its largest underlying investments.

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.

# Directors' Report continued

## CORPORATE GOVERNANCE continued

### Emerging Risks

The Board relies on the Manager, while retaining the ultimate responsibility, to ensure that all emerging risks are monitored and controlled in accordance with agreed procedures. The Manager has had and continues to have an active dialogue with the sponsors of its largest unrealised investments to determine the impact that all emerging risks may have on portfolio company operations.

The global economy continued to face headwinds from higher inflation, increased interest rates, increased energy and commodity prices as well as volatility in the stock markets. In addition, the ongoing crisis in Ukraine continues to add pressures to the global economy. While JPEL has no direct exposure to Russia or Ukraine and limited exposure to energy and commodity prices, some of JPEL's underlying portfolio companies may be affected by the uncertainty and volatility in the market and, as a result, may negatively impact the final execution of the Company's realisation strategy. The remaining portfolio has little exposure to climate risks. These risks will continue to be monitored by the Manager.

### 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 the Manager have determined that the Company is out of scope from the full directive from the AIFMD for the following reasons:

- The Company is a Non-EU Alternative Investment Fund (as defined in the AIFMD) as it is an investment company incorporated and registered in Guernsey;
- The Company's investment decisions are made by a Non-EU Alternative Investment Fund Manager (as defined in AIFMD), FCF JPEL Management LLC; and
- The Company is not currently marketing in 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 the NMPI 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.

### International Tax Reporting

For the purposes of the US Foreign Account Tax Compliance Act ("FATCA"), the Company is 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.

# Directors' Report continued

## CORPORATE GOVERNANCE continued

### Secretary

IQ-EQ held the office of Company Secretary through to 30 June 2023 and continues to hold the office of Company Secretary after the Fiscal Year. 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 the Board 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, 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 recognises that it is best practice to put an audit out to tender every ten years and rotate the auditor every twenty. Due to the stage of life of the Company, the Audit Committee believes it to be disadvantageous to Shareholders to initiate an audit tender process. With that said, to safeguard auditor objectivity, PricewaterhouseCoopers CI LLP operates a five-year rotation policy for audit engagement leaders on listed companies such as the Company. Rotation of the audit engagement leader and other staff in senior positions is reviewed on a regular basis by the audit engagement leader. The Audit Committee is responsible for the scrutiny of all non-audit services.

### Shareholder Relations

Shareholder communications are a high priority for the Board. The Manager produced a monthly fact sheet which was distributed to shareholders and released to the London Stock Exchange. Subsequent to year end, the Company has elected to change its reporting frequency from monthly reporting to quarterly reporting and will only publish a NAV and report to shareholders on a quarterly basis. 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 apprised 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.

### 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 2023, there were two shareholders that held more than 10% ownership in the total number of US\$ Equity Shares in issue. As at 30 June 2022, two shareholders held more than 10% ownership in the total number of US\$ Equity Shares in issue.

| As at 30 June 2023            |           |           |
|-------------------------------|-----------|-----------|
| Shareholder                   | Shares    | Ownership |
| Asset Value Investors Limited | 4,663,252 | 18.38%    |
| Staude Capital LTD            | 2,627,865 | 10.36%    |

| As at 30 June 2022            |           |           |
|-------------------------------|-----------|-----------|
| Shareholder                   | Shares    | Ownership |
| Asset Value Investors Limited | 5,566,181 | 18.38%    |
| Staude Capital LTD            | 3,136,689 | 10.36%    |



# Directors' Report continued

## CORPORATE GOVERNANCE continued

### Viability Statement

In accordance with the UK Code and the AIC 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 page 20, 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, based on a full-run off of the 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 this annual report, at 30 June 2023, JPEL had \$18.6 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 unfunded commitments will not be called.

As discussed in the Chairman's Statement, the Board believes that the best option for the Company in the near term is to continue to run-off JPEL's portfolio organically and, as such, the Board continues to review two and a half year cash flow statements when considering the Company's viability. At this time, JPEL's Board believes that the best option for the Company in the near term is to continue to run-off JPEL's portfolio organically, and revisit all options once JPEL's NAV approaches approximately \$30 million. Based on the above, the Directors confirm that they have a reasonable expectation that the Company will be able to continue its operations and meet its liabilities as they fall due over the three year period irrespective of the timing of investment realisations and wind down events. In making this assessment, the Board has assumed that the threats to the Company's solvency and liquidity incorporated in the principal risks will be managed or mitigated as outlined under the principal risks section.

## 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. The Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (the "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. The Directors 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 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.

# Directors' Report continued

## STATEMENT OF THE DIRECTORS' RESPONSIBILITIES continued

### 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.

The Directors 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 and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy.

On behalf of the Board

**Sean Hurst**  
Director  
27 September 2023

DocuSigned by:  
  
DCB866D275FA482...

**Trina Le Noury**  
Director

DocuSigned by:  
  
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# 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 2023, 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 2023;
- 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 significant accounting policies and other explanatory information.

### 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 are 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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

### Our audit approach

#### Overview

##### Audit scope

- The company is incorporated and based in Guernsey, and we conducted our audit work in Guernsey;
- The principal activity of the company comprises investing in a diversified portfolio of investments both directly and through a structure of unconsolidated holding companies;
- 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;
- As disclosed in note 1 to the financial statements, the directors have determined that the company meets the definition of an 'investment entity' in accordance with 'IFRS 10 Consolidated Financial Statements' and therefore records its subsidiaries at fair value through profit or loss under 'IFRS 9 Financial Instruments';
- We conducted our audit of the financial statements based on information provided by IQEQ Fund Services (Guernsey) Limited (the "Administrator") and FCF JPEL Management LLC (the "Manager"), to each of whom the directors have delegated the provision of certain functions.
- We tailored the scope of our audit taking into account the types of investments within the company, the accounting processes and controls, and the industry in which the company operates.

# Independent auditor's report to the members of JPEL Private Equity Limited (continued)

## Key audit matters

- Valuation of the investment portfolio

## Materiality

- Overall materiality: \$1 million (2022: \$1.1 million) based on 2.5% (2022: 2.0%) of net assets.
- Performance materiality: \$0.75 million (2022: \$0.8 million).

## The scope of our audit

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 management 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.

## Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

| Key audit matter  | How our audit addressed the key audit matter   |
|---|--|
| <p><b>Valuation of the investment portfolio</b></p> <p>The investment portfolio, valued at \$35.6m at year end as shown in the statement of financial position and in notes 1, 12, and 21 to the financial statements, is measured at fair value through profit or loss. It consists of investments held directly and through unconsolidated subsidiaries in unquoted funds and unquoted companies.</p> <p>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.</p> <p>For these reasons, the valuation of the investment portfolio has been a key focus of</p> | <ul style="list-style-type: none"> <li>• We assess the investment valuation accounting policy for compliance with International Financial Reporting Standards and best practice and we ensured that the investment valuations are measured in accordance with the stated policy.</li> <li>• We have understood the Manager's and the Administrator's processes, internal controls, and methodology applied in assessing the fair value of the investment portfolio. We discussed with the Manager the valuation basis and investment performance during the year and considered this activity when tailoring our approach to testing valuations. All of the investments, both investments in unquoted funds and direct investments in unquoted companies, are valued by a third party (whether that be the underlying investee manager / general partner in the case of a fund investment, or by a sponsor in the case of a direct company investment) and the valuations may be adjusted by the Manager when considered appropriate.</li> <li>• We applied audit methodology to select an appropriate sample of investments (based on materiality and nature of the valuations) and for the selected sample, we agreed the investment valuations to independently obtained</li> </ul> |

# Independent auditor's report to the members of JPEL Private Equity Limited (continued)

our audit work and is considered a key audit matter.

confirmations. For relevant investments, we obtained and reviewed the valuation paper prepared by the Manager to understand and challenge the critical accounting estimates, judgements and valuation methodologies adopted to determine the fair value of the underlying investments.

- 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 assessed the reliability of the information used in those valuations. For the valuation that is subject to adjustment by the Manager we have sought supporting rationale for this adjustment, performed stress analysis to further evaluate the impact of reasonable alternate assumptions, and considered if there was any contradictory evidence.
- We considered the quality of information obtained through our confirmation process, as well as the date of the latest available information used to support the valuations at year end. This included a review of the latest audited financial statements of the underlying investment companies or funds, assessment of the 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.
- As detailed in notes 1 and 2 to the financials, 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 both valuations reported as of 30 June 2023 and estimated valuations for 30 June 2023 based on the latest available information, adjusted for any known movements by the Manager. Of the investment balance at year end, 76% is valued using 30 June 2023 valuations or reported NAV, and the remaining 24% is valued using an estimate of the value at 30 June 2023. In order to assess the accuracy of the estimated 30 June valuations, we have considered the adequacy of the investment monitoring processes in place to enable the Manager to reliably estimate the year end fair value.

We have not identified any matters to report to those charged with governance.

## How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give 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 we considered the risk of climate change and the potential impact thereof on our audit approach.

# Independent auditor's report to the members of JPEL Private Equity Limited (continued)

## Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

|  |   |
|--|---|
| <i>Overall materiality</i>             | \$1 million (2022: \$1.1 million)   |
| <i>How we determined it</i>            | 2.5% of net assets (2022: 2% of net assets)   |
| <i>Rationale for benchmark applied</i> | We believe that net assets is the most appropriate benchmark because this is the key metric of interest to members of the company. It is also a general accepted measure used for companies in this industry. |

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to \$0.75 million (2022: \$0.8 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$50,000 (2022: \$53,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Reporting on other information

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

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 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 based on these responsibilities.

# Independent auditor's report to the members of JPEL Private Equity Limited (continued)

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the statement of the directors' responsibilities, the directors are responsible for the preparation of the 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 related 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 over a period of at least twelve months from the date of approval of the financial statements. 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.
- 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.

# Independent auditor's report to the members of JPEL Private Equity Limited (continued)

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.

## Use of this report

This report, including the opinions, 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 these opinions, 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.

## Report on other legal and regulatory requirements

### Company Law exception reporting

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.

### Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

The company has reported compliance against the 2019 AIC Code of Corporate Governance (the "Code") which has been endorsed by the UK Financial Reporting Council as being consistent with the UK Corporate Governance Code for the purposes of meeting the company's obligations, as an investment company, under the Listing Rules of the FCA.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Directors' Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;



# Independent auditor's report to the members of JPEL Private Equity Limited (continued)

- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether 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 period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company 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 Code and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.



Ross Alexander Houlihan Burne  
For and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Recognised Auditor  
Guernsey, Channel Islands  
29 September 2023

# Statement of Comprehensive Income

## for the year ended 30 June 2023

|   | Notes | 2023<br>\$'000 | 2022<br>\$'000  |
|---|-------|----------------|-----------------|
| <b>Income</b>   |       |                |                 |
| Interest and distribution income  | 4     | 1,724          | 240             |
| Net changes in fair value of financial assets<br>and financial liabilities through profit or loss | 7     | (3,256)        | (12,267)        |
| Realised gains on derivative financial instruments  | 3     | -              | 1,444           |
| <b>Total net loss</b>   |       | <b>(1,532)</b> | <b>(10,583)</b> |
| <b>Expenses</b>   |       |                |                 |
| Investment management fees  | 16    | (476)          | (790)           |
| Accounting and administration fees  | 16    | (398)          | (676)           |
| Audit fees  |       | (71)           | (162)           |
| Directors' fees   | 18    | (103)          | (261)           |
| Other expenses  | 6     | (402)          | (492)           |
| <b>Total expenses</b>   |       | <b>(1,450)</b> | <b>(2,381)</b>  |
| <b>Loss before finance costs</b>  |       | <b>(2,982)</b> | <b>(12,964)</b> |
| <b>Finance costs</b>  |       |                |                 |
| Credit facility costs   | 5     | -              | (46)            |
| Net foreign exchange gain   | 9     | 15             | 2,129           |
| <b>Loss before tax</b>  |       | <b>(2,967)</b> | <b>(10,881)</b> |
| Withholding taxes   | 1     | (431)          | (29)            |
| <b>Net loss for the year</b>  |       | <b>(3,398)</b> | <b>(10,910)</b> |
| <b>Other comprehensive income</b>   |       | <b>-</b>       | <b>-</b>        |
| <b>Total comprehensive loss for the year</b>  |       | <b>(3,398)</b> | <b>(10,910)</b> |
| <b>Earnings per share</b>   |       |                |                 |
| Losses per US\$ Equity Share  | 17    | \$(0.12)       | \$(0.25)        |

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

The accompanying notes on pages 36 to 58 form an integral part of these financial statements.

# Statement of Financial Position

as at 30 June 2023

|   | Notes  | 2023<br>\$'000 | 2022<br>\$'000 |
|---|--------|----------------|----------------|
| <b>Non-current assets</b>                             |        |                |                |
| Financial assets at fair value through profit or loss |        |                |                |
| - Investment portfolio                                | 12, 21 | 35,612         | 47,055         |
| <b>Current assets</b>                                 |        |                |                |
| Cash and cash equivalents                             |        | 5,929          | 6,327          |
| Receivables   | 10     | 303            | 331            |
|   |        | 6,232          | 6,658          |
| <b>Current liabilities</b>                            |        |                |                |
| Payables and accruals                                 | 11     | (496)          | (467)          |
| Net current assets                                    |        | 5,736          | 6,191          |
| <b>Net Assets</b>                                     |        |                |                |
|   |        | 41,348         | 53,246         |
| <b>Represented by:</b>                                |        |                |                |
| Share capital   | 15     | 34,029         | 40,618         |
| Accumulated gain                                      |        | 7,319          | 12,628         |
| <b>Total equity</b>                                   |        | 41,348         | 53,246         |
| Number of US\$ Equity Shares in issue                 | 15     | 25,375,033     | 30,288,238     |
| NAV per US\$ Equity Share                             |        | \$1.63         | \$1.76         |

The financial statements on pages 32 to 58 are approved by the Board on 27 September 2023 and were signed on its behalf by:

DocuSigned by:  
Sean HURST  
DCB886D275FA482...

