F&C Private Equity Trust plc

Half Year Report and Accounts
for the six months ended
30 June 2013

Contents

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The Association of Investment Companies

Front cover: Ben Lui by Derek Sime

Company Summary

The Group

F&C Private Equity Trust plc ('the Company') is an investment trust and its shares are traded on the London Stock Exchange. Its wholly owned subsidiary, F&C Private Equity Zeros plc ('FCPEZ'), was incorporated on 9 October 2009 and has Zero Dividend Preference Shares ('ZDP Shares') which are also traded on the London Stock Exchange. The Company and FCPEZ are collectively referred to throughout this document as 'the Group'.

The Company was launched in March 1999 as part of the reorganisation of The Scottish Eastern Investment Trust plc with the objective of managing the private equity investments formerly held by that company so as to realise those assets and return cash to shareholders. In August 2001, the Company was reorganised and shareholders were given the opportunity to convert all or part of their existing ordinary shares into Restricted Voting Shares and Ordinary Shares. In August 2005, shareholders approved a change of company name from Martin Currie Capital Return Trust plc to F&C Private Equity Trust plc and the Company issued 49,758,449 C Shares following the acquisition of Discovery Trust plc and a subscription of £20 million by Friends Provident. The C Shares subsequently converted into Ordinary Shares.

In December 2009 FCPEZ issued 30,000,000 ZDP Shares at 100 pence per share. The ZDP Shares redeem on 15 December 2014 at a price of 152.14 pence per share giving a redemption yield of 8.75 per cent per annum.

On 14 February 2013 the Restricted Voting Shares were converted and redesignated as Deferred Shares and the Deferred Shares were bought back by the Company and cancelled on that date. On 15 February 2013 the admission of the Restricted Voting Shares to the Official List of the UKLA and trading on the London Stock Exchange's Main Market were cancelled. The Company therefore no longer has any Restricted Voting Shares in issue.

Objective

The Ordinary Shares' objective is to achieve long-term capital growth through investment in private equity assets, whilst providing shareholders with a predictable and above average level of dividend funded from a combination of the Company's revenue and realised capital profits.

Dividend Policy

In respect of the Ordinary Shares, the Company aims to pay semi-annual dividends with an annual yield equivalent to not less than 4 per cent of the average of the published net asset values per Ordinary Share as at the end of each of its last four financial quarters prior to the announcement of the relevant semi-annual dividend or, if higher, equal (in terms of pence per share) to the highest semi-annual dividend previously paid.

Management

The Board has appointed F&C Investment Business Limited ('the Manager') as investment manager of the Group under a contract terminable by either party giving to the other not less than six months' notice.

Net Assets as at 30 June 2013

£192.1 million

Market Capitalisation as at 30 June 2013

Ordinary Shares £146.7 million

ZDP Shares in FCPEZ £43.2 million

Group Capital Structure

72,282,273 Ordinary Shares of 1 pence, each entitled to one vote at a general meeting; and

30,000,000 ZDP Shares in FCPEZ.

How to Invest

The Manager operates a number of investment plans which facilitate investment in the shares of the Company. Details are contained on page 19.

Website

The Company's website address is: www.fcpet.co.uk

Financial Highlights for the Period

- Share price total return for the six months of 12.0 per cent for the Ordinary Shares.
- NAV total return for the six months of 5.0 per cent for the Ordinary Shares.
- Semi-annual dividend of 5.22p per Ordinary Share.
- Annualised dividend yield of 5.1 per cent at the period end.
- Cancellation of Restricted Voting Shares.

Performance Summary

	As at 30 June 2013	As at 31 December 2012	% change
Total Returns for the Period*			
Net asset value (fully diluted)	**+5.0%**	+6.8%	
Share price	**+12.0%**	+31.7%	
Capital Values			
Net assets (£'000)	**192,057**	187,431	+2.5
Net asset value per Ordinary Share (fully diluted)	**262.12p**	254.38p	+3.0
Ordinary Share price	**203.00p**	185.75p	+9.3
Discount to net asset value (fully diluted)	**22.6%**	27.0%	
Income			
Revenue return after taxation (£'000)	**248**	1,818	
Revenue return per Ordinary Share (fully diluted)	**0.34p**	1.76p	
Zero Dividend Preference Shares (£'000)	**39,947**	38,173	
Gearing†	**13.7%**	12.2%	
Future commitments (£'000)	**71,562**	66,140	

* Total return is the combined effect of any dividends paid, together with the rise or fall in the net asset value per share or share price. Any dividends are assumed to have been re-invested in either the Company's assets or in additional shares.

† Borrowings and Zero Dividend Preference Shares, less cash ÷ total assets less current liabilities and cash (Ordinary Pool).

Sources: F&C Investment Business, AIC and Datastream

Chairman's Statement

Mark Tennant Chairman

As at 30 June 2013 the Company's net asset value ('NAV') was £192.1 million giving a fully diluted NAV per share of 262.12p. Taking into account the dividend of 5.07p per share paid on 31 May 2013 the NAV total return for the first half of the year was 5.0 per cent. At the end of the period the Company had net cash of £9.5 million. Together with the accrued liability for the Zero Dividend Preference Shares of £39.9 million the Company's total debt was £30.4 million, equivalent to a gearing level of 13.7 per cent. The total outstanding undrawn commitments at 30 June 2013 were £71.6 million and, of this, approximately £20 million is to funds where the investment period has expired.

