F&C Private Equity Trust plc

Half Year Report and Accounts

for the six months ended

30 June 2011

F&C Investments

Contents

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'), which was incorporated on 9 October 2009, is an investment company whose Zero Dividend Preference Shares ('ZDP Shares') are also traded on the London Stock Exchange. The Company and FCPEZ are collectively referred to throughout this document '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.

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.

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 2011

£182.6 million

Shareholders' Funds as at 30 June 2011

Ordinary Shares £178.0 million

Restricted Voting Shares £4.6 million

Market Capitalisation as at 30 June 2011

Ordinary Shares £128.3 million

Restricted Voting Shares £3.8 million

ZDP Shares in FCPEZ £38.4 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 15.

ISA Status

The Company's shares are eligible for Individual Savings Accounts ('ISAs').

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 37.6 per cent for the Ordinary Shares, one of the best performing investment trusts regardless of sector.
- NAV total return for the six months of 8.3 per cent for the Ordinary Shares.
- NAV total return for the six months of 12.1 per cent for the Restricted Voting Shares.

Performance Summary

	As at 30 June 2011	As at 31 December 2010	% change
Net Asset Value			
Net assets (£'000)	**182,642**	169,710	+7.6
Net asset value per:			
Ordinary Share (fully diluted)	**243.20p**	225.43p‡	+7.9
Restricted Voting Share	**6.90p**	7.29p	–5.3
Market Price			
Ordinary Share	**177.50p**	129.75p	+36.8
Restricted Voting Share	**5.70p**	5.30p	+7.5
Discount:			
Ordinary Share	**27.0%**	42.4%	
Restricted Voting Share	**17.4%**	27.3%	
Income			
Revenue return after taxation (£'000)	**516**	699	
Revenue return per:			
Ordinary Share (fully diluted)	**0.61p**	0.96p	
Restricted Voting Share	**0.09p**	0.00p	
Dividend per:			
Ordinary Share	**–**	0.95p	
Restricted Voting Share	**–**	1.30p	
Zero Dividend Preference Shares (£'000)	**33,251**	31,774	
Gearing†	**18.1%**	20.0%	

	2011 Ordinary Shares	**2011 Restricted Voting Shares**
Portfolio Summary		
Shareholders' funds (£'000)	**178,010**	**4,632**
Future commitments (£'000)	**87,780**	**–**
Total Returns for the Period*		
Net asset value (fully diluted)	**+8.3%**	**+12.1%**
Share price	**+37.6%**	**+7.5%**

* 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).

‡ The audited NAV per Ordinary Share as at 31 December 2010, prepared under IFRS, was 228.02p and, under IFRS, the Company's Ordinary Share warrants were deemed to be non-dilutive on that date. However, assuming full exercise of the warrants, which is common practice within the investment trust industry, the fully diluted NAV per Ordinary Share at 31 December 2010 would have been 225.43p.

Sources: F&C Investment Business, AIC and Datastream

Chairman's Statement

Mark Tennant Chairman

At 30 June 2011 the Company's net asset value ('NAV') was £182.6 million. The Ordinary Share Pool NAV was £178.0 million giving a fully diluted NAV per share of 243.2p, an increase over the first half of 7.9 per cent. Taking into account the final dividend of 0.95p per Ordinary Share paid on 10 June 2011 the NAV total return for the first half was 8.3 per cent. The Restricted Voting Pool had a NAV of £4.6 million giving a NAV per share of 6.90p and a NAV total return of 12.1 per cent for the first half. At the end of the period the net debt of the Ordinary Share Pool stood at £6.2 million. Together with the accrued liability for the Zero Dividend Preference Shares of £33.3 million the Ordinary Share Pool's total debt was £39.5 million giving gearing of 18.1 per cent. The total outstanding undrawn commitments at 30 June 2011 were £87.8 million.

The Company's portfolio made good progress in the first half of the year. This was broadly based in its diverse portfolio of predominantly European mid-market assets. The steady improvement in confidence, and therefore in private equity activity, continued into the second quarter. This has been against an economic backdrop that, whilst not technically recessionary, is replete with difficulties. These headwinds have been strengthened since the end of the period by the twin worries over the US fiscal position and concerns over how the Euro currency zone will resolve the imbalances between its constituent member countries. It is probably too early to tell whether these latest difficulties will be sufficiently serious to offset the otherwise well established recovery in the fundamental performance of the underlying companies in the portfolio.

We have long contended that the mid-market private companies backed by the Manager's investment partners across the European continent and further afield are, by virtue of the selection criteria applied to them and the close alignment with management inherent in the private equity model, relative outperformers when compared to the overall economy. We have undertaken some detailed analysis which lends considerable support to this belief. Looking at the largest 50 underlying companies in the portfolio, which account for approximately 42 per cent of the portfolio by value, the aggregate earnings growth has been 18 per cent per annum for the three years from 2008 to 2010 inclusive. These companies are currently valued at just over 7 x 2010 EBITDA. This is evidence of a strong portfolio which is very competitively valued and which should provide a good flow of realisations and accompanying NAV growth.

