

An aerial photograph of a person in a blue kayak on a dark, textured body of water. The water has a fine, rippled texture, and the kayak is positioned in the lower center of the frame, leaving a wake behind it. The overall tone is dark and moody, with some light reflecting off the water's surface.

Standard Life Private Equity Trust plc

Discover hidden depths,
invest in private companies

Interim Report & Financial Statements

For the six months ended 31 March 2017

SL Capital Partners



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Key Performance Highlights

Investment objective

To achieve long term total returns through holding a diversified portfolio of private equity funds, a majority of which will have a European focus.

Our strategy

The Company provides investors access to a diversified portfolio of leading private companies. We do this by partnering with some of the best private equity managers to build an appropriately diversified portfolio by country, industry sector, maturity and number of underlying investments.

Net Asset Value

£567.2
million

368.9p
per ordinary
share

Market cap

£472.0
million

307.0p
share price

Share price
total return

+16.3%



NAV
total return

+7.4%



Interim dividend
6.0p per share

Proposed full year dividend
12.0p, Yield 3.9%*

* based on the 31 March 2017 share price of 307.0p



Committed
£52.3
million

to two private equity funds

Invested
£20.2
million

through three secondary transactions

Management fee

Simple flat fee of 0.95% per annum
based on the net asset value.
No performance fee.

Expense Ratio of 1.13%

Outstanding commitments of

£312.2 million

to 49 private equity funds

Cash realisations
£73.5 million

2.1x cost on realised investments

Cash invested
£46.1 million

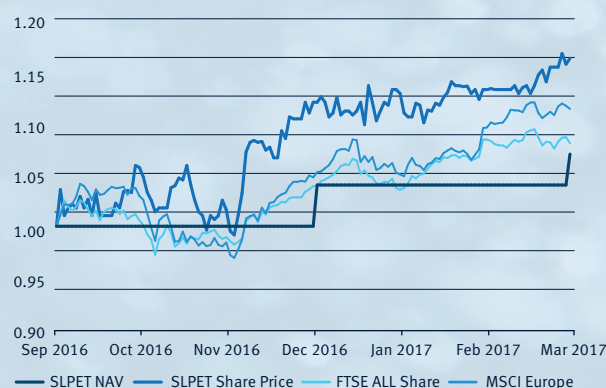
in new private companies

Cash balance
£97.7 million

£470.2
million
invested in
49 private
equity
funds

Top private
10 equity
fund managers
65% of NAV

NAV and share price performance*



* All total return, indexed to 30 September 2016.

Discount to
net asset value **16.8%**

Reduced from 22.8% at 30 September 2016

Capital structure **153,746,294** ordinary shares of
0.2p each

Investment Manager

SL Capital Partners LLP, part of Standard Life Investments

All figures for the six month period ended 31 March 2017

Chairman's Statement



During the six months to the end of March 2017, the Company's net asset value ("NAV") produced a total return of 7.4% and its share price delivered a total return of 16.3%. The MSCI Europe Index delivered a total return of 11.4% over the same period.

Although the returns generated by the Company have been strong in recent years, its shares have traded at a sizable discount to its net asset value. As at the end of March, however, I am pleased to be able to report that this discount had narrowed to 16.8% from 22.8% at the end of September 2016, reflecting the ongoing strong performance of the Company, and a broader tightening of discounts across the private equity investment trust sector.

At 31 March 2017, the Company's net assets were £567.2 million (30 September 2016: £532.6 million). The NAV per ordinary share at 31 March 2017 rose 6.5% to 368.9 pence (30 September 2016: 346.4 pence). The increase in NAV during the period comprised 7.4% of net realised gains and income from the Company's portfolio of 49 private equity fund interests, 1.4% of unrealised gains on a constant exchange rate basis, partially offset by 0.6% of negative exchange rate movements on the portfolio, 0.7% of other items, fees and costs and the payment of the final dividend of 3.6 pence per ordinary share for the year ended 30 September 2016.

The Company's portfolio has continued to benefit from strong underlying trading and a positive flow of realisations, as companies it is invested in are sold by the managers of the funds that make up the portfolio. In the six months to 31 March 2017, these realisations totalled £73.5 million compared to £126.9 million for the full year to 30 September 2016. Against this, £66.3 million was drawn down from the Company's resources to fund investee companies and secondary investments. This compares to £85.3 million for the full year to 30 September 2016.

The net effect of these cash flows was that, as at the end of March, the Company had net liquid resources of £97.7 million (30 September 2016: £105.9 million). In support of the Company's investment strategy its Manager made two new fund commitments during the period, with commitments of €34.0 million to IK VIII and £22.0 million to HgCapital 8. Furthermore, the Manager undertook three secondary fund purchases, acquiring original commitments of €20.0 million to Nordic Capital VII, as well as \$3.1 million to TowerBrook Investors III and \$1.6 million to TowerBrook Investors IV. As a result of these investment activities, at 31 March 2017 the Company had total outstanding commitments of £312.2 million, compared to £305.9 million at 30 September 2016, while the portfolio of 49 private equity fund interests was valued at £470.2 million (30 September 2016: 49 funds valued at £433.4 million).

In line with the Company's new dividend policy of paying a minimum annual dividend of 12.0 pence per share, the Board has proposed an interim dividend for the year ended 30 September 2017 of 6.0 pence per share (2016: 1.8 pence per share), to be paid on 21 July 2017 to shareholders on the Company's share register at 16 June 2017. The Board is committed to maintaining the real value of this enhanced dividend and growing it at least in line with inflation, in the absence of unforeseen circumstances. The Board believes that providing a strong, stable dividend is attractive to shareholders.

Overall, the global private equity market remains competitive, however, the Company's portfolio is predominantly focused on buy-out managers who have been able historically to generate value through operational improvements and strategic repositioning. The managers of many of the underlying funds continue to report positive earnings growth across their investee companies. In addition, notwithstanding the challenging global political and macro-economic environment, the Company continues to benefit from strong levels of exit activity across the portfolio and, subject to major shocks, the Manager would expect this to continue over the course of the year. This exit activity should result in further realised and unrealised gains being generated, enabling the Company to continue to build on the robust performance of the past three years.

The Board remains committed to maintaining capital discipline and the positive cash inflow is being invested in a mix of new fund commitments, secondary fund purchases and, when appropriate, share buy-backs. Furthermore, your Board believes that the best private equity managers will generate strong positive returns over the long term and that the Company is uniquely well positioned to capture these returns for shareholders.

Edmond Warner, OBE
Chairman

6 June 2017

Directorate Changes **Retirement of a Director**

The Board of the Company announce the retirement of David Warnock as Director from 7 June 2017 after almost nine years. David retires as part of the Board's ongoing succession plan and the Directors would like to record their thanks to David for the valuable contributions he has made to the deliberations of the Board during his time in office.

Appointment of a Director

The Board is pleased to announce the appointment of Diane Seymour-Williams as an independent non-executive Director, with effect from 7 June 2017. Diane worked at Deutsche Asset Management Group (previously Morgan Grenfell) for 23 years from 1981 until 2005. She held various senior positions during her time there, including CIO of Asian Equities, CEO of the Asian asset management business, Head of European Client Relationships and Head of Global Equity Product. More recently, Diane spent nine years from 2007 – 2016 at LGM Investments, a specialist global emerging markets manager, where she was Global Head of Relationship Management.

Diane is a non-executive Director of Witan Pacific Investment Trust PLC (appointed in 2010) and Brooks Macdonald Group PLC (appointed 2011), where she has also chaired the Remuneration Committee since 2012. She will also become Chairman of Neptune-Calculus Income and Growth VCT PLC on 22 June 2017.

Company Update

Shareholders approved changes to the Company's name, investment objective and policy at the Annual General Meeting on 24 January 2017 and the details can be found below. The Portfolio sections on pages 11 to 18 explain how the Company has invested its assets with a view to managing investment risk in accordance with the Company's new investment policy.

Company name

The name of the Company was changed to Standard Life Private Equity Trust plc to reflect the amendments to the investment policy.

Investment objective

The investment objective is to achieve long-term total returns through holding a diversified portfolio of private equity funds, a majority of which will have a European focus.

Investment policy

The principal focus of the Company is to invest in leading private equity funds and to manage exposure through the primary and secondary funds markets. The Company's policy is to maintain a broadly diversified portfolio by country, industry sector, maturity and number of underlying investments. In terms of geographic exposure, a majority of the Company's portfolio will have a European focus. The objective is for the portfolio to comprise around 35 to 40 "active" private equity fund investments; this excludes funds that have recently been raised, but have not yet started investing, and funds that are close to or being wound up.

The Company invests only in private equity funds, but occasionally may hold direct private equity investments or quoted securities as a result of distributions in specie from its portfolio of fund investments. The Company's policy is normally to dispose of such assets where they are held on an unrestricted basis.

To maximise the proportion of invested assets it is the Company's policy to follow an over-commitment strategy by making fund commitments which exceed its uninvested capital. In making such commitments, the Manager, together with the Board, will take into account the uninvested capital, the quantum and timing of expected and projected cash flows to and from the portfolio of fund investments and, from time to time, may use borrowings to meet draw downs.

The Company's non-sterling currency exposure is principally to the euro and US dollar. The Company does not seek to hedge this exposure into sterling, although any borrowings in euros and other currencies in which the Company is invested would have such a hedging effect.

Cash held pending investment in private equity funds is invested in short dated government bonds, money market instruments, bank deposits or other similar investments. Cash held pending investment in private equity funds may also be invested in funds whose principal investment focus is listed equities or in listed direct private equity investment companies or trusts. These investments may be in sterling or such other currencies to which the Company has exposure.

The Company will not invest more than 15% of its total assets in other listed investment companies or trusts.

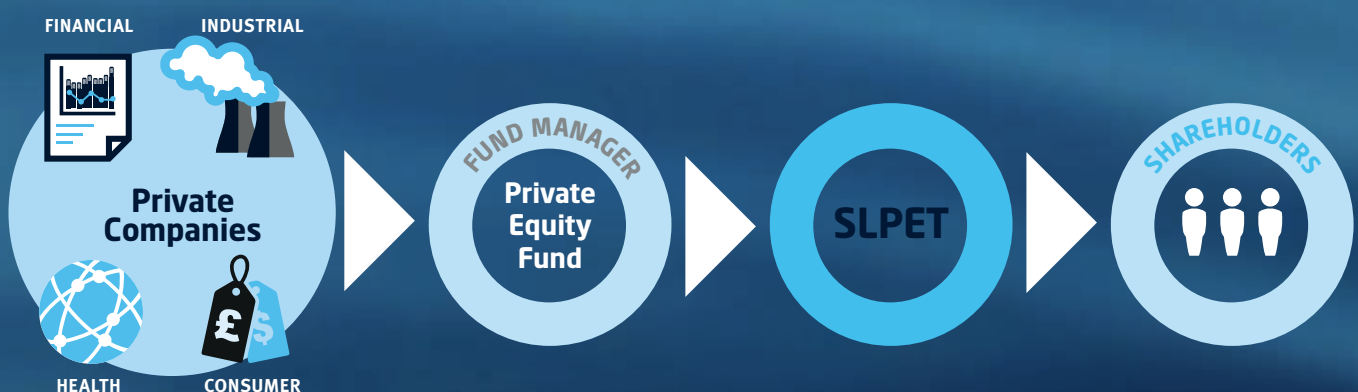
Investment Strategy

The strategy of the Company is to provide investors with access to a portfolio of leading private companies. This is delivered through the investment objective, which is to achieve long-term total returns through holding a diversified portfolio of private equity funds, a majority of which will have a European focus.