The Company's dividend policy, where it aims to pay semi-annual dividends with an annual yield equivalent to not less than 4 per cent of the average of the published NAVs per share as at the end of each of its last four financial quarters prior to the announcement of the relevant semi-annual dividend (or, if higher, equal to the highest semi-annual dividend previously paid) has now been in place for over a year. During the last twelve months the share price discount to the NAV has approximately halved and the share price has increased by more than 30 per cent. The Board's intention has been to provide shareholders with a significant, reliable, and growing yield in addition to capital gains through the appreciation of the share price. Our assessment has been that this is an objective shared by a wide range of shareholders, including those who are approaching retirement, and we are encouraged by the universally positive reception to this measure.

Based on the average of the last four quarters' NAV and in accordance with the above dividend policy the Board declares an interim dividend of 5.22p per share, payable on 1 November 2013 to shareholders on the register on 4 October 2013. For illustrative purposes only this dividend represents an annualised yield of 5.1 per cent based on the share price as at 30 June 2013.

I would like to draw shareholders' attention to our dividend reinvestment plan which will allow you, if you so wish, to use your dividend payments to purchase as many additional shares as possible with each dividend payment made whilst you participate in the plan. Participation in such a plan can be a convenient and easy way to build up an existing shareholding.

The first six months of this year have seen further steady progress in the portfolio. The economic background continues to improve but there have also been acute episodes of concern in the Eurozone, notably shown by the travails of Cyprus in the Spring. Levels of overall private equity activity in Europe are at broadly similar levels to the same period last year with the value of deals up but the number slightly down. Fundraising in the mid market remains challenging but there is a discernible trend where capital is moving towards those with clear track records of achieving good returns and good realisations in their previous funds. Those with a less clear record are struggling to raise significant fresh capital on target and on time. For your managers this can prove beneficial as they can access emerging management groups on competitive terms. Specifically, the number of teams offering co-investments and deal by deal 'pledge' funds or similar is increasing. In all cases the economics are more favourable than investing through a conventional fund structure. Fortunately, most of the managers whose funds form the core of the portfolio are doing well and we will continue to back those whose success justifies it.

The Company has approximately 12 per cent of its portfolio invested in co-investments at present. This is at the lower end of the historic range, principally as a result of strong realisations over the last few years, and the Managers intend to increase the exposure steadily and carefully taking advantage of the good dealflow being appraised. In addition, where funds can be

Chairman's Statement (cont'd)

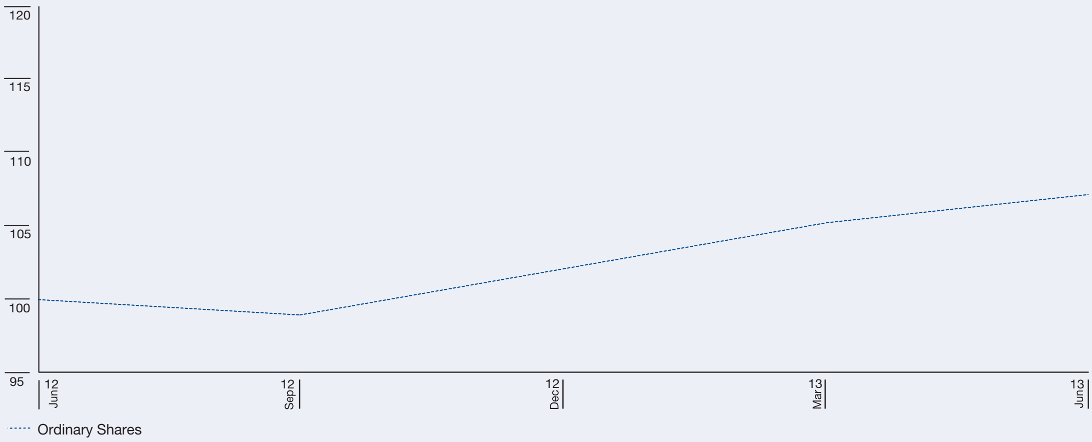
sourced in the secondary market which are compatible with the Company's mid-market focus and where the price paid meets the return requirements, these will be added to the portfolio. The underlying health of the portfolio is good and, as the Manager's Review shows, it is continually being refreshed by an impressively diverse range of new investments.

Mark Tennant
Chairman
30 August 2013

Ordinary Share Performance

For the 12 months to 30 June 2013

F&C Private Equity Trust Net Asset Value Total Return for the 12 months ended 30 June 2013



Source: F&C Investment Business Limited

Manager's Review

Introduction

The environment for making fresh private equity investments is good. Pricing is generally attractive in the European mid-market, although it can take a long time for deals to be completed. There are distinct differences across the Continent with a fair generalisation being that the Northern half is more amenable than the South. That said, our investment partners continue to find some good growth companies in every quarter. We have had no large 'pop' exits in the first half but there has been encouraging progress over a broad base.

New Investments

The Company made four new fund commitments during the first six months of the year. Three of these were to funds managed by emerging managers and one was to a longstanding core relationship. We have also gained concentrated exposure to some new markets in Europe. We committed €3 million to the Finland-focused buy-out fund Vaaka Partners Buyout II. The management team initially came together at Pohjola Bank, from where they became independent in 2010. Finland has a well developed private equity market which is fairly difficult to access for outsiders. We also committed €3 million to the Polish mid-market buy-out fund Avallon MBO II. The Polish private equity market has developed considerably in recent years and the supportive background of a healthy banking sector, a large population, competitive labour costs, proximity to Western markets and a robust economy are considerable attractions. We committed £3.5 million to the European mid-market focused fund GCP Capital Partners Europe II, through a secondary transaction where we were able to acquire the invested element of the fund at a discount of 10 per cent to NAV. The key attractions here were gaining exposure to a portfolio of six principal investments with a promising management team in place. Lastly, we once again backed August Equity through their fund III with a £3 million commitment. We have backed this successful UK-focused mid-market management group in two previous funds and in one co-investment.