**Sean Hurst**  
Director

DocuSigned by:  
KheNoury  
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**Trina Le Noury**  
Director

The accompanying notes on pages 36 to 58 form an integral part of these financial statements.

# Statement of Changes in Equity

for the year ended 30 June 2023

|   | Notes | Share capital<br>\$'000 | Accumulated gain<br>\$'000 | Total<br>\$'000 |
|---|-------|-------------------------|----------------------------|-----------------|
| <b>At 1 July 2022</b>   |       | 40,618                  | 12,628                     | 53,246          |
| Loss for the year   |       | -                       | (3,398)                    | (3,398)         |
| <b>Total comprehensive loss for the year</b>                        |       | -                       | <b>(3,398)</b>             | <b>(3,398)</b>  |
| Share redemption  | 15    | (6,589)                 | (1,911)                    | (8,500)         |
| <b>Total transactions with owners of Share capital for the year</b> |       | <b>(6,589)</b>          | <b>(1,911)</b>             | <b>(8,500)</b>  |
| <b>At 30 June 2023</b>  |       | <b>34,029</b>           | <b>7,319</b>               | <b>41,348</b>   |

|   | Notes | Share capital<br>\$'000 | Accumulated gain<br>\$'000 | Total<br>\$'000  |
|---|-------|-------------------------|----------------------------|------------------|
| <b>At 1 July 2021</b>   |       | 110,660                 | 56,496                     | 167,156          |
| Loss for the year   |       | -                       | (10,910)                   | (10,910)         |
| <b>Total comprehensive loss for the year</b>                        |       | -                       | <b>(10,910)</b>            | <b>(10,910)</b>  |
| Share redemption  | 15    | (70,042)                | (32,958)                   | (103,000)        |
| <b>Total transactions with owners of Share capital for the year</b> |       | <b>(70,042)</b>         | <b>(32,958)</b>            | <b>(103,000)</b> |
| <b>At 30 June 2022</b>  |       | <b>40,618</b>           | <b>12,628</b>              | <b>53,246</b>    |

The accompanying notes on pages 36 to 58 form an integral part of these financial statements.

# Statement of Cash Flows

for the year ended 30 June 2023

|   | Notes | 2023<br>\$'000 | 2022<br>\$'000   |
|---|-------|----------------|------------------|
| <b>Operating activities</b>   |       |                |                  |
| Loss for the year   |       | (3,398)        | (10,910)         |
| Adjustments for:  |       |                |                  |
| Interest income   | 4     | (139)          | (1)              |
| Net unrealised losses on derivative financial instruments             | 7     | -              | 1,365            |
| Net losses on investment portfolio                                    | 7, 12 | 3,256          | 10,902           |
| Net foreign exchange gains  |       | (18)           | (2,123)          |
| Purchase of investments and funding of capital calls                  | 12    | (128)          | (1,495)          |
| Proceeds from disposal of investments and distribution receipts       |       | 8,336          | 96,566           |
| Interest received   |       | 139            | 1                |
| <b>Operating cash flows before changes in working capital</b>         |       | <b>8,048</b>   | <b>94,305</b>    |
| Decrease/(increase) in other receivables                              | 10    | 5              | (4)              |
| Increase/(decrease) in payables and accruals                          | 11    | 29             | (2,105)          |
| <b>Cash from operations</b>   |       | <b>8,082</b>   | <b>92,196</b>    |
| <b>Financing activities</b>   |       |                |                  |
| Equity share redemption   | 8, 15 | (8,500)        | (103,000)        |
| <b>Cash used in financing activities</b>                              |       | <b>(8,500)</b> | <b>(103,000)</b> |
| <b>Net decrease in cash and cash equivalents</b>                      |       | <b>(418)</b>   | <b>(10,804)</b>  |
| Cash and cash equivalents at beginning of year                        |       | 6,327          | 15,011           |
| Effects of exchange difference arising from cash and cash equivalents | 9     | 20             | 2,120            |
| <b>Cash and cash equivalents at end of the year</b>                   |       | <b>5,929</b>   | <b>6,327</b>     |

The accompanying notes on pages 36 to 58 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 2023, the Company's capital structure consisted of one class of US\$ Equity Shares which are listed on the Premium Segment of the Main Market of the London Stock Exchange.

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

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

### Statement of compliance

The financial statements have been prepared 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 not yet effective for annual periods beginning on or after 1 July 2022 that are relevant and have not been early adopted by the Company

#### Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

The narrow-scope amendments to IAS 1 clarify that the classification of liabilities depends on the rights that exist at the end of the reporting period. The expectations of the entity or events after the reporting date will not affect the classification. The amendments also clarify the meaning of 'settlement' of a liability in the context of IAS 1.

The amendments may impact the classification of liabilities as current or non-current, particularly for entities that previously considered management's intentions to determine classification, and for some liabilities that can be converted into equity.

The amendments are to be applied retrospectively in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Early adoption is permitted.

The amendments are effective for accounting periods beginning on or after 1 January 2023; however, ED/2021/9 Non-current Liabilities with Covenants (Proposed amendments to IAS 1) has proposed a deferral to 1 January 2024.

#### Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8 where it replaced the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The Board clarifies:

- A change in accounting estimate that results from new information or new developments is not the correction of an error; and
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for: (i) accounting periods beginning on or after 1 January 2023; and (ii) changes in accounting policies and estimates that occur on or after the beginning of that period. The amendment is not expected to have a material impact on the Company's financial statements.

#### Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 with regards to the disclosures around accounting policies.

An entity must now disclose its material accounting policies, instead of its significant accounting policies, and new guidance has been added on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments are effective for accounting periods beginning on or after 1 January 2023. The amendment is not expected to have a material impact on the Company's financial statements.

# Notes to the Financial Statements continued

## 1. SIGNIFICANT ACCOUNTING POLICIES continued

### Statement of compliance continued

#### 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.

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 judgements' of this Report.

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

#### 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; and
- 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 services management services, or administrative services to any of the investments in the portfolio.

Please refer to note 13 of this Report 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 initial classification of financial assets 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 the 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.

# Notes to the Financial Statements continued

## 1. SIGNIFICANT ACCOUNTING POLICIES continued

### Financial instruments continued

#### i) Financial assets continued

##### 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, these are designated as financial assets at fair value through profit or loss. Therefore, all quoted investments, unquoted equity investments and debt securities are designated at fair value through profit or loss and subsequently carried in the statement of financial position at fair value. Equity investments at fair value through profit or loss are initially recognised at fair value and related transaction costs are recognised immediately in the statement of comprehensive income within other expenses.