During the first half of the year, total distributions exceeded £19 million, comfortably ahead of the £14 million of drawdowns and co-investments made and approximately 60 per cent ahead of the same point in 2010. The Ordinary Share Pool has therefore slightly reduced its gearing over the first half. Because the Company's existing portfolio, as a consequence of its maturity, is able to finance the drawdowns of commitments, the Manager has considered it feasible and desirable to make a limited number of small commitments to new funds. To date, all these funds are managed by groups with whom the Manager is very familiar and who have delivered well for the Company over the years. There is, however, some scope for highly selectively backing newer managers in line with a long standing preference for emerging managers. The Manager is also building up the portfolio of co-investments.

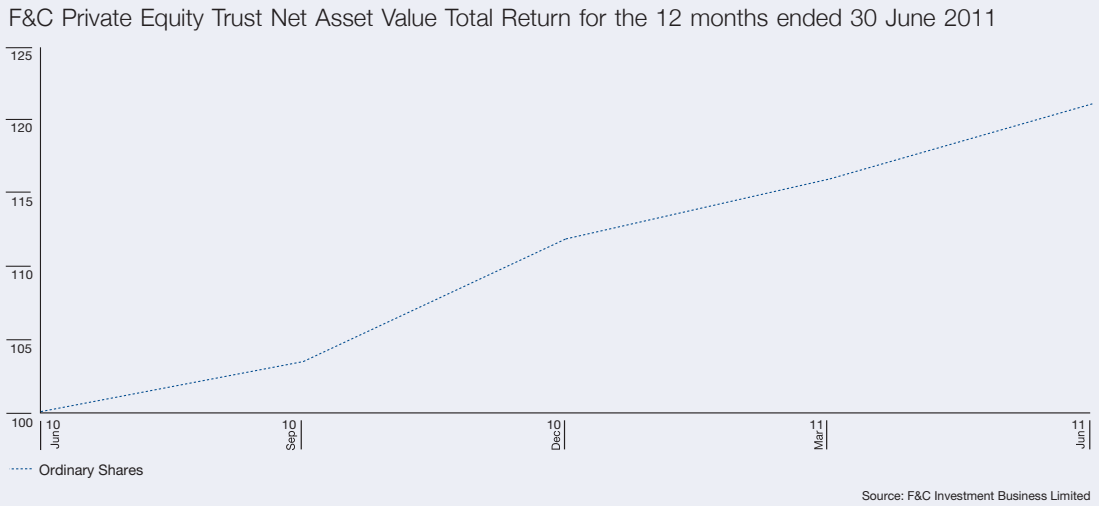
Until the recent market correction, the Company's share price had been performing very well. Indeed, in the first half of the year the share price increased 36.8 per cent making your company one of the top performing investment trusts regardless of sector. With the subsequent decrease in share price and increase in asset value there is arguably a striking value opportunity for investors.

Mark Tennant
Chairman

26 August 2011

Ordinary Share Performance

For the 12 months to 30 June 2011



Manager's Review

Introduction

The underlying portfolio consists of around 400 companies. Whilst it is very broad it would be inaccurate to consider that this portfolio of mainly European mid-market private equity backed companies is in some way a fair proxy for the wider European economy or the European stockmarket. The companies included in the portfolio have all exhibited strong profit growth characteristics or potential, and demonstrated the ability to attract high quality management. These attributes have been identified and assessed by experienced private equity investors. Although these features do not guarantee success due to the inescapable risks in private equity, they do give a better than average chance that these businesses will grow faster than the corporate sector of Europe as whole.

There are well documented examples of private equity backed companies regularly featuring in the 'fastest growth companies' league tables. This is not a coincidence, but rather the result of the effective, close and uniquely aligned partnership between management and investors that is the hallmark of private equity. There are commentators who, from time to time, have suggested that, because large quantities of bank debt are no longer readily available for private equity, this model of investing in companies is in some way 'broken'. In our view, based on experience, this is a superficial and profoundly mistaken view. Whilst bank debt is an essential component of private equity backed companies' capital structures, the contribution that gearing has had to private equity returns is often exaggerated. We have analysed the most recent 16 exits from the portfolio, all happening in the last two years, and this has shown that, of the value created, 64 per cent was attributable to profit growth, 24 per cent to gearing, 7 per cent to multiple expansion and 5 per cent to running yield. This analysis supports the view that the mid-market funds typically derive most value from enabling profit growth. This is the type of value creation that is most in control of management and their private equity backers and is therefore considered to be the highest quality growth. It is our view that it is the private equity managers who have been consistently successful and who have clearly demonstrable processes of value creation, mainly through profits growth, who will have the best prospect of building value in future.