Two new co-investments were made during the first half and two immediately afterwards. We invested £2 million alongside Fleming Family and Partners Private Equity for a 15 per cent stake in David Phillips Holdings Limited, the UK's largest specialist supplier of furniture and other accessories to the residential property market, providing a B2B furniture service to landlords, agents, developers and local authorities. Early signs are that the company is making good progress. The second co-investment was £1.7 million invested alongside buy-out firm, Zurmont Madison, in Swiss based chemical company Schaetti. The investment provided a 12.5 per cent stake in the company whose principal business is the manufacture of customised thermoplastic and thermo-fusible powders used in a range of industries including apparel, footwear and automotive.

Since the end of the period, we have invested £2.2 million for a 7.2 per cent stake in Recover Nordic, a

Manager's Review (cont'd)

Norway based but pan-Nordic provider of damage control services. Its customer base is mainly insurance companies who retain Recover Nordic to provide immediate support to households and businesses where there has been an incident such as a burst pipe, flood or collapsed roof, often as a result of adverse weather events. This investment is led by Agilitas, an emerging manager whose principals are well known to us. Lastly, also in Norway, we have invested £1.3 million for just under 20 per cent of Safran, a Stavanger based software company. We are investing with Progressus, a Norwegian private equity boutique, Safran's main product is project management software for the offshore oil and gas industry. It also has applications in the aerospace and defence industries. The economic and industrial conditions in the Nordic region are attractive at present and we have appraised a number of investment opportunities there recently.

As noted in the Chairman's Statement it is our plan to build up the portfolio of co-investments from the current level of around 12 per cent of the portfolio to approximately double this level over the next two years or so, subject, of course, to finding sufficient good opportunities.

The total of drawdowns and co-investments in the first half of the year was £16.3 million.

Realisations

There have been several good realisations from the portfolio so far this year. In the UK, Primary Capital III sold Napier Turbochargers to Wabtec Corporation returning £2.5 million with an investment multiple of 5.5x and an IRR of 44 per cent. August Equity Partners II exited 4Projects, its SaaS company servicing the construction and engineering industries, through its sale to the US corporation Coaxis Inc. This yielded £1.0 million, corresponding to 1.7x cost and an IRR of 10 per cent. Also in the UK, Primary Capital II sold specialist rail travel business Amber to private equity group ECI, returning £1.2 million, 3.2x cost and an IRR of 17 per cent.

There have been a number of good exits in other European markets. Norwegian fund Herkules Private Equity III sold debt collection agency Gothia to Arvator Infoscore Gmbh of Germany. The Company's return was £1.6 million, representing 2.0x cost and a 20 per cent IRR. In Poland, Accession Mezzanine II exited medical clinic chain Lux Med through its sale to BUPA which returned £1.5 million, 2.0x cost and a 16 per cent IRR. Lastly, one of the Company's very few venture fund holdings, Life Science Partners III, had an excellent period with the sale of its Swiss-based investment Okairos to GlaxoSmithKline. Okairos has a platform technology based on T cell vaccines with applications in the prophylaxis and treatment of infections. LSP III returned £1.5 million, several times the investment, with scope for more as escrows are released.

Total receipts from realisations and associated income in the first half of the year was £19.0 million.

Valuation Changes

The largest uplift in the first half of the year was Life Science Partners III which was up by £2.5 million, reflecting not only the sale of Okairos noted above, but the listing of another portfolio company Prosensa on NASDAQ. Prosensa is an RNA-based therapeutics company focusing on genetic disorders. Its lead product, which is in Phase III, is aimed at the previously untreatable condition Duchennes Muscular Dystrophy. Stirling Square Capital Partners II was up by £1.2 million as a result of uplifts for SAR, the Norwegian waste services business focused on the oil and gas industry and for helicopter operator Omni, which also has an important oil and gas related aspect. Other funds with positive portfolio development included August Equity Partners II (+£0.6 million), RJD Partners II (+£0.5 million), GCP Capital Partners Europe II (+£0.4 million) and Herkules Private Equity III (+£0.4 million).

In other areas of the portfolio there were some downgrades. The holding in Italian security company Axitea has been reduced by £1.8 million as a consequence of the weak Italian economy's impact on investment in security systems and on customers' propensity to pay on time. Argan Capital was reduced by £1.0 million, the net result of several valuation changes in the portfolio. £0.9 million was deducted from the value of co-investment Whittan. This company, which makes pallet racking systems, mainly for the retail sheds sector, has suffered slightly from Amazon curtailing capital expenditure this year.

Financing

During the period a dividend of 5.07p per share was paid at a cost of £3.7 million. The net cash position of the Company at 30 June 2013 was £9.5 million. Together with availability of the full £50 million revolving credit facility, the Company is well financed. Outstanding undrawn commitments were up marginally to £71.6 million which is in line with expectations. In the short term, the cash position of the Company will depend on the balance between realisations and new investments. We have good visibility on both of these categories and expect that the former will continue to exceed the latter. As noted above, we intend to use some of the capital to increase the Company's co-investment component. Our expectation is that the Company's resources will be more than adequate to maintain and grow the dividend and maintain the rate of investment whilst providing enough to redeem the Zero Dividend Preference Shares towards the end of next year.

