F&C Private Equity Trust plc

Half Year Report and Accounts
for the six months ended
30 June 2012

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 A Shares (now renamed Restricted Voting Shares) and B Shares (now renamed 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.

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.

The Restricted Voting Shares' objective is to manage the existing assets and to realise the value of those assets in a tax-efficient manner and return capital to shareholders.

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 2012

£189.3 million

Shareholders' Funds as at 30 June 2012

Ordinary Shares £185.9 million

Restricted Voting Shares £3.4 million

Market Capitalisation as at 30 June 2012

Ordinary Shares £112.8 million

Restricted Voting Shares £3.7 million

ZDP Shares in FCPEZ £40.1 million

Group Capital Structure

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

67,084,807 Restricted Voting Shares of 1 pence; 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 18.

Website

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

Financial Highlights for the Period

- Adoption of new dividend policy – interim dividend of 4.96p per Ordinary Share – equivalent to an annualised dividend yield of 6.4 per cent.
- NAV total return for the six months of 4.5 per cent for the Ordinary Shares.
- Share price total return for the six months of 7.4 per cent for the Ordinary Shares.
- Share price total return for the six months of 20.3 per cent for the Restricted Voting Shares.
- Renewal of loan facility.

Performance Summary

	As at 30 June 2012	As at 31 December 2011	% change
Net Asset Value			
Net assets (£'000)	**189,270**	182,747	+3.6
Net asset value per:			
Ordinary Share (fully diluted)	**253.77p**	243.54p	+4.2
Restricted Voting Share	**5.08p**	6.68p	-24.0
Market Price			
Ordinary Share	**156.00p**	146.00p	+6.8
Restricted Voting Share	**5.50p**	5.90p	-6.8
(Discount)/premium:			
Ordinary Share (fully diluted)	**(38.5)%**	(40.1)%	
Restricted Voting Share	**8.3%**	(11.7)%	
Income			
Revenue return after taxation (£'000)	**235**	621	
Revenue return per:			
Ordinary Share (fully diluted)	**0.32p**	0.78p	
Restricted Voting Share	**(0.01)p**	0.06p	
Dividend per:			
Ordinary Share	**4.96p**	0.80p	
Restricted Voting Share	**3.30p**	1.60p	
Zero Dividend Preference Shares (£'000)	**36,450**	34,822	
Gearing†	**14.1%**	18.8%	

	2012 Ordinary Shares	**2012 Restricted Voting Shares**
Portfolio Summary		
Shareholders' funds (£'000)	**185,859**	**3,411**
Future commitments (£'000)	**66,777**	**–**
Total Returns for the Period*		
Net asset value (fully diluted)	**+4.5%**	**+0.5%**
Share price	**+7.4%**	**+20.3%**

* 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

As at 30 June 2012 the Company's net asset value ('NAV') was £189.3 million. The Ordinary Share Pool NAV was £185.9 million giving a fully diluted NAV per share of 253.77p, an increase during the period of 4.2 per cent. Taking into account the final dividend of 0.8p per Ordinary Share paid on 8 June 2012 the NAV total return during the period was 4.5 per cent. The Ordinary Share Pool NAV now exceeds its previous peak reached before the onset of the financial crisis in June 2008.

The Restricted Voting Pool's NAV as at 30 June 2012 was £3.4 million, giving a NAV per share of 5.08p and a NAV total return of 0.5 per cent during the period. Since the end of the period the largest remaining holding of the Restricted Voting Pool has been realised and its current cash balance is £2.3 million. It is intended to return this to shareholders through a special dividend of 3.3p per Restricted Voting Share payable on 28 September 2012 to shareholders on the register on 7 September 2012. The remaining assets of the Restricted Voting Pool are valued at £1.1 million and the Board believes that, at this size, the administrative burden and costs of retaining the listing of the Restricted Voting Shares is no longer justifiable. Accordingly, the Board expects to bring forward proposals aimed at returning value to the Restricted Voting Shareholders and simplifying the Company's capital structure by cancelling the Restricted Voting Shares.

At the end of the period the Ordinary Share Pool had net cash of £6.0 million. Together with the accrued liability for the Zero Dividend Preference Shares of £36.5 million the Ordinary Share Pool's total debt was £30.5 million, equivalent to a gearing level of 14.1 per cent. The total outstanding undrawn commitments at 30 June 2012 were £66.8 million, and of this approximately £15 million is to funds where the investment period has expired.

During the first half of the year the Company made good progress, with strong cash inflows and significant gains in valuation. Distributions during the period exceeded £27 million, more than 40 per cent ahead of the same period in 2011 and comfortably ahead of the total drawdowns for the period of £13.0 million. By the end of the period, the Company had repaid all drawings under its four year £50 million revolving credit facility arranged with the Royal Bank of Scotland in February 2012.