The Company invests in private equity funds run by some of the leading private equity managers, who have the expertise to source, grow and exit private companies, generating attractive investment returns. The funds invest in mature businesses primarily through management buy-out transactions. The portfolio of active private equity funds will build an underlying portfolio of around 350 private companies.

The long-term total returns come from both capital gains and dividends. The Company offers a progressive dividend, proposed to be 12.0p per share for the year to 30 September 2017 (equivalent to 3.9% yield based on the 31 March 2017 share price), rewarding shareholders for their patience as capital value grows over the 3-5 year private equity investment cycle.

The Company is listed on the London Stock Exchange, so investors can access exposure to leading private companies simply by buying shares in the Company.



How the Company invests in private equity funds

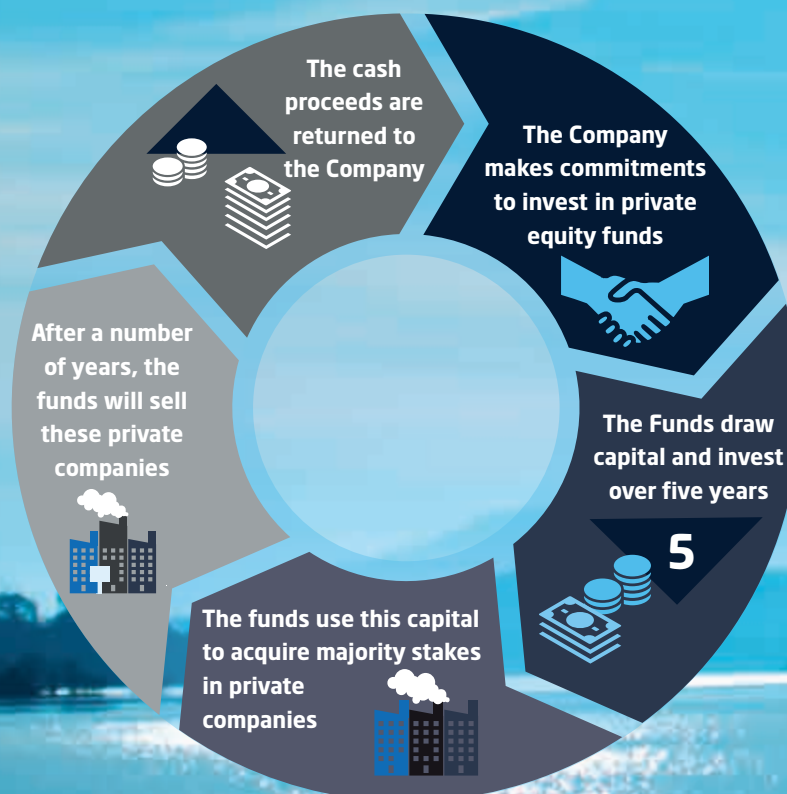
The Company invests in private equity funds in two ways:

- Primary** ▶ the managers of a private equity funds look to raise fresh capital to invest, typically every five years, and the Company commits to investing in such funds. The capital committed to a fund will generally be drawn over a five year period as the private companies are acquired. Proceeds are then returned to the Company when the underlying companies are sold during the life of the fund – this is known as a primary investment.
- Secondary** ▶ once a private equity fund is raised, no new investors are permitted into the fund, however, an existing investor may exit by selling their interest to another investor. The Company can negotiate to acquire such an interest that will comprise of a portfolio of mature private companies. The interests are often acquired below the current net asset value of the private equity fund - this is known as a secondary transaction.

Over time, the combination of primary and secondary investments are used to deliver value to the Company's shareholders.

The investment cycle

The Company makes commitments to invest in private equity funds. These funds generally draw capital over five years, to acquire majority investments in the management buyouts of private companies. The Company will make several new fund commitments on an annual basis. After a number of years the funds sell the underlying private companies to industrial buyers, other private equity groups or exit through IPO's on listed markets. Private companies acquired by the Company through secondary transactions are often sold faster given the companies are more mature. The cash proceeds from these exits are returned to the Company and the investment cycle starts again in a continuous flow.



The private equity investment model

The private equity investment model focuses on acquiring majority equity investments in private companies. The private equity fund managers we select are experienced at transforming private companies through operational improvement and strategic repositioning away from the glare of listed markets to turn them into attractive market leaders that can then be sold in a typical 3-5 year investment cycle.

The ways that the private equity fund manager can enhance businesses and create investment returns through this ownership model are:



Proactive sourcing and acquisition of businesses that have the potential to achieve future value

X



Introducing prudent levels of leverage to enhance returns

X



Growing profits through a combination of increasing revenues and improving efficiency

=

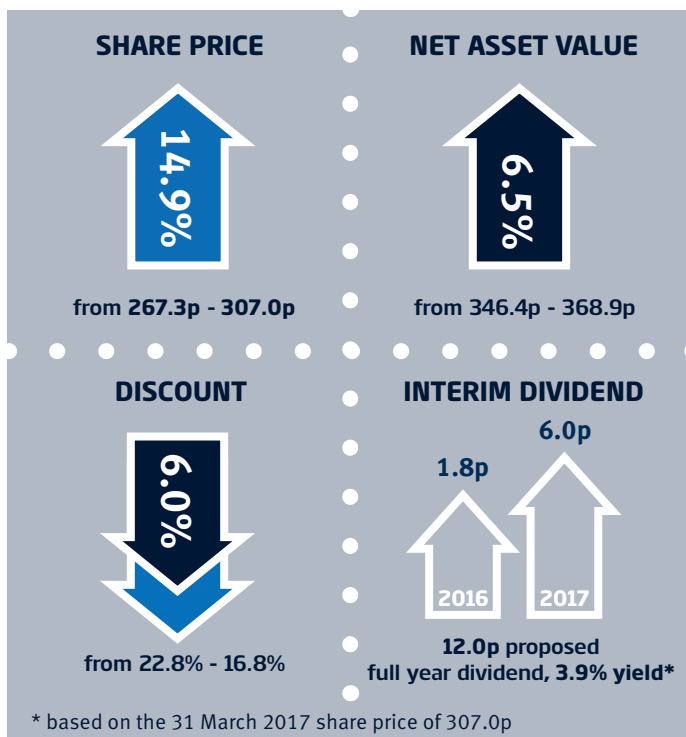


Selling a transformed business to a new owner who can continue the growth plans



Portfolio Performance

Headlines at 31 March 2017



49 private equity funds
with a portfolio value of
£470.2 million

Realised
£73.5 million
through exits from the portfolio

Committed
£52.3 million
to two private equity funds

Invested
£46.1 million
into new private companies

Net assets
£567.2 million

Invested
£20.2 million
through three secondary transactions

Net liquid resources of
£97.7 million

Total return ⁽²⁾	6 months %	1 year %	Annualised 3 years %	Annualised 5 years %	Annualised 10 years %	Annualised since inception ⁽³⁾ %
NAV	+7.4	+20.5	+15.3	+11.3	+7.2	+9.7
Share Price	+16.3	+53.5	+17.2	+18.5	+3.9	+8.8
FTSE All-Share Index ⁽¹⁾	+8.1	+22.0	+7.7	+9.7	+5.7	+5.7
MSCI Europe Index ⁽¹⁾	+11.4	+27.0	+9.0	+11.6	+6.0	+6.0
LPX 50 ⁽¹⁾	+13.9	+33.1	+14.1	+18.0	+4.9	+5.6

⁽¹⁾ The Company has no defined benchmark; the indices above are solely for comparative purposes.

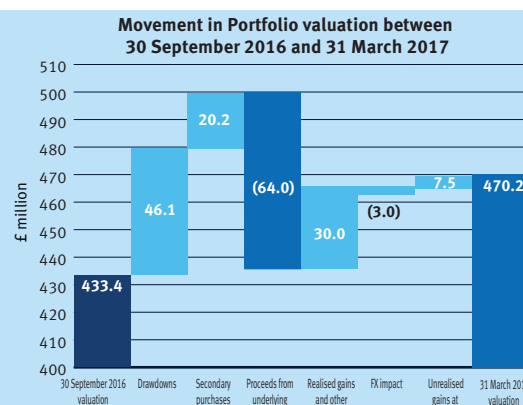
⁽²⁾ Includes dividends reinvested.

⁽³⁾ The Company was listed on the London Stock Exchange in May 2001.

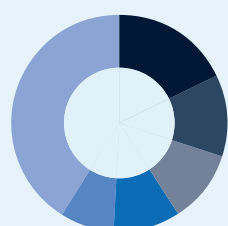
Investment Activity

Fund investment portfolio valued at £470.2 million

The value of the Company's portfolio of 49 private equity fund interests increased from £433.4 million to £470.2 million at 31 March 2017. The increase in value was a result of new private company investments funded through draw downs of £46.1 million from our private equity funds, three secondary purchases of £20.2 million and realised gains of £30.0 million from full and partial exits, offset by realised proceeds of £64.0 million and unrealised gains of £4.5 million (net of foreign exchange). The largest 10 private equity fund investments at 31 March 2017 are highlighted on pages 21 to 22.



The Company invested £46.1 million in new private companies



New investment pace was ahead of prior year in terms of quantum invested as our private equity fund managers deployed capital, purchasing businesses in an active private equity market.

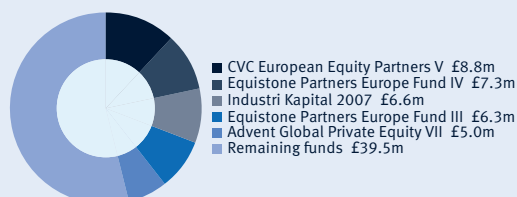
Fund	Company	Description
Advent International GPE VIII	n/d	Global marine and offshore vessel management provider
	n/d	North American supplier of high impact decorative labels for food and beverage
	n/d	Professional services for the biopharma industry
Bridgepoint Europe V	Deliveroo	Acquisition of the food delivery platform for the Azzuri Restaurant Group
	Calypso	Trading and capital markets software
CVC Capital Partners VI	Petco	Speciality retailer of pet foods and supplies incorporating e-commerce platform
IK VIII	Ellab	Manufacturer of thermal validation solutions for the food and pharma sector
Exponent Private Equity Partners III	Leisure Pass	City pass provider with operations in 19 cities in Europe and the US

£20.2 million was invested to acquire secondary purchases in three funds

During the six months, three private equity fund interests were acquired: a €20.0 million original commitment to Nordic Capital VII, \$3.1 million to TowerBrook Investors III and \$1.6 million to TowerBrook Investors IV. Combined these funds had outstanding commitments of £3.9 million at 31 March 2017.

The Manager continues to be disciplined and highly selective in a competitively priced secondary market.