Investments in subsidiaries, not consolidated under IFRS 10, are valued at the fair value of the Company's percentage holding based on the NAVs of the subsidiaries. The NAV 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 NAVs of the subsidiaries to make any adjustments in order to obtain the best estimate of fair value. In the statement of comprehensive income, "Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss" 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 of fair value. 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. If other factors lead the Company to conclude that the value provided by the sponsors does not represent fair value, the Directors and the 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 "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 judgements used to arrive at the valuation of unlisted investments are stated in note 2 of this Report.

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: (i) with readily available and actively quoted prices; or (ii) for which fair value can be measured from actively quoted prices, will generally 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;



# Notes to the Financial Statements continued

## 1. SIGNIFICANT ACCOUNTING POLICIES continued

### Financial instruments continued

#### i) Financial assets continued

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

- Level II – Pricing inputs other than: (i) quoted prices in active markets, which are either directly or indirectly observable as of the reporting date; and (ii) 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; or
- Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgement or estimation. The types of investments that would generally be included in this category include equity and/or debt securities issued by private entities.

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

##### b) Financial assets held at amortised cost

###### • Receivables

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

###### • 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.

#### 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;
- 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;
- 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 the transaction costs incurred. All purchases of financial liabilities are recorded on the 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.

#### 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.

# Notes to the Financial Statements continued

## 1. SIGNIFICANT ACCOUNTING POLICIES continued

### 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.

### Net changes in fair value of financial assets and financial liabilities through profit or loss

“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 or 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 demonstrating that: (i) the significant risks and rewards of ownership have transferred to the buyer; (ii) recovery of the consideration is probable; (iii) there is no continuing management involvement with the investment; and (iv) the amount of gain or loss can be measured reliably.

### Dividend and other distribution income

Dividends 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. Such evidence is usually in the form of a sale agreement.

### 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 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% (2022: 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, even though they may be proposed by the Manager. The Board 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 to assess the Company's performance and to allocate resources is the NAV 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.

| Region        | 2023          |             | 2022          |             |
|---------------|---------------|-------------|---------------|-------------|
|               | \$'000        | %           | \$'000        | %           |
| North America | 21,393        | 61%         | 31,233        | 67%         |
| Europe        | 3,647         | 10%         | 3,361         | 7%          |
| Asia          | 7,250         | 20%         | 8,219         | 17%         |
| Other         | 3,322         | 9%          | 4,242         | 9%          |
| <b>Total</b>  | <b>35,612</b> | <b>100%</b> | <b>47,055</b> | <b>100%</b> |

The above percentages are based on fund level investment values versus the percentages reported on page 8 of the Manager's Report are based on underlying company level values.

### Foreign exchange

#### Functional and presentation currency

The Board has resolved that the financial statements of the Company be presented in US Dollar. The Board 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 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 monetary items 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 gains/(losses)".

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 "Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss".

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.

### Taxation

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

### Offsetting

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

# Notes to the Financial Statements continued

## 2. KEY ESTIMATES AND JUDGEMENTS

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 judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the valuation of 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 NAVs of the subsidiaries. The Directors or the Manager reviews the NAVs and considers the liquidity of the subsidiaries or its underlying investments, value date of the NAVs and any restrictions on dividends from the subsidiaries. If necessary, the Directors or the Manager makes adjustments to NAVs 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. 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 the Manager will estimate the fair value in accordance with IPEVCG. Investment funds that hold publicly traded securities may be adjusted to reflect the market price at year end. In addition, the Manager may apply a discount to reflect limited marketability and illiquidity of these securities which are held via the underlying investment fund.

#### 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 sponsor.

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 the 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 the 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: (i) the company's historical and projected financial data; (ii) valuations given to comparable companies; (iii) the size and scope of the company's operations; (iv) the company's strengths and weaknesses; (v) applicable restrictions on transfer; (vi) industry information and assumptions; (vii) general economic and market conditions; and (viii) other factors deemed relevant. The Directors and the 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 JUDGEMENTS continued

#### Direct investments in unquoted companies continued

The below table shows the effect of a change in valuation for fund investments and direct investments in which a sponsor provides an estimated NAV. For the direct investments in which a sponsor does not provide an estimated NAV, the table shows the effect of changing the assumptions behind the valuation technique adopted by the Manager. The Directors and the Manager believe that the 10% (2022: 10%) change in unobservable inputs is the best estimate of a reasonable possible shift for all the categories listed below.

| Description   | 2023                  |                     |                     |       |                                   | Change in Valuation and impact on Profit or Loss +/- (\$'000's) |
|---|-----------------------|---------------------|---------------------|-------|-----------------------------------|---|
|   | Fair Value (\$'000's) | Valuation Technique | Unobservable Inputs | Input | Reasonable possible shift +/- (%) |   |
| Fund Investments  | 12,498                | NAV                 | NAV                 | N/A   | 10%                               | 1,250/(1,250)   |
| Direct Investments - NAV provided by the Sponsors   | 18,929                | NAV                 | NAV                 | N/A   | 10%                               | 1,893/(1,893)   |
| Direct Investments - NAV provided by the Sponsors and discounted by the Board and Manager | 4,185                 | NAV - Adjusted      | NAV                 | N/A   | 10%                               | (419)/(419)   |
| Description   | 2022                  |                     |                     |       |                                   | Change in Valuation and impact on Profit or Loss +/- (\$'000's) |
|   | Fair Value (\$'000's) | Valuation Technique | Unobservable Inputs | Input | Reasonable possible shift +/- (%) |   |
| Fund Investments  | 17,776                | NAV                 | NAV                 | N/A   | 10%                               | 1,778/(1,778)   |
| Direct Investments - NAV provided by the Sponsors   | 24,561                | NAV                 | NAV                 | N/A   | 10%                               | 2,456/(2,456)   |
| Direct Investments - NAV provided by the Sponsors and discounted by the Board and Manager | 4,717                 | NAV - Adjusted      | NAV                 | N/A   | 10%                               | (472)/(472)   |

#### 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 2023, the Company's maximum exposure to loss attributable to these entities comprises the current fair value of the assets, along with the uncalled committed capital relating to those investments, as summarised below:

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| Fair value attributable to structured entities | 12,566         | 17,927         |
| Uncalled commitments                           | 18,527         | 18,559         |
| Maximum loss exposure                          | <b>31,093</b>  | <b>36,486</b>  |

## 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:

|   | 2023<br>\$'000 | 2022<br>\$'000 |
|---|----------------|----------------|
| <b>Assets</b>   |                |                |
| Financial assets at fair value through profit or loss:      |                |                |
| - Investment portfolio                                      | 35,612         | 47,055         |
| Cash and cash equivalents and receivables                   | 6,232          | 6,658          |
| <b>Total financial assets</b>                               | <b>41,844</b>  | <b>53,713</b>  |
| <b>Liabilities</b>  |                |                |
| Financial liabilities at fair value through profit or loss: |                |                |
| Payables and accruals                                       | (496)          | (467)          |
| <b>Total financial liabilities</b>                          | <b>(496)</b>   | <b>(467)</b>   |

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: (i) market risk (including foreign exchange risk, interest rate risk and other price risk); (ii) credit risk; and (iii) 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. In addition, as the Company continues with its investment strategy of realising investments which will result in the reduction of the NAV, minor valuation changes may have a material impact on the Company's NAV.