New Investments

The first quarter of the year saw no new commitments but in the second quarter and immediately afterwards we made a small number of fresh commitments and one co-investment.

We have committed €3 million to Ciclad V. Our relationship with Ciclad dates back more than 20 years. They are one of the most successful investors in the small buy-out sector in France. Also in France we have committed €4 million to Chequers Capital XVI. Again, this is a longstanding and successful relationship. Chequers Capital is one of the leading mid-market buy-out groups in France. In the UK we have committed £2 million to Piper Private Equity V. Piper Private Equity specialises in investing in private companies with consumer brands. This commitment is the result of a

20 year association where Piper has delivered good returns. Since the end of the period we have committed £2 million to SEP IV, the latest venture capital fund from the Glasgow-based leading venture capitalist. SEP has been successful in what has been a extremely difficult sector but one which is showing signs of improvement. We have invested continuously with SEP since 1996. Given the economic background, which remains challenging, and the need to deploy capital sparingly, we have triaged opportunities severely with a strong preference for management groups whom we know can deliver returns under a range of different circumstances. We will also continue to consider emerging management groups at an earlier stage in their development.

In May we invested €2 million (£1.75 million) alongside leading Nordic investor, FSN, in the buy-out of HusCompagniet, the market leading standardised single-family residential housebuilder in Denmark. The housing market in Denmark is recovering and the company is trading ahead of budget and has a strong order book. The investment gives us a 2.7 per cent holding in the company.

In addition to these investments, our investment partners have been active in making new investments. In the first half, total drawdowns from funds were £12.7 million. The larger individual investments give an impression of the characteristic breadth of opportunities in the European mid-market. Hutton Collins Capital Partners III invested in noodle restaurant chain Wagamama (£1.4 million, UK), N+I Fund II invested in Europe's third largest tinplate container manufacturer, Mvisa (£0.8 million, Spain), DBAG Fund V invested in packaging machinery company Romaco (£0.7 million, Germany), Procuritas IV invested in private schools company Sonans (£0.7 million, Norway) and Dunedin Buyout Fund II invested in manufacturer and distributor of high-end car bodywork filling and finishing products U-Pol (£0.4 million, UK).

Realisations

As noted in the Chairman's Statement, realisations have been at significantly higher volumes than at the same point last year.

The outstanding success during the period was the sale in early June of Italian Aerospace components manufacturer Microtecnica, which was sold by Stirling Square Capital Partners II to Goodrich Corporation of the US, yielding £5.6 million to the Company. The proceeds were large for an underlying investment from one of the fund portfolios.

Another significant sale was made by US mid-market specialist Blue Point Capital II. £2.2 million was returned, representing 6 x cost and an internal rate of return ('IRR') of 54 per cent when PSSI, a provider of outsourced cleaning services to the food processing industry, was sold. Piper Private Equity IV sold soft drinks company Bottlegreen to Irish drinks company SHS, achieving proceeds of £1.4 million, an investment multiple of 4.7 x cost and an IRR of 44 per cent. Growth Capital Partners Fund IIB sold gas distribution company A Gas to Lloyds Development Capital, yielding £1.3 million for the Company and making an investment multiple of 2.3 x cost and an IRR of 24 per cent, an excellent return for an integrated finance transaction. In the portfolio of mezzanine funds, a notable performer has been Mezzanine Management Fund IV which had two realisations in the period; WSH, the catering company yielded £0.7 million making an investment multiple of 2.2 x cost and an IRR of 27 per cent, and their New York State based on-course betting business, Yonkers Racing Corporation, returned £1.0 million representing a 1.8 x cost investment multiple and an IRR of 21 per cent. Finally, after a number of difficult years we have seen some encouraging realisations in the venture capital sector, most notably two major exits for SEP III. January saw the sale of Edinburgh-based fabless semiconductor company Gigle to Broadcom, making at least 2.2 x cost and returning £0.6 million, and in March, Biovex, the anti-cancer company was sold to Amgen for 2.5 x cost (potentially rising to 6.5 x cost) with an initial return to the Company of £0.4 million.

In the first half of the year, the total of realisations has been very healthy, and notably this is without any augmentation from the sale of any of the co-investments, which are relatively larger investments and therefore have the potential to deliver significant proceeds. A number of co-investments are in sale processes and we expect that some of these will be completed successfully by the year end.

Valuation Changes

The valuation changes over the first half have been well distributed throughout the portfolio. The largest individual movement has been for Stirling Square Capital Partners II where the £2.1 million uplift, mainly accounted for by the sale of Microtecnica, represented slightly more than 1 per cent of the total portfolio. August Equity Partners I was uplifted by £1.1 million reflecting uplifts of three underlying companies. SEP II was uplifted by £1.1 million benefiting from the sale of Biovex and the sale, announced after the period end,

Manager's Review (cont'd)

of software developer Zeus. Other funds benefiting from exits included Piper Private Equity IV where Bottlegreen was the major contributor to a £0.8 million uplift. In the co-investment portfolio, Bartec, the German based explosion protection equipment manufacturer, has traded strongly and has been uplifted by £0.9 million. This has in turn contributed to an uplift to Capvis Equity III, in which it is held, of £0.8 million.