Outlook

The Company's progress in the first half of the year has been broadly based with many individual investments contributing in a small way to the growth in the portfolio. As noted above, the investment environment is attractive in most, if not all, European markets, and the sheer breadth of the mid-market means that our investment partners will always find attractive companies in which to invest. The opportunity to co-invest with a number of these managers is good and, as we have done before, we will take these selectively. Further afield, there are also value accretive investments to be appraised and executed again in a highly selective manner. With the main commentators having adopted a more positive narrative concerning economic recovery this can only be beneficial to the Company's long term prospects.

Hamish Mair

Investment Manager
F&C Investment Business Limited

30 August 2013

Portfolio Holdings

As at 30 June 2013

Investment	Geographic Focus	Total Valuation £'000	% of Total Portfolio
Buyout Funds – Pan European			
TDR Capital II	Europe	9,408	4.2
Argan Capital	Europe	7,336	3.3
Stirling Square Capital Partners II	Europe	6,933	3.1
Candover 2005	Europe	5,321	2.4
TDR Capital I	Europe	1,034	0.5
Candover 2008	Europe	901	0.4
Candover 2001	Europe	679	0.3
Total Buyout Funds – Pan European		**31,612**	**14.2**
Buyout Funds – UK			
August Equity Partners II	UK	9,141	4.1
RJD Partners II	UK	7,551	3.4
Primary Capital III	UK	4,734	2.1
Dunedin Buyout Fund II	UK	3,320	1.5
Piper Private Equity IV	UK	2,314	1.0
GCP Capital Partners Europe II	UK	2,093	0.9
Inflexion 2006	UK	1,952	0.9
August Equity Partners I	UK	1,935	0.9
Inflexion 2010	UK	1,469	0.7
Inflexion 2012 Co-Investment Fund	UK	1,145	0.5
Penta F&C Co-Investment Fund	UK	933	0.4
Equity Harvest Fund	UK	840	0.4
Piper Private Equity V	UK	668	0.3
Primary Capital II	UK	534	0.2
Hickory Fund Portfolio	UK	523	0.2
Inflexion 2003	UK	485	0.2
RL Private Equity I	UK	236	0.1
Third Private Equity Fund	UK	229	0.1
Enterprise Plus	UK	90	–
Total Buyout Funds – UK		**40,192**	**17.9**
Buyout Funds – Continental Europe			
Procuritas Capital IV	Nordic	6,045	2.7
Chequers Capital XV	France	5,976	2.7
N+1 Private Equity II	Spain	5,156	2.3
Gilde Buyout III	Benelux	4,281	1.9
Capvis III	DACH	3,775	1.7
Portobello Capital II	Spain	3,696	1.7
PineBridge New Europe II	Central & East Europe	3,639	1.6
DBAG V	Germany	3,578	1.6
Herkules Private Equity III	Nordic	3,331	1.5
Ciclad 4	France	3,259	1.5
Alto Capital II	Italy	2,072	1.0
Chequers Capital	France	781	0.3
Chequers Capital XVI	France	766	0.3
Ciclad 5	France	690	0.3
DBAG IV	Germany	446	0.2
Procuritas Capital V	Nordic	288	0.1
Chequers Capital - Secondary	France	201	0.1
Nmás1 Private Equity Fund	Spain	195	0.1
Vaaka Partners Buyout II	Nordic	178	0.1
Avallon MBO II	Eastern European	24	–
Total Buyout Funds – Continental Europe		**48,377**	**21.7**
Private Equity Funds – USA			
Camden Partners IV	USA	7,159	3.2
Blue Point Capital II	USA	4,385	2.0
Camden Partners III	USA	3,153	1.4
RCP Fund II	USA	1,896	0.8
HealthpointCapital Partners III	USA	1,607	0.7
Blue Point Capital I	USA	693	0.3
Hicks Muse Tate & Furst IV	USA	533	0.2
Total Private Equity Funds – USA		**19,426**	**8.6**

Investment	Geographic Focus	Total Valuation £'000	% of Total Portfolio
Private Equity Funds - Global			
Warburg Pincus IX	Global	4,190	1.9
AIF Capital Asia III	Asia	3,655	1.6
Warburg Pincus VIII	Global	2,286	1.0
PineBridge Global Emerging Market II	Global	1,297	0.6
PineBridge Latin America Partners II	Brazil	297	0.1
Total Private Equity Funds – Global		**11,725**	**5.2**
Venture Capital Funds			
SEP III	Europe	6,604	3.0
Environmental Technologies Fund	Europe	3,753	1.7
Life Science Partners III	Europe	3,480	1.6
SEP II	Europe	2,348	1.1
Pentech II	UK	1,668	0.7
Alta Berkeley VI	Europe	801	0.4
SEP IV	Europe	357	0.2
Pentech Fund I	UK	192	0.1
Albany Ventures III	UK	180	0.1
Alta Berkeley III	Europe	6	–
Total Venture Capital Funds		**19,389**	**8.9**
Mezzanine Funds			
Hutton Collins III	Pan European	4,594	2.1
Mezzanine Management IV	Europe	3,646	1.6
Accession Mezzanine II	Central & East Europe	3,437	1.5
Hutton Collins II	Europe	3,378	1.5
Alchemy Special Opportunities Fund	Europe	1,606	0.7
Accession Mezzanine I	Central & East Europe	789	0.4
Growth Capital II	UK	772	0.3
1818 Mezzanine II	USA	726	0.3
International Mezzanine	Europe	196	0.1
Hutton Collins I	Europe	153	0.1
Total Mezzanine Funds		**19,297**	**8.6**
Direct – Quoted			
Candover Investments	Europe	518	0.2
Nuance Communications	USA	329	0.1
Other - quoted holdings	–	236	0.1
Total Direct – Quoted		**1,083**	**0.4**
Secondary Funds			
The Aurora Fund	Europe	6,056	2.7
Total Secondary Funds		**6,056**	**2.7**
Direct Investments/Co-investments			
SMD Hydrovision	UK	4,000	1.8
3SI	USA	3,741	1.7
HusCompagniet	Nordic	3,421	1.5
Blueway	Europe	3,038	1.4
Avalon	UK	2,306	1.0
David Phillips	UK	2,069	0.9
Whittan	Europe	2,011	0.9
Schaetti	Europe	1,742	0.8
Axitea (Sicurglobal)	Italy	1,711	0.8
Algeco Scotsman	Global	865	0.4
Blues Clothing	UK	725	0.3
European Boating Holidays	Europe	392	0.2
Viking Moorings	Europe	263	0.1
Total Direct Investments/Co-investments		**26,284**	**11.8**
UK Gilts		**47**	**–**
Total Portfolio		**223,488**	**100.0**