The Company received £73.5 million of distributions (including net income of £9.3 million) through the exit of private companies and other partial realisations



Material distributions

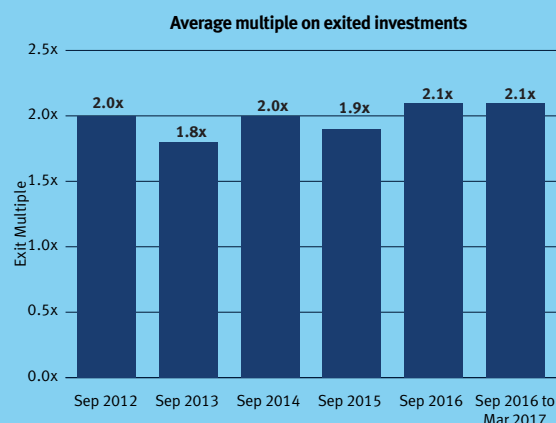
Fund	Company	TVPI*	Uplift on last valuation
CVC European Equity Partners V	Quironsalud	4.3x	2%
Equistone Partners Europe IV	Unither Pharma / Meilleurtaux	4.0x	29%
Industri Kapital 2007	Vemedia	2.4x	9%
Equistone Partners Europe Fund III	Hornschuch Konzern	3.4x	22%
Advent Global Private Equity VII	Undisclosed	4.1x	37%

* TVPI - Total value / Paid in capital

Exit activity from the funds was driven by the continued strong appetite for high quality private equity companies and the majority of realisations were at a premium to the last relevant valuation.

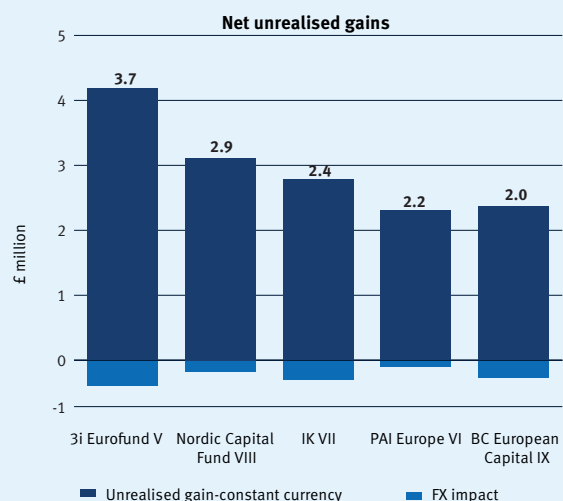
Average multiple on realised investments was 2.1 times invested cost

In the period to 31 March 2017 the private equity funds generated strong returns from their portfolio of private companies, consistent with prior years. This long term performance is underpinned by the quality of the assets and the value-add delivered by our private equity managers.



Net unrealised gains from the portfolio of investments were £4.5 million

The movement over the period represented an unrealised valuation gain on constant currency basis of £7.5 million partially offset by a foreign exchange loss of £3.0 million.



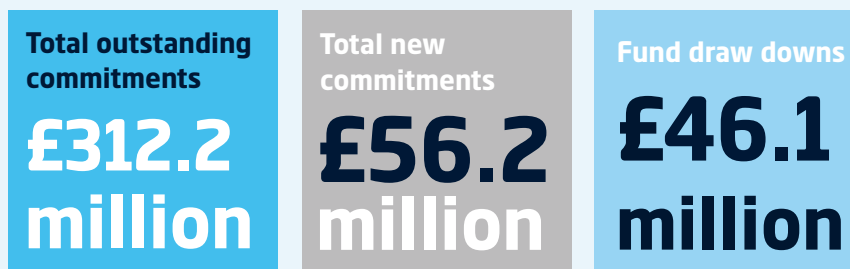
Material unrealised movements

Fund	Comments
3i Eurofund V	Action increased in value due to strong year-on-year growth in earnings through an expansion into new geographies
Nordic Capital Fund VIII	Increase in the valuations of AniCura based on earnings growth, ERT through higher multiples and Lindorff as a result of rising share price
IK VII	Increase in the valuations of Netel and Ampelmann
PAI Europe VI	Increase in the valuations of Domus Vi and Ethypharm
BC European Capital IX	Increase in portfolio valuation

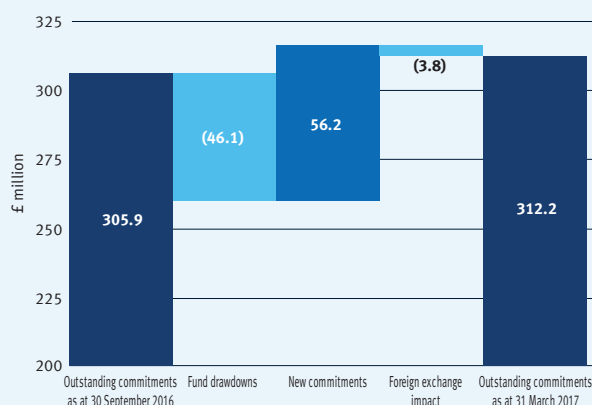
Portfolio Review

Total outstanding commitments of £312.2 million to 49 private equity funds at 31 March 2017

The total new commitments of £56.2 million comprise new primary fund commitments of £52.3 million and commitments of £3.9 million acquired in secondary transactions, offset by fund draw downs of £46.1 million during the period. The manager continues to estimate that £55.0 million of outstanding commitments, predominately relating to funds outwith their investment period, will not be drawn.



Movement in outstanding commitments and drawdowns between 30 September 2016 and 31 March 2017



New commitments

Two new primary commitments of £52.3 million were made in the six months to 31 March 2017. A £30.3 (£34.0) million commitment was made to IK VIII in October 2016. Managed by IK Investment Partners, the €1.9 billion fund will invest in buyouts in Northern Continental Europe. £22.0 million was committed to HgCapital 8 in February 2017. Managed by HgCapital, the £2.5 billion fund targets resilient companies with robust and protected business models primarily in the UK and Germany. In addition, secondary investments in Nordic Capital Fund VII, TowerBrook Investors III and IV added £3.9 million to the total outstanding commitments during the period.

Primary fund commitments
£52.3 million

New commitments from secondary transactions
£3.9 million

Manager	Fund	Commitment £m	
IK Investment Partners	IK VIII	30.3	Primary
HgCapital	HgCapital 8	22.0	Primary
TowerBrook Investors	TowerBrook Investors III	2.5	Secondary
TowerBrook Investors	TowerBrook Investors IV	1.2	Secondary
Nordic Capital	Nordic Capital Fund VII	0.2	Secondary

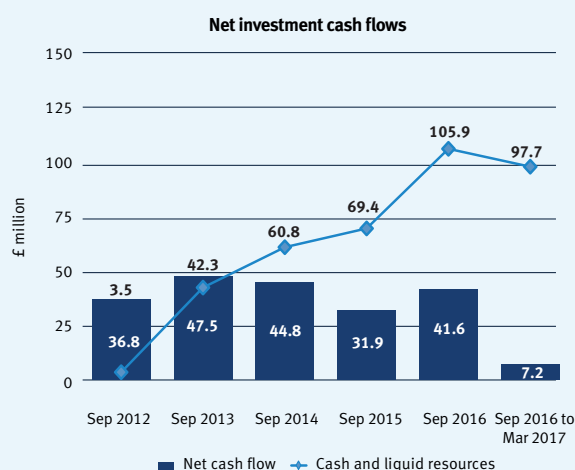
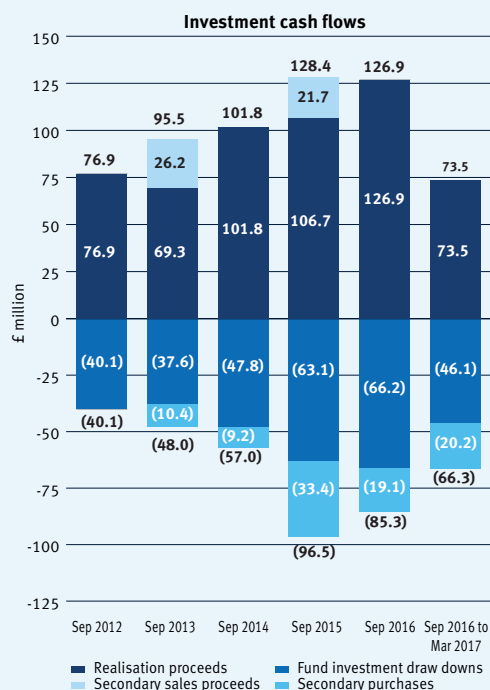
Outstanding commitments

The outstanding commitments in excess of available liquid resources, including cash and the undrawn debt facility, as a % of the net asset value was 23.7%, below the long-term target range of 30%-75%, highlighting the prudent approach to over-commitments adopted by the Manager, in the current market environment.

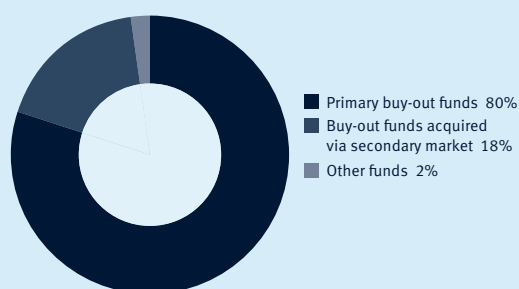


Liquid resources

Over the period the portfolio generated cash inflows of £73.5 million from realised investments, partially offset by new investment activity of £46.1 million and secondary purchases of £20.2 million resulting in net investment inflows of £7.2 million. Including dividends paid and FX movements, net liquid resources were £97.7 million at 31 March 2017, down from £105.9 million at 30 September 2016.



Portfolio construction

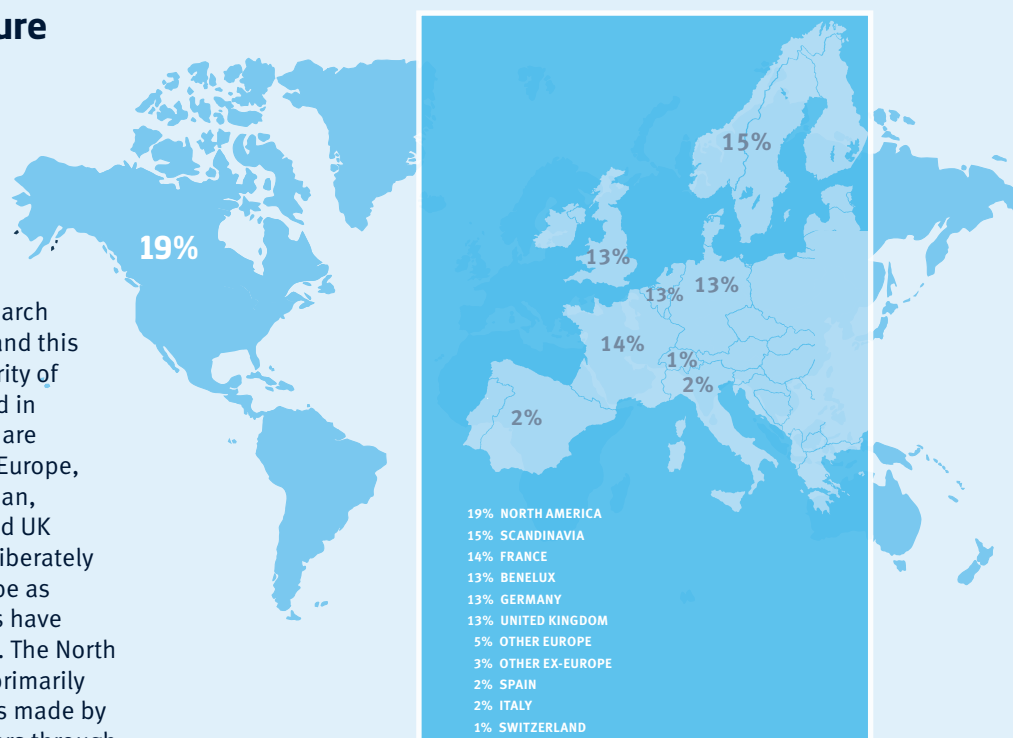


Investments in buyout funds through primary commitments and buyout funds acquired via the secondary transactions represents 98% of net assets and demonstrates the core focus on buyouts as the prime investment strategy for investing in private companies. 18% of the portfolio was acquired through secondary purchases and it is expected that this will increase over time.