There have also been downgrades. Our longstanding investment in venture capital fund Alta Berkeley VI has had some portfolio reverses and it is down by £0.6 million. Iberian funds Nmas1 Private Equity and N+1 Fund II have been impacted by the difficult economic situation in their region and are each down by £0.5 million.

Financing

At 30 June 2011 the Company had an unused borrowing facility of nearly £31 million. We are in discussions with the Company's lenders about replacing or rolling over the facility before it expires next April. The principle that much of the Company's drawdowns can be met by realisations from a maturing portfolio has been supported in the first half, with realisations exceeding drawdowns, excluding co-investments, by £6 million. The outstanding undrawn commitments total at £87.8 million is increasingly composed of commitments that will not be drawn or can only be drawn under limited circumstances. It remains at the lowest level in the Company's history relative to net assets. It is not realistic for the commitments level to tail off very dramatically, nor desirable, as this will have consequences for the efficient deployment of the realisation proceeds of mature investments.

Outlook

The recent market correction has been precipitated by worries over the progress of the Euro zone and its institutions in resolving the sovereign debt problems of a small number of its member states. A number of solutions have been proposed although most of these are complex and not compatible with swift or effective implementation. These difficulties are therefore likely to take some time to resolve. Our concern is whether the problems of these countries will lead to an environment which is persistently hostile for business and for the capital markets.

Growth projections for the remainder of this year have been downgraded in most economies, although all but a few are expecting some economic expansion, and most forecasters expect an acceleration of growth next year. Most companies in the Company's portfolio cut costs aggressively in 2008 and 2009 and few have budgeted on much help from the economic background since then. Provided we do not return to a deep or prolonged recession, it is reasonable to expect that medium and longer term value growth in the portfolio will continue. In the short term the valuation of the portfolio will depend on the balance between realisations above valuation and the potential downward adjustments reflecting the recent market sell-off. The evidence of the portfolio's inherent strengths gives us confidence that further progress will made made in the remainder of 2011.