Consolidated Statement of Comprehensive Income

	Notes	Revenue £'000	Six months ended 30 June 2013 (unaudited) Capital £'000	Total £'000	Revenue £'000	Six months ended 30 June 2012 (unaudited) Capital £'000	Total £'000	Revenue £'000	Year ended 31 December 2012 (audited) Capital £'000	Total £'000
Income										
Gains on investments held at fair value		**–**	**12,063**	**12,063**	–	11,189	11,189	–	15,178	15,178
Exchange (losses)/gains		**–**	**(27)**	**(27)**	–	121	121	–	176	176
Investment income		**1,078**	**–**	**1,078**	1,173	–	1,173	4,044	–	4,044
Other income		**17**	**–**	**17**	8	–	8	25	–	25
Total income		**1,095**	**12,036**	**13,131**	1,181	11,310	12,491	4,069	15,354	19,423
Expenditure										
Investment management fee	3	**(254)**	**(763)**	**(1,017)**	(242)	(1,388)	(1,630)	(487)	(1,462)	(1,949)
Other expenses		**(380)**	**–**	**(380)**	(452)	–	(452)	(866)	–	(866)
Total expenditure		**(634)**	**(763)**	**(1,397)**	(694)	(1,388)	(2,082)	(1,353)	(1,462)	(2,815)
Profit before finance costs and taxation		**461**	**11,273**	**11,734**	487	9,922	10,409	2,716	13,892	16,608
Finance costs	4	**(136)**	**(2,183)**	**(2,319)**	(148)	(2,072)	(2,220)	(283)	(4,198)	(4,481)
Profit before taxation		**325**	**9,090**	**9,415**	339	7,850	8,189	2,433	9,694	12,127
Taxation		**(77)**	**77**	**–**	(104)	89	(15)	(615)	622	7
Profit for the period/total comprehensive income		**248**	**9,167**	**9,415**	235	7,939	8,174	1,818	10,316	12,134
Return per Ordinary Share – Basic	5	**0.35p**	**12.68p**	**13.03p**	0.33p	10.97p	11.30p	1.81p	15.08p	16.89p
Return per Ordinary Share – Fully diluted	5	**0.34p**	**12.34p**	**12.68p**	0.32p	10.68p	11.00p	1.76p	14.68p	16.44p
(Loss)/return per Restricted Voting Share – Basic	5	**(0.01)p**	**0.01p**	**–**	(0.01)p	0.01p	–	0.76p	(0.87)p	(0.11)p

The total column of this statement represents the Statement of Comprehensive Income of the Group, prepared in accordance with IFRS. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

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

All income is attributable to the equity holders of F&C Private Equity Trust plc. There are no minority interests.

Amounts Recognised as Dividends

	Six months ended 30 June 2013 (unaudited) £'000	Six months ended 30 June 2012 (unaudited) £'000	Year ended 31 December 2012 (audited) £'000
Final Ordinary Share dividend of 0.80p per share for the year ended 31 December 2011	**–**	578	578
Interim Ordinary Share dividend of 4.96p per share for the year ended 31 December 2012	**–**	–	3,585
Final Ordinary Share dividend of 5.07p per share for the year ended 31 December 2012	**3,665**	–	–
	3,665	578	4,163

On 27 January 2012 a special dividend of 1.60p per Restricted Voting Share was paid. The total amount paid was £1,073,000.

On 28 September 2012 a special dividend of 3.30p per Restricted Voting Share was paid. The total amount paid was £2,214,000.

On 14 February 2013 a final Restricted Voting Shares dividend of 1.675p per Restricted Voting Share was paid. The total amount paid was £1,124,000.

The above table does not form part of the Consolidated Statement of Comprehensive Income.

Consolidated Balance Sheet

	Notes	£'000	As at 30 June 2013 (unaudited) £'000	£'000	As at 30 June 2012 (unaudited) £'000	£'000	As at 31 December 2012 (audited) £'000
Non-current assets							
Investments at fair value through profit or loss			**223,488**		220,931		213,662
Current assets							
Other receivables		**399**		473		464	
Cash and short-term deposits		**9,527**		6,387		12,931	
			9,926		6,860		13,395
Current liabilities							
Other payables			**(1,410)**		(2,071)		(1,453)
Net current assets			**8,516**		4,789		11,942
Total assets less current liabilities			**232,004**		225,720		225,604
Non-current liabilities							
Zero dividend preference shares	6		**(39,947)**		(36,450)		(38,173)
Net assets			**192,057**		189,270		187,431
Equity							
Called-up ordinary share capital			**723**		1,394		1,394
Special distributable capital reserve			**15,679**		15,679		15,679
Special distributable revenue reserve			**31,403**		34,741		32,527
Capital redemption reserve			**1,335**		664		664
Capital reserve			**140,703**		136,409		135,201
Revenue reserve			**2,214**		383		1,966
Shareholders' funds			**192,057**		189,270		187,431
Net asset value per Ordinary Share – Basic	7		**265.70p**		257.13p		257.75p
Net asset value per Ordinary Share – Fully diluted	7		**262.12p**		253.77p		254.38p
Net asset value per Restricted Voting Share – Basic	7		**n/a**		5.08p		1.67p