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.

#### Exposure to 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

#### Exposure to market risk continued

While difficult market conditions may increase the risk of default with respect to portfolio companies with debt investments. Such defaults would adversely affect the profitability and NAVs of the investment funds in the Company's portfolio, and consequently, the profitability, NAV 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 potential follow-on investments, if necessary, and harm its profitability, NAV 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 Manager is in regular dialogue with the management and sponsors of its largest underlying positions and receives regular updates on the potential, or anticipated, market impact on underlying portfolio company operations. The Manager reports these findings to the Board on a quarterly basis.

#### Exposure to interest rate risk

The Company's exposure to the risk of changes in interest rates relates primarily to cash and cash equivalents. 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.

#### Management of interest rate risk

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 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.

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| <b>Variable rate instruments</b>             |                |                |
| Financial assets - cash and cash equivalents | 5,929          | 6,327          |
| <b>Total interest sensitivity gap</b>        | <b>5,929</b>   | <b>6,327</b>   |

An increase in 100 basis points in interest rates as at the reporting date would have increased net assets by \$59,290 (2022: \$63,270). 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 NAV 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 and cash 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 NAVs that the Company reports from time to time and could subject such NAVs 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.

## Notes to the Financial Statements continued

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

#### Management of currency risk

The Company's overall currency risks and day-to-day decision making are managed on an ongoing basis by the Manager in accordance with its internal policies. The Board are consulted on a quarterly basis, or more frequently as the case may be.

The Company may enter into forward currency contracts to partially mitigate fluctuations in its foreign exchange exposure. The Company does not apply hedge accounting as set out in IFRS 9, however informal hedge arrangements are used and the Manager may engage in such currency hedging to limit the Company's exposure to currency fluctuations.

During the year, the Company did not enter into any forward currency contracts (2022: \$1,444,080).

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.

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 within this Report for further information on how the Company manages counterparty risk.

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 NAVs of the US\$ Equity Shares are reported in US Dollars.

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          | 2023 | 2022 |
|-------------------|------|------|
| Euro              | 9%   | 8%   |
| Sterling          | -    | -    |
| UAE Dirham        | 2%   | 3%   |
| Australian Dollar | -    | 1%   |



## Notes to the Financial Statements continued

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

#### Management of currency risk continued

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

|                   | 2023                       |                                 |                                      |                        |
|-------------------|----------------------------|---------------------------------|--------------------------------------|------------------------|
|                   | Financial assets<br>\$'000 | Financial liabilities<br>\$'000 | Forward currency contracts<br>\$'000 | Net exposure<br>\$'000 |
| Euro              | 3,717                      | -                               | -                                    | 3,717                  |
| Sterling          | 355                        | (167)                           | -                                    | 188                    |
| UAE Dirham        | 844                        | -                               | -                                    | 844                    |
| Australian Dollar | 156                        | -                               | -                                    | 156                    |

|                   | 2022                       |                                 |                                      |                        |
|-------------------|----------------------------|---------------------------------|--------------------------------------|------------------------|
|                   | Financial assets<br>\$'000 | Financial liabilities<br>\$'000 | Forward currency contracts<br>\$'000 | Net exposure<br>\$'000 |
| Euro              | 4,003                      | -                               | -                                    | 4,003                  |
| Sterling          | 266                        | (58)                            | -                                    | 208                    |
| UAE Dirham        | 1,368                      | -                               | -                                    | 1,368                  |
| Australian Dollar | 411                        | -                               | -                                    | 411                    |

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:

|                   | 2023            |                               | 2022            |                               |
|-------------------|-----------------|-------------------------------|-----------------|-------------------------------|
|                   | Volatility<br>% | Decrease/(increase)<br>\$'000 | Volatility<br>% | Decrease/(increase)<br>\$'000 |
| Euro              | 9.3             | 346                           | 3.9             | 156                           |
| Sterling          | 10.9            | 20                            | 5.4             | 11                            |
| UAE Dirham        | -               | -                             | -               | -                             |
| Australian Dollar | 9.5             | 15                            | 6.6             | 27                            |

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.

#### 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 NAV.

#### Management of other price risk

The Manager monitors price risk and consults with the Board on a quarterly basis, or more frequently as the case may be.

As at 30 June 2023, the Company had no direct exposure to assets that are publicly traded on equity markets (30 June 2022: 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 the Manager is presented in note 2 of this Report.

## Notes to the Financial Statements continued

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

#### 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 risk relates 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:

|                           | 2023         | 2022         |
|---------------------------|--------------|--------------|
|                           | \$'000       | \$'000       |
| Cash and cash equivalents | 5,929        | 6,327        |
| Receivables               | 303          | 331          |
| <b>Total</b>              | <b>6,232</b> | <b>6,658</b> |

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 Merrill Lynch International. The Manager monitors the financial position of all banks on an ongoing basis by reviewing earnings releases. As at 30 June 2023, Moody's has assessed the short term credit ratings for Lloyds Bank plc as P-1 (2022: P-1), Standard & Poor's has calculated the short term credit rating for Bank of America Merrill Lynch International as A-1 (2022: A-1). 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.

#### Management of credit risk

The Manager monitors credit risk and consults with the Board on a quarterly basis, or more frequently as the case may be.

#### Exposure to 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.

#### Management of liquidity risk

The Company's exposure to liquidity risk is actively managed and monitored on an ongoing basis by the Manager, and by the Board 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. 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's sole discretion, in the event that US\$ Equity Shares are redeemed, it may require the use of a material amount of excess cash.

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 2023, the Company held cash and cash equivalents of \$5.92 million (2022: \$6.33 million).