Portfolio Review

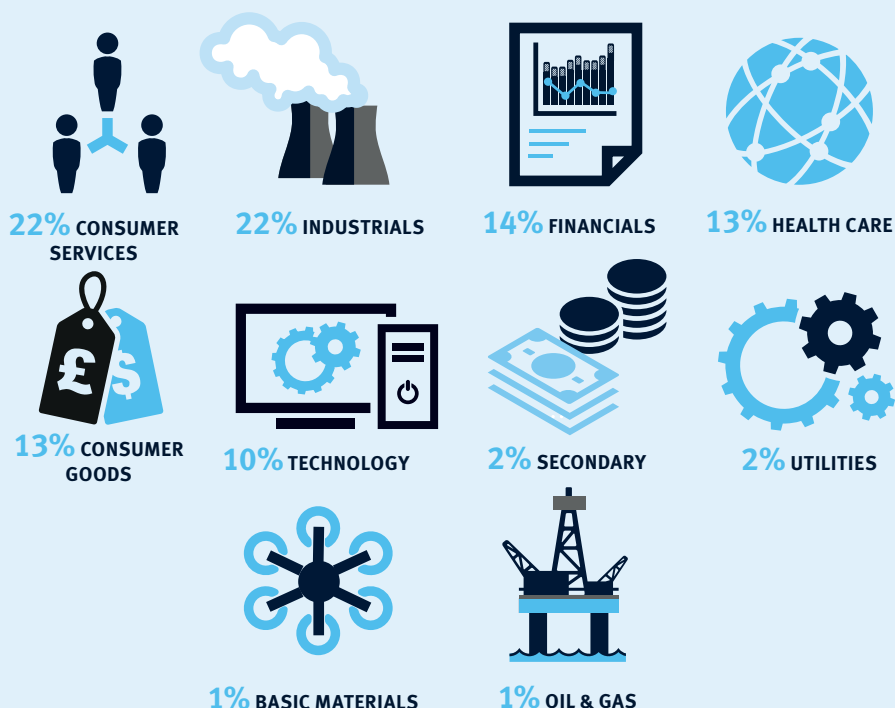
Geographic exposure

78% of the portfolio at 31 March 2017 is invested in Europe and this will continue to be the majority of exposure, with 19% invested in North America. Investments are weighted towards Northern Europe, emphasising the Scandinavian, French, Benelux, German and UK markets. The portfolio is deliberately underweight Southern Europe as these private equity markets have historically underperformed. The North American exposure relates primarily to investments in companies made by the European based managers through their allocation to global deals.



Sector exposure

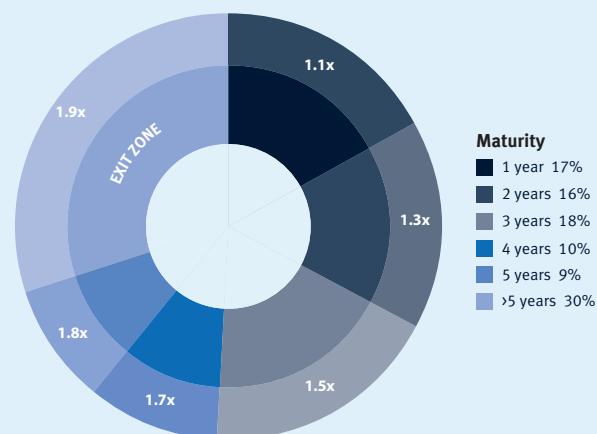
The Company's sector diversification is a product of the underlying investment strategy of the private equity funds, built around their specific sector expertise. The portfolio is invested in fast growth sub-sectors within the broad sector strategies. In recent years, healthcare, financials and technology (mature software businesses) have increased in significance with consumer focused and industrial companies retaining their importance. The portfolio is light in the cyclical sectors of oil and gas, utilities and mining.



Maturity exposure and portfolio value growth

The maturity exposure highlights the balanced nature of the portfolio. The typical hold period prior to exit of a private equity backed company is four to six years. With 39% of the portfolio in the five years or older category, cash generation is therefore expected to remain positive. Portfolio maturity is managed through both primary commitments and secondary transactions with the objective of achieving balanced exposures over vintage years. Less than 2.2% of the portfolio is exposed to the pre-2007 period and 93.2% of the portfolio is valued at or above cost.

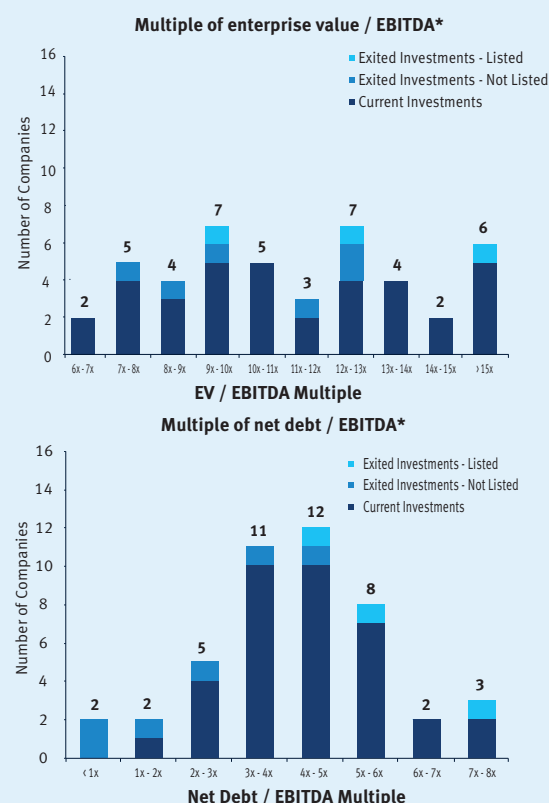
As can be seen, there is a continual progression in value creation as the portfolio of private companies matures. The development from 1.1 times cost for the year one vintage through to 1.9 times cost in the five year plus vintage demonstrates the value creation the private equity fund managers achieve through active management. With realised returns from all exited investments of 2.1 times cost for the six months to 31 March 2017, the portfolio remains conservatively valued.



Portfolio valuation and leverage multiple analysis

The top 50 private companies that represent 41.5% of the net asset value at 31 March 2017 had a median valuation multiple, based on the Enterprise Value (EV) / Earnings Before Interest Tax Depreciation and Amortisation (EBITDA), of 10-11x. This is consistent with the portfolio valuation as at 31 December 2016. Those valued at a multiple greater than 15x are highly rated private companies that command strategic premiums. Median Net Debt / EBITDA in the portfolio at 4-5x was again consistent with the prior period. The private equity fund managers are prudent in the levels of leverage applied to their portfolio companies and debt markets remain open for both new transactions and refinancing on attractive terms.

Both metrics are in line with the private equity market for similar sized deals and vintages, however, the portfolio of private companies typically does have higher levels of leverage compared to public markets. Offsetting this, the loss ratio as a percentage of total cost over the past 5 years was 5.0%, indicating the private equity fund managers are managing this risk appropriately.



*Analysis at 31 December 2016 due to available reporting information. In the case of 5 investments, it has not been possible to calculate meaningful multiples due to the nature of the underlying businesses.

Portfolio Review

Primary Investment Market

On the back of three years of record distributions from private equity funds and increasing allocations to private equity, the fundraising environment in Europe and North America for leading private equity fund managers is strong as investors seek to deploy capital into the asset class. As a result, the global overhang or “dry powder” to be invested by the private equity funds has increased, however, available capital in Europe remains within historic ranges.

The value and volume of European buyouts continued to grow. Mid-market transactions remain the largest component, however, 2016 saw a marked increase in larger deals greater than €1 billion in value. 2016 continued to be a positive year for exits although both value and volume peaked in the first half of the period.

Average purchase price multiples for new investment activity continued to rise as a result of available equity capital and high levels of competition for quality companies. While debt markets continue to be supportive of private equity transactions, leverage remains below pre-crisis levels.

Overall the Company has seen a steady pace of activity over the past few years and it is expected that the levels of new investment and realisation activity will remain robust over the coming year.

Secondary Transaction Market

Overall 2016 was a challenging year in the secondary market. Total volumes were down on 2015 with \$37 billion transacted and the quality of deal flow was relatively poor. As a result, the more attractive opportunities in mainstream or “plain vanilla” European and North American limited partnerships were priced aggressively. Deal flow was dominated by older “tail-end” portfolios and more complex fund restructuring transactions with only 5 deals of over \$1 billion announced. The combined effect resulted in a fall in average pricing, however, in the buyout funds that are the Company’s core focus, pricing increased to 95% of net asset value with many top-tier buyout funds frequently trading at premiums.

A number of these pressures eased in Q1 2017 as activity levels increased due to a strong flow of larger transactions coming to market. While the combined dry powder targeting secondary trading has risen to record levels, the market is expected to become more balanced during the remainder of the year.

While the Company has continued to acquire high quality private equity funds in the secondary market during the period, a number of transactions were declined due to high price levels. In this environment, the Manager remains highly selective and continues to search for situations to deploy the significant cash resources into opportunistic transactions.

Liquidity Management

The cash balances held by the Company are presently invested in cash and cash equivalent accounts with three institutions, BNP Paribas, Société Générale and Standard Life Investments. The Manager is able to invest up to 15% of its NAV in listed equities or listed direct private equity investment companies or trusts.

Fund Valuations

The valuation of the Company’s private equity fund interests at the period-end was carried out by the Manager and has been approved by the Board in accordance with the accounting policies. In undertaking the valuation, the most recent valuation of each fund prepared by the relevant fund manager has been used, adjusted where necessary for subsequent cash flows. The fund valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation guidelines.

These guidelines require investments to be valued at “fair value”, which is the price at which an orderly transaction would take place between market participants at the reporting date. In addition, through its advisory board relationships and contacts with the relevant fund managers, the Manager is able to consider the appropriateness of the valuation methodologies employed.

A full list of fund investments is provided on page 25 and more details of the largest 10 funds can be found on pages 21 to 22.

Of the 49 private equity funds in which the Company is invested, 40 funds, or 97.9% of the portfolio by value, were valued by their fund managers at 31 March 2017. The Manager continues to believe that the use of such timely valuation information is important. For seven funds, or 2.1% of the portfolio by value, the last available valuations from the fund managers at 31 December 2016 were adjusted for any subsequent cash flows occurring between that date and 31 March 2017. The remaining two funds are in liquidation.

The valuation multiples of each underlying private company are derived by the fund managers using relevant listed comparable companies, adjusted where appropriate, in line with the International Private Equity and Venture Capital Valuation guidelines.