During the period the Company announced plans for a new dividend policy which were subsequently approved by shareholders at the Annual General Meeting and a Separate General Meeting of Ordinary Shareholders held on 23 May 2012. The new dividend policy is designed to provide Ordinary Shareholders with greater and predictable dividend payments which will be funded from a combination of the Company's revenue and realised capital profits. Under the new policy, the Company will aim 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 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.

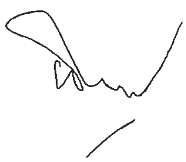
In accordance with this policy, the Board declares an interim dividend of 4.96p per Ordinary Share, payable on 2 November 2012 to shareholders on the register on 5 October 2012. For illustrative purposes only, this represents an annualised dividend yield of 6.4 per cent based on the Ordinary Share price as at 30 June 2012.

Ordinary Shareholders will find documentation enclosed regarding a dividend reinvestment plan that will allow them, if they so wish, to use their dividend payments to purchase as many additional Ordinary Shares as possible with each dividend payment made whilst they participate in the plan. Participation in such a plan can be a convenient and easy way to build up an existing shareholding.

Chairman's Statement (cont'd)

The Company's portfolio is performing well, with a number of significant exits being achieved at the expected time and within the targeted valuation ranges. Most notable amongst these have been the sale of co-investments Lifeways and Bartec which are described in more detail in the Manager's Review. There have been several more successful exits so far this year and, including the proceeds of Bartec, which we expect to receive in a few weeks time, the total realisations to date in 2012 now exceeds £40 million which compares well with realisations of £36 million for the whole of 2011. These transactions have allowed the Company to de-gear substantially. The future performance of the Company relies on the portfolio being regularly refreshed with new investments and our investment partners have invested steadily during the first half of the year. We have also made a small number of new commitments, mainly to managers with whom we already have a well established and successful relationship. There will always be room for some promising emerging management groups and for special situations that offer the potential for high returns at acceptable risk.

The general economic background remains challenging but, as has been demonstrated over the last four years, our investment partners have been able to identify and create value in tandem with skilled management teams across a very wide range of mid-market companies, principally in Europe. The serious and unresolved challenges for the Eurozone are undoubtedly affecting business and investor confidence and this remains the principal impediment to growth. The particular investment approach of private equity which is based on medium and long term investment founded on detailed information and expert input with direct alignment of investors' and managements' interests has proven itself capable of delivering excellent returns in spite of the macro-economic headwinds. Within our cohort of investment partners there is a deep reservoir of expertise and judgement and we expect that Ordinary Shareholders will continue to benefit from this as their capital is deployed judiciously over the coming years.

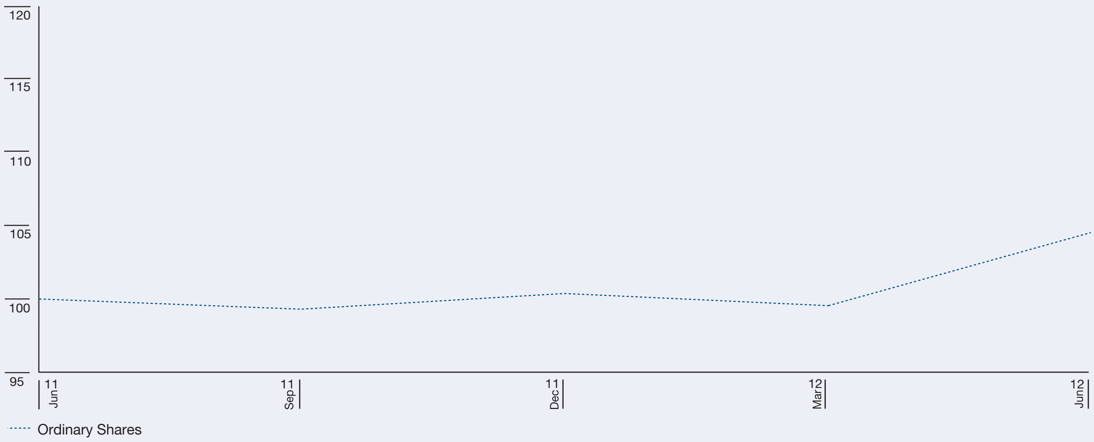


Mark Tennant
Chairman
22 August 2012

Ordinary Share Performance

For the 12 months to 30 June 2012

F&C Private Equity Trust Net Asset Value Total Return for the 12 months ended 30 June 2012



Source: F&C Investment Business Limited

Manager's Review

Introduction

As noted in the Chairman's Statement there was little help from the economic background during the first half of the year and the Company's progress is a direct result of the specific value-creative actions undertaken by our private equity managers. This is very apparent in the principal exits where the holding period has spanned a severe economic contraction and yet, in general, excellent returns have been achieved. Whilst the volume of private equity deals across Europe has decreased there is little evidence of this within the portfolio where realisations and new investments have been at healthy levels. In general, our investment partners view the current environment as providing a substantial buying opportunity but it is one which may persist for the medium term and accordingly there is time for them to apply detailed diligence and scrutiny to each investment proposition. The fundraising environment is challenging and only the strongest managers with an unequivocal record of successful delivery will reach targeted fund closes. Whilst this poses challenges for private equity managers it is not an entirely unhealthy situation and, from an investors' viewpoint, it does something to simplify the triaging of opportunities. There will be some benefits in terms of enhanced co-investment opportunities and even improvements in fund economics. The principal advantage will be that the reduction in equity capital available coupled with ongoing shortage of debt will mean that private equity deals will be done at attractive prices. We see considerable evidence of this in the new deals entering the portfolio.