## Notes to the Financial Statements continued

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

#### Management of liquidity risk continued

The investment commitments presented in note 12 of this Report 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 tables below are the contractual undiscounted cash flows. The impact of discounting is not significant as balances due within 12 months equal their carrying balance.

|                       | 2023                       |                                 |                             |                              |
|-----------------------|----------------------------|---------------------------------|-----------------------------|------------------------------|
|                       | Carrying amounts<br>\$'000 | Contracted cash flows<br>\$'000 | Less than 1 month<br>\$'000 | 3 months to 1 year<br>\$'000 |
| Financial liabilities |                            |                                 |                             |                              |
| Payables and accruals | 496                        | 496                             | 496                         | -                            |
|                       | <b>496</b>                 | <b>496</b>                      | <b>496</b>                  | <b>-</b>                     |

|                       | 2022                       |                                 |                             |                              |
|-----------------------|----------------------------|---------------------------------|-----------------------------|------------------------------|
|                       | Carrying amounts<br>\$'000 | Contracted cash flows<br>\$'000 | Less than 1 month<br>\$'000 | 3 months to 1 year<br>\$'000 |
| Financial liabilities |                            |                                 |                             |                              |
| Payables and accruals | 467                        | 467                             | 467                         | -                            |
|                       | <b>467</b>                 | <b>467</b>                      | <b>467</b>                  | <b>-</b>                     |

### 4. INTEREST AND DISTRIBUTION INCOME

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

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| Interest income from cash and cash equivalents | 139            | 1              |
| Dividend income                                | 1,424          | 81             |
| Interest income from investments               | 161            | 158            |
|  | <b>1,724</b>   | <b>240</b>     |

### 5. CREDIT FACILITY COSTS

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

|                        | 2023<br>\$'000 | 2022<br>\$'000 |
|------------------------|----------------|----------------|
| Undrawn commitment fee | -              | 46             |
|                        | <b>-</b>       | <b>46</b>      |

## Notes to the Financial Statements continued

### 6. OTHER EXPENSES

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

|   | 2023<br>\$'000 | 2022<br>\$'000 |
|---|----------------|----------------|
| Legal and professional fees                         | 171            | 233            |
| Portfolio management fees from limited partnerships | 100            | 111            |
| Sundry expenses                                     | 79             | 56             |
| Filing and regulatory fees                          | 36             | 47             |
| Bank charges  | 14             | 25             |
| Travel expenses                                     | 2              | 20             |
|   | <b>402</b>     | <b>492</b>     |

### 7. 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:

|  | 2023<br>\$'000 | 2022<br>\$'000  |
|--|----------------|-----------------|
| At fair value through profit or loss   |                |                 |
| - Investment portfolio   | (3,256)        | (10,902)        |
| - Derivative financial instruments   | -              | (1,365)         |
| <b>Net loss from financial assets and liabilities at fair value through profit or loss</b> | <b>(3,256)</b> | <b>(12,267)</b> |

### 8. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table details the changes in liabilities arising from financing activities at the reporting date:

|   | As at 01<br>July 2022<br>\$'000 | Interest<br>accretion<br>\$'000 | Payable<br>arising on<br>redemption<br>\$'000 | Foreign<br>exchange<br>adjustment<br>\$'000 | Financing<br>cash flows<br>\$'000 | As at 30<br>June 2023<br>\$'000 |
|---|---------------------------------|---------------------------------|---|---|-----------------------------------|---------------------------------|
| Payable arising on US Equity shares redemption  | -                               | -                               | 8,500   | -   | (8,500)                           | -                               |
| <b>Financial liabilities as at 30 June 2023</b> | <b>-</b>                        | <b>-</b>                        | <b>8,500</b>                                  | <b>-</b>                                    | <b>(8,500)</b>                    | <b>-</b>                        |

### 9. NET FOREIGN EXCHANGE GAINS/(LOSSES)

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

|                           | 2023<br>\$'000 | 2022<br>\$'000 |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | 20             | 2,120          |
| Other                     | (5)            | 9              |
|                           | <b>15</b>      | <b>2,129</b>   |

## Notes to the Financial Statements continued

### 10. RECEIVABLES

The following table details the receivables at the reporting date:

|                          | 2023       | 2022       |
|--------------------------|------------|------------|
|                          | \$'000     | \$'000     |
| Distributions receivable | 275        | 298        |
| Other receivables        | 28         | 33         |
|                          | <b>303</b> | <b>331</b> |

### 11. PAYABLES AND ACCRUALS

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

|                                    |    | 2023       | 2022       |
|------------------------------------|----|------------|------------|
|                                    |    | \$'000     | \$'000     |
| Tax fees                           |    | 166        | 140        |
| Audit fees                         |    | 130        | 170        |
| Investment management fees         | 16 | 107        | 95         |
| Directors' fees                    |    | 23         | 55         |
| Other fees                         |    | 70         | 7          |
| <b>Total accruals</b>              |    | <b>496</b> | <b>467</b> |
| Capital calls payable              |    | -          | -          |
| <b>Total payables and accruals</b> |    | <b>496</b> | <b>467</b> |
| <b>Maturity profile</b>            |    |            |            |
| Due within one year                |    | 496        | 467        |

### 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. Therefore, all gains and losses arise on investments designated at fair value through profit or loss. Given the nature of the Company's investments the fair value gains and 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 2023, the Company held interests in private equity funds, including fund-of-funds and direct investments and had unfunded commitments to private equity funds of \$18.5 million (2022: \$18.6 million) that may be called by the underlying limited partnerships. The Board consider the majority (approximately \$18.5 million) of the Company's unfunded commitments are unlikely to be called.

## Notes to the Financial Statements continued

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

#### 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:

|  | 2023<br>\$'000   | 2022<br>\$'000   |
|--|------------------|------------------|
| Fair value at beginning of the year  | 47,055           | 152,998          |
| Purchase of investments and funding of capital calls                                       | 128              | 1,495            |
| Distributions from limited partnership interests and proceeds from disposal of investments | (8,315)          | (96,536)         |
| Net fair value movement in the year (including foreign exchange gains and losses)          | (3,256)          | (10,902)         |
| <b>Fair value at the end of the year</b>   | <b>35,612</b>    | <b>47,055</b>    |
| <b>Reconciliation of accumulated unrealised movements</b>                                  |                  |                  |
| Accumulated unrealised losses at beginning of the year                                     | (190,026)        | (103,727)        |
| Net unrealised losses in the year (including foreign exchange gains and losses)            | (2,570)          | (86,299)         |
| <b>Accumulated unrealised losses at the end of the year</b>                                | <b>(192,596)</b> | <b>(190,026)</b> |

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

#### 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 2023:

|   | 2023            |                   |                    |                     |
|---|-----------------|-------------------|--------------------|---------------------|
|   | Total<br>\$'000 | Level I<br>\$'000 | Level II<br>\$'000 | Level III<br>\$'000 |
| Financial assets at fair value through profit or loss |                 |                   |                    |                     |
| - Investment portfolio                                | 35,612          | -                 | -                  | 35,612              |
|   | <b>35,612</b>   | -                 | -                  | <b>35,612</b>       |

|   | 2022            |                   |                    |                     |
|---|-----------------|-------------------|--------------------|---------------------|
|   | Total<br>\$'000 | Level I<br>\$'000 | Level II<br>\$'000 | Level III<br>\$'000 |
| Financial assets at fair value through profit or loss |                 |                   |                    |                     |
| - Investment portfolio                                | 47,055          | -                 | -                  | 47,055              |
|   | <b>47,055</b>   | -                 | -                  | <b>47,055</b>       |

## Notes to the Financial Statements continued

### 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 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. As discussed above, the Company did not enter into any forward foreign currency contracts during the fiscal year.