Foreign Exchange

During the period, sterling appreciated against the euro by 1.1% and depreciated by 3.7% against the US dollar. This had a net negative impact on the Company's NAV. The sterling/euro exchange rate at 31 March 2017 was £1/€1.1691 and the sterling/dollar exchange rate was £1/\$1.2505. The combined effect of foreign exchange movements on the valuation of the portfolio over the six months was a 2.0 pence, or 0.6% decrease in NAV.

The Manager and the Board do not believe it is appropriate for the Company to undertake any financial hedging of its foreign exchange exposure, given the irregularity in size and

timing of individual cash flows to and from its fund interests. Any cash balances and bank indebtedness are held in sterling, euro and US dollars, broadly in proportion to the currency of the Company's outstanding fund commitments.

Diversification

The Board has agreed diversification limits with the Manager regarding the Company's net asset value and commitment exposure to both individual private equity funds and their managers. The Manager also monitors the Company's exposure to the underlying investments held by the different private equity funds in which the Company is invested. At 31 March 2017, the Company was invested in 49 different private equity funds, which collectively had interests in 462 separate companies.

Details of the largest ten underlying private companies can be found on pages 19 to 20 and further information on the largest 30 underlying private companies can be found on page 26.

Analysis of the underlying investments held by the different private equity funds allows the Manager to track the Company's exposure by geography, industrial sector, maturity of investment and value relative to original cost. Such information is used by the Manager in reviewing the exposure of the Company's portfolio, in assisting it to make new investment decisions and in having a better understanding of the timing of prospective cash flows.

Largest 10 Underlying Private Companies

at 31 March 2017

1

6.3%
of NAV



Sector: Non-food discount retailer
Location: Netherlands
Year of Investment: 2011
Private Equity Fund Manager: 3i plc
Fund Investment: 3i Eurofund V
Company Website: www.action.nl

Since its establishment in 1993, Benelux-based Action has grown into the leading non-food discount retailer in the region with more than 800 stores and over 32,000 employees. The business generates sales of over €2bn per annum.

2

2.0%
of NAV



Sector: Industrials
Location: Germany
Year of Investment: 2007/2010 /2013
Private Equity Fund Manager: 3i plc
Fund Investment: 3i Eurofund V
Company Website: www.scandlines.de

Scandlines is a European ferry operator established in 1998 by a merger of the largest national ferry companies in Denmark and Germany. It specialises in rapid, reliable and comfortable transportation of passengers and freight in Danish and German coastal waters.

3

1.4%
of NAV



Sector: Credit management service provider
Location: Norway
Year of Investment: 2014
Private Equity Fund Manager: Nordic Capital
Fund Investment: Nordic Capital Fund VIII
Company Website: www.lindorff.com

Founded in 1898 in Norway, Lindorff is today a full-service European credit management service provider. Over the past 10 years, the company has expanded its geographic presence, first to become a true Nordic market leader and then to take leading positions in Germany, Spain and the Netherlands. Operates in 12 countries in Europe, providing a range of products and service.

4

1.1%
of NAV



Sector: Industrial goods
Location: Germany
Year of Investment: 2007
Private Equity Fund Manager: IK Investment Partners
Fund Investment: Industri Kapital 2007
Company Website: www.schenckprocess.com

Schenck Process is one of the global market-leading providers of industrial weighing, feeding, screening and automation equipment and solutions. With operations in Europe, North and South America, China and Australia, it and serves a diversified customer base across a wide range of business segments

5

1.1%
of NAV



Sector: Industrials
Location: Sweden
Year of Investment: 2010
Private Equity Fund Manager: Nordic Capital
Fund Investment: Nordic Capital Fund VII
Company Website: www.munters.com

A global leader in energy efficient air treatment and climate solutions. Using innovative technologies, Munters creates the perfect climate for customers in a wide range of industries, the largest being the food, pharmaceutical and data centre sectors.

6

1.0%
of NAV

Not disclosed

Sector: Health and retail business services
Location: North America
Year of Investment: 2012
Private Equity Fund Manager: Advent International
Fund Investment: Advent Global Private Equity VI
Company Website: Not disclosed

Due to confidentiality agreements with the manager, further details are not disclosed.

7

0.9%
of NAV

Sector: Healthcare
Location: Sweden
Year of Investment: 2010
Private Equity Fund Manager: Nordic Capital
Fund Investment: Nordic Capital Fund VII
Company Website: www.handicare.com

Handicare was founded in 1986 and supplies technical aids for the elderly and physically disabled. Its products include homecare products (such as stairlifts), patient handling and bathroom safety products, and personal transfer and automobile adaptation solutions.

8

0.9%
of NAV

Norican Group
 shaping industry

Sector: Industrials
Location: Denmark
Year of Investment: 2014
Private Equity Fund Manager: Altor Partners
Fund Investment: Altor Fund IV
Company Website: www.noricangroup.com

Norican is a leading global provider of a broad equipment and services portfolio to the metallic parts formation and preparation industries. The company has a diversified customer base spanning more than 15,000 active customers in almost 10 countries in 30 end-markets. The company develops innovative and cost-efficient solutions that fit customers individual needs from a global footprint.

9

0.9%
of NAV

VISTAGE

Private advisory boards for CEOs, executives and business owners.

Sector: Business services
Location: North America
Year of Investment: 2012
Private Equity Fund Manager: TowerBrook Capital Partners
Fund Investment: TowerBrook Investors III
Company Website: www.vistage.com

Vistage delivers subscription-based leadership development and business value to CEOs and key executives in the United States and around the world through a professionally-facilitated peer-advisory process, one-on-one coaching and mentoring, content from experts, and connectivity forums.

10

0.9%
of NAV

Sector: Consumer goods
Location: France
Year of Investment: 2015
Private Equity Fund Manager: IK Investment Partners
Fund Investment: IK VII
Company Website: www.cerelia.com

Cérélia is a leading European manufacturer of ready-to-use dough mainly through private label and via two own brands. The group has a wide product range, selling its products both through private labels and its own brands. In total the company has four production plants and 650 employees.

Largest 10 Funds

at 31 March 2017

1



7.6%
of NAV

Fund Size: €5.0bn
Strategy: Mid-market buyouts
Enterprise Value of investments: €50–€500 million
Geography: Europe
Offices: London, Madrid, Amsterdam, Frankfurt, Paris, New York, Mumbai, Singapore
Website: www.3i.com

A leading international investor focused on investing in European mid-market businesses with international growth potential

3i Eurofund V	31/03/17	31/03/16
Value (£'000)	43,264	35,398
Cost (£'000)	17,309	20,131
Commitment (€'000)	60,000	60,000
Amount Funded	96.3%	95.9%

2



5.9%
of NAV

Fund Size: €1.4bn
Strategy: Mid-market buyouts
Enterprise Value of investments: €100–€500 million
Geography: Northern Europe
Offices: Stockholm, Hamburg, Paris, London
Website: www.ikinest.com

Invests in growth strategies supporting business transformation. Unique Northern Continental European footprint

IK VII	31/03/17	31/03/16
Value (£'000)	33,213	25,720
Cost (£'000)	25,184	22,679
Commitment (€'000)	36,000	36,000
Amount Funded	93.8%	84.1%

3



5.6%
of NAV

Fund Size: €3.7bn
Strategy: Complex Buyouts and Global Healthcare
Enterprise Value of investments: €150–€800 million
Geography: Northern Europe
Offices: Stockholm, Oslo, Helsinki, Copenhagen, London, Frankfurt
Website: www.nordiccapital.com

Invests in and develops enduring companies that create long term value focused on medium to large buyouts. Also invests in global healthcare companies

Nordic Capital Fund VII	31/03/17	31/03/16
Value (£'000)	31,925	13,633
Cost (£'000)	29,300	11,280
Commitment (€'000)	35,000	15,000
Amount Funded	94.7%	90.2%

4



5.4%
of NAV

Fund Size: €6.7bn
Strategy: Mid to Large Buyouts
Enterprise Value of investments: €300 million–€3 bn
Geography: Europe, USA
Offices: London, Paris, Hamburg, New York
Website: www.bcpartners.com

Targets investments in market leading businesses with defensive growth qualities

BC European Capital IX	31/03/17	31/03/16
Value (£'000)	30,720	21,834
Cost (£'000)	20,632	17,866
Commitment (€'000)	35,000	35,000
Amount Funded	95.3%	80.7%

5



4.8%
of NAV

Fund size: €5.0bn
Strategy: Transformational Buyouts
Enterprise Value of investments: €500 million–€3 bn
Geography: Global
Offices: London, Frankfurt, Madrid, Milan, Paris, Stockholm, New York, Menlo Park, Hong Kong, Seoul, Shanghai, Tokyo
Website: www.permira.com

Focused on identifying investments in market leading businesses with strong growth potential. Sector approach transforming companies to become global leaders

Permira V	31/03/17	31/03/16
Value (£'000)	27,211	17,001
Cost (£'000)	20,092	14,855
Commitment (€'000)	30,000	30,000
Amount Funded	87.2%	66.3%

6

4.0%
of NAV

EQUISTONE

Fund Size: €1.5bn**Strategy:** Mid-market buyouts**Enterprise Value of investments:** €50–€300 million**Geography:** UK, France, Germany**Offices:** London, Paris, Munich**Website:** www.equistonepe.com

Invests as a strategic partner alongside management teams. Seeks businesses with the potential to grow with their support and experience

Equistone Partners Europe Fund IV	31/03/17	31/03/16
Value (£'000)	22,098	22,931
Cost (£'000)	19,248	20,283
Commitment (€'000)	30,000	30,000
Amount Funded	94.7%	92.4%

7

3.7%
of NAV

Montagu

Fund Size: €2.5bn**Strategy:** Mid-market buyouts**Enterprise Value of investments:** €100 million–€1.0bn**Geography:** Northern Europe**Offices:** London, Frankfurt, Paris, Warsaw, Amsterdam**Website:** www.montagu.com

Seeks to create value through partnership with management teams of companies that provide critical products or services to their customers

Montagu IV	31/03/17	31/03/16
Value (£'000)	21,235	17,875
Cost (£'000)	15,525	16,231
Commitment (€'000)	30,000	30,000
Amount Funded	90.0%	89.9%

8

3.6%
of NAV

NORDIC CAPITAL

Fund Size: €3.6bn**Strategy:** Complex Buyouts and Global Healthcare**Enterprise Value of investments:** €150–€800 million**Geography:** Northern Europe**Offices:** Stockholm, Oslo, Helsinki, Copenhagen, London, Frankfurt**Website:** www.nordiccapital.com

Invests in and develops enduring companies that create long term value focused on medium to large buyouts. Also invests in global healthcare companies

Nordic Capital Fund VIII	31/03/17	31/03/16
Value (£'000)	20,522	11,597
Cost (£'000)	13,921	11,484
Commitment (€'000)	30,000	30,000
Amount Funded	58.4%	48.7%

9

3.1%
of NAVAdvent International
GLOBAL PRIVATE EQUITY**Fund Size:** €8.5bn**Strategy:** Global Buyouts**Enterprise Value of investments:** \$200 million–\$2.0bn**Geography:** USA, Europe**Offices:** London, Paris, Frankfurt, Milan, Madrid, Boston and New York**Website:** www.adventinternational.com

One of the largest global private equity investors with a highly developed sector focus. Partners with management to drive sustainable profit growth