Hamish Mair

Investment Manager
F&C Investment Business Limited

26 August 2011

Portfolio Holdings

As at 30 June 2011

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	7,895	3.5	7,895	3.6	–	0.0
Candover 2005	Europe	6,354	2.8	6,354	2.9	–	0.0
TDR Capital II	Europe	4,219	1.9	4,219	1.9	–	0.0
Stirling Square Capital Partners II	Europe	3,188	1.4	3,188	1.5	–	0.0
Candover 2008	Europe	1,196	0.5	1,196	0.5	–	0.0
TDR Capital I	Europe	991	0.5	991	0.5	–	0.0
Candover 2001	Europe	874	0.4	874	0.4	–	0.0
Total Buyout Funds – Pan European		**24,717**	**11.0**	**24,717**	**11.3**	**–**	**0.0**
Buyout Funds – UK							
August Equity Partners I	UK	6,748	3.0	6,748	3.1	–	0.0
August Equity Partners II	UK	5,811	2.6	5,811	2.7	–	0.0
RJD Private Equity Fund II	UK	5,089	2.3	5,089	2.3	–	0.0
Penta F&C Co-Investment Fund	UK	4,262	1.9	4,262	1.9	–	0.0
Primary Capital III	UK	3,957	1.8	3,957	1.8	–	0.0
Dunedin Buyout Fund II	UK	2,588	1.2	2,588	1.2	–	0.0
Piper Private Equity IV	UK	2,066	0.9	2,066	0.9	–	0.0
Inflexion 2006 Buyout Fund	UK	1,711	0.8	1,711	0.8	–	0.0
Hickory Fund Partnership	UK	1,697	0.8	1,697	0.8	–	0.0
Inflexion 2003 Buyout Fund	UK	1,477	0.7	1,477	0.7	–	0.0
Primary Capital II	UK	1,211	0.5	1,211	0.6	–	0.0
Equity Harvest Fund	UK	974	0.4	974	0.4	–	0.0
Third Private Equity Fund	UK	729	0.3	269	0.1	460	10.6
RL Private Equity Fund	UK	330	0.1	330	0.2	–	0.0
Enterprise Plus	UK	78	0.0	29	0.0	49	1.1
Total Buyout Funds – UK		**38,728**	**17.3**	**38,219**	**17.5**	**509**	**11.7**
Buyout Funds – Continental Europe							
Chequers Capital XV	France	6,331	2.8	6,331	2.9	–	0.0
Portobello Capital II	Spain	5,032	2.3	5,032	2.3	–	0.0
Procuritas IV	Nordic	4,511	2.1	4,511	2.1	–	0.0
Capvis Equity III	Europe	4,037	1.8	4,037	1.8	–	0.0
Gilde Buyout Fund III	Benelux	3,945	1.8	3,945	1.8	–	0.0
Herkules Private Equity III	Nordic	3,406	1.5	3,406	1.6	–	0.0
Ciclad 4	France	3,360	1.5	3,360	1.5	–	0.0
Pinebridge New Europe Fund II	Central & East Europe	2,189	1.0	2,189	1.0	–	0.0
Alto Capital II	Italy	1,971	0.9	1,971	0.9	–	0.0
DBAG Fund V	Germany	1,759	0.8	1,759	0.8	–	0.0
N+1 Capital Privado	Spain	1,699	0.8	1,699	0.8	–	0.0
Chequers Capital	France	1,140	0.5	1,140	0.5	–	0.0
Nmás1 Private Equity	Spain	890	0.4	890	0.4	–	0.0
DBAG Fund IV	Germany	703	0.3	703	0.3	–	0.0
Total Buyout Funds – Continental Europe		**40,973**	**18.5**	**40,973**	**18.7**	**–**	**0.0**
Private Equity Funds – USA							
Camden Partners Fund III	USA	3,647	1.6	3,647	1.7	–	0.0
Camden Partners Fund IV	USA	3,304	1.5	3,304	1.5	–	0.0
Blue Point Capital II	USA	2,728	1.2	2,728	1.2	–	0.0
RCP Fund II	USA	2,336	1.0	2,336	1.1	–	0.0
Hicks Muse Tate & Furst Fund IV	USA	835	0.4	308	0.1	527	12.2
Blue Point Capital I	USA	547	0.2	547	0.2	–	0.0
Total Private Equity Funds – USA		**13,397**	**5.9**	**12,870**	**5.8**	**527**	**12.2**
Private Equity Funds – Global							
Warburg Pincus IX	Global	6,530	2.9	6,530	3.0	–	0.0
Warburg Pincus VIII	Global	3,493	1.6	3,493	1.6	–	0.0
AIF Capital Asia III	Asia	3,168	1.4	3,168	1.4	–	0.0
Pinebridge Global Emerging Markets Fund II	Global	2,100	0.9	2,100	1.0	–	0.0
Pinebridge Latin America Partners II	Brazil	510	0.2	510	0.2	–	0.0
Total Private Equity Funds – Global		**15,801**	**7.0**	**15,801**	**7.2**	**–**	**0.0**

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
Venture Capital Funds							
SEP III	Europe	5,762	2.6	5,762	2.6	–	0.0
SEP II	Europe	3,833	1.7	3,833	1.8	–	0.0
Environmental Technologies Fund	UK	2,584	1.2	2,584	1.2	–	0.0
Life Science Partners III	Europe	2,568	1.2	2,568	1.2	–	0.0
Alta Berkeley VI	Europe	1,402	0.6	1,402	0.6	–	0.0
Pentech Fund II	Europe	671	0.3	671	0.3	–	0.0
Pentech Fund I	Europe	497	0.2	497	0.2	–	0.0
Albany Ventures III	Europe	214	0.1	214	0.1	–	0.0
Alta Berkeley III	Europe	12	0.0	12	0.0	–	0.0
Total Venture Capital Funds		**17,543**	**7.9**	**17,543**	**8.0**	**–**	**0.0**
Mezzanine Funds							
Hutton Collins Capital Partners II	Europe	5,226	2.4	5,226	2.4	–	0.0
International Mezzanine Investment	Europe	5,223	2.4	1,926	0.9	3,297	76.1
Accession Mezzanine II	Central & East Europe	5,204	2.3	5,204	2.4	–	0.0
Hutton Collins Capital Partners III	Europe	5,169	2.3	5,169	2.4	–	0.0
Mezzanine Management Fund IV	Europe	4,703	2.1	4,703	2.1	–	0.0
Alchemy Special Opportunities Fund	Europe	3,450	1.5	3,450	1.6	–	0.0
Growth Capital Partners Fund IIB	UK	2,057	0.9	2,057	0.9	–	0.0
Accession Mezzanine	Central & East Europe	1,073	0.5	1,073	0.5	–	0.0
1818 Mezzanine Fund II	USA	1,020	0.5	1,020	0.5	–	0.0
Hutton Collins Mezzanine	Europe	364	0.2	364	0.2	–	0.0
Total Mezzanine Funds		**33,489**	**15.1**	**30,192**	**13.9**	**3,297**	**76.1**
Direct – Quoted							
Candover Investments plc	Europe	778	0.3	778	0.4	–	0.0
Strathdon Investment	UK	26	0.0	26	0.0	–	0.0
Parkmead Group	UK	18	0.0	18	0.0	–	0.0
Other – AIM Holdings	UK	18	0.0	18	0.0	–	0.0
Total Direct – Quoted		**840**	**0.3**	**840**	**0.4**	**–**	**0.0**
Secondary Funds							
The Aurora Fund	UK	5,542	2.5	5,542	2.5	–	0.0
Total Secondary Funds		**5,542**	**2.5**	**5,542**	**2.5**	**–**	**0.0**
Direct – Investments/Co-investments							
Lifeways	UK	5,738	2.6	5,738	2.6	–	0.0
Sicurglobal	Italy	5,021	2.2	5,021	2.3	–	0.0
SMD Hydrovision	Global	4,000	1.8	4,000	1.8	–	0.0
3Si	USA	3,691	1.7	3,691	1.7	–	0.0
Bartec	Germany	2,694	1.2	2,694	1.2	–	0.0
Blueway	Europe	2,593	1.2	2,593	1.2	–	0.0
HusCompagniet	Nordic	1,806	0.8	1,806	0.8	–	0.0
Senturion/Translinc	UK	1,763	0.8	1,763	0.8	–	0.0
Blues Clothing	UK	1,676	0.8	1,676	0.8	–	0.0
European Boating Holidays	Europe	1,323	0.6	1,323	0.6	–	0.0
Algeco/Scotsman	Europe	985	0.4	985	0.5	–	0.0
ICS	UK	534	0.3	534	0.3	–	0.0
Whittan	Europe	268	0.1	268	0.1	–	0.0
Total Direct Investments/Co-investments		**32,092**	**14.5**	**32,092**	**14.7**	**–**	**0.0**
UK Gilts		**50**	**0.0**	**50**	**0.0**	**–**	**0.0**
Total Portfolio		**223,172**	**100.0**	**218,839**	**100.0**	**4,333**	**100.0**