New Investments

Two new commitments were made to private equity funds during the period. Since the end of the period another three commitments have been made. In order to maintain asset growth in the medium and longer term it is essential to be deploying an appropriate amount of capital each year in new investments. This comes from a combination of longstanding commitments being drawn, co-investments and new commitments. As drawdowns are made the level of commitments reduce naturally and, additionally, an increasing proportion falls outside the investment period and can only be drawn under limited circumstances. The current total of outstanding undrawn commitments is £75 million. Of this, approximately £15 million is beyond the end of the investment period. As previously noted we do not expect all of the commitments to be drawn before the end of the respective investment periods and not every fund is able to secure investor consent to an extension of the investment period.

Most of the new commitments during the period were made to European mid-market buy-out specialists with whom we have successfully invested in the past. €4 million was committed to Stockholm based Nordic specialist Procuritas Capital V. The Nordic region has proved fairly resilient over the recession and our private equity partners in the region are seeing and capturing good dealflow. €5 million was committed to German fund DBAG VI. This is the third fund by this manager which we have backed. DBAG's mid-market strategy

Manager's Review (cont'd)

in German speaking countries has delivered good returns over the years and they are also finding excellent companies at low prices. Since the end of the period we have committed $5 million to New York based Orthopaedics Healthcare specialist fund Healthpoint Capital Partners III. Whilst this fund lies within our international mandate it is specialist, focusing on an attractive large niche market. It offers the Company an 'advanced primary' situation where the pre-existing portfolio is showing strong indications of early positive returns. Also since the end of the period, £4 million has been committed to UK mid-market specialist Lyceum Capital Fund III. Lyceum was a spin out of WestLB some years ago and since then we have invested with them through another of our fund of funds. Lastly, we have reinforced another longstanding and successful relationship through a fresh commitment of £6 million to the Inflexion 2012 Co-investment Fund. This will be a fairly concentrated fund investing in certain of the larger Inflexion deals. It starts life with two existing holdings and the economics are more favourable than for a conventional fund. We have invested with Inflexion very successfully for a decade. In addition to these commitments there are a small number of fund and co-investment opportunities under consideration.

Under existing commitments the portfolio continues to be refreshed with a range of new investments across a typically broad range of sectors and geographies.

Drawdowns during the period totalled £13.0 million. The largest individual investment of £1.9 million was for SAR made by Stirling Square Capital Partners II. This is a waste management service provider to the Norwegian oil and gas industry. This position may reduce somewhat following syndication. £1.1 million was called by Spanish manager N+1 Private Equity II for EYSA, the leading company in Spain in the on street parking sector. £0.8 million was invested by Primary Capital III in Leisure Pass Group, the world's leading provider of smart card-based multi-attraction tourist passes and associated operating systems. £0.7 million was invested via August Equity Partners II in SecureData, a provider of IT security solutions and managed services to mid sized and smaller enterprises. £0.6 million was invested via Inflexion 2010 in Marston Group, the UK's largest provider of High Court civil enforcement services including debt collection and enforcement of fines and arrest warrants. £0.6 million was called by Hutton Collins III for a mezzanine investment in premium wellington boot company Hunter and £0.5 million was invested via Pinebridge New Europe II in TMS, one of the leading Polish foreign exchange brokerages.

Realisations

The first half of the year saw a significant upswing in realisations with the total exceeding £27 million, more than 40 per cent ahead of the same period in 2011. The main realisations were in a variety of sectors and geographies. The principal exit was the sale of the August Equity Partners led investment Lifeways, the UK's largest provider of supported living services to adults with learning difficulties. Lifeways was held for nearly five years both through August Equity Partners I and directly as a co-investment, and was sold in June to Canadian pension fund OMERS (Ontario Municipal Employees' Retirement Scheme), achieving an investment multiple of 3.0x and an IRR of 25 per cent. The Company's combined proceeds were £13.5 million, a premium to the last carrying value of £3.5 million. During August Equity's tenure, Lifeways completed 11 acquisitions and increased the number of service users from 900 to 3,700. In Sweden, Procuritas Capital IV sold tyre services company Dackia, to Pirelli, for an exceptional 9.0x investment multiple and an IRR of 110 per cent. The Company's proceeds were £2.1 million, approximately 80 per cent above the latest valuation. In Spain, Portobello Capital II sold civil explosives company Maxam to Advent, returning £1.6 million, an investment multiple of 3.4x and an IRR of 28 per cent. Arle, the successor to Candover, sold from the Candover 2005 Fund Capital Safety Group, the leading fall protection equipment manufacturer, to KKR, returning £1.2 million which represented an investment multiple of 2.7x and an IRR of 26 per cent. There were several other smaller exits.