Advent Global Private Equity VII	31/03/17	31/03/16
Value (£'000)	17,597	15,399
Cost (£'000)	10,898	11,027
Commitment (€'000)	20,000	20,000
Amount Funded	86.4%	76.0%

10

2.9%
of NAV

EQUISTONE

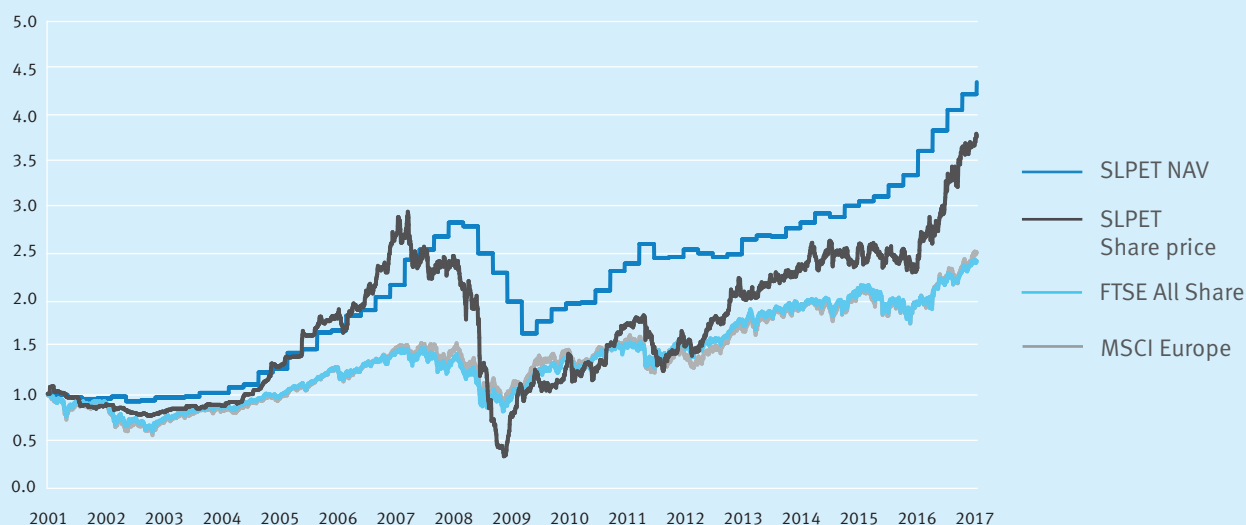
Fund Size: €1.8bn**Strategy:** Mid-market buyouts**Enterprise Value of investments:** €50–€300 million**Geography:** UK, France, Germany**Offices:** London, Paris, Munich**Website:** www.equistonepe.com

Invests as a strategic partner alongside management teams. Seeks businesses with the potential to grow with their support and experience

Equistone Partners Europe Fund V	31/03/17	31/03/16
Value (£'000)	16,425	7,175
Cost (£'000)	15,322	6,799
Commitment (€'000)	30,000	30,000
Amount Funded	63.9%	30.4%

Financial Summary

Performance (total return⁽²⁾) since inception to 31 March 2017



Performance (capital only)	As at 31 March 2017	As at 30 September 2016	% Change
Net asset value per ordinary share (NAV)	368.9p	346.4p	6.5%
Share price	307.0p	267.3p	14.9%
FTSE All-Share Index ⁽¹⁾	3,990.0	3,755.3	6.2%
MSCI Europe Index ⁽¹⁾	3,013.5	2,738.0	10.1%
LPX 50 ⁽¹⁾	400.5	368.9	8.6%
Discount (difference between share price and net asset value)	16.8%	22.8%	

Performance (total return) ⁽²⁾	6 months %	1 year %	Annualised 5 years %	Annualised since inception ⁽³⁾ %
NAV	+7.4	+20.5	+11.3	+9.7
Share price	+16.3	+53.5	+18.5	+8.8
FTSE All-Share Index ⁽¹⁾	+8.1	+22.0	+9.7	+5.7
MSCI Europe Index ⁽¹⁾	+11.4	+27.0	+11.6	+6.0
LPX 50 ⁽¹⁾	+13.9	+33.1	+18.0	+5.6

Highs/Lows for the six months ended 31 March 2017	High	Low
Share price (mid)	308.3p	265.0p

⁽¹⁾ The Company has no defined benchmark; the indices above are solely for comparative purposes.

⁽²⁾ Includes dividends reinvested.

⁽³⁾ The Company was listed on the London Stock Exchange in May 2001.

Ten Year Historic Record

Summary financial information

NAV and share price	Net assets	NAV (undiluted)	NAV (diluted)	Share price	Discount to diluted NAV
	£m	p	p	p	%
At 30 September 2007	385.7	241.3	237.7	226.50	(4.7)
At 30 September 2008	375.5	234.8	231.4	161.00	(30.4)
At 30 September 2009	265.6	164.9	163.4	112.25	(31.3)
At 30 September 2010	315.2	195.3	193.3	113.75	(41.2)
At 30 September 2011	369.4	228.7	225.9	134.00	(40.7)
At 30 September 2012	369.7	227.6	224.9	162.38	(27.8)
At 30 September 2013	401.2	244.2	243.4	198.00	(18.6)
At 30 September 2014	409.1	257.4	257.4	230.00	(10.6)
At 30 September 2015	438.7	281.6	281.6	214.00	(24.0)
At 30 September 2016	532.6	346.4	346.4	267.25	(22.8)
At 31 March 2017	567.2	368.9	368.9	307.00	(16.8)

Performance and dividends	NAV total return	Share price total return ¹	Dividend paid ²	Dividend per ordinary share	Expense ratio ³
	%	%	£m	p	%
Year to 30 September 2007	35.4	24.8	3.8	2.40	0.97
Year to 30 September 2008	(1.3)	(27.8)	5.6	3.50	0.94
Year to 30 September 2009	(29.2)	(29.5)	0.6	0.70	0.92
Year to 30 September 2010	18.4	1.4	0.1	0.10	1.02
Year to 30 September 2011	17.0	18.0	0.2	0.20	1.02
Year to 30 September 2012	0.1	22.4	1.0	1.30	0.97
Year to 30 September 2013	9.1	23.4	1.3	2.00	0.99
Year to 30 September 2014	7.7	19.1	8.2	5.00	0.96
Year to 30 September 2015	11.9	(4.0)	10.6	5.25	0.98
Year to 30 September 2016	24.8	27.9	8.2	5.40	0.99
Six months to 31 March 2017	7.4	16.3	5.5	6.00	1.13 ⁴

¹ Data supplied by Fundamental Data.

² Represents the cash dividend paid during the year, declared for the previous financial year.

³ The expense ratios follow the AIC's recommended methodology for calculating Ongoing Charges.

⁴ Annualised for 2017.

Investment exposure	Fund manager as a % of net assets		Fund investments as a % of net assets		
	Top 5 %	Top 10 %	Top 10 %	Top 20 %	Top 30 %
At 30 September 2007	41.0	66.5	42.5	64.8	80.4
At 30 September 2008	54.5	84.6	55.1	84.0	102.4
At 30 September 2009	55.5	87.2	61.1	93.8	109.0
At 30 September 2010	62.1	96.4	67.9	101.0	116.2
At 30 September 2011	57.9	89.1	69.0	95.4	106.8
At 30 September 2012	51.2	80.2	63.5	87.4	97.9
At 30 September 2013	44.9	68.4	51.7	76.5	86.8
At 30 September 2014	43.2	65.0	52.9	74.0	82.7
At 30 September 2015	42.4	65.2	48.6	71.4	80.2
At 30 September 2016	39.7	65.0	45.9	68.3	78.8
At 31 March 2017	39.5	64.8	46.6	71.8	80.5

Fund Investments

at 31 March 2017

Vintage	Fund	Type	Number of investments	Valuation date*	Outstanding commitments £'000	Cost £'000	Valuation £'000	Net multiple† GBP (X)	% of NAV
2006	3i Eurofund V	Buy-out	6	31.03.17	1,902	17,309	43,264	2.1	7.6
2012	IK VII	Buy-out	15	31.03.17	1,920	25,184	33,213	1.3	5.9
2008	Nordic Capital Fund VII	Buy-out	14	31.03.17	1,577	29,300	31,925	1.2	5.6
2011	BC European Capital IX	Buy-out	18	31.03.17	1,399	20,632	30,720	N/D	5.4
2014	Permira V	Buy-out	18	31.03.17	3,297	20,092	27,211	1.3	4.8
2011	Equistone Partners Europe Fund IV	Buy-out	21	31.03.17	1,372	19,248	22,098	1.7	4.0
2011	Montagu IV	Buy-out	12	31.03.17	2,569	15,525	21,235	1.5	3.7
2013	Nordic Capital Fund VIII	Buy-out	13	31.03.17	10,679	13,921	20,522	1.5	3.6
2012	Advent Global Private Equity VII	Buy-out	26	31.03.17	2,327	10,898	17,597	1.8	3.1
2015	Equistone Partners Europe Fund V	Buy-out	18	31.03.17	9,270	15,322	16,425	1.1	2.9
2008	Advent Global Private Equity VI	Buy-out	17	31.03.17	424	12,687	16,400	2.0	2.9
2014	CVC Capital Partners VI	Buy-out	19	31.03.17	11,473	12,836	15,695	1.2	2.8
2008	CVC European Equity Partners V	Buy-out	15	31.03.17	1,192	10,646	15,555	1.9	2.7
2008	TowerBrook Investors III	Buy-out	10	31.03.17	14,825	15,395	15,466	1.2	2.8
2014	Altor Fund IV	Buy-out	8	31.03.17	33,737	12,513	15,358	1.2	2.7
2015	Exponent Private Equity Partners III	Buy-out	7	31.03.17	13,985	14,028	14,797	1.1	2.6
2006	Terra Firma Capital Partners III	Buy-out	6	31.03.17	116	23,812	13,874	0.6	2.4
2014	PAI Europe VI	Buy-out	11	31.03.17	18,095	10,677	13,721	1.3	2.5
2014	Bridgepoint Europe V	Buy-out	10	31.03.17	16,009	12,113	12,434	1.1	2.2
2016	Advent International GPE VIII	Buy-out	10	31.03.17	29,483	9,062	8,871	1.0	1.6
2013	TowerBrook Investors IV	Buy-out	8	31.03.17	21,052	5,682	8,584	1.7	1.5
2005	Candover 2005 Fund	Buy-out	5	31.12.16	-	33,439	5,199	0.5	0.9
2005	Pomona Capital VI Fund	Secondary	25	31.03.17	2,183	6,602	5,060	1.6	0.9
2006	TowerBrook Investors II	Buy-out	5	31.03.17	4,375	2,992	4,931	2.2	0.9
2006	Coller International Partners V	Secondary	36	31.03.17	6,973	-	4,864	1.6	0.9
2016	IK VIII	Buy-out	3	31.03.17	24,352	4,744	4,688	1.0	0.8
2007	Industri Kapital 2007	Buy-out	3	31.03.17	1,485	10,276	4,148	1.5	0.8
2006	Fourth Cinven Fund	Buy-out	4	31.03.17	2,824	9,879	3,901	1.6	0.7
2012	Bridgepoint Europe IV	Buy-out	13	31.03.17	878	4,814	3,705	1.4	0.7
2016	Astorg VI	Buy-out	4	31.03.17	15,921	3,662	3,238	0.9	0.6
2007	Equistone Partners Europe Fund III	Buy-out	3	31.03.17	1,395	8,059	2,794	1.7	0.5
2006	Permira IV	Buy-out	10	31.12.16	410	3,549	2,133	1.3	0.4
2006	HgCapital 5	Buy-out	2	31.03.17	213	6,588	1,906	1.7	0.3
2009	Charterhouse Capital Partners IX	Buy-out	6	31.03.17	547	3,017	1,634	1.4	0.3
2005	Advent Global Private Equity V	Buy-out	4	31.03.17	1,010	-	1,387	2.8	0.2
2005	CVC European Equity Partners IV	Buy-out	2	31.12.16	1,760	3,794	1,288	2.4	0.2
2000	Scottish Equity Partners II	Venture capital	1	31.03.17	-	3,159	1,085	1.0	0.2
2005	Equistone Partners Europe Fund II	Buy-out	2	31.03.17	134	3,910	1,017	1.6	0.2
2001	Pomona Capital V Fund	Secondary	33	31.03.17	136	5,593	827	1.4	0.1
2000	CVC European Equity Partners III	Buy-out	1	31.12.16	1,175	3,455	747	2.7	0.1
2007	CVC Tandem Fund	Buy-out	3	31.12.16	557	1,629	199	1.6	-
2001	Third Cinven Fund	Buy-out	-	31.12.16	248	4,339	163	2.1	-
2004	Permira Europe III	Buy-out	3	31.12.16	-	249	131	1.2	-
2004	Industri Kapital 2004	Buy-out	-	31.12.16	14	3,275	80	2.4	-
2002	Charterhouse Capital Partners VII	Buy-out	-	31.03.17	2,598	5,811	49	1.9	-
2001	Coller International Partners IV	Secondary	20	30.09.16	240	270	45	1.4	-
1995	Phildrew Fourth	Buy-out	-	31.03.17	-	-	15	0.3	-
2016	HgCapital 8	Buy-out	-	31.03.17	22,000	-	-	-	-
2016	Sixth Cinven Fund	Buy-out	3	31.03.17	24,035	265	-	-	-
	Total portfolio investments*		473		312,166	460,252	470,199		83.0
	Non-portfolio assets less liabilities						96,973		17.0
	Shareholders' funds						567,172		100.0