Consolidated Statement of Comprehensive Income

	Notes	Six months ended 30 June 2011 (unaudited) Revenue £'000	Capital £'000	Total £'000	Six months ended 30 June 2010 (unaudited) Revenue £'000	Capital £'000	Total £'000	Year ended 31 December 2010 (audited) Revenue £'000	Capital £'000	Total £'000
Capital gains/(losses) on investments										
Gains/(losses) on investments held at fair value		**–**	**16,964**	**16,964**	–	(633)	(633)	–	18,938	18,938
Currency (losses)/gains		**–**	**(62)**	**(62)**	–	340	340	–	1,000	1,000
		–	**16,902**	**16,902**	–	(293)	(293)	–	19,938	19,938
Revenue										
Investment income		**1,374**	**–**	**1,374**	1,743	–	1,743	2,170	–	2,170
Other income		**30**	**–**	**30**	30	–	30	41	–	41
Total income		**1,404**	**16,902**	**18,306**	1,773	(293)	1,480	2,211	19,938	22,149
Expenditure										
Investment management fee	3	**(231)**	**(1,322)**	**(1,553)**	(205)	(615)	(820)	(420)	(1,262)	(1,682)
Other expenses		**(380)**	**–**	**(380)**	(381)	–	(381)	(693)	–	(693)
Total expenditure		**(611)**	**(1,322)**	**(1,933)**	(586)	(615)	(1,201)	(1,113)	(1,262)	(2,375)
Profit/(loss) before finance costs and taxation		**793**	**15,580**	**16,373**	1,187	(908)	279	1,098	18,676	19,774
Finance costs	4	**(101)**	**(1,781)**	**(1,882)**	(72)	(1,564)	(1,636)	(160)	(3,263)	(3,423)
Profit/(loss) before taxation		**692**	**13,799**	**14,491**	1,115	(2,472)	(1,357)	938	15,413	16,351
Taxation		**(176)**	**176**	**–**	(315)	315	–	(239)	268	29
Profit/(loss) for the period/total comprehensive income		**516**	**13,975**	**14,491**	800	(2,157)	(1,357)	699	15,681	16,380
Return/(loss) per Ordinary Share – Basic	5	**0.62p**	**18.58p**	**19.20p**	1.12p	(3.50)p	(2.38)p	0.96p	21.02p	21.98p
Return/(loss) per Ordinary Share – Fully diluted	5	**0.61p**	**18.09p**	**18.70p**	1.12p	(3.50)p	(2.38)p	0.96p	21.02p	21.98p
Return/(loss) per Restricted Voting Share – Basic	5	**0.09p**	**0.82p**	**0.91p**	(0.02)p	0.56p	0.54p	0.00p	0.73p	0.73p

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 2011 (unaudited) £'000	Six months ended 30 June 2010 (unaudited) £'000	Year ended 31 December 2010 (audited) £'000
Interim Ordinary Share dividend of 0.80p for the year ended 31 December 2009	**–**	578	578
Final Ordinary Share dividend of 0.95p for the year ended 31 December 2010	**687**	–	–
	687	578	578

On 7 May 2010 a special dividend of 1.00p per Restricted Voting Share was paid. The total amount paid was £671,000.