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 of this Report for further information 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:

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| Fair value at beginning of the year  | 47,055         | 152,998        |
| Purchase of investments and funding of capital calls                                       | 128            | 1,495          |
| Distributions from limited partnership interests and proceeds from disposal of investments | (8,315)        | (96,536)       |
| Net fair value movement in the year (including foreign exchange gains and losses)          | (3,256)        | (10,902)       |
| <b>Fair value at the end of the year</b>   | <b>35,612</b>  | <b>47,055</b>  |

The Level III portfolio gains and losses included in profit or loss for the year ended 30 June 2023 are as follows:

|   | 2023<br>\$'000   | 2022<br>\$'000   |
|---|------------------|------------------|
| <b>Reconciliation of accumulated unrealised movements</b>                       |                  |                  |
| Accumulated unrealised losses at beginning of the year                          | (190,026)        | (103,727)        |
| Net unrealised losses in the year (including foreign exchange gains and losses) | (2,570)          | (86,299)         |
| <b>Accumulated unrealised losses at the end of the year</b>                     | <b>(192,596)</b> | <b>(190,026)</b> |

Total realised and unrealised gains and losses recorded for Level III investments, if any, are reported in "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:

|  | 2023            |                   |                    |                     |
|--|-----------------|-------------------|--------------------|---------------------|
|  | Total<br>\$'000 | Level I<br>\$'000 | Level II<br>\$'000 | Level III<br>\$'000 |
| <b>Assets</b>  |                 |                   |                    |                     |
| Receivables  | 303             | -                 | 303                | -                   |
| Cash and cash equivalents  | 5,929           | 5,929             | -                  | -                   |
| <b>Total financial assets at fair value</b>                      | <b>6,232</b>    | <b>5,929</b>      | <b>303</b>         | -                   |
| <b>Liabilities</b>   |                 |                   |                    |                     |
| Other payables, accrued expenses and other financial liabilities | (496)           | -                 | (496)              | -                   |
| <b>Total financial liabilities at fair value</b>                 | <b>(496)</b>    | -                 | <b>(496)</b>       | -                   |

|  | 2022            |                   |                    |                     |
|--|-----------------|-------------------|--------------------|---------------------|
|  | Total<br>\$'000 | Level I<br>\$'000 | Level II<br>\$'000 | Level III<br>\$'000 |
| <b>Assets</b>  |                 |                   |                    |                     |
| Receivables  | 331             | -                 | 331                | -                   |
| Cash and cash equivalents  | 6,327           | 6,327             | -                  | -                   |
| <b>Total financial assets at fair value</b>                      | <b>6,658</b>    | <b>6,327</b>      | <b>331</b>         | -                   |
| <b>Liabilities</b>   |                 |                   |                    |                     |
| Other payables, accrued expenses and other financial liabilities | (467)           | -                 | (467)              | -                   |
| <b>Total financial liabilities at fair value</b>                 | <b>(467)</b>    | -                 | <b>(467)</b>       | -                   |

### 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  |
|--|--------------------------|-----------|---------------------|
| BSPPEL Mezzanine Funding Limited ("BMFL")        | Guernsey                 | 100.0     | Holding company     |
| BSPPEL/Migdal Mezzanine Limited ("BMML")         | Guernsey                 | 80.0      | Holding company     |
| BSPPEL Australia Limited ("BSPPEL Aus")          | Guernsey                 | 100.0     | Holding company     |
| Bear Stearns Global Turnaround Fund L.P. ("GTF") | Delaware                 | 100.0     | Limited Partnership |
| Back Bay (Guernsey) Limited ("Back Bay")         | Guernsey                 | 78.8      | Holding company     |
| JPEL Holdings Limited ("JPEL Holdings")          | Guernsey                 | 100.0     | Holding company     |

The subsidiaries above are considered to be investment entities under IFRS 10 and further details regarding 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 four fund investments.



## Notes to the Financial Statements continued

### 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 five fund investments.

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

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 is 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 eight other companies and fund investments.

Details of the names and values as of 30 June 2023 of all the investments held by the subsidiaries are disclosed in note 22 of this Report.

Refer to note 2 of this Report 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 Company had no forward currency contracts outstanding as at 30 June 2023 and had not held forward currency contracts during the fiscal year.

### 15. SHARE CAPITAL

#### Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence. As at 30 June 2023, 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 page 2. The Board also monitors the level of discount between the market price of its US\$ Equity Shares and the Company's NAV 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 to make market purchases in accordance with the Companies (Purchase of Own shares) Ordinance 1998 of US\$ Equity Shares of up to 14.99% of the issued shares. At the AGM held on 29 November 2022, the Directors' authority to make such market purchases was 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 4,913,205 US\$ Equity Shares for \$8,499,845.

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 or any other shares (denominated in any currency) as may be determined by the Board from time to time in accordance with Article 3(4)(d) of the Company's Articles.

## Notes to the Financial Statements continued

### 15. SHARE CAPITAL continued

#### Issued share capital

On 23 December 2022, JPEL redeemed 4,913,205 US\$ Equity Shares, on a pro rata basis, at the prevailing NAV per US\$ Equity Share of \$1.73 as at 30 June 2022, (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<br>of shares | Price (\$) | Total proceeds (\$) | Share<br>Capital (\$) | Premium<br>on buyback (\$) |
|-----------------------------------|------------------|---------------------|------------|---------------------|-----------------------|----------------------------|
| <b>Balance as at 30 June 2022</b> |                  | 30,288,238          |            |                     | 40,617,839            |                            |
| Share Redemption*                 | 23 December 2022 | (4,913,205)         | \$1.73     | (8,499,845)         | (6,588,821)           | (1,911,024)                |
| <b>Total</b>                      |                  | (4,913,205)         |            | (8,499,845)         | (6,588,821)           | (1,911,024)                |
| <b>Balance as at 30 June 2023</b> |                  | <b>25,375,033</b>   |            |                     | <b>34,029,018</b>     |                            |

|                                   | Date           | Number<br>of shares | Price (\$) | Total proceeds (\$) | Share<br>Capital (\$) | Premium<br>on buyback (\$) |
|-----------------------------------|----------------|---------------------|------------|---------------------|-----------------------|----------------------------|
| <b>Balance as at 30 June 2021</b> |                | 82,517,769          |            |                     | 110,659,902           |                            |
| Share Redemption*                 | 13 August 2021 | (42,499,886)        | \$2.00     | (84,999,772)        | (56,994,188)          | (28,005,584)               |
|                                   | 12 April 2022  | (9,729,645)         | \$1.85     | (17,999,843)        | (13,047,875)          | (4,951,968)                |
| <b>Total</b>                      |                | (52,229,531)        |            | (102,999,615)       | (70,042,063)          | (32,957,552)               |
| <b>Balance as at 30 June 2022</b> |                | <b>30,288,238</b>   |            |                     | <b>40,617,839</b>     |                            |

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

The US\$ Equity Shares carry the right to receive all revenue profits of the Company (including accumulated revenue reserves) which are available for distribution and from time to time determined to be distributed by way of interim and/or final dividends and at such times as the Directors may determine. On winding – up, US\$ Equity Shareholders will be entitled to the net assets of the Company after any payables have been paid. As at 30 June 2023, the total share capital was \$34,029,018 (2022: \$40,617,839).