Since the end of the period, Capvis, the Zurich based investor in German speaking markets, has announced the sale of explosives protection systems company Bartec to Charterhouse. The Company holds Bartec through both Capvis III and directly as a co-investment. The Company's proceeds, expected within the next few weeks, will be approximately £7.5 million, a premium to the latest valuation of £2.7 million or 57 per cent. Bartec was acquired in August 2008 and against a hostile business environment doubled its profits during Capvis' tenure. Taking into account Bartec, total realisations in 2012 so far exceed £40 million which is more than for the whole of 2011. There are other investments which are expected to exit during the remainder of 2012.

Valuation Changes

There were a number of significant movements in valuation during the period. The larger ones relate to major realisations, either completed or agreed, with Lifeways contributing £3.5 million and Bartec £2.7 million. TDR Capital II was uplifted by £1.4 million reflecting progress from VPS (property management), Stonegate (pub chain) and Ausco (modular construction). DBAG V was uplifted by £1.0 million mainly because of strong performance by machinery company Coperion. In the venture capital component of the portfolio SEP III was uplifted by £0.9 million mainly due to travel research website Skyscanner. There were few substantial downgrades over the period.

Financing

In February 2012 the Company arranged a new revolving credit facility with the Royal Bank of Scotland. The facility is committed for four years and, at £50 million, is £10 million larger than the previous facility. Importantly, it extends for more than a year after the redemption date of the Group's Zero Dividend Preference Shares ('ZDPs') and therefore could, if necessary, be used to fund or part fund this redemption. The cash inflow in the year to date is in line with expectations and is entirely compatible with the projected dividend payments, meeting existing commitments as they are drawn down, a moderate new investment programme, and accumulation of capital for redeeming the ZDPs. The current cash balance of the Ordinary Share Pool is £4.9 million.

Outlook

The first half of 2012 has verified our belief that the mid-market of European private equity remains in good health with a steady flow of realisations and new deal activity creating value accretive turnover in the portfolio. There has been limited progress at a macro-economic level in tackling the Eurozone's fiscal and banking problems and from a business and investment standpoint this is very unsatisfactory. Indeed there is a sharp contrast between the ability of European private equity managers and their management teams to assess and take risk and the absence of such ability and resolution amongst the political and bureaucratic 'leadership' of Europe. The portfolio has made considerable progress with an unhelpful background and our expectation is that, due to the strengths of our investment partners and the efficacy of the private equity investment model, this should continue.