* valuation date refers to the date of the last valuation prepared by the manager of the relevant fund.

† the net multiple has been calculated by SL Capital Partners LLP in GBP on the basis of the total realised and unrealised return for the interest held in each fund investment.
(N/D - not disclosed due to legal limitations).

‡ the 473 underlying investments represent holdings in 462 separate companies.

Top 30 Underlying Private Company Investments

at 31 March 2017

The table below summarises the top 30 underlying private company investments, by value, in the Company's portfolio of private equity funds. The valuations are gross, before any carry provision.

Entity	Description	Fund	Year of Investment	% of NAV
Action	Non-food discount retailer	3i Eurofund V	2011	6.3%
Scandlines	Northern European ferry operator	3i Eurofund V	2007	2.0%
Lindorff	Debt collection and accounting services	Nordic Capital Fund VIII	2014	1.4%
Schenck Process	Industrial weighing and measuring systems	Industri Kapital 2007	2007	1.1%
Munters	Air treatment	Nordic Capital Fund VII	2010	1.1%
Not disclosed	Recovery audit services	Advent Global Private Equity VI	2012	1.0%
Handicare	Mobility solutions for disabled and elderly	Nordic Capital Fund VII	2010	0.9%
Norican	Metallic parts formation and preparation industry	Altor Fund IV	2014	0.9%
Vistage	Membership organisation of CEOs	TowerBrook Investors III	2012	0.9%
Cérélia	Manufacturer of ready to use dough	IK VII	2015	0.9%
Parques Reunidos	Amusement parks	Candover 2005 Fund	2007	0.8%
AWAS/Pegasus	Aircraft lessor	Terra Firma Capital Partners III	2007	0.8%
Not disclosed	Specialty retailer of services and solutions for pets	BC European Capital IX	2015	0.8%
Wilton	Food and paper crafting company	TowerBrook Investors III	2009	0.7%
Exxelia	Manufacturer of customised electronic components	IK VII	2014	0.7%
ConvaTec	Ostomy, wound care and hospital products	Nordic Capital Fund VII	2008	0.7%
EVAC	Waste & water management production specialists	IK VII	2014	0.7%
CPA Global	Intellectual property management services	Fourth Cinven Fund	2012	0.6%
Photobox	Online photo laboratory	Exponent Private Equity Partners III	2016	0.6%
Not disclosed	Mattress manufacturer	Advent Global Private Equity VI & Advent Global Private Equity VII	2012	0.6%
ERT	Data collection solutions for clinical trials	Nordic Capital Fund VIII	2016	0.6%
Metallum Holdings SA	Scrap metal recycling	TowerBrook Investors III	2013	0.6%
Binding Site	Clinical laboratory diagnostics	Nordic Capital Fund VII	2011	0.6%
Nemera	Plastic drug administration systems	Montagu IV	2014	0.6%
Zenith Vehicle Contracts	Vehicle fleet provider	Bridgepoint Europe V	2017	0.6%
Skandiabanken ASA	Digital bank	Altor Fund IV	2016	0.6%
Not disclosed	Academic and scientific information provider	BC European Capital IX	2013	0.6%
ista	Heat and water metering	CVC European Equity Partners V	2013	0.6%
Element	Materials testing	Bridgepoint Europe V	2016	0.6%
Tilney Bestinvest	Provider of independent investment advice	Permira V	2014	0.6%
Grand Total				29.5%

Condensed Statement of Comprehensive Income

	Notes	For the six months to 31 March 2017 (unaudited)			For the six months to 31 March 2016 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Total capital gains on investments		-	34,612	34,612	-	43,700	43,700
Currency (losses)/gains		-	(168)	(168)	-	3,511	3,511
Income	4	9,590	-	9,590	7,346	-	7,346
Investment management fee	5	(265)	(2,387)	(2,652)	(187)	(1,686)	(1,873)
Incentive fee	5	-	-	-	-	(2,425)	(2,425)
Administrative expenses		(550)	-	(550)	(401)	-	(401)
Profit on ordinary activities before finance costs and taxation		8,775	32,057	40,832	6,758	43,100	49,858
Finance costs		(135)	(315)	(450)	(39)	(350)	(389)
Profit on ordinary activities before taxation		8,640	31,742	40,382	6,719	42,750	49,469
Taxation		(1,635)	1,328	(307)	(1,667)	1,136	(531)
Net profit on ordinary activities after taxation		7,005	33,070	40,075	5,052	43,886	48,938
Net profit per ordinary share	7	4.56p	21.51p	26.07p	3.24p	28.17p	31.41p

The Total column of this statement represents the profit and loss account of the Company.

There are no items of other comprehensive income, therefore this statement is the single statement of comprehensive income of the Company.

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

No operations were acquired or discontinued in the period.

Condensed Statement of Financial Position

	Notes	At 31 March 2017 (unaudited) £'000	At 30 September 2016 (audited) £'000
Non-current assets			
Investments	8	470,199	433,392
Current assets			
Receivables		729	774
Cash and cash equivalents		97,723	105,883
		98,452	106,657
Creditors: amounts falling due within one year			
Payables		(1,479)	(7,417)
Net current assets		96,973	99,240
Total assets less current liabilities		567,172	532,632
Capital and reserves			
Called-up share capital		307	307
Share premium account		86,485	86,485
Special reserve		51,503	51,503
Capital redemption reserve		94	94
Capital reserves		412,985	379,915
Revenue reserve		15,798	14,328
Total shareholders' funds		567,172	532,632
Net asset value per equity share	9	368.9p	346.4p

Condensed Statement of Changes in Equity

For the six months ended 31 March 2017 (unaudited)

	Called-up share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2016	307	86,485	51,503	94	379,915	14,328	532,632
Profit on ordinary activities after taxation	-	-	-	-	33,070	7,005	40,075
Dividends paid	-	-	-	-	-	(5,535)	(5,535)
Balance at 31 March 2017	307	86,485	51,503	94	412,985	15,798	567,172

For the six months ended 31 March 2016 (unaudited)

	Called-up share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2015	312	86,485	56,024	89	280,380	15,450	438,740
Profit on ordinary activities after taxation	-	-	-	-	43,886	5,052	48,938
Buy back of ordinary shares	(2)	-	(2,044)	2	-	-	(2,044)
Dividends paid	-	-	-	-	-	(5,452)	(5,452)
Balance at 31 March 2016	310	86,485	53,980	91	324,266	15,050	480,182

Condensed Statement of Cash Flow

	Six months to 31 March 2017 (unaudited) £'000	Six months to 31 March 2016 (unaudited) £'000
Cash flows from operating activities		
Net profit on ordinary activities after taxation	40,075	48,938
Adjusted for:		
Finance costs	450	389
Taxation on ordinary activities	307	531
Gains on disposal of investments	(30,035)	(38,972)
Revaluation of investments	(4,576)	(4,728)
Currency losses/(gains)	168	(3,511)
Increase in debtors	(15)	(22)
(Decrease)/increase in creditors	(6,086)	2,523
Tax deducted from non - UK income	(307)	(531)
Interest paid	(242)	(279)
Net cash (outflow)/inflow from operating activities	(261)	4,338
Investing activities		
Purchase of investments	(66,214)	(53,767)
Disposal of underlying investments by funds	64,018	73,846
Net cash (outflow)/inflow from investing activities	(2,196)	20,079
Financing activities		
Ordinary dividends paid	(5,535)	(5,452)
Net cash outflow from financing activities	(5,535)	(5,452)
Net (decrease)/increase in cash and cash equivalents	(7,992)	18,965
Cash and cash equivalents at the beginning of the period	105,883	32,099
Currency (losses)/gains on cash and cash equivalents	(168)	3,511
Cash and cash equivalents at the end of the period	97,723	54,575
Cash and cash equivalents consists of:		
Money market funds	77,349	-
Cash and short term deposits	20,374	54,575
Cash and cash equivalents	97,723	54,575

Notes to the Financial Statements

1. Financial Information

The financial information in this report comprises non-statutory accounts as defined in sections 434-436 of the Companies Act 2006. The financial information for the year ended 30 September 2016 has been extracted from the published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified under section 498 of the Companies Act 2006.

The auditors have reviewed the financial information for the six months ended 31 March 2017 in accordance with the applicable standards issued by the Auditing Practices Board for use in the United Kingdom. The independent auditors review report is on page 36.

2. Basis of preparation and going concern

The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

The Company has chosen to early adopt the Amendments to FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland), paragraph 34.22 which revise the disclosure requirements for financial institutions, specifically in relation to the fair value hierarchy, as presented within note 11. These amendments were approved for issue on 3 March 2016 and are effective for accounting periods beginning on or after 1 January 2017.

In assessing the appropriateness of the adoption of the going concern assumption as a basis for preparing the financial statements, the Directors took account of the £80 million committed, syndicated revolving credit facility with a maturity date in December 2020; the future cash flow projections; the Company's cash flows during the period; and the Company's net liquid resources at the period end.

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

The financial statements for the six months ended 31 March 2017 have been prepared using the same accounting policies as the preceding annual financial statements.