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

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

Consolidated Balance Sheet

	Notes	As at 30 June 2011 (unaudited) £'000	£'000	As at 30 June 2010 (unaudited) £'000	£'000	As at 31 December 2010 (audited) £'000	£'000
Non-current assets							
Investments at fair value through profit or loss			**223,172**		179,449		210,914
Current assets							
Other receivables		**17**		149		19	
Cash and short-term deposits		**3,105**		6,873		2,681	
			3,122		7,022		2,700
Current liabilities							
Other payables	6	**(9,775)**			(4,158)		(12,130)
Net current (liabilities)/assets			**(6,653)**		2,864		(9,430)
Total assets less current liabilities			**216,519**		182,313		201,484
Non-current liabilities							
Investment management fee	3		**(626)**		–		–
Zero dividend preference shares	7		**(33,251)**		(30,340)		(31,774)
			(33,877)		(30,340)		(31,774)
Net assets			**182,642**		151,973		169,710
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			**35,814**		36,686		36,686
Capital redemption reserve			**664**		664		664
Capital reserve			**128,470**		96,657		114,495
Revenue reserve			**621**		893		792
Shareholders' funds			**182,642**		151,973		169,710
Net asset value per Ordinary Share – Basic	8		**246.27p**		203.66p		228.02p
Net asset value per Ordinary Share – Fully diluted	8		**243.20p**		203.66p		228.02p
Net asset value per Restricted Voting Share – Basic	8		**6.90p**		7.11p		7.29p

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 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 six months ended 30 June 2010 (unaudited)							
Net assets at 1 January 2010	1,394	15,679	37,357	664	98,814	671	154,579
(Loss)/profit for the period/total comprehensive income	–	–	–	–	(2,157)	800	(1,357)
Dividends paid	–	–	(671)	–	–	(578)	(1,249)
Net assets at 30 June 2010	1,394	15,679	36,686	664	96,657	893	151,973
For the year ended 31 December 2010 (audited)							
Net assets at 1 January 2010	1,394	15,679	37,357	664	98,814	671	154,579
Profit for the year/total comprehensive income	–	–	–	–	15,681	699	16,380
Dividends paid	–	–	(671)	–	–	(578)	(1,249)
Net assets at 31 December 2010	1,394	15,679	36,686	664	114,495	792	169,710

Consolidated Cash Flow Statement

	Six months ended 30 June 2011 (unaudited) £'000	Six months ended 30 June 2010 (unaudited) £'000	Year ended 31 December 2010 (audited) £'000
Operating activities			
Profit/(loss) before taxation	**14,491**	(1,357)	16,351
Gains on disposals of investments	**(60)**	(5,112)	(7,373)
(Decrease)/increase in holding losses	**(16,904)**	5,745	(11,565)
Exchange differences	**62**	(340)	(1,000)
Finance costs	**1,882**	1,636	3,423
Corporation tax refunded	**–**	–	137
(Increase)/decrease in other receivables	**(6)**	8	1
Increase in other payables	**171**	459	488
Net cash (outflow)/inflow from operating activities	**(364)**	1,039	462
Investing activities			
Purchases of investments	**(14,400)**	(21,042)	(43,593)
Sales of investments	**19,106**	11,973	22,628
Exchange differences on investment transactions	**–**	–	956
Net cash inflow/(outflow) from operating activities	**4,706**	(9,069)	(20,009)
Financing activities			
Repayment of bank loans	**(5,031)**	–	–
Draw down of bank loans	**3,000**	3,000	11,000
Interest paid	**(329)**	(180)	(559)
ZDP share issue costs paid	**–**	(517)	(517)
Equity dividends paid	**(1,559)**	(1,249)	(1,249)
Net cash (outflow)/inflow from financing activities	**(3,919)**	1,054	8,675
Net increase/(decrease) in cash and cash equivalents	**423**	(6,976)	(10,872)
Currency gains	**1**	340	44
Net increase/(decrease) in cash and cash equivalents	**424**	(6,636)	(10,828)
Opening cash and cash equivalents	**2,681**	13,509	13,509
Closing cash and cash equivalents	**3,105**	6,873	2,681

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 2010 and in accordance with International Acounting Standard ('IAS') 34.

2 Earnings for the six months to 30 June 2011 should not be taken as a guide to the results for the year to 31 December 2011.