Hamish Mair

Investment Manager
F&C Investment Business Limited

22 August 2012

Portfolio Holdings

As at 30 June 2012

Investment	Geographic Focus	Total Valuation £'000	% of Total Portfolio	Ordinary Pool Valuation £'000	% of Ordinary Pool Portfolio	Restricted Voting Pool Valuation £'000	% of Restricted Voting Pool Portfolio
Buyout Funds – Pan European							
Argan Capital	Europe	8,136	3.7	8,136	3.7	–	–
TDR Capital II	Europe	6,555	3.0	6,555	3.0	–	–
Candover 2005	Europe	5,185	2.3	5,185	2.4	–	–
Stirling Square Capital Partners II	Europe	4,991	2.3	4,991	2.3	–	–
Candover 2008	Europe	828	0.4	828	0.4	–	–
TDR Capital I	Europe	780	0.4	780	0.4	–	–
Candover 2001	Europe	626	0.3	626	0.3	–	–
Total Buyout Funds – Pan European		**27,101**	**12.4**	**27,101**	**12.5**	**–**	**–**
Buyout Funds - UK							
August Equity Partners II	UK	10,430	4.7	10,430	4.8	–	–
Primary Capital III	UK	5,989	2.7	5,989	2.7	–	–
RJD Partners II	UK	5,258	2.4	5,258	2.4	–	–
Penta F&C Co-Investment Fund	UK	3,708	1.7	3,708	1.7	–	–
Dunedin Buyout II	UK	2,880	1.3	2,880	1.3	–	–
Piper Private Equity IV	UK	2,316	1.0	2,316	1.1	–	–
August Equity Partners I	UK	2,028	0.9	2,028	0.9	–	–
Inflexion 2006	UK	1,697	0.8	1,697	0.8	–	–
Primary Capital II	UK	1,287	0.6	1,287	0.6	–	–
Inflexion 2010	UK	1,253	0.6	1,253	0.6	–	–
Hickory Fund Portfolio	UK	1,073	0.5	1,073	0.5	–	–
Equity Harvest Fund	UK	1,034	0.5	1,034	0.5	–	–
Inflexion 2003	UK	843	0.4	843	0.4	–	–
Third Private Equity Fund	UK	521	0.2	192	0.1	329	10.9
Piper Private Equity V	UK	481	0.2	481	0.2	–	–
RL Private Equity I	UK	317	0.1	317	0.1	–	–
Enterprise Plus	UK	78	–	29	–	49	1.6
Total Buyout Funds – UK		**41,193**	**18.6**	**40,815**	**18.7**	**378**	**12.5**
Buyout Funds - Continental Europe							
Chequers Capital XV	France	5,582	2.5	5,582	2.6	–	–
Capvis III	DACH	5,497	2.5	5,497	2.5	–	–
Procuritas Capital IV	Nordic	4,123	1.9	4,123	1.9	–	–
Gilde Buyout III	Benelux	3,913	1.8	3,913	1.8	–	–
DBAG V	Germany	3,724	1.7	3,724	1.7	–	–
Herkules Private Equity III	Nordic	3,668	1.7	3,668	1.7	–	–
N+1 Private Equity II	Spain	3,528	1.6	3,528	1.6	–	–
Portobello Capital II	Spain	3,255	1.5	3,255	1.5	–	–
Ciclad 4	France	2,963	1.3	2,963	1.4	–	–
PineBridge New Europe II	Central & East Europe	2,669	1.2	2,669	1.2	–	–
Alto Capital II	Italy	2,084	0.9	2,084	1.0	–	–
Chequers Capital	France	1,028	0.5	1,028	0.5	–	–
DBAG IV	Germany	524	0.2	524	0.2	–	–
Nmás1 Private Equity Fund	Spain	443	0.2	443	0.2	–	–
Ciclad 5	France	438	0.2	438	0.2	–	–
Chequers Capital XVI	France	338	0.2	338	0.2	–	–
Total Buyout Funds – Continental Europe		**43,777**	**19.9**	**43,777**	**20.2**	**–**	**–**
Private Equity Funds - USA							
Camden Partners IV	USA	5,053	2.3	5,053	2.3	–	–
Blue Point Capital II	USA	4,143	1.9	4,143	1.9	–	–
Camden Partners III	USA	3,919	1.8	3,919	1.8	–	–
RCP II	USA	2,193	1.0	2,193	1.0	–	–
Blue Point Capital I	USA	684	0.3	684	0.3	–	–
Hicks Muse Tate & Furst IV	USA	410	0.2	151	0.1	259	8.6
Total Private Equity Funds – USA		**16,402**	**7.5**	**16,143**	**7.4**	**259**	**8.6**

Investment	Geographic Focus	Total Valuation £'000	% of Total Portfolio	Ordinary Pool Valuation £'000	% of Ordinary Pool Portfolio	Restricted Voting Pool Valuation £'000	% of Restricted Voting Pool Portfolio
Private Equity Funds - Global							
Warburg Pincus IX	Global	6,797	3.1	6,797	3.1	–	–
AIF Capital Asia III	Asia	3,471	1.5	3,471	1.6	–	–
Warburg Pincus VIII	Global	2,874	1.3	2,874	1.3	–	–
PineBridge Global Emerging Market II	Global	1,659	0.8	1,659	0.8	–	–
PineBridge Latin America Partners II	Brazil	368	0.2	368	0.2	–	–
Total Private Equity Funds – Global		**15,169**	**6.9**	**15,169**	**7.0**	**–**	**–**
Venture Capital Funds							
SEP III	Europe	6,204	2.8	6,204	2.8	–	–
Environmental Technologies Fund	Europe	3,429	1.6	3,429	1.6	–	–
SEP II	Europe	2,788	1.3	2,788	1.3	–	–
Life Science Partners III	Europe	2,304	1.0	2,304	1.1	–	–
Pentech II	Europe	1,315	0.6	1,315	0.6	–	–
Alta Berkeley VI	Europe	1,151	0.5	1,151	0.5	–	–
Pentech I	Europe	304	0.1	304	0.1	–	–
Albany Ventures III	Europe	218	0.1	218	0.1	–	–
SEP IV	Europe	48	–	48	–	–	–
Alta Berkeley III	Europe	6	–	6	–	–	–
Total Venture Capital Funds		**17,767**	**8.0**	**17,767**	**8.1**	**–**	**–**
Mezzanine Funds							
Hutton Collins III	Europe	4,788	2.2	4,788	2.2	–	–
Accession Mezzanine II	Central & East Europe	4,662	2.1	4,662	2.1	–	–
International Mezzanine Investment	Europe	3,785	1.7	1,395	0.6	2,390	78.9
Hutton Collins II	Europe	3,723	1.7	3,723	1.7	–	–
Mezzanine Management IV	Europe	3,189	1.4	3,189	1.5	–	–
Alchemy Special Opportunities Fund	Europe	2,728	1.2	2,728	1.3	–	–
Accession Mezzanine I	Central & East Europe	865	0.4	865	0.4	–	–
1818 Mezzanine II	USA	804	0.4	804	0.4	–	–
Growth Capital Partners II	UK	710	0.3	710	0.3	–	–
Hutton Collins I	Europe	110	–	110	0.1	–	–
Total Mezzanine Funds		**25,364**	**11.4**	**22,974**	**10.6**	**2,390**	**78.9**
Direct - Quoted							
Candover Investments	Europe	532	0.2	532	0.2	–	–
Other – AIM Holdings	UK	14	–	14	–	–	–
Parkmead Group	UK	13	–	13	–	–	–
Total Direct – Quoted		**559**	**0.2**	**559**	**0.2**	**–**	**–**
Secondary Funds							
The Aurora Fund	UK	5,407	2.4	5,407	2.5	–	–
Total Secondary Funds		**5,407**	**2.4**	**5,407**	**2.5**	**–**	**–**
Direct Investments/Co-investments							
3SI	USA	5,841	2.7	5,841	2.7	–	–
Axitea (Sicurglobal)	Italy	5,127	2.3	5,127	2.3	–	–
Bartec	Germany	4,044	1.8	4,044	1.9	–	–
SMD Hydrovision	UK	4,000	1.8	4,000	1.8	–	–
Blueway	Europe	2,694	1.2	2,694	1.2	–	–
HusCompagniet	Nordic	2,393	1.1	2,393	1.1	–	–
Whittan	Europe	1,301	0.6	1,301	0.6	–	–
Blues Clothing	UK	1,179	0.5	1,179	0.5	–	–
Algeco Scotsman	Europe	883	0.4	883	0.4	–	–
European Boating Holidays	Europe	380	0.2	380	0.2	–	–
Equidebt	UK	301	0.1	301	0.1	–	–
Total Direct Investments/Co-investments		**28,143**	**12.7**	**28,143**	**12.8**	**–**	**–**
UK Gilts		**49**	**–**	**49**	**–**	**–**	**–**
Total Portfolio		**220,931**	**100.0**	**217,904**	**100.0**	**3,027**	**100.0**