Consolidated Statement of Changes in Equity

	Share Capital £'000	Special Distributable Capital Reserve £'000	Special Distributable Revenue Reserve £'000	Capital Redemption Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
For the six months ended 30 June 2013 (unaudited)							
Net assets at 1 January 2013	1,394	15,679	32,527	664	135,201	1,966	187,431
Cancellation of Restricted Voting Shares	(671)	–	–	671	–	–	–
Profit for the period/total comprehensive income	–	–	–	–	9,167	248	9,415
Dividends paid	–	–	(1,124)	–	(3,665)	–	(4,789)
Net assets at 30 June 2013	**723**	**15,679**	**31,403**	**1,335**	**140,703**	**2,214**	**192,057**
For the six months ended 30 June 2012 (unaudited)							
Net assets at 1 January 2012	1,394	15,679	35,814	664	128,470	726	182,747
Profit for the period/total comprehensive income	–	–	–	–	7,939	235	8,174
Dividends paid	–	–	(1,073)	–	–	(578)	(1,651)
Net assets at 30 June 2012	1,394	15,679	34,741	664	136,409	383	189,270
For the year ended 31 December 2012 (audited)							
Net assets at 1 January 2012	1,394	15,679	35,814	664	128,470	726	182,747
Profit for the year/total comprehensive income	–	–	–	–	10,316	1,818	12,134
Dividends paid	–	–	(3,287)	–	(3,585)	(578)	(7,450)
Net assets at 31 December 2012	1,394	15,679	32,527	664	135,201	1,966	187,431

Consolidated Cash Flow Statement

	Six months ended 30 June 2013 (unaudited) £'000	Six months ended 30 June 2012 (unaudited) £'000	Year ended 31 December 2012 (audited) £'000
Operating activities			
Profit before taxation	**9,415**	8,189	12,127
Gains on disposals of investments	**(3,933)**	(10,819)	(15,165)
Increase in holding gains	**(8,130)**	(370)	(13)
Exchange differences	**27**	(121)	(176)
Finance costs	**2,319**	2,220	4,481
Corporation tax received/(paid)	**15**	(15)	(15)
Decrease/(increase) in other receivables	**50**	(450)	(426)
(Decrease)/increase in other payables	**(40)**	1,187	625
Net cash (outflow)/inflow from operating activities	**(277)**	(179)	1,438
Investing activities			
Purchases of investments	**(16,264)**	(13,157)	(31,653)
Sales of investments	**18,501**	26,802	56,557
Net cash inflow from investing activities	**2,237**	13,645	24,904
Financing activities			
Repayment of bank loans	**–**	(13,019)	(13,019)
Draw down of bank loans	**–**	4,021	4,021
Interest paid	**(548)**	(407)	(993)
Equity dividends paid	**(4,789)**	(1,651)	(7,450)
Net cash outflow from financing activities	**(5,337)**	(11,056)	(17,441)
Net (decrease)/increase in cash and cash equivalents	**(3,377)**	2,410	8,901
Currency losses	**(27)**	(67)	(14)
Net (decrease)/increase in cash and cash equivalents	**(3,404)**	2,343	8,887
Opening cash and cash equivalents	**12,931**	4,044	4,044
Closing cash and cash equivalents	**9,527**	6,387	12,931

Notes to the Accounts

1 The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard ('IFRS') IAS 34 *'Interim Financial Reporting'* and, except as described below, the accounting policies set out in the statutory accounts of the Group for the year ended 31 December 2012. The condensed consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2012, which were prepared under full IFRS requirements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013. The following changes in accounting standards are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2013.

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1 *'Presentation of Financial Statements'*). The amendments to IAS 1 change the grouping of items presented in Other Comprehensive Income in its condensed consolidated statement of comprehensive income. Items that could be reclassified to profit or loss at a future point in time are now required to be presented separately from items that will never be reclassified. The amendment has no impact on the recognised assets, liabilities and comprehensive income of the Group.
- IFRS 13 *'Fair Value Measurement'* (2011). IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. In particular, it unifies the definition of fair value as the price at which an ordinary transaction to sell an asset or to transfer a liability would take place between investor participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 *'Financial Instruments: Disclosures'*. Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the Group has included additional disclosures in this regard (see note 8). The change has no significant impact on the measurement of the Group's assets and liabilities.

2 Earnings for the six months to 30 June 2013 should not be taken as a guide to the results for the year to 31 December 2013.