3. Exchange rates	At 31 March 2017	At 30 September 2016
Rates of exchange to sterling were:		
Euro	1.1691	1.1559
US Dollar	1.2505	1.2990

4. Income	Six months ended 31 March 2017 £'000	Six months ended 31 March 2016 £'000
Income from fund investments	9,546	7,063
Interest from cash balances and money market funds	44	7
Income from index tracker funds	-	276
Total income	9,590	7,346

Notes to the Financial Statements

5. Transactions with the Manager	Six months ended 31 March 2017			Six months ended 31 March 2016		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	265	2,387	2,652	187	1,686	1,873
Incentive fee	-	-	-	-	2,425	2,425
	265	2,387	2,652	187	4,111	4,298

The Manager to the Company is SL Capital Partners LLP. In order to comply with the Alternative Investment Fund Managers Directive, the Company appointed SL Capital Partners LLP as its Alternative Investment Fund Manager from 1 July 2014.

The investment management fee payable to the Manager is 0.95% per annum with effect from 1 October 2016 (prior to 1 October 2016: 0.8% per annum) of the NAV of the Company. The investment management fee is allocated 90% to the realised capital reserve and 10% to the revenue account. The management agreement between the Company and the Manager is terminable by either party on twelve months written notice.

Investment management fees due to the Manager as at 31 March 2017 amounted to £880,000 (31 March 2016 - £373,000).

The incentive fee arrangement has now ended. This amounted to 10% of the growth in the diluted net asset value total return in excess of an annualised 8% hurdle rate, measured over the five year period ending 30 September 2016. Following the end of the incentive fee period, a single management fee of 0.95% per annum of the NAV of the Company replaced the previous management and incentive fees.

6. Dividend on ordinary shares

A dividend of 3.6p per ordinary share, declared as a final dividend, was paid on 27 January 2017 in respect of the year ended 30 September 2016 (2015: dividend of 3.5p per ordinary share paid on 29 January 2016).

A proposed interim dividend of 6.0p per ordinary share is due to be paid on 21 July 2017 (2016: 1.8p paid on 15 July 2016).

7. Net return per ordinary share	Six months ended 31 March 2017		Six months ended 31 March 2016	
	p	£'000	p	£'000
The net return per ordinary share is based on the following figures:				
Revenue net return	4.56	7,005	3.24	5,052
Capital net return	21.51	33,070	28.17	43,886
Total net return	26.07	40,075	31.41	48,938
Weighted average number of ordinary shares in issue		153,746,294		155,776,294

Notes to the Financial Statements

8. Investments	31 March 2017 £'000	30 September 2016 £'000
Fair value through profit or loss:		
Opening market value	433,392	406,332
Opening investment holding (gains)/losses	(5,371)	37,075
Opening book cost	428,021	443,407
Movements in the period/year:		
Additions at cost	46,064	66,193
Secondary purchases	20,150	19,099
Dividends reinvested	-	248
Disposal of underlying investments by funds	(64,018)	(158,521)
	430,217	370,426
Gains on disposal of underlying investments	32,214	58,152
Losses on liquidation of fund investments	(2,179)	(557)
Closing book cost	460,252	428,021
Closing investment holding gains	9,947	5,371
Closing market value	470,199	433,392

9. Net asset value per ordinary share	31 March 2017	30 September 2016
Ordinary shareholders' funds	£567,171,634	£532,632,079
Number of ordinary shares in issue	153,746,294	153,746,294
Net asset value per ordinary share	368.9p	346.4p

There were no share buybacks during the six months ended 31 March 2017. During the six months ended 31 March 2016, the Company bought back for cancellation 1,000,000 ordinary shares at a cost of £2,044,000 including expenses.

The net asset value per ordinary share and the ordinary shareholders' funds are calculated in accordance with the Company's articles of association.

10. Bank loans

At 31 March 2017, the Company had an £80 million (2016: £80 million) committed, multi currency syndicated revolving credit facility provided by Citibank and Societe Generale of which £nil (2016 : £nil) had been drawn down. The facility expires on 31 December 2020. The interest rate on this facility is LIBOR plus 1.50%, rising to 1.70% depending on utilisation, and the commitment fee payable on non-utilisation is 0.7% per annum.

Notes to the Financial Statements

11. Fair value hierarchy

FRS 104 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following classifications:

- ▶ Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- ▶ Level 2: Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- ▶ Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Company's financial assets and liabilities, measured at fair value in the Statement of Financial Position, are grouped into the following fair value hierarchy at 31 March 2017:

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	-	-	470,199	470,199

As at 30 September 2016

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	-	-	433,392	433,392

Unquoted investments

Unquoted investments are stated at the Manager's estimate of fair value and follow the recommendations of the EVCA and the BVCA. The estimate of fair value is normally the latest valuation placed on a fund by its manager as at the Statement of Financial Position date. The valuation policies used by the manager in undertaking that valuation will generally be in line with the joint publication from the EVCA and the BVCA, 'International Private Equity and Venture Capital Valuation guidelines'. Where formal valuations are not completed as at the Statement of Financial Position date, the last available valuation from the fund manager is adjusted for any subsequent cash flows occurring between the valuation date and the Statement of Financial Position date. The Manager may further adjust such valuations to reflect any changes in circumstances from the last manager's formal valuation date to arrive at the estimate of fair value.

12. Parent undertaking and related party transactions

The ultimate parent undertaking of the Company is Standard Life PLC. The financial statements of the ultimate parent undertaking are the only group financial statements incorporating the financial statements of the Company.

Details of the related party transactions with the manager can be found in note 5.

The Company invests in the Standard Life Investments Liquidity Funds which are managed by Standard Life Investments Limited. As at 31 March 2017 the Company had invested £42,801,000 in the Standard Life Investments Liquidity Funds (2016: £45,934,000) which are included within cash and cash equivalents in the Statement of Financial Position. As at 31 March 2017, interest of £3,000 was due to the Company (2016: £8,000). No additional fees are payable to Standard Life as a result of this investment.

There were no new related party transactions in the six months to 31 March 2017 over and above those already disclosed in the Annual Report and Financial Statements.

Principal Risks and Uncertainties

The principal risks facing the Company relate to the Company's investment activities and include the following:

- ▶ market risk;
- ▶ currency risk;
- ▶ over-commitment risk;
- ▶ liquidity risk;
- ▶ credit risk;
- ▶ interest rate risk;
- ▶ operating and control environment risk;

Information on each of these risks, and an explanation of how they are managed, is contained in the Company's Annual Report for the year ended 30 September 2016.

The Company's principal risks and uncertainties have not changed materially since the date of that Report and are not expected to change materially for the remaining six months of the Company's financial year.

Directors' Responsibility Statement

The Directors are responsible for preparing the half-yearly financial report, in accordance with applicable laws and regulations. The Directors confirm that, to the best of our knowledge:

- ▶ the condensed set of financial statements has been prepared in accordance with FRS 104 Interim Financial Reporting
- ▶ the interim management report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the *Disclosure Guidance and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the *Disclosure Guidance and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board,

Edmond Warner, OBE
Chairman

6 June 2017

Independent Auditor's Review

Independent review report to Standard Life Private Equity Trust PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2017 which comprises the Condensed Statement of Comprehensive Income, Condensed Statement of Financial Position, Condensed Statement of Changes in Equity, Condensed Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with FRS 104 *Interim Financial Reporting*.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2017 is not prepared, in all material respects, in accordance with FRS 104 *Interim Financial Reporting* and the DTR of the UK FCA.

Philip Merchant for and on behalf of KPMG LLP

Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

6 June 2017

Information for Investors

Registered address

This report has been mailed to shareholders at the address shown on the Company's share register. Any change of address should be advised to the Registrars at the following address under the signature of the shareholder:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Registrars' shareholder helpline: 0371 384 2618
Registrars' broker helpline: 0906 559 6025*

* Calls cost £1.10 per minute plus your phone company's access charge.

If your shares are held via nominees you should contact them with any change of address.

Dividends

Ordinary dividends are paid in January and July each year. Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA on request. The Company operates the BACS system for the payment of dividends. Where dividends are paid directly to shareholders' bank accounts, dividend tax vouchers are sent to shareholders' registered addresses.

Dividend Reinvestment Plan

Shareholders who wish to use their dividends to purchase further shares in the Company by participating in the Company's Dividend Reinvestment Plan can complete a mandate form which may be obtained from Equiniti Limited at the above address.

Ordinary share price and net asset value

The Company's ordinary share price is published in the Financial Times.

The Company's ordinary share capital is admitted to trading on the London Stock Exchange. The Stock Exchange code for the Company's ordinary shares is SLPE. The Company's Sedol number is 3047468, the ISIN number is GB0030474687 and the Legal Entity Identifier is 2138004MK7VPTZ99EV13.

In view of the unlisted nature of the Company's investment portfolio, the NAV is announced to the Stock Exchange quarterly. The Company also issues estimated NAVs on a monthly basis.

Buying shares in the Company

The Company's shares are traded on the London Stock Exchange and can be bought and sold through a stock broker, financial adviser or via an investment platform.

Savings Scheme and ISA

The Company's ordinary shares are eligible for Individual Savings Accounts (ISAs). Investors and potential investors wishing to invest in the Company through an ISA or Savings Scheme should contact their ISA or Savings Scheme provider.

AIC Membership

The Company is a member of the Association of Investment Companies (AIC).

Regulatory Status – Non Mainstream Pooled Investments

The Board confirms that it conducts its affairs, and intends to continue to conduct its affairs, so that the Company's shares are excluded securities under the FCA's restrictions which apply to non-mainstream investment products. The Company's shares are excluded securities because the Company carries on business as an investment trust.

Investment Manager

SL Capital Partners LLP
1 George Street
Edinburgh EH2 2LL

Telephone: 0131 245 0055

SL Capital Partners LLP is authorised and regulated by the Financial Conduct Authority and is a subsidiary of Standard Life Investments Limited. Standard Life Investments Limited may record and monitor telephone calls to help improve customer service.

Financial Calendar

June – Interim report published
September – Quarterly trading statement announced
December – Annual results announced
December – Annual report and financial statements published
January – Annual General Meeting
March – Quarterly trading statement announced
June – Interim results announced

Corporate Information

Directors

Edmond Warner OBE, Chairman
Alastair Barbour
Alan Devine
Christina McComb
Diane Seymour-Williams (appointed 7 June 2017)
David Warnock (retired 7 June 2017)

Investment Manager

SL Capital Partners LLP
1 George Street
Edinburgh EH2 2LL
United Kingdom

Company Secretary

Maven Capital Partners
Kintyre House
205 West George Street
Glasgow, G2 2LW
United Kingdom

Company Administrator and Depositary

BNP Paribas Securities Services S.A.
10 Harewood Avenue
London NW1 6AA
United Kingdom

Company Brokers

Winterflood Securities
The Atrium Building
Cannon Bridge
London EC4R 2GA
United Kingdom

Solicitors

Dickson Minto WS
16 Charlotte Square
Edinburgh EH2 4DF
United Kingdom

Maclay Murray & Spens LLP
1 London Wall
London EC2Y 5AB
United Kingdom

Tax Advisers

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX
United Kingdom

Independent Auditors

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Bankers

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10 Harewood Avenue
London NW1 6AA
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Registrars

Equiniti Limited
Aspect House
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BN99 6DA

Registered Office

1 George Street
Edinburgh EH2 2LL
United Kingdom

Registered Number:

Registered in Scotland:
SC216638