### 16. MATERIAL AGREEMENTS

The Manager is entitled to a base management fee, payable monthly in arrears of 1.0% per annum of the Company's Total Assets (as defined in the investment management agreement). The total management fee due for the year was \$476,287 (2022: \$789,514). The amount payable to the Manager at the end of the year was \$107,478 (2022: \$94,551).

The Manager is also entitled to a performance fee if the aggregate NAV of the US\$ Equity 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 NAV of Equity 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 NAV above the performance hurdle. There was no performance fee recognised during the year (2022: Nil). 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 \$398,326 (2022: \$675,930). At 30 June 2023, there was no outstanding balance in respect of administration fees (2022: Nil).

## Notes to the Financial Statements continued

### 17. EARNINGS PER SHARE AND NAV 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 (\$3,396,782.27) (2022: (\$10,910,103)). The weighted average number of US\$ Equity Shares in issue during the year was 27,730,679 (2022: 42,892,194).

#### Weighted average number of US\$ Equity Shares

| <i>In thousands of shares</i>                                     | Note | 2023          |
|---|------|---------------|
| Issued shares at 30 June 2022                                     | 15   | 30,288        |
| <b>Effect of shares bought back on:</b>                           |      |               |
| 23 December 2022  |      | (2,558)       |
| <b>Weighted average number of US\$ Equity Shares 30 June 2023</b> |      | <b>27,730</b> |

#### Weighted average number of US\$ Equity Shares

| <i>In thousands of shares</i>                                     | Note | 2022          |
|---|------|---------------|
| Issued shares at 30 June 2021                                     | 15   | 82,518        |
| <b>Effect of shares bought back on:</b>                           |      |               |
| 13 August 2021  |      | (37,493)      |
| 12 April 2022   |      | (2,133)       |
| <b>Weighted average number of US\$ Equity Shares 30 June 2022</b> |      | <b>42,892</b> |

NAV 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 NAV for the year was \$41,348,402 (2022: \$53,246,481). The total number of US\$ Equity Shares outstanding at the end of the year was 25,375,033 (2022: 30,288,238).

### 18. RELATED PARTY TRANSACTIONS

The Manager is a related party of the Company. Refer to note 17 of this Report for a breakdown of fees paid during the year.

Mr. Hurst owned 1,977 US\$ Equity Shares and Mr. Dalwood owned 10,132 US\$ Equity Shares at 30 June 2023.

Mr. Hurst is entitled to receive directors fees of £40,000 per annum, Mr. Spencer (deceased December 2022), Mr. Dalwood and Ms. Le Noury are each entitled to receive directors fees of £30,000 per annum. In addition, during the year, the Company paid \$9,977 to the Directors in travel expenses. The cap on total Directors remuneration was unchanged at £250,000 as at 30 June 2023.

Tim Wilson was a Director of the Company, and is also a Director (Board Member) at the Administrator, IQ EQ Fund Services (Guernsey) Limited. During the year ended 30 June 2023, the Company incurred administration fees of \$398,326 (2022: \$675,930). At 30 June 2023, there was no outstanding balance in respect of administration fees (2022: Nil).

### 19. ULTIMATE CONTROLLING PARTY

The Company does not have an ultimate controlling party.

### 20. POST BALANCE SHEET EVENTS

Subsequent to the year end, the Company received a distribution of \$2,051,238 from SaaS Company.

## Notes to the Financial Statements continued

### 21. SCHEDULE OF INVESTMENTS

| Vehicle       | Investment   | 2023<br>\$000's | 2022<br>\$000's |
|---------------|--|-----------------|-----------------|
| Back Bay      | Stoneleigh Back Bay Associates LLC                       | -               | 478             |
| BMFL/BMML*    | BoS Mezzanine Partners, LP                               | 917             | 1,366           |
| BSPEL Aus     | ROC Private Capital Trust                                | 675             | 982             |
| JPEL          | Beacon India Private Equity Fund                         | 415             | 672             |
| JPEL          | Bear Stearns Global Turnaround Fund LP                   | 781             | 1,015           |
| JPEL          | Black Diamond Capital Management                         | 428             | 571             |
| JPEL          | Blue River Capital I, LLC                                | 1,710           | 1,804           |
| JPEL          | Esprit Capital I Fund                                    | 309             | 205             |
| JPEL          | Global Buyout Fund, L.P.                                 | 1,153           | 1,277           |
| JPEL          | Global Opportunistic Fund                                | 1,170           | 1,188           |
| JPEL          | Industry Ventures Fund V, L.P.                           | -               | 158             |
| JPEL          | Liberty Partners II, L.P.                                | 582             | 3,346           |
| JPEL          | Omega Fund III, L.P.                                     | 407             | 408             |
| JPEL          | Paratek Pharmaceuticals, Inc.                            | -               | 933             |
| JPEL          | Private Equity Access Fund II Ltd                        | 1,159           | 1,366           |
| JPEL          | Private Opportunity Ventures, L.P.                       | -               | 479             |
| JPEL          | Strategic Value Global Opportunities Feeder Fund I-A, LP | 674             | 873             |
| JPEL          | Wellington Partners Ventures II GMBH & CO.KG (B)         | 388             | 317             |
| JPEL          | Wellington Partners Ventures III Life Science Fund L.P.  | 882             | 861             |
| JPEL Holdings | SaaS Company   | 2,225           | 3,131           |
| JPEL Holdings | Tax Advisory Services Company                            | 14,312          | 17,506          |
| JPEL Holdings | Gulf Healthcare International LLC                        | 844             | 1,368           |
| JPEL Holdings | Industry Ventures Fund VI, L.P.                          | 38              | 46              |
| JPEL Holdings | Omega Fund IV, L.P.                                      | 879             | 993             |
| JPEL Holdings | Placid Holdings  | 940             | 995             |
| JPEL Holdings | Polo Holdings S.à.r.l.                                   | 539             | -               |
| JPEL Holdings | Genuine Idea Investments Ltd                             | 4,185           | 4,717           |
| <b>Total</b>  |  | <b>35,612</b>   | <b>47,055</b>   |

\*The value attributed to BoS Mezzanine Partners, LP represents the valuation of JPEL's interest in BMML. This comprises BoS Mezzanine Partners, LP, \$537,877 (2022: \$792,509) and net assets of \$378,773 (2022: \$572,583).

| 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          |
| JPEL Holdings Limited           | JPEL Holdings |

## Information about the Company

**DIRECTORS:** Sean Hurst (Chairman) (*re-elected 29 November 2022*)  
Christopher Spencer (*deceased December 2022*)  
Anthony Dalwood (*re-elected 29 November 2022*)  
Tim Wilson (*resigned 21 June 2023*)  
Trina Le Noury (*appointed 21 June 2023*)

**MANAGER**  
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**ADMINISTRATOR AND**  
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