3 Investment management fee:

	Six months to 30 June 2013			Six months to 30 June 2012			Year ended 31 December 2012		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**254**	**763**	**1,017**	242	728	970	487	1,462	1,949
Performance fee	**–**	**–**	**–**	–	660	660	–	–	–
	254	**763**	**1,017**	242	1,388	1,630	487	1,462	1,949

4 Finance costs:

	Six months to 30 June 2013			Six months to 30 June 2012			Year ended 31 December 2012		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest payable on bank loans and overdrafts	**136**	**409**	**545**	148	444	592	283	847	1,130
Finance costs attributable to ZDP Shares	**–**	**1,774**	**1,774**	–	1,628	1,628	–	3,351	3,351
	136	**2,183**	**2,319**	148	2,072	2,220	283	4,198	4,481

5 The basic return per Ordinary Share is based on a net return on ordinary activities after taxation of £9,415,000 (30 June 2012 – £8,172,000; 31 December 2012 – £12,207,000) and on 72,282,273 (30 June 2012 – 72,282,273; 31 December 2012 – 72,282,273) shares, being the weighted average number of Ordinary Shares in issue during the period.

The fully diluted return per Ordinary Share is based on a net return on ordinary activities after taxation of £9,415,000 (30 June 2012 – £8,172,000; 31 December 2012 – £12,207,000) and on 74,241,429 (30 June 2012 – 74,241,429; 31 December 2012 – 74,241,429) shares, being the weighted average number of Ordinary Shares in issue during the period after conversion of the Ordinary Share warrants.

The basic return per Restricted Voting Share is based on a net return on ordinary activities after taxation of £nil (30 June 2012 – £2,000; 31 December 2012 – loss £73,000) and on 67,084,807 (30 June 2012 – 67,084,807; 31 December 2012 – 67,084,807) shares, being the weighted average number of Restricted Voting Shares in issue during the period.

6 Zero Dividend Preference Shares

The Zero Dividend Preference Shares ('ZDP Shares') of F&C Private Equity Zeros plc were issued on 14 December 2009 at 100 pence per share and redeem on 15 December 2014 at 152.14 pence per share, an effective rate of 8.75 per cent per annum.

The fair value of the ZDP Shares at 30 June 2013 was £43,200,000 based on the quoted offer price of 144.00p per ZDP Share.

	Number of ZDP shares	Amount due to ZDP shareholders £'000
As at 31 December 2012	**30,000,000**	38,173
ZDP Shares finance costs	**–**	1,774
As at 30 June 2013	**30,000,000**	39,947

7 The basic net asset value per Ordinary Share is based on net assets at the period end of £192,057,000 (30 June 2012 – £185,859,000; 31 December 2012 – £186,308,000) and on 72,282,273 (30 June 2012 – 72,282,273; 31 December 2012 – 72,282,273) shares, being the number of Ordinary Shares in issue at the period end.

The fully diluted net asset value per Ordinary Share is based on net assets at the period end of £194,603,000 (30 June 2012 – £188,405,000; 31 December 2012 – £188,854,000) and on 74,241,429 (30 June 2012 – 74,241,429; 31 December 2012 – 74,241,429) shares, being the number of Ordinary Shares in issue at the period end after conversion of the Ordinary Share warrants.

8 Unlisted fixed asset investments held are valued at bid prices which equate to their fair values. Unlisted investments are valued by the Directors on the basis of all the information available to them at the time of valuation. The fair value of the ZDP Shares is shown in note 6. The fair values of all of the Group's other financial assets and liabilities are not materially different from their carrying value in the balance sheet. The fair value of the intercompany loan from F&C Private Equity Zeros plc to the Company was £39,087,000 as at 30 June 2013 compared to its value as stated on the balance sheet of £39,947,000.

The Group held the following categories of financial instruments as at 30 June 2013:

	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**2013 Total £'000**
Investments	**1,130**	**–**	**222,358**	**223,488**

The above table provides an analysis of investments based on the fair value hierarchy described below and which reflects the reliability and significance of the information used to measure their fair value. The levels are determined by the lowest (that is the least reliable or least independently observable) level of impact that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables includes only data from observable markets.

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

Notes to the Accounts (cont'd)

There were no transfers of investments between levels in the period ended 30 June 2013.

The following table summarises the Group's Level 1 and 3 investments that were accounted for at fair value in the period to 30 June 2013.

	Level 1	Level 2	Level 3	30 June 2013 £'000
Balance at beginning of year	938	–	212,724	**213,662**
Purchases	–	–	16,264	**16,264**
Sales	(605)	–	(17,896)	**(18,501)**
Gains on disposal	52	–	3,881	**3,933**
In specie distribution	694	–	(694)	**–**
Increase in holding gains	51	–	8,079	**8,130**
Balance at end of period	**1,130**	**–**	**222,358**	**223,488**

Other aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2012.

The Company's unlisted investments are all classified as Level 3 investments. They are fair valued by the Directors and determined in accordance with the International Private Equity and Venture Capital Valuation guidelines. The fair values of the unlisted investments have been determined principally by reference to earnings multiples, with adjustments made as appropriate to reflect matters such as the sizes of the holdings and liquidity. The weighted average earnings multiple for the portfolio as at 30 June 2013 was within the range of 6 - 7 times EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation).

The fair value of the Company's unlisted investments is sensitive to changes in the assumed earnings multiples. An increase in the earnings multiple would lead to an increase in the fair value of the investment portfolio and a decrease in the earnings multiple would lead to a decrease in the fair value.

9 Following the payment of the final Restricted Voting Shares dividend of 1.675p per share on 14 February 2013, the Restricted Voting Pool has no assets or liabilities. The Restricted Voting Shares were converted and redesignated as Deferred Shares on 14 February 2013 and the Deferred Shares were bought back by the Company and cancelled on that date. On 15 February 2013 the admission of the Restricted Voting Shares to the Official List of the UKLA and trading on the London Stock Exchange's Main Market were cancelled. The Company therefore no longer has any Restricted Voting Shares in issue.