Consolidated Statement of Comprehensive Income

	Notes	Revenue £'000	Capital £'000	**Six months ended 30 June 2012 (unaudited)** Total £'000	Revenue £'000	Capital £'000	Six months ended 30 June 2011 (unaudited) Total £'000	Revenue £'000	Capital £'000	Year ended 31 December 2011 (audited) Total £'000
Income										
Gains on investments held at fair value		**–**	**11,189**	**11,189**	–	16,964	16,964	–	17,923	17,923
Exchange gains/(losses)		**–**	**121**	**121**	–	(62)	(62)	–	911	911
Investment income		**1,173**	**–**	**1,173**	1,374	–	1,374	2,176	–	2,176
Other income		**8**	**–**	**8**	30	–	30	37	–	37
Total income		**1,181**	**11,310**	**12,491**	1,404	16,902	18,306	2,213	18,834	21,047
Expenditure										
Investment management fee	3	**(242)**	**(1,388)**	**(1,630)**	(231)	(1,322)	(1,553)	(467)	(1,403)	(1,870)
Other expenses		**(452)**	**–**	**(452)**	(380)	–	(380)	(694)	–	(694)
Total expenditure		**(694)**	**(1,388)**	**(2,082)**	(611)	(1,322)	(1,933)	(1,161)	(1,403)	(2,564)
Profit before finance costs and taxation		**487**	**9,922**	**10,409**	793	15,580	16,373	1,052	17,431	18,483
Finance costs	4	**(148)**	**(2,072)**	**(2,220)**	(101)	(1,781)	(1,882)	(208)	(3,672)	(3,880)
Profit before taxation		**339**	**7,850**	**8,189**	692	13,799	14,491	844	13,759	14,603
Taxation		**(104)**	**89**	**(15)**	(176)	176	–	(223)	216	(7)
Profit for the period/total comprehensive income		**235**	**7,939**	**8,174**	516	13,975	14,491	621	13,975	14,596
Return per Ordinary Share – Basic	5	**0.33p**	**10.97p**	**11.30p**	0.62p	18.58p	19.20p	0.80p	18.75p	19.55p
Return per Ordinary Share – Fully diluted	5	**0.32p**	**10.68p**	**11.00p**	0.61p	18.09p	18.70p	0.78p	18.26p	19.04p
(Loss)/return per Restricted Voting Share – Basic	5	**(0.01)p**	**0.01p**	**0.00p**	0.09p	0.82p	0.91p	0.06p	0.63p	0.69p

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 2012 (unaudited) £'000	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Final Ordinary Share dividend of 0.95p per share for the year ended 31 December 2010	**–**	687	687
Final Ordinary Share dividend of 0.80p per share for the year ended 31 December 2011	**578**	–	–
	578	687	687

On 7 January 2011 a special dividend of 1.30p per Restricted Voting Share was paid. The total amount paid was £872,000.