3 Investment management fee:

	Six months to 30 June 2011			Six months to 30 June 2010			Year ended 31 December 2010		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**231**	**696**	**927**	205	615	820	420	1,262	1,682
Incentive fee	**–**	**626**	**626**	–	–	–	–	–	–
	231	**1,322**	**1,553**	205	615	820	420	1,262	1,682

4 Finance costs:

	Six months to 30 June 2011			Six months to 30 June 2010			Year ended 31 December 2010		
	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	**101**	**304**	**405**	72	217	289	160	481	641
Finance costs attributable to ZDP Shares	**–**	**1,477**	**1,477**	–	1,347	1,347	–	2,782	2,782
	101	**1,781**	**1,882**	72	1,564	1,636	160	3,263	3,423

5 The basic return per Ordinary Share is based on a net return on ordinary activities after taxation of £13,878,000 (30 June 2010 – £(1,721,000); 31 December 2010 – £15,889,000) and on 72,282,273 (30 June 2010 – 72,282,273; 31 December 2010 – 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 £13,878,000 (30 June 2010 – £(1,721,000); 31 December 2010 – £15,889,000) and on 74,241,429 (30 June 2010 – 72,282,273; 31 December 2010 – 72,282,273) 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 £613,000 (30 June 2010 – £364,000; 31 December 2010 – £491,000) and on 67,084,807 (30 June 2010 – 67,084,807; 31 December 2010 – 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. £9,031,000 was drawn down at 30 June 2011 (30 June 2010 – £3,000,000; 31 December 2010 – £11,000,000).

7 Zero Dividend Preference Shares

The Zero Dividend Preference Shares ('ZDP Shares') of F&C Private Equity Zeros plc were issued on 14 December 2010 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 2011 was £38,400,000 based on the quoted fair price of 128.00p per ZDP Share.

	Number of ZDP shares	Amount due to ZDP shareholders £'000
As at 31 December 2010	**30,000,000**	31,774
ZDP Shares finance cost	**–**	1,477
As at 30 June 2011	**30,000,000**	33,251

8 The basic net asset value per Ordinary Share is based on net assets at the period end of £178,010,000 (30 June 2010 – £147,207,000; 31 December 2010 – £164,818,000) and on 72,282,273 (30 June 2010 – 72,282,273; 31 December 2010 – 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 £180,555,000 (30 June 2010 – £147,207,000; 31 December 2010 – £164,818,000) and on 74,241,429 (30 June 2010 – 72,282,273; 31 December 2010 – 72,282,273) 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 £4,632,000 (30 June 2010 – £4,766,000; 31 December 2010 – £4,892,000) and on 67,084,807 (30 June 2010 – 67,084,807; 31 December 2010 – 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 2010 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 2010 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 2010. 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

26 August 2011

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.

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 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

As well as investing in F&C Private Equity Trust plc directly through a stockbroker, there are some additional benefits of investing through one of the savings plans run by F&C Management Limited ('F&C').

You can enjoy the convenience of making regular savings by Direct Debit, take advantage of our tax-efficient ISA wrapper, receive a simple statement every six months and let us automatically reinvest your dividends for you.

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 invest up to £10,680 tax efficiently each 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')

F&C is a leading provider of CTFs which can be opened for all children born between 1 September 2002 and 31 December 2010, using the government's CTF voucher. The maximum that can be invested annually is £1,200 and investments can start from as little as £25 a month.

F&C Children's Investment Plan

Aimed at older 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

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.

Low Charges

All the plans are low cost and flexible. When you buy or sell shares in these plans the dealing fee is only 0.2 per cent. Government stamp duty of 0.5 per cent also applies on purchases (where applicable). There are no initial or exit charges. The only annual management fee is on the ISA, which is £60+VAT (no matter how many ISAs you take out annually with F&C, or how many ISAs you transfer). The CTF has no initial charges, dealing charges or annual management fee.

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
Block C, Western House
Lynch Wood Business Park
Peterborough, PE2 6BP

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 in the UK by the Financial Services Authority.

Corporate Information

Directors
Mark Tennant (Chairman)*
Elizabeth Kennedy†
Douglas Kinloch Anderson, OBE
John Rafferty
David Shaw

Company Secretary
F&C Asset Management plc
80 George Street
Edinburgh EH2 3BU
Tel: 0207 628 8000

Investment Manager
F&C Investment Business Limited
80 George Street
Edinburgh EH2 3BU
Tel: 0207 628 8000

Auditors
Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Broker and Financial Adviser
Canaccord Genuity Limited
Cardinal Place
7th Floor
80 Victoria Street
London SW1E 5JL

Solicitors
Dundas & Wilson CS LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN

Bankers
The Northern Trust Company
50 Bank Street
Canary Wharf
London E14 5NT

The Royal Bank of Scotland plc
24–25 St Andrew Square
Edinburgh EH2 1AF

Company Number
SC 179412

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

J Thomson Colour Printers

Registered Office
80 George Street
Edinburgh EH2 3BU
Tel: 0207 628 8000
Fax: 0131 225 2375

Registrars and Transfer Office
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone 0871 664 0300
website www.capitaregistrars.com