10 These are not statutory accounts in terms of Section 434 of the Companies Act 2006 and have not been audited or reviewed by the Company's auditors. The information for the year ended 31 December 2012 has been extracted from the latest published financial statements which received an unqualified audit report and have been filed with the Registrar of Companies. No statutory accounts in respect of any period after 31 December 2012 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

Statement of Principal Risks and Uncertainties

The Directors believe that the principal risks and uncertainties faced by the Group include investment and strategic, external, regulatory, operational, financial and funding risks. These risks, and the way in which they are managed, are described in more detail under the heading Principal Risks and Uncertainties and Risk Management within the Business Review in the Group's Annual Report for the year ended 31 December 2012. The Group'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 Group's financial year.

Statement of Directors' Responsibilities in Respect of the Half Year Report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *'Interim Financial Reporting'* and give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Chairman's Statement and Manager's Review (together constituting the Interim Management Report) include a fair review of the information required by the Disclosure and Transparency Rules ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- the Statement of Principal Risks and Uncertainties shown above is a fair review of the information required by DTR 4.2.7R; and
- the condensed set of financial statements includes a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Group during the period, and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board

Mark Tennant
Chairman

30 August 2013

Shareholder Information

Dividends

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 Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU on request. Where dividends are paid to shareholders' bank accounts, dividend tax vouchers are sent directly 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 an application form which may be obtained from Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU on request.

Share Price

The Company's shares are listed on the London Stock Exchange. Prices are given daily in the *Financial Times* and in other newspapers.

Change of Address

Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to Capita Registrars under the signature of the registered holder.

Website

Additional information regarding the Company may be found at its website address which is: www.fcpet.co.uk

Warning to Shareholders – Boiler Room Scams

In recent years, many companies have become aware that their shareholders have been targeted by unauthorised overseas-based brokers selling what turn out to be non-existent or high risk shares, or expressing a wish to buy their shares. If you receive unsolicited investment advice or requests:

- Make sure you get the correct name of the person or organisation
- Check that they are properly authorised by the Financial Conduct Authority ('FCA') before getting involved by visiting **www.fca.org.uk/firms/systems-reporting/register**
- Report the matter to the FCA by calling **0800 111 6768**
- If the calls persist, hang up.

More detailed information on this matter can be found on the FCA website:
www.fca.org.uk/consumers/scams

How to Invest

One of the most convenient ways to invest in F&C Private Equity Trust plc is through one of the savings plans run by F&C Management Limited ('F&C').

F&C Private Investor Plan (PIP)
A flexible way to invest with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250. You can choose whether your dividends are paid out to you or automatically reinvested to buy more shares.

F&C Investment Trust ISA
Use your ISA allowance to make an annual tax-efficient investment of up to £11,520 for the 2013/14 tax year with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250 and transfer any existing ISAs to us whilst maintaining all the tax benefits. You can choose whether your dividends are paid out to you or automatically reinvested to buy more shares.

F&C Child Trust Fund (CTF)
CTFs are closed to new investors; however, if your child has a CTF with another provider, it is easy to transfer it to F&C. Additional contributions can be made from as little as £25 per month or £100 lump sum – up to a maximum of £3,720 for the 2013/14 tax year.

F&C Children's Investment Plan (CIP)
A flexible way to save for a child. With no maximum contributions, the plan can easily be written under trust to help reduce inheritance tax liability or kept in your name if you may need access to the funds before the child is 18. Investments can be made from a £250 lump sum or £25 a month. You can also make additional lump sum top-ups at any time from £100.

F&C Junior ISA (JISA)
This is a tax-efficient savings plan for children who did not qualify for a CTF. It allows you to invest up to £3,720 for the 2013/14 tax year with all the tax benefits of the CTF. You can invest from £30 a month, or £500 lump sum, or a combination of both.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the individual. The CTF and JISA accounts are opened in the child's name. Money, including dividends, cannot be withdrawn until the child turns 18.

Annual management charges and certain transaction costs apply according to the type of plan.

Annual Account Charge
ISA: £60+VAT
JISA: £25+VAT
PIP: £40+VAT (from 6 April 2013)
CIP/CTF: £25+VAT (from 6 April 2013)
You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits).

Dealing Charge
ISA: 0.2%
PIP/CIP: 0.2% (to 5 April 2013)
Fixed rate of £12 per trust which is reduced to £8 per trust for instructions placed online (from 6 April 2013)
JISA: Fixed rate of £12 which is reduced to £8 for instructions placed online.

The dealing charge applies when shares are bought or sold but the fixed rate charge does not apply to the reinvestment of dividends or the investment of regular monthly savings.

There is no dealing charge on a CTF but a switching charge of £25 applies if more than 2 switches are carried out in one year.

Government stamp duty of 0.5% also applies on purchases (where applicable).

There may be additional charges made if you transfer a plan to another provider or transfer the shares from your plan. For full details of charges, please read the Key Features and Terms and Conditions of the plan before investing.

How to Invest
You can invest in all our savings plans online at https://www.manageyouraccount.co.uk/fandc/app/login

New Customers
Contact our Investor Services Team
Call: **0800 136 420** (8:30am – 5:30pm, weekdays, calls may be recorded)
Email: **info@fandc.com**
Investing online: **www.fandc.com**

Existing Plan Holders
Contact our Investor Services Team
Call: **0845 600 3030** (*9:00am – 5:00pm, weekdays, calls may be recorded)
Email: **investor.enquiries@fandc.com**
By post: F&C Plan Administration Centre
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If you have trouble reading small print, please let us know. We can provide literature in alternative formats, for example large print or on audiotape. Please call 0845 600 3030*.

Corporate Information

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† Chairman of the Audit Committee.

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