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

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

Consolidated Balance Sheet

	Notes	£'000	As at 30 June 2012 (unaudited) £'000	£'000	As at 30 June 2011 (unaudited) £'000	£'000	As at 31 December 2011 (audited) £'000
Non-current assets							
Investments at fair value through profit or loss			**220,931**		223,172		223,388
Current assets							
Other receivables		**473**		17		23	
Cash and short-term deposits		**6,387**		3,105		4,044	
			6,860		3,122		4,067
Current liabilities							
Other payables		**(2,071)**		(9,775)			(9,886)
Net current assets/(liabilities)			**4,789**		(6,653)		(5,819)
Total assets less current liabilities			**225,720**		216,519		217,569
Non-current liabilities							
Other payables	3		**–**		(626)		–
Zero dividend preference shares	7		**(36,450)**		(33,251)		(34,822)
			(36,450)		(33,877)		(34,822)
Net assets			**189,270**		182,642		182,747
Equity							
Called-up ordinary share capital			**1,394**		1,394		1,394
Special distributable capital reserve			**15,679**		15,679		15,679
Special distributable revenue reserve			**34,741**		35,814		35,814
Capital redemption reserve			**664**		664		664
Capital reserve			**136,409**		128,470		128,470
Revenue reserve			**383**		621		726
Shareholders' funds			**189,270**		182,642		182,747
Net asset value per Ordinary Share – Basic	8		**257.13p**		246.27p		246.62p
Net asset value per Ordinary Share – Fully diluted	8		**253.77p**		243.20p		243.54p
Net asset value per Restricted Voting Share – Basic	8		**5.08p**		6.90p		6.68p

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 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 six months ended 30 June 2011 (unaudited)							
Net assets at 1 January 2011	1,394	15,679	36,686	664	114,495	792	169,710
Profit for the period/total comprehensive income	–	–	–	–	13,975	516	14,491
Dividends paid	–	–	(872)	–	–	(687)	(1,559)
Net assets at 30 June 2011	1,394	15,679	35,814	664	128,470	621	182,642
For the year ended 31 December 2011 (audited)							
Net assets at 1 January 2011	1,394	15,679	36,686	664	114,495	792	169,710
Profit for the year/total comprehensive income	–	–	–	–	13,975	621	14,596
Dividends paid	–	–	(872)	–	–	(687)	(1,559)
Net assets at 31 December 2011	1,394	15,679	35,814	664	128,470	726	182,747

Consolidated Cash Flow Statement

	Six months ended 30 June 2012 (unaudited) £'000	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Operating activities			
Profit before taxation	8,189	14,491	14,603
Gains on disposals of investments	(10,819)	(60)	(5,732)
Decrease in holding losses	(370)	(16,904)	(12,191)
Exchange differences	(121)	62	(911)
Finance costs	2,220	1,882	3,880
Corporation tax paid	(15)	–	–
Increase in other receivables	(450)	(6)	(4)
Increase/(decrease) in other payables	1,187	171	(424)
Net cash outflow from operating activities	(179)	(364)	(779)
Investing activities			
Purchases of investments	(13,157)	(14,400)	(30,677)
Sales of investments	26,802	19,106	36,126
Net cash inflow from investing activities	13,645	4,706	5,449
Financing activities			
Repayment of bank loans	(13,019)	(5,031)	(8,373)
Draw down of bank loans	4,021	3,000	7,385
Interest paid	(407)	(329)	(847)
Equity dividends paid	(1,651)	(1,559)	(1,559)
Net cash outflow from financing activities	(11,056)	(3,919)	(3,394)
Net increase in cash and cash equivalents	2,410	423	1,276
Currency (losses)/gains	(67)	1	87
Net increase in cash and cash equivalents	2,343	424	1,363
Opening cash and cash equivalents	4,044	2,681	2,681
Closing cash and cash equivalents	6,387	3,105	4,044

Notes to the Accounts

1 The unaudited half-year results have been prepared on the basis of the accounting policies set out in the statutory accounts of the Group for the year ended 31 December 2011 and in accordance with International Accounting Standard ('IAS') 34 'Interim Financial Reporting'.

2 Earnings for the six months to 30 June 2012 should not be taken as a guide to the results for the year to 31 December 2012.

3 Investment management fee:

	Six months to 30 June 2012			Six months to 30 June 2011			Year ended 31 December 2011		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**242**	**728**	**970**	231	696	927	467	1,403	1,870
Incentive fee	**–**	**–**	**–**	–	626	626	–	–	–
Performance fee	**–**	**660**	**660**	–	–	–	–	–	–
	242	**1,388**	**1,630**	231	1,322	1,553	467	1,403	1,870

4 Finance costs:

	Six months to 30 June 2012			Six months to 30 June 2011			Year ended 31 December 2011		
	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	**148**	**444**	**592**	101	304	405	208	624	832
Finance costs attributable to ZDP Shares	**–**	**1,628**	**1,628**	–	1,477	1,477	–	3,048	3,048
	148	**2,072**	**2,220**	101	1,781	1,882	208	3,672	3,880

5 The basic return per Ordinary Share is based on a net return on ordinary activities after taxation of £8,172,000 (30 June 2011 – £13,878,000; 31 December 2011 – £14,134,000) and on 72,282,273 (30 June 2011 – 72,282,273; 31 December 2011 – 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 £8,172,000 (30 June 2011 – £13,878,000; 31 December 2011 – £14,134,000) and on 74,241,429 (30 June 2011 – 74,241,429; 31 December 2011 – 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 £2,000 (30 June 2011 – £613,000; 31 December 2011 – £462,000) and on 67,084,807 (30 June 2011 – 67,084,807; 31 December 2011 – 67,084,807) shares, being the weighted average number of Restricted Voting Shares in issue during the period.

6 On 30 April 2007 the Company entered into a five year £40 million multi-currency revolving credit facility. This was cancelled on entering into a new agreement on 21 February 2012. The new agreement is for a four year £50 million unsecured committed multi-currency revolving credit facility. £nil was drawn down at 30 June 2012.

7 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 2012 was £40,125,000 based on the quoted offer price of 133.75p per ZDP Share.

	Number of ZDP shares	Amount due to ZDP shareholders £'000
As at 31 December 2011	**30,000,000**	34,822
ZDP Shares finance costs	**–**	1,628
As at 30 June 2012	**30,000,000**	36,450

8 The basic net asset value per Ordinary Share is based on net assets at the period end of £185,859,000 (30 June 2011 – £178,010,000; 31 December 2011 – £178,264,000) and on 72,282,273 (30 June 2011 – 72,282,273; 31 December 2011 – 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 £188,405,000 (30 June 2011 – £180,555,000; 31 December 2011 – £180,810,000) and on 74,241,429 (30 June 2011 – 74,241,429; 31 December 2011 – 74,241,429) shares, being the number of Ordinary Shares in issue at the period end after conversion of the Ordinary Share warrants.

The basic net asset value per Restricted Voting Share is based on net assets at the period end of £3,411,000 (30 June 2011 – £4,632,000; 31 December 2011 – £4,483,000) and on 67,084,807 (30 June 2011 – 67,084,807; 31 December 2011 – 67,084,807) shares, being the number of Restricted Voting Shares in issue at the period end.

9 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 2011 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 2011 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 Company 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 Company's Annual Report for the year ended 31 December 2011. 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.

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 Company;
- 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 Company 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

22 August 2012

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

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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 FSA before getting involved by visiting **www.fsa.gov.uk/pages/register/**
- Report the matter to the FSA by calling **0845 606 1234**
- If the calls persist, hang up.

More detailed information on this can be found on the CFEB website **www.moneymadeclear.fsa.gov.uk**

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

A flexible, low cost 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 anytime from £250.

F&C Investment Trust ISA

Use your ISA allowance to make an annual tax efficient investment (£11,280 for the 2012/13 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 anytime from £250 and transfer any existing ISAs to us whilst maintaining all the tax benefits.

F&C Child Trust Fund ('CTF')

The CTF is a long-term tax-free savings account for eligible children born between 1 September 2002 and 2 January 2011, using the government's CTF voucher. If your child has a CTF with another provider, you can switch it to F&C – this is simple and straight forward. The maximum that can be invested annually is £3,600 and you can invest from as little as £25 a month.

F&C Children's Investment Plan

Aimed at children ineligible for a CTF, or if you need access to the funds before the child is 18. This flexible plan can easily be written under trust to help reduce inheritance tax liability. Investments can be made from a £250 lump sum or £25 a month. You can also make additional lump sum top-ups at anytime 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 £3,600 each year, with all the tax benefits of the old CTF that it replaces. 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.

How to Invest

You can invest in all our savings plans online, except for the CTF. It's simple to register and invest using your debit card. Alternatively, please contact us for application forms.

New Customers:

Contact our Investor Services Team

Call: **0800 136 420***

Email: **info@fandc.com**

Investing online: **www.fandc.com**

Existing Plan Holders:

Contact our Investor Services Team

Call: **0845 600 3030***

Email: **investor.enquiries@fandc.com**

By post: F&C Plan Administration Centre
PO Box 11114
Chelmsford
CM99 2DG

*9.00am-5.00pm, weekdays, calls may be recorded.

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.

The above has been approved by F&C Management Limited which is a member of the F&C Asset Management Group and is authorised and regulated by the Financial Services Authority.

Corporate Information

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Elizabeth Kennedy†
Douglas Kinloch Anderson, OBE
John Rafferty
David Shaw

Company Secretary

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* Chairman of the Management Engagement Committee and the Nomination Committee
† Chairman of the Audit Committee.

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